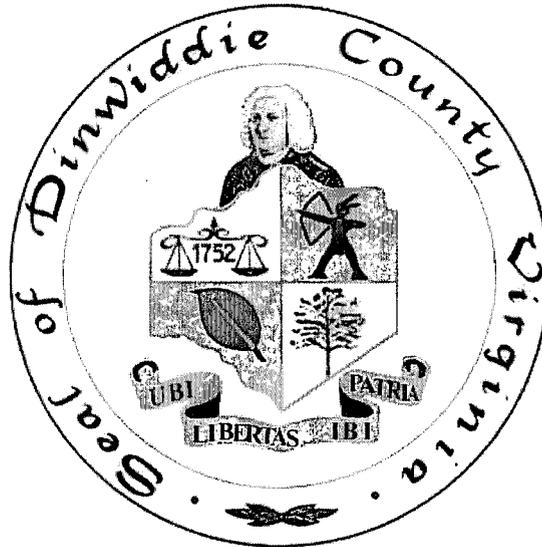


*Comprehensive Annual
Financial Report
Fiscal Year Ended
June 30, 2012*

County of Dinwiddie, Virginia



County of Dinwiddie, Virginia
Introductory Section (Unaudited)
Year Ended June 30, 2012

County of Dinwiddie, Virginia

Contents

	Page
Introductory Section (unaudited)	
<i>Table of Contents</i>	i - iii
<i>Directory of Principal Officers</i>	iv
<i>Organizational Chart</i>	v
Financial Section	
<i>Independent Auditors' Report</i>	1 - 2
<i>Management's Discussion and Analysis</i>	3 - 7
Basic Financial Statements	
Government-Wide Financial Statements:	
<i>Exhibit 1 Statement of Net Assets</i>	9
<i>Exhibit 2 Statement of Activities</i>	10
Fund Financial Statements:	
<i>Exhibit 3 Balance Sheet - Governmental Funds</i>	11
<i>Exhibit 4 Reconciliation of Governmental Funds Balance Sheet to the Statement of of Net Assets</i>	12
<i>Exhibit 5 Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds</i>	13
<i>Exhibit 6 Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities</i>	14
<i>Exhibit 7 Statement of Net Assets - Fiduciary Fund</i>	15
<i>Exhibit 8 Statement of Changes in Fiduciary Net Assets - Fiduciary Funds</i>	16
<i>Exhibit 9 Statement of Net Assets - Component Units</i>	17
<i>Exhibit 10 Statement of Activities - Component Units</i>	18
Notes to Financial Statements	19 - 42
Required Supplementary Information	
<i>Exhibit 11 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund</i>	43
<i>Exhibit 12 Schedule of Funding Progress</i>	44
Other Supplementary Information	
Combining and Individual Fund Statements and Schedules:	
<i>Exhibit 13 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Debt Service Fund</i>	45
<i>Exhibit 14 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Capital Projects Fund</i>	46
<i>Exhibit 15 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Nonmajor Special Revenue Fund</i>	47

County of Dinwiddie, Virginia

Contents (Continued)

	Page
Other Supplementary Information (Continued)	
Combining and Individual Fund Statements and Schedules (Continued):	
Exhibit 16 Combining Statement of Fiduciary Assets - Fiduciary Funds	48
Exhibit 17 Combining Statement of Changes in Assets and Liabilities - Agency Funds	49
Discretely Presented Component Unit - School Board:	
Exhibit 18 Combining Balance Sheet - Discretely Presented Component Unit - School Board	51
Exhibit 19 Combining Statement of Revenues, Expenditures and Changes in Fund Balances Discretely Presented Component Unit - School Board	52
Exhibit 20 Schedule of Revenues and Changes in Fund Balances - Budget and Actual - Discretely Presented Component Unit - School Board	53
Exhibit 21 Schedule of Revenues and Changes in Fund Balances - Budget and Actual - Discretely Presented Component Unit - School Board	54
Supporting Schedules:	
Schedule 1 Schedule of Revenues - Budget and Actual - Governmental Funds	55 - 60
Schedule 2 Schedule of Expenditures - Budget and Actual - Governmental Funds	61 - 64
Statistical Section (unaudited)	
Table 1 Net Assets by Component	65
Table 2 Changes in Net Assets	66 - 67
Table 3 Fund Balances - Governmental Funds	69
Table 4 Changes in Fund Balances - Governmental Funds	70 - 71
Table 5 Assessed Value and Estimated Actual Value of Taxable Property	72
Table 6 Direct Property Tax Rates	73
Table 7 Principal Property Taxpayers	74
Table 8 Property Tax Levies and Collections	75
Table 9 Ratios of Outstanding Debt by Type	76
Table 10 Ratios of Net General Bonded Debt to Assessed Value Net Bonded Debt Per Capita	77
Table 11 Demographic and Economic Statistics	78
Table 12 Principal Employers	79
Table 13 Full-Time Equivalent County Government Employees by Position	80
Table 14 Operating Indicators by Function	81
Table 15 Capital Asset Statistics by Function	82

County of Dinwiddie, Virginia

Contents (Continued)

	Page
<i>Compliance Section</i>	
<i>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</i>	83 - 84
<i>Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133</i>	85 - 86
<i>Report of Independent Auditors on Compliance with Commonwealth of Virginia Laws, Regulations, Contracts and Grants</i>	87 - 88
<i>Schedule of Expenditures of Federal Awards</i>	89 - 91
<i>Notes to Schedule of Expenditures of Federal Awards</i>	92
<i>Schedule of Findings and Responses</i>	93 - 94

**County of Dinwiddie, Virginia
Directory of Principal Officers**

June 30, 2012

Board of Supervisors

Harrison A. Moody, Chairperson
Dr. Mark E. Moore, Vice-Chairperson

William D. Chavis
Brenda K. Ebron-Bonner

Daniel D. Lee

School Board

William R. Haney, Chairperson
Gregory K. McCammon, Vice Chairperson

Kelley B. Frakes
Sherilyn H. Merritt

Barbara T. Pittman

Board of Social Services

Cheryl P. Martinez, Chairperson

Kathy Young
Carla W. Brandon
Elois Evans

Yvonne Stewart
Brenda K. Ebron-Bonner

Industrial Development Authority

W. Alan Kissner, Chairperson
Franklin Zitta, Vice Chairperson
Victoria Heller, Treasurer

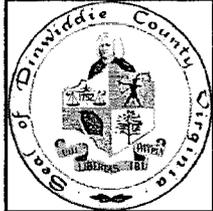
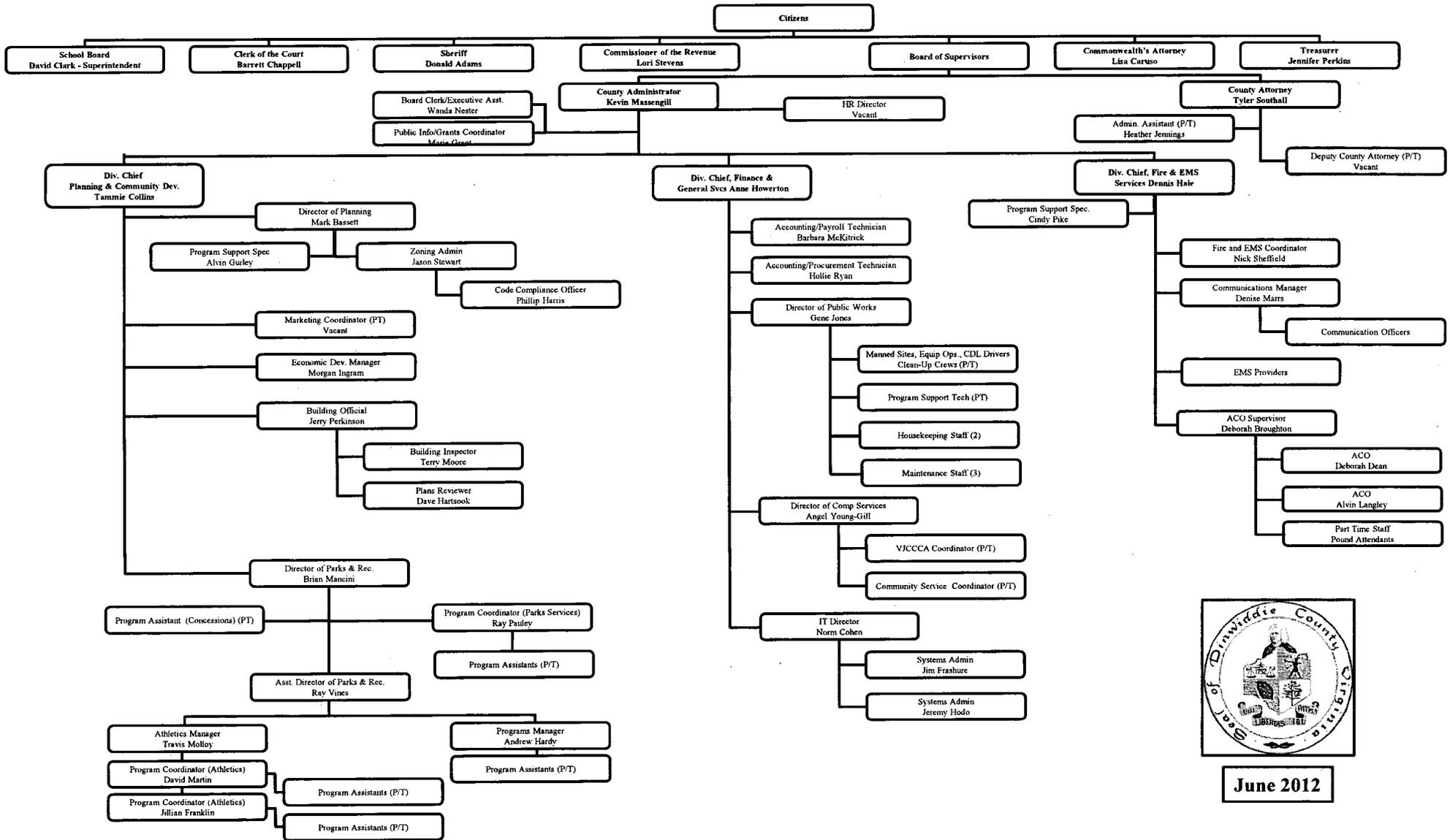
David Lyle
George M. Rapp

Maxwell Watkins
Thomas Hooker

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
Lucretia Carrico
Valentine Southall, Jr.
Jennifer C. Perkins
D. T. "Duck" Adams
W. David Clark
Bonnie Gholson
Ray Spicer
Lori K. Stevens
W. Kevin Massengill
Tyler Southall
Anne Howerton
Dennis Hale
Tammie Collins



June 2012

County of Dinwiddie, Virginia

Financial Section

Year Ended June 30, 2012



DIXON HUGHES GOODMAN LLP
Certified Public Accountants and Advisors

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the 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, 2012***, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the ***County of Dinwiddie, Virginia's*** management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2012, on our consideration of the ***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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedule of funding progress on pages 3 through 7 and 43 and 44 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.

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

Dixon Hughes Goodman LLP

Chester, Virginia
November 29, 2012

County of Dinwiddie, Virginia

Management's Discussion and Analysis

June 30, 2012

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

Financial Highlights

Dinwiddie County's assets exceeded its liabilities at the close of fiscal year 2012 by \$38,796,832 (net assets). Of this amount, \$26,432,185 may be used to meet the primary government's ongoing obligations to citizens and creditors.

The County's net assets decreased \$567,896 in FY 2012, and this is primarily attributable to the transfer of 96.5 acres of land in the Dinwiddie Commerce Park to the Dinwiddie Industrial Development Authority in connection with the Amazon.com project. The Dinwiddie Commerce Park property had been previously purchased with Tobacco Indemnification Commission grant funds for use in qualifying economic development projects.

As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$24,041,127, a decrease of \$108,937 in comparison with the prior year. The reduction in fund balance was primarily due to the redemption and advanced refunding of several prior bond issuances through a single, lower interest rate bond issue in FY 2012.

At the end of FY 2012, unassigned fund balance for the general fund was \$20,676,360 or 48% of total general fund expenditures and other financing uses.

The County's combined long-term obligations decreased \$5,626,534 during the current fiscal year due to scheduled principal payments being made. No additional new debt was issued in FY 2012, only the redemption and refunding bond issue mentioned above.

Overview of the Financial Statements

This discussion and analysis are 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, in a manner similar to a private-sector business.

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

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

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

significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, 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 of Dinwiddie, Virginia itself (known as the primary government), but also a legally separate school district, Industrial Development Authority (IDA), Airport and Industrial Authority, and Water Authority, all of which Dinwiddie County, Virginia is financially accountable. Financial information for the component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found in Exhibits 1 and 2.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County of Dinwiddie Virginia, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into 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 3-6). Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

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 assets. The County excludes these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations. 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 7-8).

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 19 – 42 of this report.

Other Information

In addition to the basic financial statement 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 9-10 and 18-21). Neither the School Board nor the IDA issues separate financial statements, whereas the Airport and Industrial Authority and the Water Authority both issue separate financial statements.

Also presented as required supplementary information are budgetary comparison schedules, presentation of combining financial statements, and the County's progress in funding its obligation to provide pension and OPEB benefits to its employees (See Exhibits 11-17 and Schedules 1-2).

Government-Wide Financial Statement Analysis

As noted earlier, net assets may serve over time as a useful indicator of a County’s financial position. In the case of the County, assets increased to exceed liabilities by \$38,796,832 at the close of the most recent fiscal year. The following table summarizes the County’s Government-Wide Statement of Net Assets:

County of Dinwiddie, Virginia’s Net Assets

	Governmental Activities	
	2012	2011 (as restated)
Current and other assets	\$ 41,645,496	\$ 39,959,043
Capital assets	76,705,217	85,262,402
Total assets	118,350,713	125,221,445
Current liabilities	13,636,542	14,312,844
Long-term liabilities outstanding	65,917,563	71,544,097
Total liabilities	79,554,105	85,856,941
Net assets		
Invested in capital assets, net of related debt	12,357,012	15,302,199
Restricted	7,411	-
Unrestricted	26,432,185	24,062,305
Total net assets	\$ 38,796,608	\$ 39,364,504

Approximately a third of the County’s net assets 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.

A small portion of net assets represents resources that are subject to external restrictions on how they may be used – bond proceeds held by a trustee. The remaining balance of \$26,432,185 is unrestricted and may be used to meet the government’s ongoing obligations to its citizens and creditors.

Governmental activities decreased the County’s net assets by \$567,896 during FY 2012. The following table summarizes the County’s Government-Wide Statement of Activities:

County of Dinwiddie, Virginia's Changes in Net Assets

	Governmental Activities	
	2012	2011 (as restated)
Charges for services	\$ 2,963,987	\$ 3,131,775
Operating grants and contributions	7,235,060	5,697,075
Capital grants and contributions	748,964	699,323
General property taxes	26,805,696	25,156,908
Other local taxes	4,285,549	3,981,395
Grants and other contributions not restricted	3,691,120	4,731,621
Other general revenues	558,356	1,424,903
Total revenues	<u>46,288,732</u>	<u>44,823,000</u>
General government administration	2,647,617	2,333,782
Judicial administration	1,121,095	1,101,074
Public safety	10,702,298	10,538,356
Public works	3,134,643	2,954,657
Health and welfare	3,804,266	3,615,528
Education	18,782,146	18,555,995
Parks, recreation and cultural	1,296,375	450,650
Community development	2,046,538	1,714,759
Interest and other fiscal charges	2,379,842	3,267,513
Loss on disposal of capital assets	941,808	-
Total expenses	<u>46,856,628</u>	<u>44,532,314</u>
Change in net assets	(567,896)	290,686
Net assets – beginning of year, as restated (See Note 17)	<u>39,364,504</u>	<u>39,073,818</u>
Net assets – end of year	<u>\$ 38,796,608</u>	<u>\$ 39,364,504</u>

Financial Analysis of Governmental Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of available resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a County's new resources available for spending at the end of the fiscal year.

General Fund

The general fund is the chief operating fund for the County. The difference between the original expenditure budget and the final amended expenditure budget amounted to \$1,715,337 and was due primarily to the transfer of the School's FY 2011 operating fund balance back to the Schools and several economic development grants that were re-appropriated during FY 2012.

During the year, revenues and other sources exceeded the budgetary estimates by \$1,213,859. This was primarily due to greater than expected real estate and personal property tax collections. Expenditures and other financing uses were less than budgetary estimates by \$3,062,281 -- \$1,626,276 from savings generated by the School Board, \$884,785 from unexpended community development funds (primarily grants), \$372,124 from savings related to law enforcement and jail expenditures, and the remainder from the general reassessment contract which was budgeted in FY 2012 but expended in both FY 2012 and FY 2013.

The final budget included an anticipated draw on beginning fund balance of \$3,365,643 for capital projects and scheduled debt service payments. However, given the increase in tax revenue and the expenditure savings, the actual change in the general fund balance for FY 2012 was an increase of \$910,497. See Exhibit 11 for more details.

Capital Asset and Debt Administration

Capital assets - The County's investment in capital assets for its governmental activities as of June 30, 2012 amounted to \$76,705,217 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery and equipment.

Additional information on the County's capital assets can be found in Note 5 and Note 17 of this report.

Long-term debt - At the end of the current fiscal year, the County had total bonded debt outstanding of \$64,348,205. Of this amount, \$15,159,097 comprises debt backed by the full faith and credit of the County. The remainder of the County's debt represents bonds secured solely by specified revenue sources - lease/revenue bonds. The County's total outstanding long-term debt decreased by \$5,626,534 during FY 2012.

Additional information on the County's long-term debt can be found in Note 7 of this report.

Economic Factors and Next Year's Budgets and Rates

As of June 30, 2012, the County's unemployment rate of 6.8% fell in between the state's average unemployment rate of 5.7% and the national average rate of 8.2%. 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 the 2013 fiscal year.

The upcoming FY 2013 overall budget shows a decrease of less than 1% due to depressed local economy-driven revenues, state revenue reductions, and a continuation of FY 2012's operating and capital expenditure reductions. There is no increase in salaries, only a limited number of new positions, and operating capital expenditures are kept to a minimum in the FY 2013 budget. During FY 2012, the unassigned fund balance in the general fund was \$20,676,360, and the County has appropriated \$2,328,097 of this amount for spending in FY 2013 on capital improvement plan projects.

Requests for Information

This financial report is designed to provide a general overview of the County of Dinwiddie, Virginia's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Administrator, Post Office Drawer 70, 14016 Boydton Plank Road, Dinwiddie, Virginia 23841.

County of Dinwiddie, Virginia

Basic Financial Statements

Year Ended June 30, 2012

County of Dinwiddie, Virginia
Government-Wide Financial Statements

Statement of Net Assets

June 30, 2012

Assets	Primary Governmental Activities	Component Units	Total Reporting Entity
Current assets			
Cash and cash equivalents	\$ 15,471,671	\$ 4,832,301	\$ 20,303,972
Receivables (net of allowances for uncollectibles)			
Taxes receivable, including penalties	15,858,836	-	15,858,836
Accounts receivable	860,171	1,239,579	2,099,750
Due from other governmental units	3,015,658	2,466,056	5,481,714
Due from component units	365,187	-	365,187
Due from primary government	-	23,848	23,848
Prepaid expenses	-	34,762	34,762
Inventories	-	38,754	38,754
Investments	5,533,021	-	5,533,021
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents (in custody of others)	7,411	910,443	917,854
Total current assets	<u>41,111,955</u>	<u>9,545,743</u>	<u>50,657,698</u>
Noncurrent assets			
Other noncurrent assets	<u>533,541</u>	<u>6,424,897</u>	<u>6,958,438</u>
Capital assets (net of accumulated depreciation):			
Land and improvements	2,618,640	5,137,794	7,756,434
Buildings	67,085,699	37,597,811	104,683,510
Machinery and equipment	3,967,962	2,849,005	6,816,967
Infrastructure	-	18,488,060	18,488,060
Construction in progress	3,032,916	4,729,671	7,762,587
Total capital assets net of accumulated depreciation	<u>76,705,217</u>	<u>68,802,341</u>	<u>145,507,558</u>
Total assets	<u>\$ 118,350,713</u>	<u>\$ 84,772,981</u>	<u>203,123,694</u>
Liabilities			
Current liabilities			
Accounts payable	\$ 768,943	\$ 466,730	\$ 1,235,673
Accrued liabilities	70,809	3,672,234	3,743,043
Other current liabilities	6,893	77,923	84,816
Due to component units	23,848	-	23,848
Due to primary government	-	365,187	365,187
Accrued interest payable	480,301	499,813	980,114
Deferred revenue	12,285,748	869,997	13,155,745
Total current liabilities	<u>13,636,542</u>	<u>5,951,884</u>	<u>19,588,426</u>
Noncurrent liabilities			
Due within one year	4,449,360	1,240,728	5,690,088
Due in more than one year	61,468,203	13,768,208	75,236,411
Total noncurrent liabilities	<u>65,917,563</u>	<u>15,008,936</u>	<u>80,926,499</u>
Total liabilities	<u>\$ 79,554,105</u>	<u>\$ 20,960,820</u>	<u>\$ 100,514,925</u>
Net Assets			
Invested in capital assets - net of related debt	12,357,012	58,155,041	70,512,053
Restricted for bond covenants	7,411	910,443	917,854
Unrestricted	26,432,185	4,746,677	31,178,862
Total net assets	<u>\$ 38,796,608</u>	<u>\$ 63,812,161</u>	<u>\$ 102,608,769</u>

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

County of Dinwiddie, Virginia
Statement of Activities

Exhibit 2

Year Ended June 30, 2012

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	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	\$ 2,647,617	\$ -	\$ 228,460	\$ -	\$ (2,419,157)	\$ -	\$ (2,419,157)
Judicial administration	1,121,095	1,138,112	626,455	-	643,472	-	643,472
Public safety	10,702,298	956,488	3,374,366	487,916	(5,883,528)	-	(5,883,528)
Public works	3,134,643	63,853	1,095	-	(3,069,695)	-	(3,069,695)
Health and welfare	3,804,266	-	2,755,688	-	(1,048,578)	-	(1,048,578)
Education	18,782,146	-	-	-	(18,782,146)	-	(18,782,146)
Parks, recreation and cultural	1,296,375	805,158	-	-	(491,217)	-	(491,217)
Community development	2,046,538	376	248,996	261,048	(1,536,118)	-	(1,536,118)
Interest on long-term debt	2,379,842	-	-	-	(2,379,842)	-	(2,379,842)
Total primary government	\$ 45,914,820	\$ 2,963,987	\$ 7,235,060	\$ 748,964	(34,966,809)	-	(34,966,809)
Component units	\$ 51,836,804	\$ 4,881,827	\$ 29,843,496	\$ 4,765,935	-	(12,345,546)	(12,345,546)
General revenues							
General property taxes					26,805,696	-	26,805,696
Local sales and use tax					1,363,905	-	1,363,905
Consumer utility tax					581,790	-	581,790
Other local taxes					2,339,854	-	2,339,854
Revenues from use of money and property					252,722	17,684	270,406
Miscellaneous					305,634	158,612	464,246
Grants and contributions not restricted to specific programs					3,691,120	-	3,691,120
Payments from Dinwiddie County					-	17,009,636	17,009,636
Loss on disposal of capital assets					(941,808)	-	(941,808)
Total general revenues					34,398,913	17,185,932	51,584,845
Change in net assets					(567,896)	4,840,386	4,272,490
Net assets - beginning of year, as restated (See Note 17)					39,364,504	58,971,775	98,336,279
Net assets - end of year					\$ 38,796,608	\$ 63,812,161	\$ 102,608,769

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

County of Dinwiddie, Virginia

Fund Financial Statements

Balance Sheet
Governmental Funds

June 30, 2012

	Major Funds		Non-Major Funds		Total
	General	Debt Service	Capital Projects	Special Revenue	
Assets					
Cash and cash equivalents	\$ 13,269,317	\$ 22,439	\$ 1,765,064	\$ 414,851	\$ 15,471,671
Receivables (net of allowances for uncollectibles)					
Taxes receivable, including penalties	15,858,836	-	-	-	15,858,836
Accounts receivable	332,533	-	349,750	776	683,059
Due from other governmental units	2,865,927	-	30,520	119,211	3,015,658
Due from component units	365,187	-	-	-	365,187
Investments	5,533,021	-	-	-	5,533,021
Restricted assets					
Temporarily restricted					
Cash and cash equivalents	-	7,411	-	-	7,411
	<u>\$ 38,224,821</u>	<u>\$ 29,850</u>	<u>\$ 2,145,334</u>	<u>\$ 534,838</u>	<u>\$ 40,934,843</u>
Liabilities					
Accounts payable	\$ 618,532	\$ 1,472	\$ 129,097	\$ 19,842	\$ 768,943
Accrued liabilities	70,314	-	-	495	70,809
Other current liabilities	6,893	-	-	-	6,893
Due to component unit	-	23,848	-	-	23,848
Deferred revenue	16,023,223	-	-	-	16,023,223
	<u>16,718,962</u>	<u>25,320</u>	<u>129,097</u>	<u>20,337</u>	<u>16,893,716</u>
Fund Balances					
Nonspendable	199,877	-	-	-	199,877
Restricted	28,746	7,411	-	343,882	380,039
Committed	600,876	-	2,016,237	170,619	2,787,732
Unassigned	20,676,360	(2,881)	-	-	20,673,479
	<u>21,505,859</u>	<u>4,530</u>	<u>2,016,237</u>	<u>514,501</u>	<u>24,041,127</u>
Total liabilities and fund balances	<u>\$ 38,224,821</u>	<u>\$ 29,850</u>	<u>\$ 2,145,334</u>	<u>\$ 534,838</u>	<u>\$ 40,934,843</u>

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

Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Assets

June 30, 2012

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$ 24,041,127
Amounts reported for governmental activities in the Statement of Net Assets (Exhibit 1) are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Capital assets, cost	101,856,175
Less: accumulated depreciation	<u>(25,150,958)</u>
	<u>76,705,217</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:	
Unamortized bond issuance costs	533,541
Deferred revenue	3,737,475
Accounts receivable	177,112
	<u>4,448,128</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	(44,490,000)
General obligation bonds	(15,159,097)
Bond issuance premium	(7,524,401)
Deferred amounts on refunding	2,825,293
Landfill postclosure care	(1,041,607)
Interest payable	(480,301)
OPEB liability	(26,006)
Compensated absences	(501,745)
	<u>(66,397,864)</u>
Net assets of governmental activities	<u>\$ 38,796,608</u>

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, 2012

	Major Funds		Non-Major Funds		Total Governmental Funds
	General	Debt Service	Capital Projects	Special Revenue	
Revenues					
General property taxes	\$ 25,844,662	\$ -	\$ -	\$ -	\$ 25,844,662
Other local taxes	4,285,549	-	-	-	4,285,549
Permits, privilege fees, and regulatory licences	183,116	-	-	-	183,116
Fines and forfeitures	912,324	-	-	-	912,324
Revenue from use of money and property	125,001	3	98	942	126,044
Charges for services	1,689,241	-	-	2,194	1,691,435
Miscellaneous	123,843	-	65,000	116,791	305,634
Recovered costs	208,610	-	349,750	-	558,360
Intergovernmental revenues					
Local government	-	-	-	-	-
Commonwealth	8,547,633	-	288,723	712,269	9,548,625
Federal	1,627,213	-	11,390	-	1,638,603
Total revenues	43,547,192	3	714,961	832,196	45,094,352
Expenditures					
Current:					
General government administration	2,639,998	-	-	-	2,639,998
Judicial administration	948,429	-	-	1,451	949,880
Public safety	9,771,126	-	-	107,533	9,878,659
Public works	3,046,728	-	-	138,672	3,185,400
Health and welfare	2,909,395	-	-	865,029	3,774,424
Education	10,532,122	-	-	-	10,532,122
Parks, recreation, and cultural	1,244,371	-	-	-	1,244,371
Community development	1,356,240	556,553	-	1,827	1,914,620
Capital outlays and projects	-	-	1,885,107	-	1,885,107
Debt service					
Principal retirement	-	5,367,282	-	-	5,367,282
Interest and other fiscal charges	-	3,181,280	-	-	3,181,280
Total expenditures	32,448,409	9,105,115	1,885,107	1,114,512	44,553,143
Excess (deficiency) of revenues over (under) expenditures	11,098,783	(9,105,112)	(1,170,146)	(282,316)	541,209
Other financing sources (uses)					
Transfers in	374,423	16,060,886	2,581,395	304,433	19,321,137
Transfers out	(10,562,709)	(8,170,833)	(587,595)	-	(19,321,137)
Bond issuance premium	-	7,117,378	-	-	7,117,378
Redemption of refunding bonds - principal	-	(48,253,105)	-	-	(48,253,105)
Redemption of refunding bonds - premium	-	(645,413)	-	-	(645,413)
Issuance of refunding bonds	-	44,490,000	-	-	44,490,000
Bond issuance costs	-	(533,713)	-	-	(533,713)
Deferred amounts on refunding	-	(2,825,293)	-	-	(2,825,293)
Total other financing sources (uses)	(10,188,286)	7,239,907	1,993,800	304,433	(650,146)
Net change in fund balances	910,497	(1,865,205)	823,654	22,117	(108,937)
Fund balances - beginning of year	20,595,362	1,869,735	1,192,583	492,384	24,150,064
Fund balances - end of year	\$ 21,505,859	\$ 4,530	\$ 2,016,237	\$ 514,501	\$ 24,041,127

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

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

Year Ended June 30, 2012

Net change in fund balances - total governmental funds \$ (108,937)

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	1,275,675
Net book value of disposed assets	(1,291,558)
Depreciation expense	(3,459,762)
	<u>(3,475,645)</u>

Transfer of joint tenancy assets from Primary Government to the Component Unit (5,569,456)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. Details supporting this adjustment are as follows:

Contributed capital assets	487,916
Amortization of bond premium	126,678
Revenues not received within sixty days of year end	1,138,146
	<u>1,752,740</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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items. A summary of items supporting this adjustment is as follows:

Acquisition of indebtedness	(44,490,000)
Bonds defeased	48,898,518
Bond issuance costs	535,146
Bond premiums	(7,117,378)
Deferred amounts on refunding	2,825,293
Principal retired on revenue bonds	3,883,095
Principal retired on general obligation bonds	1,484,187
Decrease in landfill postclosure liability	25,948
	<u>6,044,809</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	(7,712)
Change in other post employment benefits	(3,700)
Change in interest payable	800,005
	<u>788,593</u>

Change in net assets of governmental activities \$ (567,896)

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

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

Exhibit 7

June 30, 2012

Assets	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
Cash and cash equivalents	\$ 1,712,099	\$ 52,619
Investments	4,656,765	-
Other receivables	4,213	-
	<u>\$ 6,373,077</u>	<u>\$ 52,619</u>
Liabilities		
Amounts held for social services clients	\$ -	\$ 45,931
Amounts held for inmates	-	6,688
	<u>\$ -</u>	<u>\$ 52,619</u>
Net Assets		
Amounts held in trust for scholarships and the disadvantaged	<u>\$ 6,373,077</u>	<u>\$ -</u>

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

**Statement of Changes in Fiduciary Net Assets
Fiduciary Funds**

June 30, 2012

	<u>Private-Purpose Trust Funds</u>
Additions	
Investment earnings	\$ 381,346
Private donations	500
Total additions	<u>381,846</u>
Deductions	
Net unrealized losses	150,921
Scholarships	161,828
Total additions	<u>312,749</u>
Change in net assets	69,097
Net assets - beginning of year	<u>6,303,980</u>
Net assets - end of year	<u>\$ 6,373,077</u>

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

Statement of Net Assets
Component Units

June 30, 2012

Assets	School Board	Industrial Development Authority	Water Authority	Airport and Industrial Authority	Total Component Units
Current assets					
Cash and cash equivalents	\$ 2,817,376	\$ 234,352	\$ 1,523,456	\$ 257,117	\$ 4,832,301
Receivables (net of allowances for uncollectibles)					
Accounts receivable	21,705	850,000	327,930	39,944	1,239,579
Due from other governmental units	2,466,056	-	-	-	2,466,056
Due from primary government	-	-	23,848	-	23,848
Inventories	-	-	-	38,754	38,754
Prepaid expenses	-	-	24,677	10,085	34,762
Restricted assets:					
Temporarily restricted:					
Cash and cash equivalents (in custody of others)	-	-	910,443	-	910,443
Total current assets	<u>5,305,137</u>	<u>1,084,352</u>	<u>2,810,354</u>	<u>345,900</u>	<u>9,545,743</u>
Noncurrent assets					
Other noncurrent assets	-	-	6,418,689	6,208	6,424,897
Capital assets (net of accumulated depreciation):					
Land and improvements	1,349,053	721,349	321,244	2,746,148	5,137,794
Buildings	32,242,361	-	2,199,359	3,156,091	37,597,811
Machinery and equipment	1,796,711	-	995,644	56,650	2,849,005
Infrastructure	-	-	17,087,220	1,400,840	18,488,060
Construction in progress	4,602,435	-	-	127,236	4,729,671
Total capital assets net of accumulated depreciation	<u>39,990,560</u>	<u>721,349</u>	<u>20,603,467</u>	<u>7,486,965</u>	<u>68,802,341</u>
Total assets	<u>\$ 45,295,697</u>	<u>\$ 1,805,701</u>	<u>\$ 29,832,510</u>	<u>\$ 7,839,073</u>	<u>\$ 84,772,981</u>
Liabilities					
Current liabilities					
Accounts payable	\$ 350,119	\$ -	\$ 40,188	\$ 76,423	\$ 466,730
Accrued liabilities	3,672,234	-	-	-	3,672,234
Deposits	-	-	77,923	-	77,923
Due to primary government	52,298	-	119,906	192,983	365,187
Accrued interest payable	-	-	67,123	432,690	499,813
Deferred revenue	-	850,000	17,712	2,285	869,997
Total current liabilities	<u>4,074,651</u>	<u>850,000</u>	<u>322,852</u>	<u>704,381</u>	<u>5,951,884</u>
Noncurrent liabilities					
Due within one year	552,274	-	605,496	82,958	1,240,728
Due in more than one year	4,533,810	-	8,510,963	723,435	13,768,208
Total noncurrent liabilities	<u>5,086,084</u>	<u>-</u>	<u>9,116,459</u>	<u>806,393</u>	<u>15,008,936</u>
Total liabilities	<u>9,160,735</u>	<u>850,000</u>	<u>9,439,311</u>	<u>1,510,774</u>	<u>20,960,820</u>
Net Assets					
Invested in capital assets - net of related debt	36,018,714	-	15,618,508	6,517,819	58,155,041
Restricted for bond covenants	-	-	910,443	-	910,443
Unrestricted (deficit)	116,248	955,701	3,864,248	(189,520)	4,746,677
Total net assets	<u>\$ 36,134,962</u>	<u>\$ 955,701</u>	<u>\$ 20,393,199</u>	<u>\$ 6,328,299</u>	<u>\$ 63,812,161</u>

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

County of Dinwiddie, Virginia
Statement of Activities
Component Units

Exhibit 10

Year Ended June 30, 2012

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets				
	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	\$ 42,549,326	\$ 636,694	\$ 29,843,496	\$ 886,988	\$(11,182,148)	\$ -	\$ -	\$ -	\$(11,182,148)
Industrial Development Authority	4,044,294	4,545	-	3,871,849	-	(167,900)	-	-	(167,900)
Water Authority	3,901,786	3,343,797	-	-	-	-	(557,989)	-	(557,989)
Airport and Industrial Authority	1,341,398	896,791	-	7,098	-	-	-	(437,509)	(437,509)
	<u>\$ 51,836,804</u>	<u>\$ 4,881,827</u>	<u>\$ 29,843,496</u>	<u>\$ 4,765,935</u>	<u>(11,182,148)</u>	<u>(167,900)</u>	<u>(557,989)</u>	<u>(437,509)</u>	<u>(12,345,546)</u>
General revenues									
Revenues from use of money and property					336	465	16,883	-	17,684
Miscellaneous					88,353	-	70,259	-	158,612
Payments from Dinwiddie County					16,098,578	311,000	497,518	102,540	17,009,636
Total general revenues					<u>16,187,267</u>	<u>311,465</u>	<u>584,660</u>	<u>102,540</u>	<u>17,185,932</u>
Change in net assets					5,005,119	143,565	26,671	(334,969)	4,840,386
Net assets - beginning of year, as restated (See Note 17)					<u>31,129,843</u>	<u>812,136</u>	<u>20,366,528</u>	<u>6,663,268</u>	<u>58,971,775</u>
Net assets - end of year					<u>\$ 36,134,962</u>	<u>\$ 955,701</u>	<u>\$ 20,393,199</u>	<u>\$ 6,328,299</u>	<u>\$ 63,812,161</u>

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

June 30, 2012

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 assets 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 Assets

The Statement of Net Assets 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 Assets and will report depreciation expense - the cost of "using up" capital assets - in the Statement of Activities. The net assets of a government will be broken down into three categories - 1) invested in capital assets, net of related debt; 2) restricted; and 3) unrestricted.

Statement of Activities

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

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, 2012.

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, 2012. 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, 2012. 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, is it discretely presented in the County's financial statements for the year ended June 30, 2012. The Water Authority issues a separate audited financial report which may be obtained at 23008 Airport Drive, Petersburg, 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, 2012. The Airport Authority also issues a separate audited financial report which may be obtained at 6775 Beck-Chappell Drive, Petersburg, 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 2012 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 2012 was \$267,774.

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 2012 was \$228,912.

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 2012 was \$66,288.

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 2013 is 36%. The County made no contributions during fiscal year 2012.

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 2012 was \$660,328.

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

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

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

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 \$594,627 at June 30, 2012 and is comprised of personal property taxes in the amount of \$569,155 and real estate taxes in the amount of \$25,472.

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 Assets. In accordance with the provisions of Governmental Accounting Standards No. 16, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as "terminal leave" prior to retirement.

J. Retirement Plan

Retirement plan contributes 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 accrued.

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 assets. 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 Assets

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

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 Funds	Total
Fund balances:					
Nonspendable:					
Advance to Airport Authority	\$ 192,984	\$ -	\$ -	\$ -	\$ 192,984
Deposits and overpayments	6,893	-	-	-	6,893
Total nonspendable fund balance	199,877	-	-	-	199,877
Restricted for:					
Jail phone commission	5,058	-	-	-	5,058
Grant purposes	23,688	-	-	-	23,688
Forfeited assets	-	-	-	86,432	86,432
Fire programs	-	-	-	182,540	182,540
Community service	-	-	-	12,221	12,221
Community development block grant	-	-	-	57,770	57,770
Law library	-	-	-	4,919	4,919
School debt service	-	7,411	-	-	7,411
Total restricted fund balance	28,746	7,411	-	343,882	380,039
Committed to:					
Annual debt service	80,295	-	-	-	80,295
Recreation	23,006	-	-	-	23,006
Social Services	108,903	-	-	-	108,903
Community development	388,672	-	-	-	388,672
Comprehensive services	-	-	-	95,974	95,974
Litter grant	-	-	-	64,092	64,092
Sesquicentennial committee	-	-	-	10,553	10,553
School capital projects	-	-	426,130	-	426,130
County capital projects	-	-	1,590,107	-	1,590,107
Total committed fund balance	600,876	-	2,016,237	170,619	2,787,732
Unassigned fund balance	20,676,360	(2,881)	-	-	20,673,479
Total fund balances	\$ 21,505,859	\$ 4,530	\$ 2,016,237	\$ 514,501	\$ 24,041,127

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, 2012.

3. 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, 2012 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											
	AAA _m	AAA	AA	AA+	AA-	A	A-	BBB+	BBB	BB+	BBB-	Unrated
Local Government Investment Pool	\$ 4,154,754	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Corporate Debt	-	-	66,944	118,945	-	659,474	316,646	291,272	139,025	146,543	239,135	-
Municipal/Public Bonds	-	310,940	307,063	632,154	1,010,381	-	-	-	-	-	-	49,697
Total	\$ 4,154,754	\$ 310,940	\$ 374,007	\$ 751,099	\$ 1,010,381	\$ 659,474	\$ 316,646	\$ 291,272	\$ 139,025	\$ 146,543	\$ 239,135	\$ 49,697

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 Type	Investment Maturities (in years)				
	Fair Value	Less Than 1 Year	1-5 Years	6-10 Years	Greater Than 10 years
Corporate Debt	\$ 1,977,984	\$ 203,377	\$ 18,516	\$ 7,008	\$ 1,749,083
Municipal/Public Bonds	2,310,235	1,747,419	537,720	25,096	-
Total	\$ 4,288,219	\$ 1,950,796	\$ 556,236	\$ 32,104	\$ 1,749,083

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, 2012, of the Primary Government's cash, cash equivalents, and investments by asset type:

<u>Government-Wide Accounts</u>	<u>Balance June 30, 2012</u>
Cash and cash equivalents:	
Governmental Activities	\$ 15,471,671
Fiduciary Funds:	
Private-Purpose Trust Funds	1,712,099
Agency Funds	52,619
Restricted cash and cash equivalents (in custody of others):	
Governmental Activities	7,411
Investments:	
Governmental Activities	5,533,021
Fiduciary Funds – Private-Purpose Trust Funds	4,656,765
Total cash, cash equivalents, and investments	<u>\$ 27,433,586</u>
<u>Asset Type</u>	
Petty cash	\$ 1,300
Deposit accounts	17,242,500
Investments:	
Local Government Investment Pool	4,154,754
Corporate Debt	1,977,984
Municipal / Public Bonds	2,310,235
Corporate Equity Stocks and Mutual Funds	1,746,813
Total cash, cash equivalents, and investments	<u>\$ 27,433,586</u>

4. Due to/from Other Governmental Units

At June 30, 2012, the County has amounts due from other local governments as follows:

	Component Unit	
	Primary Government	School Board
Component units:		
Dinwiddie County School Board	\$ 52,297	\$ -
Dinwiddie County Airport and Industrial Authority	192,984	-
Dinwiddie County Water Authority	119,906	-
Total due from component units	365,187	-
Other governmental units:		
Commonwealth of Virginia:		
Local sales tax	268,533	-
Public assistance and welfare administration	67,047	-
Mobile home titling tax	12,028	-
Rolling stock tax	4,644	-
State sales tax	-	734,808
School fund grants	-	280,570
Constitutional officer reimbursements	210,828	-
Recordation tax	15,653	-
Personal property tax relief act	1,875,641	-
Capital grants	70,528	-
Jail funds	23,464	-
Communications tax	160,710	-
Forfeited assets	2,184	-
Fire programs	10,395	-
Department of Health and Human Services	7,034	-
Wireless grant	3,920	-
Criminal justice services grant	575	-
Comprehensive service	106,632	-
Federal Government:		
School fund grants	-	1,450,678
Public assistance and welfare administration	94,719	-
Victim witness assistance	14,201	-
Criminal justice services grant	4,700	-
Emergency management assistance	62,222	-
Total due from other governmental units	\$ 3,015,658	\$ 2,466,056

5. Capital Assets

The following is a summary of changes in capital assets for the year ended June 30, 2012:

Primary Government

	Balance at July 1, 2011 (as previously reported)	Restatement*	Balance at July 1, 2011 (as restated)	Additions	Deletions	Balance at June 30, 2012
Capital assets not subject to depreciation						
Land	\$ 3,803,117	\$ 76,909	\$ 3,880,026	\$ -	\$ (1,261,386)	\$ 2,618,640
Construction in process	6,266,175	-	6,266,175	405,277	(3,638,536)	3,032,916
Total capital assets not subject to depreciation	10,069,292	76,909	10,146,201	405,277	(4,899,922)	5,651,556
Capital assets subject to depreciation						
Buildings and system	15,089,519	15,002	15,104,521	4,474,288	-	19,578,809
Machinery and equipment	13,113,514	458,692	13,572,206	522,562	(563,406)	13,531,362
Jointly owned assets	69,624,036	-	69,624,036	-	(6,529,588)	63,094,448
Total capital assets subject to depreciation	97,827,069	473,694	98,300,763	4,996,850	(7,092,994)	96,204,619
Less accumulated depreciation						
Buildings and system	(5,800,052)	(9,750)	(5,809,802)	(500,139)	-	(6,309,941)
Machinery and equipment	(8,518,256)	(383,252)	(8,901,508)	(1,195,126)	533,234	(9,563,400)
Jointly owned assets	(8,473,252)	-	(8,473,252)	(1,764,497)	960,132	(9,277,617)
Total accumulated depreciation	(22,791,560)	(393,002)	(23,184,562)	(3,459,762)	1,493,366	(25,150,958)
Total capital assets subject to depreciation, net	75,035,509	80,692	75,116,201	1,537,088	(5,599,628)	71,053,661
Governmental activities capital assets, net	\$ 85,104,801	\$ 157,601	\$ 85,262,402	\$ 1,942,365	\$ (10,499,550)	\$ 76,705,217

Component Unit – School Board

	Balance at July 1, 2011 (as previously reported)	Restatement*	Balance at July 1, 2011 (as restated)	Additions	Deletions	Balance at June 30, 2012
Capital assets not subject to depreciation						
Land	\$ 1,349,053	\$ -	\$ 1,349,053	\$ -	\$ -	\$ 1,349,053
Construction in process	-	453,851	453,851	4,148,584	-	4,602,435
Total capital assets not subject to depreciation	1,349,053	453,851	1,802,904	4,148,584	-	5,951,488
Capital assets subject to depreciation						
Buildings and system	17,705	-	17,705	156,738	-	174,443
Machinery and equipment	6,928,618	-	6,928,618	313,100	(160,208)	7,081,510
Jointly owned assets	31,082,240	-	31,082,240	6,529,588	-	37,611,828
Total capital assets subject to depreciation	38,028,563	-	38,028,563	6,999,426	(160,208)	44,867,781
Less accumulated depreciation						
Buildings and system	(3,542)	-	(3,542)	(9,800)	-	(13,342)
Machinery and equipment	(4,999,270)	-	(4,999,270)	(445,737)	160,208	(5,284,799)
Jointly owned assets	(3,782,712)	-	(3,782,712)	(1,747,856)	-	(5,530,568)
Total accumulated depreciation	(8,785,714)	-	(8,785,714)	(2,203,393)	160,208	(10,828,709)
Total capital assets subject to depreciation, net	29,243,039	-	29,243,039	4,796,033	-	34,039,072
Governmental activities capital assets, net	\$ 30,592,092	\$ 453,851	\$ 31,045,943	\$ 8,944,617	\$ -	\$ 39,990,560

*Asset balance at July 1, 2011, was restated to reflect construction in process that was not captured in amounts previously reported. The project is being completely financed by a capital lease, the beginning balance of which has also been restated (see Note 7). There was no effect on net assets at July 1, 2011.

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

Government activities:	
General government administration	\$ 175,838
Judicial administration	170,403
Public safety	1,104,766
Public works	59,940
Health and welfare	20,753
Education	1,764,497
Parks, recreation and cultural	50,530
Community development	<u>113,035</u>
Total governmental activities	<u>\$ 3,459,762</u>
Component Unit School Board	
Education	\$ 1,243,261
Accumulated depreciation on jointly owned assets transferred to School Board during the year	<u>960,132</u>
Total Component Unit School Board	<u>\$ 2,203,393</u>

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

	<u>Expended to June 30, 2012</u>	<u>Committed at June 30, 2012</u>
Primary Government		
McKenney Community Center	\$ 7,750	\$ -
Sports Complex	2,848,012	305,576
Ambulances	107,044	242,931
E-911 System & Tower Upgrades	70,110	612,000
Fire & EMS Air/Electrical Support Trailer	-	89,472
Website Development	-	54,901
	<u>\$ 3,032,915</u>	<u>\$ 1,304,880</u>
School Board		
Midway Elementary – Fire Alarm Panel	11,690	-
Fieldhouse – Concrete Sidewalks	15,925	12,725
Fieldhouse – Building	279,872	524,700
Southside Elementary – On-site Sewage Treatment System	182,938	92,587
Energy Efficient Improvement Project	<u>4,112,010</u>	<u>261,914</u>
	<u>\$ 4,602,435</u>	<u>\$ 891,926</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.

6. Interfund Transfers

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

	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
Governmental funds:		
General fund	\$ 374,423	\$ 10,562,709
Debt service fund	16,060,886	8,170,833
Capital projects fund	2,581,395	587,595
Special revenue fund	304,433	-
	<hr/>	<hr/>
Total – All funds	<u>\$ 19,321,137</u>	<u>\$ 19,321,137</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.

7. Long-Term Obligations

Advance Refunding

On June 13, 2012, the County and School Board issued \$44.49 million in Lease Revenue Bonds with a coupon rate ranging between 3.2 and 5.1 percent to advance refund approximately \$48 million of outstanding bonds with a coupon rate ranging between 3.8 and 5.1 percent. Of the approximately \$51 million in net proceeds (after payment of approximately \$533,000 in underwriting fees and other issuance costs), approximately \$10 million was used for the redemption and discharge of bonds and approximately \$41 million, along with approximately \$600,000 in existing reserves and equity contributions, was used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, the bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net assets.

The advance refunding resulted in a net difference between the reacquisition price and the net carrying amount of the old debt of approximately \$2.2 million. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to County operations through the year 2017 using the straight-line method (which is not substantively different than the effective-interest method over this period) and to School Board operations through the year 2034 using the effective-interest method. The County completed the advance refunding to reduce its total debt service payments over the next 22 years by approximately \$6 million and to obtain an economic gain (difference between the present values of the old and new debt service payments) of approximately \$4.2 million.

Primary Government

The following is a summary of changes in long-term obligations for the fiscal year ended June 30, 2012:

	Amount Payable July 1, 2011	Increase	Decrease	Amount Payable June 30, 2012	Amounts Due Within One Year
Governmental Obligations:					
Incurred by County:					
Compensated absences payable	\$ 494,033	\$ 364,421	\$ (356,709)	\$ 501,745	\$ 50,175
Lease revenue bond	7,628,700	5,832,266	(7,628,700)	5,832,266	776,498
OPEB liability	22,306	35,800	(32,100)	26,006	26,006
Landfill post-closure care	1,067,555	9,475	(35,423)	1,041,607	37,743
Add deferred amounts					
Issuance premium	-	799,127	-	799,127	141,050
Refunding	-	(83,154)	-	(83,154)	(16,631)
Total incurred by County	9,212,594	6,957,935	(8,052,932)	8,117,597	1,014,841
Incurred by School Board:					
General obligation bonds	16,643,284	-	(1,484,187)	15,159,097	1,526,456
Lease revenue bond	44,507,500	38,657,734	(44,507,500)	38,657,734	1,608,502
Add deferred amounts					
Issuance premium	1,180,719	6,318,251	(773,696)	6,725,274	460,532
Refunding	-	(2,742,139)	-	(2,742,139)	(160,971)
Total incurred by School Board	62,331,503	42,233,846	(46,765,383)	57,799,966	3,434,519
Total government obligations	\$ 71,544,097	\$ 49,191,781	\$ (54,818,315)	\$ 65,917,563	\$ 4,449,360

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
2013	\$ 776,498	\$ 206,828	\$ 1,526,457	\$ 743,455	\$ 1,608,502	\$ 1,575,320
2014	764,693	214,565	1,319,758	659,494	1,770,307	1,740,582
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 – 2022	1,214,881	288,106	4,009,396	1,522,104	7,115,119	6,276,306
2023 – 2027	565,000	28,940	3,385,228	627,272	7,780,000	4,583,294
2028 – 2032	-	-	738,664	18,836	9,890,000	2,464,581
2033 – 2035	-	-	-	-	4,705,000	233,278
Total	\$ 5,832,266	\$ 1,171,792	\$ 15,159,097	\$ 5,115,460	\$ 38,657,734	\$ 21,612,543

Incurred by School Board:

General obligation bonds:

\$3,789,949 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%.	\$ 1,157,586
\$2,273,960 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%.	694,552
\$3,789,949 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%.	1,157,586
\$2,100,000 School Bonds, issued October 27, 1999, maturing annually in installments of varying amounts and at various amounts through June 15, 2013, interest payable at 7.29% annually.	230,368
\$5,810,323 2007A Series School Bonds, maturing annually in installments of varying amounts through July 15, 2027; interest at 5.10%.	4,865,891
\$5,810,323 2007B Series School Bonds, maturing annually in installments of varying amounts through July 15, 2027; interest at 5.10%.	4,865,891
\$4,209,598 School VPSA Loan payable, maturing on July 15, 2021, interest payable at various rates semi-annually.	<u>2,177,223</u>
Total general obligation bonds	<u>\$ 15,159,097</u>

The following is a summary of long-term debt transactions of the component unit – School Board for the year ended June 30, 2012:

	Amount Payable July 1, 2011 (as previously reported)	Restatement*	Amount Payable July 1, 2011 (as restated)	Increase	Decrease	Amount Payable June 30, 2012	Amounts Due Within One Year
Component Unit-School Board:							
Compensated absences	\$ 1,001,386	\$ -	\$ 1,001,386	\$ 1,984,865	\$ (2,120,361)	\$ 865,890	\$ 86,589
Capital lease	-	453,851	453,851	3,658,159	(140,164)	3,971,847	217,337
OPEB liability	188,548	-	188,548	216,200	(156,400)	248,348	248,348
Total incurred by School Board	\$ 1,189,934	\$ 453,851	\$ 1,643,785	\$ 5,859,224	\$ (2,416,925)	\$ 5,086,084	\$ 552,274

*See explanation of restatement at Note 5 above.

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.

8. 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, 2012, represents the estimated liability for postclosure monitoring, of \$1,041,607 over a period of seventeen years. These amounts are based on what it would cost to perform all postclosure care in 2012. 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.

9. 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 \$16,023,223 is comprised of the following:

Deferred Property Tax Revenue - Deferred revenue representing uncollected tax billings not available for funding of current expenditures totaled \$15,364,782 at June 30, 2012.

Prepaid Property Taxes – Property taxes due subsequent to June 30, 2012 but paid in advance by the taxpayers totaled \$658,441 at June 30, 2012.

10. 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.

Operating leases

The County has numerous operating leases for office equipment. However, total future minimum lease commitments are considered insignificant.

11. Litigation

At June 30, 2012, 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.

12. 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.

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

VRS administers two defined benefit plan for local government employees – Plan 1 and Plan 2:

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

The VRS Basic Benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the member's average final compensation multiplied by the member's total service credit. Under Plan 1, average final compensation is the average of the member's 36 consecutive months of highest compensation. Under Plan 2, average final compensation is the average of the member's 60 consecutive months of highest compensation. The retirement multiplier for non-hazardous duty members is 1.7%. The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. The retirement multiplier for eligible political subdivision hazardous duty employees other than sheriffs and jail superintendents is 1.7% or 1.85% as elected by the employer. At retirement, members can elect the Basic Benefit, the Survivor Option, a Partial Lump-Sum Option Payment (PLOP) or the Advance Pension Option. A retirement reduction factor is applied to the Basic Benefit amount for members electing the Survivor Option, PLOP, or Advance Pension Option or those retiring with a reduced benefit.

Retirees are eligible for an annual cost-of-living adjustment (COLA) effective July 1 of the second calendar year of retirement. Under Plan 1, the COLA cannot exceed 5%; under Plan 2, the COLA cannot exceed 6%. During years of no inflation or deflation, the COLA is 0%. The VRS also provides death and disability benefits. Title 51.1 of the *Code of Virginia* (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

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

B. Funding Policy

Plan members are required by Title 51.1 of the *Code of Virginia* (1950), as amended, to contribute 5% of their compensation toward their retirement. All or part of the 5% member contribution may be assumed by the employer. 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 2012 were 16.39% and 13.85% of annual covered payroll, respectively.

The Dinwiddie County School Board professional employees current rate is 11.33% 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, 2012, 2011, and 2010 were \$2,352,810, \$838,593, and \$1,385,422, respectively, and equal to the required contributions for each year.

C. Annual Pension Cost

For the fiscal year 2012, the County's annual pension cost of \$1,265,209 (which includes the portion of the employees share assumed by the County of \$385,970) was equal to the County's required and actual contributions.

For the fiscal year 2012, the School Board's annual pension cost for the Board's non-professional employees was \$201,773 (which includes the portion of the employees share assumed by the Board of \$72,842) 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, 2012	\$ 879,239	100%	\$ -
June 30, 2011	\$ 886,136	100%	\$ -
June 30, 2010	\$ 696,359	100%	\$ -
School Board Nonprofessional:			
June 30, 2012	\$ 128,931	100%	\$ -
June 30, 2011	\$ 129,124	100%	\$ -
June 30, 2010	\$ 128,323	100%	\$ -

(1) Includes Employer portion

The fiscal year 2012 required contribution was determined as part of the June 30, 2009 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at June 30, 2009 included (a) an investment rate of return (net of administrative expenses) of 7.5%, (b) projected salary increases ranging from 3.75% to 5.6% per year for general government employees 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. Both 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, 2009 for the Unfunded Actuarial Accrued Liability (UAAL) was 20 years.

D. Funded Status and Funding Progress

As of June 30, 2011, the most recent actuarial valuation date, the County’s plan was 75.22% funded. The actuarial accrued liability for benefits was \$31,154,600, and the actuarial value of assets was \$22,683,092, resulting in an unfunded actuarial accrued liability (UAAL) of \$7,471,508. The covered payroll (annual payroll of active employees covered by the plan) was \$7,796,934, and ratio of the UAAL to the covered payroll was 95.83%.

As of June 30, 2011, the most recent actuarial valuation date, the School Board’s Non-Professions plan was 79.19% funded. The actuarial accrued liability for benefits was \$7,298,806 and the actuarial value of assets was \$5,780,068, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,518,738. The covered payroll (annual payroll of active employees covered by the plan) was \$1,462,266 and ratio of the UAAL to the covered payroll was 103.86%.

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.

14. 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

15. Postemployment Benefits Other Than Pensions

Plan Description

The County allows retirees to remain on their health insurance plan that retire with at least 15 years of service with the County. 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 for five consecutive years immediately preceding their retirement in addition to meeting one of the following requirements to be eligible for health benefits.

- Attained the age of 65 with at least 5 years of service for unreduced pension benefits.
- Attained the age of 50 with at least 30 years of service for reduced pension benefits.
- Attained the age of 55 with at least 5 years of service for reduced pension benefits.
- Attained age 50 with at least 10 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. The Schools currently have 94 retirees and 5 spouses on their plan. The County has 9 retirees and 3 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	\$ 35,800	\$ 216,200
Interest on net OPEB obligation	-	-
Adjustment to annual required contribution	-	-
Annual OPEB cost (expense)	35,800	216,200
Estimated contributions made	(32,100)	(156,400)
Increase in net OPEB obligation	3,700	59,800
Net OPEB obligation – beginning of year	22,306	188,548
Net OPEB obligation – end of year	<u>\$ 26,006</u>	<u>\$ 248,348</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 2012 and the preceding two years were as follows:

<u>Fiscal Year Ended June 30, 2012</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
County			
6/30/2012	\$ 35,800	89.66%	\$ 26,006
6/30/2011	\$ 35,206	83.51%	\$ 22,306
6/30/2010	\$ 29,134	74.48%	\$ 16,500
Schools:			
6/30/2012	\$ 216,200	72.34%	\$ 248,348
6/30/2011	\$ 207,948	75.45%	\$ 188,548
6/30/2010	\$ 209,911	67.89%	\$ 137,500

Funded Status and Funding Progress

As of January 1, 2011, the County's actuarial accrued liability for benefits was \$436,900, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$7,803,100, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 5.60 percent.

As of January 1, 2011 the School Board's actuarial accrued liability for benefits was \$1,750,300, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$19,901,700, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 8.79 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 mortality tables from the RP-2000 Combined Healthy mortality tables for males and females projected to 2010 using Scale AA.

Coverage elections - The actuarial assumed that 40% of eligible County retirees and 80% of School retirees will elect coverage.

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, 2012 was thirty years.

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

A. Plan Description

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

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

Benefit provisions and eligibility requirements are established by Title 51.1, Chapter 14 of the *Code of Virginia*. The VRS actuarially determines the amount necessary to fund all credits provided, reflects the cost of such credits in the applicable employer contribution rate pursuant to 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 12.

B. Funding Policy

The School Board is required to contribute, at an actuarially determined rate, the entire amount necessary to fund participation in the program. The current rate is 0.60% of annual covered payroll. The School Board's contributions to VRS for the years ended Year Ended June 30, 2012, 2011, and 2010 were \$124,597, \$128,029, and \$244,480, respectively, which equaled the required contributions for the year.

17. Adjustments to Beginning Net Assets

The following adjustments were made to beginning net assets at July 1, 2011:

	<u>County</u>	<u>IDA</u>
Net assets as previously reported	\$ 39,206,903	\$ 154,485
Deletion of capital assets recorded in error	(4,691)	-
Addition of capital assets not previously reported	555,294	657,651
Accumulated depreciation related to capital assets not previously reported	<u>(393,002)</u>	<u>-</u>
Net assets as restated	<u>\$ 39,364,504</u>	<u>\$ 812,136</u>

18. Subsequent Event

On October 16, 2012, the Board of Supervisors passed a resolution to forgive the Airport Authority's notes payable to the County totaling \$192,984 upon receipt of \$10,000 and approximately 2.5 acres of land.

* * * * *

County of Dinwiddie, Virginia

Required Supplementary Information

Year Ended June 30, 2012

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, 2012

	General Fund			Variance From Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues				
General property taxes	\$ 25,136,667	\$ 25,136,667	\$ 25,844,662	\$ 707,995
Other local taxes	3,785,000	3,785,000	4,285,549	500,549
Permits, privilege fees and regulatory licenses	216,130	216,130	183,116	(33,014)
Fines and forfeitures	1,007,050	1,007,050	912,324	(94,726)
Revenue from use of money and property	130,702	130,702	125,001	(5,701)
Charges for services	1,586,503	1,586,503	1,689,241	102,738
Miscellaneous	86,810	86,810	123,843	37,033
Recovered costs	72,955	72,955	208,610	135,655
Intergovernmental revenues				
Commonwealth	8,286,256	8,939,733	8,547,633	(392,100)
Federal	1,337,980	1,371,783	1,627,213	255,430
	<u>41,646,053</u>	<u>42,333,333</u>	<u>43,547,192</u>	<u>1,213,859</u>
Expenditures				
General government administration	2,781,332	2,804,054	2,639,998	164,056
Judicial administration	971,584	987,579	948,429	39,150
Public safety	10,075,176	10,116,020	9,771,126	344,894
Public works	3,054,018	3,054,018	3,046,728	7,290
Health and welfare	2,902,897	2,938,541	2,909,395	29,146
Education	11,885,287	12,158,398	10,532,122	1,626,276
Parks, recreation, and cultural	1,167,177	1,211,055	1,244,371	(33,316)
Community development	957,882	2,241,025	1,356,240	884,785
Total expenditures	<u>33,795,353</u>	<u>35,510,690</u>	<u>32,448,409</u>	<u>3,062,281</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,850,700</u>	<u>6,822,643</u>	<u>11,098,783</u>	<u>3,062,281</u>
Other financing sources (uses)				
Transfers in	374,423	374,423	374,423	-
Transfers out	(10,012,709)	(10,562,709)	(10,562,709)	-
Other financing sources (uses)	<u>(9,638,286)</u>	<u>(10,188,286)</u>	<u>(10,188,286)</u>	<u>-</u>
Net change in fund balances	<u>(1,787,586)</u>	<u>(3,365,643)</u>	<u>910,497</u>	<u>3,062,281</u>
Fund balance at beginning of year	<u>20,595,362</u>	<u>20,595,362</u>	<u>20,595,362</u>	<u>-</u>
Fund balance at end of year	<u>\$ 18,807,776</u>	<u>\$ 17,229,719</u>	<u>\$ 21,505,859</u>	<u>\$ 3,062,281</u>

See report of independent auditor.

County of Dinwiddie, Virginia
 Schedule of Funding Progress

Exhibit 12

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						
6/30/2011	\$ 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%
6/30/2003	16,025,387	14,406,435	(1,618,952)	111.24%	4,613,632	-35.09%
6/30/2002	15,689,437	13,434,796	(2,254,641)	116.78%	4,649,124	-48.50%
School Board Non-Professionals						
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%
6/30/2003	4,342,557	3,783,100	(559,457)	114.79%	1,335,593	-41.89%
6/30/2002	4,299,556	3,721,226	(578,330)	115.54%	1,432,070	-40.38%
6/30/2001	4,156,615	3,361,036	(795,579)	123.67%	1,235,012	-64.42%

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						
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						
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 report of independent auditor.

County of Dinwiddie, Virginia
Other Supplementary Information
Year Ended June 30, 2012

County of Dinwiddie, Virginia
Combining and Individual Fund Statements and Schedules
Year Ended June 30, 2012

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

Year Ended June 30, 2012

	Debt Service Fund			Variance From Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues				
Revenue from use of money and property				
Local government	\$ -	\$ -	\$ 3	\$ 3
Expenditures				
Community development	611,712	611,712	556,553	55,159
Debt service				
Principal retirement	5,383,374	5,609,403	5,367,282	242,121
Interest and other fiscal charges	3,190,818	3,324,789	3,181,280	143,509
Total expenditures	9,185,904	9,545,904	9,105,115	440,789
Excess (deficiency) of revenues over (under) expenditures	(9,185,904)	(9,545,904)	(9,105,112)	440,792
Other financing sources (uses)				
Transfers in	9,185,908	9,493,508	16,060,886	6,567,378
Transfers out	(1,785,855)	(1,603,455)	(8,170,833)	(6,567,378)
Bond issuance premium	-	-	7,117,378	7,117,378
Redemption of refunded bonds	-	-	(48,898,518)	(48,898,518)
Issuance of refunding bonds	-	-	44,490,000	44,490,000
Bond issuance costs	-	-	(533,713)	(533,713)
Deferred amounts on refunding	-	-	(2,825,293)	(2,825,293)
Total other financing sources (uses)	7,400,053	7,890,053	7,239,907	(650,146)
Net change in fund balances	(1,785,851)	(1,655,851)	(1,865,205)	(209,354)
Fund balance at beginning of year	1,869,735	1,869,735	1,869,735	-
Fund balance at end of year	\$ 83,884	\$ 213,884	\$ 4,530	\$ (209,354)

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

Year Ended June 30, 2012

	Capital Projects Fund			Variance From Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues				
Revenue from use of money and property	\$ -	\$ -	\$ 98	\$ 98
Miscellaneous	-	65,000	65,000	-
Recovered costs	-	-	349,750	349,750
Intergovernmental revenues				
Commonwealth	-	1,388,179	288,723	(1,099,456)
Federal	-	-	11,390	11,390
Total revenues	-	1,453,179	714,961	(738,218)
Expenditures				
Capital outlays and projects	2,021,800	4,639,561	1,885,107	2,754,454
Excess (deficiency) of revenues over (under) expenditures	(2,021,800)	(3,186,382)	(1,170,146)	2,016,236
Other financing sources (uses)				
Transfers in	2,563,800	2,581,395	2,581,395	-
Transfers out	(570,000)	(587,595)	(587,595)	-
Total other financing sources (uses)	1,993,800	1,993,800	1,993,800	-
Net change in fund balances	(28,000)	(1,192,583)	823,654	2,016,236
Fund balance at beginning of year	1,192,583	1,192,583	1,192,583	-
Fund balance at end of year	\$ 1,164,583	\$ -	\$ 2,016,237	\$ 2,016,236

See report of independent auditor.

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

Year Ended June 30, 2012

	Special Revenue Fund			Variance From Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues				
Revenue from use of money and property	\$ -	\$ -	\$ 942	\$ 942
Charges for services	2,500	2,500	2,194	(306)
Miscellaneous	30,000	127,800	116,791	(11,009)
Intergovernmental revenues				
Commonwealth	590,000	588,809	712,269	123,460
Federal	-	22,990	-	(22,990)
Total revenues	622,500	742,099	832,196	90,097
Expenditures				
Judicial administration	2,500	6,676	1,451	5,225
Public safety	133,000	289,495	107,533	181,962
Public works	38,000	154,297	138,672	15,625
Health and welfare	755,020	929,363	865,029	64,334
Community development	10,000	92,267	1,827	90,440
Total expenditures	938,520	1,472,098	1,114,512	357,586
Excess (deficiency) of revenues over (under) expenditures	(316,020)	(729,999)	(282,316)	447,683
Other financing sources				
Transfers in	304,433	304,433	304,433	-
Net change in fund balances	(11,587)	(425,566)	22,117	447,683
Fund balance at beginning of year	492,384	492,384	492,384	-
Fund balance at end of year	\$ 480,797	\$ 66,818	\$ 514,501	\$ 447,683

See report of independent auditor.

Combining Statement of Fiduciary Net Assets
Fiduciary Funds

June 30, 2012

Assets	Agency Funds			Private Purpose Trust Funds						
	Special Welfare	Jail Inmate	Total	Butterworth Scholarship	Retired Teachers Scholarships	Williamson Scholarship	Doyle Scholarship	Pamplin Endowment	Abrahams Scholarship	Total
Cash and cash equivalents	\$ 45,931	\$ 6,688	\$ 52,619	\$ 12,634	\$ 35,262	\$ 841	\$ 140,735	\$ 701,741	\$ 820,886	\$ 1,712,099
Investments	-	-	-	-	-	-	219,481	1,589,551	2,847,733	4,656,765
Other receivables	-	-	-	-	-	-	3,713	-	500	4,213
	<u>\$ 45,931</u>	<u>\$ 6,688</u>	<u>\$ 52,619</u>	<u>\$ 12,634</u>	<u>\$ 35,262</u>	<u>\$ 841</u>	<u>\$ 363,929</u>	<u>\$ 2,291,292</u>	<u>\$ 3,669,119</u>	<u>\$ 6,373,077</u>
Liabilities										
Amounts held for social services clients	\$ 45,931	\$ -	\$ 45,931	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amounts held for inmates	-	6,688	6,688	-	-	-	-	-	-	-
	<u>\$ 45,931</u>	<u>\$ 6,688</u>	<u>\$ 52,619</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Assets										
Amounts held in trust for scholarships and the disadvantaged	\$ -	\$ -	\$ -	\$ 12,634	\$ 35,262	\$ 841	\$ 363,929	\$ 2,291,292	\$ 3,669,119	\$ 6,373,077

See report of independent auditor.

**Combining Statement of Changes in Assets and Liabilities
Agency Funds**

June 30, 2012

	Balance Beginning of Year	Additions	Reductions	Balance End of Year
Special Welfare Fund				
Assets:				
Cash and cash equivalents	\$ 52,695	\$ 38,880	\$ (45,644)	\$ 45,931
Liabilities:				
Amounts held for social services clients	\$ 52,695	\$ 38,880	\$ (45,644)	\$ 45,931
Jail Inmate Fund				
Assets:				
Cash and cash equivalents	\$ 9,887	\$ 49,125	\$ (52,324)	\$ 6,688
Liabilities:				
Amounts held for others	\$ 9,887	\$ 49,125	\$ (52,324)	\$ 6,688
Totals - All Agency Funds				
Assets:				
Cash and cash equivalents	\$ 62,582	\$ 88,005	\$ (97,968)	\$ 52,619
Liabilities:				
Amounts held for social services clients	\$ 52,695	\$ 38,880	\$ (45,644)	\$ 45,931
Amounts held for others	9,887	49,125	(52,324)	6,688
	\$ 62,582	\$ 88,005	\$ (97,968)	\$ 52,619

See report of independent auditor.

County of Dinwiddie, Virginia

Discretely Presented Component Unit School Board

Year Ended June 30, 2012

Combining Balance Sheet

Discretely Presented Component Unit - School Board

June 30, 2012

Assets	School Operating Fund	School Special Revenue Fund	Total Component Unit
Cash and cash equivalents	\$ 1,836,708	\$ 980,668	\$ 2,817,376
Receivables (net of allowance for uncollectibles):			
Accounts receivable	8,483	13,222	21,705
Due from other governmental units	2,414,842	51,214	2,466,056
	<u>\$ 4,260,033</u>	<u>\$ 1,045,104</u>	<u>\$ 5,305,137</u>

Liabilities			
Accounts payable	\$ 350,120	\$ -	\$ 350,120
Accrued liabilities	3,545,499	126,735	3,672,234
Due to primary government	52,297	-	52,297
Total liabilities	<u>3,947,916</u>	<u>126,735</u>	<u>4,074,651</u>

Fund Balances			
Committed to:			
School operating expenses	312,117	-	312,117
Textbook purchases	-	609,433	609,433
School food	-	308,936	308,936
Total committed fund balances	<u>312,117</u>	<u>918,369</u>	<u>1,230,486</u>
	<u>\$ 4,260,033</u>	<u>\$ 1,045,104</u>	<u>\$ 5,305,137</u>

Amounts reported for governmental activities in the statement of net assets (Exhibit 9) are different because:

Total fund balances per above	\$ 1,230,486
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	39,990,560
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>(5,086,084)</u>
Net assets of governmental activities	<u>\$ 36,134,962</u>

See report of independent auditor.

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

Year Ended June 30, 2012

	School Operating Fund	School Special Revenue Funds	Total Governmental Funds
Revenues			
Revenue from use of money and property	\$ -	\$ 336	\$ 336
Charges for services	31,839	604,855	636,694
Miscellaneous	77,868	10,485	88,353
Recovered costs	14,987	-	14,987
Intergovernmental revenues			
Local government	10,529,122	-	10,529,122
Commonwealth	24,939,039	172,903	25,111,942
Federal	3,489,655	1,241,899	4,731,554
Total revenues	<u>39,082,510</u>	<u>2,030,478</u>	<u>41,112,988</u>
Expenditures			
Education	<u>39,680,898</u>	<u>1,929,289</u>	<u>41,610,187</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(598,388)</u>	<u>101,189</u>	<u>(497,199)</u>
Other financing sources (uses)			
Transfers in	-	89,823	89,823
Transfers out	(89,823)	-	(89,823)
Total other financing sources (uses)	<u>(89,823)</u>	<u>89,823</u>	<u>-</u>
Changes in fund balances	<u>(688,211)</u>	<u>191,012</u>	<u>(497,199)</u>
Fund balances - beginning of year	<u>1,000,328</u>	<u>727,357</u>	<u>1,727,685</u>
Fund balances - end of year	<u>\$ 312,117</u>	<u>\$ 918,369</u>	<u>\$ 1,230,486</u>

**Amounts reported for governmental activities in the statement of net assets (Exhibit 2)
are different because**

Net change in fund balances - total governmental funds - per above	\$ (497,199)
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	\$ 73,275
Depreciation expense	(1,243,261)
Allocation of jointly owned assets	<u>5,569,456</u>
	4,399,470
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	886,988
The repayment of capital leases consumes the current financial resources of governmental funds; however, they do not have any affect on net assets.	140,164
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) decrease in compensated absences	\$ 135,496
(Increase) decrease in OPEB liability	<u>(59,800)</u>
	75,696
Change in net assets of governmental activities	<u>\$ 5,005,119</u>

See report of independent auditor.

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

Year Ended June 30, 2012

	School Operating Fund			
	Original	Budget	Actual	Variance
	Budget	As Amended		From Final Budget Positive (Negative)
Revenues				
Charges for services	\$ 15,000	\$ 15,000	\$ 31,839	\$ 16,839
Miscellaneous	-	55,600	77,868	22,268
Recovered costs	75,000	75,000	14,987	(60,013)
Intergovernmental revenues				
Local government	11,882,287	12,155,398	10,529,122	(1,626,276)
Commonwealth	25,260,772	25,314,597	24,939,039	(375,558)
Federal	3,054,165	3,789,743	3,489,655	(300,088)
Total revenues	40,287,224	41,405,338	39,082,510	(2,322,828)
Expenditures				
Education	41,059,193	42,151,338	39,680,898	2,470,440
Excess (deficiency) of revenues over (under) expenditures	(771,969)	(746,000)	(598,388)	147,612
Other financing sources (uses)				
Transfers out	-	-	(89,823)	(89,823)
Changes in fund balances	(771,969)	(746,000)	(688,211)	57,789
Fund balances at beginning of year	1,000,328	1,000,328	1,000,328	-
Fund balances at end of year	\$ 228,359	\$ 254,328	\$ 312,117	\$ 57,789

See report of independent auditor.

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

Year Ended June 30, 2012

	School Special Revenue Funds			Variance From Final Budget Positive (Negative)
	Original	Budget	Actual	
	Budget	As Amended		
Revenues				
Revenue from use of money and property	\$ 500	\$ 500	\$ 336	(164)
Charges for services	620,000	620,000	604,855	(15,145)
Miscellaneous	40,000	40,000	10,485	(29,515)
Intergovernmental revenues				
Commonwealth	173,442	173,442	172,903	(539)
Federal	1,128,950	1,128,950	1,241,899	112,949
Total revenues	1,962,392	1,962,392	2,030,478	67,586
Expenditures				
Education	2,024,163	2,751,520	1,929,289	822,231
Excess (deficiency) of revenues over (under) expenditures	(61,771)	(789,128)	101,189	889,817
Other financing sources (uses)				
Transfers in	-	-	89,823	89,823
Changes in fund balances	(61,771)	(789,128)	191,012	979,640
Fund balances at beginning of year	727,357	727,357	727,357	-
Fund balances at end of year	\$ 665,586	\$ (61,771)	\$ 918,369	\$ 979,640

See report of independent auditor.

County of Dinwiddie, Virginia

Supporting Schedules

Year Ended June 30, 2012

Schedule of Revenues - Budget and Actual
Governmental Funds

Year Ended June 30, 2012

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	\$ 15,863,646	\$ 15,863,646	\$ 16,028,703	\$ 165,057
Real and personal PSC tax	929,018	929,018	1,113,173	184,155
Personal property tax	6,573,469	6,573,469	6,729,010	155,541
Mobile home tax	67,960	67,960	60,885	(7,075)
Machinery and tools tax	593,958	593,958	549,789	(44,169)
Pollution and recycling control	763,616	763,616	890,481	126,865
Penalties	200,000	200,000	264,133	64,133
Interest	145,000	145,000	208,488	63,488
Total general property taxes	<u>25,136,667</u>	<u>25,136,667</u>	<u>25,844,662</u>	<u>707,995</u>
Other local taxes				
Local sales and use tax	1,145,000	1,145,000	1,363,905	218,905
Bank stock tax	123,000	123,000	157,892	34,892
Consumption tax	186,000	186,000	160,681	(25,319)
Consumer utility tax	505,000	505,000	581,790	76,790
Business licensese tax	572,000	572,000	639,686	67,686
Admission tax	23,000	23,000	16,932	(6,068)
Motor vehicle licenses	525,000	525,000	540,211	15,211
Taxes on recordation and wills	125,000	125,000	158,345	33,345
Meals tax	550,000	550,000	628,445	78,445
Transient occupancy tax	31,000	31,000	37,662	6,662
Total other local taxes	<u>3,785,000</u>	<u>3,785,000</u>	<u>4,285,549</u>	<u>500,549</u>
Permits, privilege fees and regulatory licenses				
Animal licenses	20,050	20,050	21,076	1,026
Transfer fees	700	700	632	(68)
Other permits and licenses	195,380	195,380	161,408	(33,972)
Total permits, privilege fees and regulatory licenses	<u>216,130</u>	<u>216,130</u>	<u>183,116</u>	<u>(33,014)</u>
Fines and forfeitures				
Court fines and forfeitures	1,007,050	1,007,050	912,324	(94,726)
Revenue from use of money and property				
Revenue from use of money	58,000	58,000	68,885	10,885
Revenue from use of property	72,702	72,702	56,116	(16,586)
Total revenue from use of money and property	<u>\$ 130,702</u>	<u>\$ 130,702</u>	<u>\$ 125,001</u>	<u>\$ (5,701)</u>

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

Year Ended June 30, 2012

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	\$ 540,000	\$ 540,000	\$ 639,301	\$ 99,301
Law enforcement and traffic control	1,386	1,386	1,386	-
Excess fees of clerk	15,000	15,000	-	(15,000)
Courthouse security	176,000	176,000	161,568	(14,432)
Other court services	36,300	36,300	33,315	(2,985)
Commonwealth's Attorney	1,700	1,700	2,981	1,281
Correction and detention	29,100	29,100	27,924	(1,176)
Other protection	17,175	17,175	12,317	(4,858)
Community development	750	750	376	(374)
Sanitation and waste removal	73,000	73,000	63,853	(9,147)
Water and sewer services	560,092	560,092	580,363	20,271
Parks and recreation	136,000	136,000	165,857	29,857
Total charges for services	1,586,503	1,586,503	1,689,241	102,738
Miscellaneous				
Miscellaneous revenues	86,810	86,810	123,843	37,033
Recovered costs				
Security deputies	50,000	50,000	34,282	(15,718)
Other recovered costs	9,600	9,600	162,742	153,142
Prisoner extradition reimbursement	1,200	1,200	387	(813)
Social services insurance	9,755	9,755	10,199	444
Revenue from use of property	2,400	2,400	1,000	(1,400)
Total recovered costs	72,955	72,955	208,610	135,655
Total revenue from local sources	32,021,817	32,021,817	33,372,346	1,350,529
Revenue from the Commonwealth				
Noncategorical aid				
Rolling stock tax	113,572	113,572	114,279	707
Mobile home titling tax	43,200	43,200	47,100	3,900
Taxes on deeds	26,000	26,000	29,425	3,425
Communications tax	989,000	989,000	941,010	(47,990)
State recordation tax	31,950	31,950	60,985	29,035
Personal property tax relief funds	3,642,692	3,642,692	3,642,692	-
Reduction in state aid to local governments	(170,708)	(170,708)	(173,936)	(3,228)
Total noncategorical aid	4,675,706	4,675,706	4,661,555	(14,151)
Categorical aid				
Shared expenses				
Commonwealth's Attorney	327,430	327,430	300,748	(26,682)
Sheriff	1,755,190	1,755,190	1,780,867	25,677
Commissioner of revenue	108,191	108,191	108,019	(172)
Treasurer	79,930	79,930	79,425	(505)
Registrar/electoral board	45,486	45,486	41,016	(4,470)
Clerk of the Circuit Court	246,803	246,803	252,463	5,660
Local jails	89,998	89,998	96,165	6,167
Total shared expenses	\$ 2,653,028	\$ 2,653,028	\$ 2,658,703	\$ 5,675

See report of independent auditor.

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

Year Ended June 30, 2012

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)				
Other categorical aid				
Public assistance and welfare administration	\$ 858,913	\$ 858,913	\$ 872,352	\$ 13,439
E-911 wireless grants	40,000	42,000	41,854	(146)
Tobacco commission	-	641,238	248,996	(392,242)
VJCCCA grant	25,305	19,549	19,549	-
Pesticide recycling	1,699	1,699	1,095	(604)
Other state funds	31,605	47,600	43,529	(4,071)
Total other categorical aid	957,522	1,610,999	1,227,375	(383,624)
Total categorical aid	3,610,550	4,264,027	3,886,078	(377,949)
Total revenue from the Commonwealth	8,286,256	8,939,733	8,547,633	(392,100)
Revenue from the federal government				
Payments in lieu of taxes	800	800	841	41
Categorical aid				
Public assistance and welfare administration	1,288,370	1,288,370	1,347,103	58,733
Bulletproof vest grant	-	8,425	6,783	(1,642)
Homeland security grant	-	4,756	10,988	6,232
Highway safety grant	-	20,622	19,961	(661)
FEMA reimbursement	-	-	184,783	184,783
Victim witness assistance grant	48,810	48,810	54,046	5,236
Other federal funds	-	-	2,708	2,708
Total categorical aid	1,337,180	1,370,983	1,626,372	255,389
Total revenue from the federal government	1,337,980	1,371,783	1,627,213	255,430
Total General Fund	41,646,053	42,333,333	43,547,192	1,213,859
SPECIAL REVENUE FUND				
Revenue from local sources				
Revenue from use of money and property				
Revenue from use of money	-	-	942	942
Charges for services				
Law library fees	2,500	2,500	2,194	(306)
Miscellaneous				
Miscellaneous revenues	30,000	127,800	116,791	(11,009)
Total revenue from local sources	\$ 32,500	\$ 130,300	\$ 119,927	\$ (10,373)

See report of independent auditor.

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

Year Ended June 30, 2012

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
PRIMARY GOVERNMENT (continued)				
SPECIAL REVENUE FUND (continued)				
Revenue from the Commonwealth				
Categorical aid				
Fire programs	\$ 61,000	\$ 61,000	\$ 73,562	\$ 12,562
Other state funds	-	-	2,040	2,040
Comprehensive services act	499,000	499,000	536,233	37,233
Four for life	22,000	22,000	27,697	5,697
Asset forfeitures	-	-	65,928	65,928
Litter control grant	8,000	6,809	6,809	-
Total revenue from the Commonwealth	590,000	588,809	712,269	123,460
Revenue from the federal government				
Categorical aid				
Community development block grant	-	22,990	-	(22,990)
Total Special Revenue Fund	622,500	742,099	832,196	90,097
DEBT SERVICE FUND				
Revenue from local sources				
Revenue from use of money	-	-	3	3
Total Debt Service Fund	-	-	3	3
CAPITAL PROJECTS FUND				
Revenue from local sources				
Revenue from use of money and property				
Revenue from use of money	-	-	98	98
Miscellaneous				
Sports complex donation	-	65,000	65,000	-
Recovered costs				
Insurance proceeds	-	-	349,750	349,750
Total revenue from local sources	-	65,000	414,848	349,848
Revenue from the Commonwealth				
Categorical aid				
Other state funds	-	116,025	27,675	(88,350)
Tobacco grant	-	1,272,154	261,048	(1,011,106)
Total revenue from the Commonwealth	-	1,388,179	288,723	(1,099,456)
Revenue from the federal government				
Categorical aid				
FEMA reimbursement	-	-	11,390	11,390
Total Capital Projects Fund	-	1,453,179	714,961	(738,218)
TOTAL PRIMARY GOVERNMENT	\$ 42,268,553	\$ 44,528,611	\$ 45,094,352	\$ 565,741

See report of independent auditor.

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

Year Ended June 30, 2012

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				
Charges for services				
Charges for education	\$ 15,000	\$ 15,000	\$ 31,839	\$ 16,839
Miscellaneous				
Miscellaneous revenues	-	55,600	77,868	22,268
Recovered costs				
Medicare admin services	75,000	75,000	14,987	(60,013)
Total revenue from local sources	90,000	145,600	124,694	(20,906)
Revenue from local governments				
Contributions from County of Dinwiddie, VA	11,882,287	12,155,398	10,529,122	(1,626,276)
Revenue from the Commonwealth				
Categorical aid				
Share of state sales tax	4,448,471	4,448,471	4,453,732	5,261
Basic school aid	14,151,081	14,151,081	13,885,286	(265,795)
Remedial summer education	-	-	22,613	22,613
Regular foster care	23,569	23,569	3,137	(20,432)
Gifted and talented	149,222	149,222	147,064	(2,158)
Remedial education	464,247	464,247	457,534	(6,713)
English as a second language	32,458	32,458	34,487	2,029
Special education	1,956,470	1,956,470	1,928,179	(28,291)
Vocational education	358,279	358,279	368,599	10,320
School fringes	1,707,766	1,707,766	1,683,071	(24,695)
Technology	258,000	258,000	245,100	(12,900)
Early reading intervention	98,516	98,516	78,365	(20,151)
Homebound education	53,970	53,970	45,250	(8,720)
Other state funds	426,111	426,111	429,891	3,780
GED funding	7,859	7,859	7,859	-
Mentor teacher program	2,693	2,693	3,377	684
Hard to staff	-	-	-	-
Hospitals, clinics, etc.	104,239	104,239	115,010	10,771
At risk four year olds	144,730	144,730	159,170	14,440
At risk payments	373,837	373,837	368,436	(5,401)
Algebra readiness	52,723	52,723	52,723	-
Primary class size	443,615	443,615	450,156	6,541
Adult education	2,916	2,916	-	(2,916)
Performance pay incentive	-	53,825	-	(53,825)
Total categorical aid	\$ 25,260,772	\$ 25,314,597	\$ 24,939,039	\$ (375,558)

See report of independent auditor.

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

Year Ended June 30, 2012

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				
State fiscal stabilization funds - ARRA	\$ 1,200,000	\$ 1,215,250	\$ 1,232,113	\$ 16,863
Title I	615,809	808,725	782,101	(26,624)
Title VI-B, special education flow-through	948,483	1,172,612	973,990	(198,622)
Vocational education	65,901	68,830	71,366	2,536
Title VI-B, special education preschool	28,627	33,416	25,929	(7,487)
Title II, Part A	189,880	421,130	236,696	(184,434)
Title II, Part D	5,465	4,980	3,509	(1,471)
Title VI-B, special education flow-through - ARRA	-	8,171	8,171	-
Drug free school	-	467	467	-
Title IV-B - 21st century	-	51,069	40,255	(10,814)
Title III	-	5,093	5,093	-
Jr ROTC	-	-	56,899	56,899
Other federal funds	-	-	53,066	53,066
Total categorical aid	3,054,165	3,789,743	3,489,655	(300,088)
Total School Operating Fund	40,287,224	41,405,338	39,082,510	(2,322,828)
SCHOOL SPECIAL REVENUE FUND				
Revenue from local sources				
Revenue from use of money and property				
Revenue from use of money	500	500	336	(164)
Charges for services				
Cafeteria sales	620,000	620,000	604,855	(15,145)
Miscellaneous				
Miscellaneous revenues	40,000	40,000	10,485	(29,515)
Total revenue from local sources	660,500	660,500	615,676	(44,824)
Revenue from the Commonwealth				
Categorical aid				
Textbook payment	134,499	134,499	132,554	(1,945)
School food program grant	38,943	38,943	40,349	1,406
Total categorical aid	173,442	173,442	172,903	(539)
Revenue from the federal government				
Categorical aid				
School food program grant	1,128,950	1,128,950	1,136,755	7,805
Commodities	-	-	105,144	105,144
Total categorical aid	1,128,950	1,128,950	1,241,899	112,949
Total School Special Revenue Fund	1,962,892	1,962,892	2,030,478	67,586
TOTAL DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD	\$ 42,250,116	\$ 43,368,230	\$ 41,112,988	\$ (2,255,242)

See report of independent auditor.

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

Year Ended June 30, 2012

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
PRIMARY GOVERNMENT				
GENERAL FUND				
General government administration				
Legislative				
Board of supervisors	\$ 83,665	\$ 83,665	\$ 97,439	\$ (13,774)
General and financial administration				
County administrator	250,872	250,872	243,050	7,822
Legal services	184,594	207,316	205,512	1,804
Human resources	312,641	312,641	328,173	(15,532)
Independent auditor	47,000	47,000	49,849	(2,849)
Commissioner of revenue	811,837	811,837	573,567	238,270
Treasurer	389,030	389,030	433,671	(44,641)
Accounting	217,899	217,899	218,642	(743)
Information systems	369,135	369,135	348,338	20,797
Total general and financial administration	2,583,008	2,605,730	2,400,802	204,928
Board of elections				
Electoral board and officials	114,659	114,659	141,757	(27,098)
Total general governmental administration	2,781,332	2,804,054	2,639,998	164,056
Judicial administration				
Courts				
Circuit court	19,318	19,318	16,108	3,210
General district court	31,120	31,120	26,039	5,081
Special magistrates	1,970	1,970	1,323	647
Clerk of the circuit court	363,947	379,942	370,433	9,509
Victim and witness assistance	55,397	55,397	55,911	(514)
Total courts	471,752	487,747	469,814	17,933
Commonwealth's attorney				
Commonwealth's attorney	499,832	499,832	478,615	21,217
Total judicial administration	971,584	987,579	948,429	39,150
Public safety				
Law enforcement and traffic control				
Sheriff	3,898,032	3,927,079	3,876,303	50,776
Fire and rescue services				
Fire department	512,010	512,010	482,781	29,229
Fire and rescue services	284,486	289,242	243,004	46,238
Emergency management	-	-	80,522	(80,522)
Emergency medical services	1,226,038	1,226,038	1,227,623	(1,585)
Total fire and rescue services	2,022,534	2,027,290	2,033,930	(6,640)
Correction and detention				
Confinement and care of adult and juvenile prisoners	2,077,953	2,082,994	1,761,646	321,348
Juvenile probation and detention	284,171	284,171	285,065	(894)
VJCCCA	139,431	139,431	138,924	507
Total correction and detention	2,501,555	2,506,596	2,185,635	320,961
Inspections				
Building inspections	\$ 270,888	\$ 270,888	\$ 286,608	\$ (15,720)

See report of independent auditor.

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

Year Ended June 30, 2012

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
PRIMARY GOVERNMENT (continued)				
GENERAL FUND (continued)				
Public safety (continued)				
Other protection				
Animal control	\$ 226,793	\$ 226,793	\$ 243,179	\$ (16,386)
Communications	1,154,374	1,156,374	1,144,391	11,983
Medical examiner	1,000	1,000	1,080	(80)
Total other protection	1,382,167	1,384,167	1,388,650	(4,483)
Total public safety	10,075,176	10,116,020	9,771,126	344,894
Public works				
Maintenance of highways, streets, bridges, and sidewalks				
Streetlights	36,000	36,000	42,995	(6,995)
Sanitation and waste removal				
Refuse disposal	1,414,671	1,414,671	1,364,126	50,545
Maintenance of general buildings and grounds				
General properties	1,603,347	1,603,347	1,639,607	(36,260)
Total public works	3,054,018	3,054,018	3,046,728	7,290
Health and welfare				
Health				
Supplement of local health department	228,911	264,555	262,429	2,126
Mental health and mental retardation				
District 19 - Community services board	66,287	66,287	66,288	(1)
Welfare				
Public assistance and welfare administration	2,582,919	2,582,919	2,551,389	31,530
Area agency on aging	10,767	10,767	10,768	(1)
Other social services	14,013	14,013	18,521	(4,508)
Total welfare	2,607,699	2,607,699	2,580,678	27,021
Total health and welfare	2,902,897	2,938,541	2,909,395	29,146
Education				
Other instructional costs				
Contributions to Community Colleges	3,000	3,000	3,000	-
Contribution to Dinwiddie County School Board	11,882,287	12,155,398	10,529,122	1,626,276
Total education	11,885,287	12,158,398	10,532,122	1,626,276
Parks, recreation, and cultural				
Parks and recreation				
Supervision of parks and recreation	915,333	959,211	992,527	(33,316)
Library				
Contribution to regional library	251,844	251,844	251,844	-
Total parks, recreation and cultural	\$ 1,167,177	\$ 1,211,055	\$ 1,244,371	\$ (33,316)

See report of independent auditor.

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

Year Ended June 30, 2012

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
PRIMARY GOVERNMENT (continued)				
GENERAL FUND (continued)				
Community development				
Planning and community development				
Planning and zoning	\$ 547,533	\$ 547,533	\$ 489,832	\$ 57,701
Economic development	118,564	118,564	107,852	10,712
Contribution to Industrial Development Authority	25,000	25,000	25,000	-
Other community development	140,970	1,424,113	635,592	788,521
Total planning and community development	832,067	2,115,210	1,258,276	856,934
Environmental management				
Contribution to soil and water conservation district	15,500	15,500	15,500	-
Cooperative extension program				
Extension office	110,315	110,315	82,464	27,851
Total community development	957,882	2,241,025	1,356,240	884,785
Total General Fund	33,795,353	35,510,690	32,448,409	3,062,281
SPECIAL REVENUE FUND				
Judicial administration				
Courts				
Law library	2,500	6,676	1,451	5,225
Public safety				
Law enforcement and traffic control				
Sheriff	-	-	506	(506)
Fire and rescue services				
Fire/rescue grant	83,000	220,394	57,838	162,556
Other protection				
Forfeited assets	50,000	69,101	49,189	19,912
Total public safety	133,000	289,495	107,533	181,962
Public works				
Maintenance of general buildings and grounds				
Litter control grant	38,000	154,297	138,672	15,625
Health and welfare				
Welfare				
Comprehensive services act	755,020	929,363	865,029	64,334
Community development				
Planning and community development				
Medical office building	-	80,037	-	80,037
Sesquicentennial committee	10,000	12,230	1,827	10,403
Total community development	10,000	92,267	1,827	90,440
Total Special Revenue Fund	\$ 938,520	\$ 1,472,098	\$ 1,114,512	\$ 357,586

See report of independent auditor.

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

Year Ended June 30, 2012

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
PRIMARY GOVERNMENT (continued)				
DEBT SERVICE FUND				
Community development				
Planning and community development				
Dinwiddie County Airport and Industrial Authority	\$ 59,038	\$ 59,038	\$ 59,040	\$ (2)
Dinwiddie County Water Authority	552,674	552,674	497,513	55,161
Total community development	611,712	611,712	556,553	55,159
Debt service				
Principal retirement	5,383,374	5,609,403	5,367,282	242,121
Interest and other fiscal charges	3,190,818	3,324,789	3,181,280	143,509
Total debt service	8,574,192	8,934,192	8,548,562	385,630
Total Debt Service Fund	9,185,904	9,545,904	9,105,115	440,789
CAPITAL PROJECTS FUND				
Capital outlays and projects				
County building renovations	254,800	1,030,018	331,182	698,836
County schools	720,000	1,330,713	916,071	414,642
Equipment purchases	1,047,000	1,135,350	278,510	856,840
Commerce park	-	1,143,480	359,344	784,136
Total Capital Projects Fund	2,021,800	4,639,561	1,885,107	2,754,454
TOTAL PRIMARY GOVERNMENT	45,941,577	51,168,253	44,553,143	6,615,110
DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD				
School Operating Fund				
Education				
Administration, health, and attendance	1,727,674	1,734,924	\$ 1,695,733	\$ 39,191
Instruction costs	30,459,832	31,504,876	29,588,791	1,916,085
Pupil transportation	3,087,375	3,110,631	3,056,614	54,017
Operation and maintenance of school plant	5,784,312	5,800,907	5,339,760	461,147
Total School Operating Fund	41,059,193	42,151,338	39,680,898	2,470,440
Special Revenue Fund				
Education				
Instruction costs	200,000	631,409	48,985	582,424
School food services	1,824,163	2,120,111	1,775,160	344,951
Commodities	-	-	105,144	(105,144)
Total Special Revenue Fund	2,024,163	2,751,520	1,929,289	822,231
TOTAL DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD	\$ 43,083,356	\$ 44,902,858	\$ 41,610,187	\$ 3,292,671

See report of independent auditor.

County of Dinwiddie, Virginia

Statistical Section (unaudited)

Year Ended June 30, 2012

County of Dinwiddie, Virginia

Table 1

Net Assets by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities										
Invested in capital assets, net of related debt	\$ 3,372,102	\$ 4,096,073	\$ 3,535,362	\$ 6,721,955	\$ 15,863,467	\$ 6,573,010	\$ 6,484,665	\$ 12,183,433	\$ 15,144,598	\$ 12,357,012
Restricted	827,313	281,512	281,512	281,512	281,512	281,512	300,303	-	-	7,411
Unrestricted	27,918,314	27,741,942	28,182,707	28,831,874	28,095,354	28,124,095	28,949,723	26,967,288	24,062,305	26,432,185
Total governmental activities net assets	\$ 32,117,729	\$ 32,119,527	\$ 31,999,581	\$ 35,835,341	\$ 44,240,333	\$ 34,978,617	\$ 35,734,691	\$ 39,150,721	\$ 39,206,903	\$ 38,796,608
Primary government										
Invested in capital assets, net of related debt	\$ 3,372,102	\$ 4,096,073	\$ 3,535,362	\$ 6,721,955	\$ 15,863,467	\$ 6,573,010	\$ 6,484,665	\$ 12,183,433	\$ 15,144,598	\$ 12,357,012
Restricted	827,313	281,512	281,512	281,512	281,512	281,512	300,303	-	-	7,411
Unrestricted	27,918,314	27,741,942	28,182,707	28,831,874	28,095,354	28,124,095	28,949,723	26,967,288	24,062,305	26,432,185
Total primary government net assets	\$ 32,117,729	\$ 32,119,527	\$ 31,999,581	\$ 35,835,341	\$ 44,240,333	\$ 34,978,617	\$ 35,734,691	\$ 39,150,721	\$ 39,206,903	\$ 38,796,608

See report of independent auditor.

**Changes in Net Assets
Last Ten Fiscal Years
(Accrual Basis of Accounting)**

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental activities:										
General government administration	\$ 1,487,166	\$ 1,580,395	\$ 1,909,981	\$ 1,667,495	\$ 2,160,836	\$ 2,228,249	\$ 2,911,274	\$ 2,412,955	\$ 2,491,383	\$ 2,647,617
Judicial administration	397,046	353,585	450,660	731,623	828,790	1,000,621	1,094,384	1,233,507	1,101,074	1,121,095
Public safety	4,896,293	6,027,228	7,094,483	7,938,868	9,224,156	10,113,253	10,933,257	10,424,635	10,538,356	10,702,298
Public works	2,410,647	2,278,549	2,848,915	3,059,882	3,151,835	3,113,226	3,045,668	3,217,083	2,954,657	3,134,643
Health and welfare	2,975,883	2,802,923	3,041,606	3,092,617	3,188,957	3,410,351	3,383,742	3,514,474	3,615,528	3,804,266
Education	12,123,792	13,009,658	16,215,247	14,287,850	9,977,936	20,187,331	13,084,765	13,602,573	18,555,995	18,782,146
Parks, recreation, and cultural	468,619	474,585	492,027	511,327	552,282	911,484	933,556	890,544	450,650	1,296,375
Community development	1,249,583	1,311,546	1,372,021	1,242,298	1,521,653	1,987,130	1,870,325	2,020,023	1,714,759	2,046,538
Interest and other fiscal charges	1,843,163	2,599,202	3,513,977	4,204,312	3,960,721	3,934,723	3,722,439	3,510,601	3,267,513	2,379,842
Total governmental activities expenses	27,852,192	30,437,671	36,938,917	36,736,272	34,567,166	46,886,368	40,979,410	40,826,395	44,689,915	45,914,820
Total primary government expenses	\$ 27,852,192	\$ 30,437,671	\$ 36,938,917	\$ 36,736,272	\$ 34,567,166	\$ 46,886,368	\$ 40,979,410	\$ 40,826,395	\$ 44,689,915	\$ 45,914,820
Program revenues										
Governmental activities:										
Charges for services:										
Judicial administration	\$ 178,376	\$ 296,413	\$ 181,930	\$ 388,718	\$ 523,019	\$ 830,912	\$ 1,305,499	\$ 1,384,720	\$ 1,339,915	\$ 1,138,112
Public safety	371,280	619,330	923,608	924,691	1,203,542	898,793	856,280	1,031,217	1,018,918	956,488
Public works	566,946	612,300	629,256	89,757	739,398	751,894	653,109	637,392	627,203	63,853
Parks, recreation, and cultural	77,550	74,828	76,822	74,271	79,875	66,293	92,409	110,846	145,027	805,158
Community development	6,583	6,745	9,386	521,224	10,698	1,416	1,390	681	712	376
Operating grants and contributions	5,443,064	4,917,113	7,335,019	5,350,051	6,296,842	6,124,116	6,003,643	6,175,872	5,697,075	7,235,060
Capital grants and contributions	-	-	41,470	42,235	-	2,757,972	616,088	929,973	699,323	748,964
Total governmental activities program revenues	6,643,799	6,526,729	9,197,491	7,390,947	8,853,374	11,431,396	9,528,418	10,270,701	9,528,173	10,948,011
Total primary government program revenues	\$ 6,643,799	\$ 6,526,729	\$ 9,197,491	\$ 7,390,947	\$ 8,853,374	\$ 11,431,396	\$ 9,528,418	\$ 10,270,701	\$ 9,528,173	\$ 10,948,011
Total governmental activities	\$ (21,208,393)	\$ (23,910,942)	\$ (27,741,426)	\$ (29,345,325)	\$ (25,713,792)	\$ (35,454,972)	\$ (31,450,992)	\$ (30,555,694)	\$ (35,161,742)	\$ (34,966,809)
Total primary government net expense	\$ (21,208,393)	\$ (23,910,942)	\$ (27,741,426)	\$ (29,345,325)	\$ (25,713,792)	\$ (35,454,972)	\$ (31,450,992)	\$ (30,555,694)	\$ (35,161,742)	\$ (34,966,809)

County of Dinwiddie, Virginia

Changes in Net Assets (Continued)

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General revenues and other changes in net assets										
Governmental activities:										
Taxes:										
Property taxes	\$ 16,172,132	\$ 15,487,481	\$ 17,414,146	\$ 20,099,377	\$ 21,348,615	\$ 22,217,232	\$ 22,549,583	\$ 24,743,254	\$ 25,156,908	\$ 26,805,696
Local sales and use taxes	781,069	863,497	930,972	1,021,345	1,180,546	1,374,304	1,065,681	1,096,278	1,203,733	1,363,905
Taxes on recordation and wills	98,915	130,933	192,398	267,881	269,394	233,515	183,743	160,647	120,939	158,345
Motor vehicle licenses taxes	454,711	465,492	476,262	485,575	476,817	378,508	494,872	617,821	545,740	540,211
Consumer utility taxes	951,101	899,650	1,088,753	1,244,243	886,235	564,293	582,840	709,229	532,818	581,790
Communication taxes	-	-	-	-	-	1,058,009	961,296	965,609	-	-
Business licenses taxes	366,713	394,848	473,874	528,221	704,284	733,008	691,566	598,129	627,762	639,686
Other local taxes	1,051,403	1,086,299	1,176,517	1,171,340	1,613,971	1,027,137	939,573	771,758	950,403	1,001,612
Unrestricted grants and contributions	3,663,641	4,106,164	4,508,591	5,113,495	3,958,524	3,918,941	3,806,489	3,665,342	4,731,621	3,691,120
Unrestricted revenues from use of money and property	423,068	355,377	1,287,478	3,130,851	4,186,253	2,253,826	566,711	202,165	148,742	252,722
Miscellaneous	32,909	80,713	72,489	118,757	119,584	106,193	364,712	166,484	873,653	305,634
Gain on sale of capital assets	-	-	-	-	111,673	-	-	-	-	(941,808)
Payment from Dinwiddie County School Board	-	-	-	-	-	-	-	275,008	402,508	-
Refunds from mineral lands tax	-	-	-	-	(747,331)	-	-	-	-	-
Total governmental activities	<u>23,995,662</u>	<u>23,870,454</u>	<u>27,621,480</u>	<u>33,181,085</u>	<u>34,108,565</u>	<u>33,864,966</u>	<u>32,207,066</u>	<u>33,971,724</u>	<u>35,294,827</u>	<u>34,398,913</u>
Total primary government	<u>\$ 23,995,662</u>	<u>\$ 23,870,454</u>	<u>\$ 27,621,480</u>	<u>\$ 33,181,085</u>	<u>\$ 34,108,565</u>	<u>\$ 33,864,966</u>	<u>\$ 32,207,066</u>	<u>\$ 33,971,724</u>	<u>\$ 35,294,827</u>	<u>\$ 34,398,913</u>
Change in net assets										
Governmental activities	\$ 2,787,269	\$ (40,488)	\$ (119,946)	\$ 3,835,760	\$ 8,394,773	\$ (1,590,006)	\$ 756,074	\$ 3,416,030	\$ 133,085	\$ (567,896)
Total primary government	<u>\$ 2,787,269</u>	<u>\$ (40,488)</u>	<u>\$ (119,946)</u>	<u>\$ 3,835,760</u>	<u>\$ 8,394,773</u>	<u>\$ (1,590,006)</u>	<u>\$ 756,074</u>	<u>\$ 3,416,030</u>	<u>\$ 133,085</u>	<u>\$ (567,896)</u>

See report of independent auditor.

This page is intentionally left blank.

County of Dinwiddie, Virginia

Table 3

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011 ⁽¹⁾	2012
General fund										
Reserved	\$ 827,313	\$ 281,512	\$ 281,512	\$ 281,512	\$ 281,512	\$ 281,512	\$ 192,984	\$ 192,984	\$ -	\$ -
Unreserved	17,663,684	17,062,058	13,434,349	15,542,431	18,307,012	20,566,462	19,216,083	20,349,735	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	199,877
Restricted	-	-	-	-	-	-	-	-	226,025	28,746
Committed	-	-	-	-	-	-	-	-	792,632	600,876
Unassigned	-	-	-	-	-	-	-	-	19,576,705	20,676,360
Total general fund	18,490,997	17,343,570	13,715,861	15,823,943	18,588,524	20,847,974	19,409,067	20,542,719	20,595,362	21,505,859
All other governmental funds										
Unreserved, reported in:										
Special revenue funds	1,225,437	1,545,206	1,461,428	1,169,310	620,213	293,749	466,301	382,200	-	-
Capital projects funds	3,544,869	2,413,290	55,336,923	56,736,752	37,479,461	10,996,380	4,761,094	2,789,047	-	-
Debt service funds	5,632,823	6,702,475	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
Capital projects funds	-	-	-	-	-	-	-	-	121,817	-
Debt service funds	-	-	-	-	-	-	-	-	299,364	7,411
Committed, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	159,814	170,619
Capital projects funds	-	-	-	-	-	-	-	-	1,070,766	2,016,237
Debt service funds	-	-	-	-	-	-	-	-	1,570,371	-
Unassigned, reported in:										
Debt service funds	-	-	-	-	-	-	-	-	-	(2,881)
Total all other governmental funds	10,403,129	10,660,971	68,886,073	67,064,865	47,026,076	18,427,733	10,542,839	6,714,296	3,554,702	2,535,268
Total fund balances	\$ 28,894,126	\$ 28,004,541	\$ 82,601,934	\$ 82,888,808	\$ 65,614,600	\$ 39,275,707	\$ 29,951,906	\$ 27,257,015	\$ 24,150,064	\$ 24,041,127

⁽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.

See report of independent auditor.

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
General property taxes	\$ 16,220,154	\$ 15,338,752	\$ 17,113,777	\$ 19,763,605	\$ 21,238,498	\$ 21,877,562	\$ 22,387,028	\$ 24,350,213	\$ 25,198,581	\$ 25,844,662
Other local taxes	3,703,912	3,840,719	4,338,776	4,718,605	5,131,247	5,368,774	4,919,571	4,919,471	3,981,395	4,285,549
Permits, privilege fees and regulatory license	207,221	213,154	349,493	377,550	638,110	432,228	289,909	241,966	219,773	183,116
Fines and forfeitures	118,574	208,617	135,296	280,386	409,938	662,248	1,069,519	1,381,372	1,335,399	912,324
Revenue from use of money and property	423,068	355,377	1,287,478	3,103,892	4,159,294	2,226,867	566,711	202,165	148,742	126,044
Charges for services	874,940	1,187,845	1,336,213	1,340,725	1,508,484	1,454,832	1,549,259	1,541,518	1,576,603	1,691,435
Miscellaneous	32,909	80,713	72,489	118,757	119,584	106,193	364,712	166,484	873,653	305,634
Recovered costs	94,980	640,146	105,565	124,847	93,523	67,612	72,354	147,323	141,444	558,360
Intergovernmental:										
Local	433,676	348,188	352,113	720,066	-	-	-	275,008	402,508	-
Commonwealth	7,333,467	6,750,829	9,969,990	8,248,518	8,789,542	8,727,677	8,578,024	8,855,646	9,158,447	9,548,625
Federal	1,339,562	1,924,260	1,562,977	1,537,197	1,465,824	1,315,380	1,848,196	1,915,541	1,969,572	1,638,603
Total revenues	30,782,463	30,888,600	36,624,167	40,334,148	43,554,044	42,239,373	41,645,283	43,996,707	45,006,117	45,094,352
Expenditures										
Current:										
General government administration	1,370,305	1,491,463	1,862,400	1,644,700	1,852,439	2,156,294	2,756,161	2,281,210	2,317,414	2,639,998
Judicial administration	277,492	267,867	316,976	691,523	743,995	918,387	1,003,583	1,035,794	932,176	949,880
Public safety	4,950,436	5,579,226	6,226,265	7,083,245	8,725,167	9,187,117	9,937,558	9,348,959	9,940,361	9,878,659
Public works	2,631,364	2,909,058	2,864,254	2,822,076	2,852,468	2,929,734	3,120,224	3,214,198	3,034,564	3,185,400
Health and welfare	2,964,835	2,791,203	3,033,833	3,110,491	3,209,807	3,368,580	3,338,376	3,489,223	3,619,191	3,774,424
Education	10,298,508	11,317,606	12,713,898	13,047,329	10,827,763	11,691,834	11,125,804	9,992,801	13,218,360	10,532,122
Parks, recreation and cultural	438,977	443,808	471,405	474,172	521,670	758,189	943,879	841,349	953,983	1,244,371
Community development	1,237,781	1,238,356	3,689,847	1,171,257	1,439,554	1,600,038	1,857,951	1,991,454	2,473,718	1,914,620
Capital projects	1,246,911	5,557,838	1,762,641	3,536,690	29,769,497	27,848,522	8,017,859	5,869,156	3,047,106	1,885,107
Debt service:										
Principal	2,158,512	2,032,295	2,177,334	2,044,301	2,268,817	4,310,711	4,908,688	4,996,992	5,163,875	5,367,282
Interest and other fiscal charges	1,885,222	2,753,167	2,670,625	4,181,490	3,991,636	3,815,360	3,959,001	3,630,462	3,412,320	3,181,280
Total expenditures	29,460,343	36,381,887	37,789,478	39,807,274	66,202,813	68,584,766	50,969,084	46,691,598	48,113,068	44,553,143
Excess (deficiency) of revenues over expenditures	1,322,120	(5,493,287)	(1,165,311)	526,874	(22,648,769)	(26,345,393)	(9,323,801)	(2,694,891)	(3,106,951)	541,209

County of Dinwiddie, Virginia

Table 4

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Other financing sources (uses)										
Operating transfers in	4,985,111	7,279,713	10,916,089	7,723,257	8,289,953	8,461,868	10,489,849	10,370,440	8,785,037	19,321,137
Operating transfers out	(4,985,111)	(7,279,713)	(10,916,089)	(7,723,257)	(8,289,953)	(8,461,868)	(10,489,849)	(10,370,440)	(8,785,037)	(19,321,137)
Redemption of refunding bonds issued	-	(7,905,000)	-	(5,175,000)	-	(15,000,000)	-	-	-	(48,253,105)
Bonds issued	-	12,508,700	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)	-	4,603,700	55,722,254	(240,000)	5,364,342	6,500	-	-	-	(4,733)
Net change in fund balances	\$ 1,322,120	\$ (889,587)	\$ 54,556,943	\$ 286,874	\$ (17,284,427)	\$ (26,338,893)	\$ (9,323,801)	\$ (2,694,891)	\$ (3,106,951)	\$ 536,476
Debt service as a percentage of noncapital expenditures	16.73%	18.38%	15.55%	20.72%	20.75%	24.92%	26.02%	26.80%	23.50%	20.04%

See report of independent auditor.

**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
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%
2004	1,247,968,292	145,276,192	9,637,545	74,536,706	156,145,636	1,633,564,371	1,633,564,371	100.00%
2003	1,245,888,983	139,469,365	9,629,575	86,006,545	-	1,480,994,468	1,480,994,468	100.00%

Source: Commissioner of Revenue

See report of independent auditor.

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

Fiscal Year	Real Estate	Personal Property	Mobile Homes	Machinery and Tools
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
2004	0.77	4.90	0.77	3.30
2003	0.77	4.90	0.77	3.30

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

**Principal Property Taxpayers
Current Year and the Period Nine Years Prior**

Taxpayer	Industry	Fiscal Year 2012		Fiscal Year 2003		Taxpayer	Industry
		Taxable Assessed Valuation	Percentage of Total Taxable Assessed Valuation	Taxable Assessed Valuation	Percentage of Total Taxable Assessed Valuation		
Gerdeau Ameristeel / Chaparral	Manufacturing	\$ 193,398,411	8.37%	\$ 271,175,216	21.77%	Gerdeau Ameristeel/Chaparral	Manufacturing
Walmart	Distribution	56,462,188	2.44%	46,982,990	3.77%	Walmart	Distribution
TIAA Timberlands I LLC	Timber	29,572,100	1.28%	11,581,900	0.93%	TIAA Timberlands I LLC	Timber
American Timberland LLC	Timber	20,719,100	0.90%	8,521,600	0.68%	American Timberland LLC	Timber
Bain, Warren & Nancy	Agricultural	13,597,275	0.59%	8,153,100	0.65%	Rohoic Wood Apartments Inc	Rental Property
Tindall Corp	Manufacturing	13,384,780	0.58%	5,876,471	0.47%	Tindall Corp	Manufacturing
Eastern Timberlands LLC	Timber	11,508,200	0.50%	5,304,200	0.43%	PVA	Timber
Rohoic Wood Apartments Inc	Rental Property	8,299,300	0.36%	5,119,400	0.41%	Triple G East LLC	Rental Property
Charles W & Shirley Harrison	Rental Property	8,051,500	0.35%	5,119,400	0.41%	NWB USA	Manufacturing
Eastside Properties	Rental Property	7,763,341	0.34%	4,924,325	0.40%	Bain, Warren & Nancy	Agricultural
		\$ 362,756,195	15.70%	\$ 372,758,602	29.92%		

Source: Commissioner of Revenue

See report of independent auditor.

**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
2012	\$ 30,507,190	\$ 28,047,282	91.94%	-	\$ 28,047,282	91.94%
2011	28,189,080	26,961,086	95.64%	866,129	27,827,215	98.72%
2010	28,594,123	26,370,246	92.22%	1,839,151	28,209,397	98.65%
2009	26,747,943	25,020,017	93.54%	1,489,717	26,509,734	99.11%
2008	25,680,590	23,993,360	93.43%	1,508,643	25,502,003	99.30%
2007	24,152,703	22,877,484	94.72%	1,200,673	24,078,157	99.69%
2006	23,305,544	22,126,560	94.94%	1,140,368	23,266,928	99.83%
2005	20,584,891	19,345,418	93.98%	1,227,796	20,573,214	99.94%
2004	18,256,617	16,997,119	93.10%	1,249,246	18,246,365	99.94%
2003	18,303,922	17,792,164	97.20%	498,087	18,290,251	99.93%

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			
2012	\$ 15,159,097	\$ -	\$ 44,490,000	\$ -	\$ 59,649,097	1.98%	2,129
2011	16,643,284	-	52,136,200	-	68,779,484	2.44%	2,456
2010	18,081,059	-	57,101,372	-	75,182,431	2.72%	2,677
2009	19,475,316	8,835	60,753,625	-	80,237,776	3.03%	2,949
2008	20,801,266	23,835	64,379,716	-	85,204,817	3.36%	3,150
2007	10,039,201	42,965	81,456,938	-	91,539,104	3.77%	3,555
2006	10,868,126	62,095	76,877,700	-	87,807,921	3.77%	3,417
2005	11,671,819	81,225	78,313,700	25,478	90,092,222	4.09%	3,548
2004	12,447,451	100,355	23,508,700	174,886	36,231,392	1.72%	1,443
2003	24,368,008	119,485	-	9,172,494	33,659,987	1.65%	1,353

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)
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
2004	12,547,806	12,547,806	0.77%	500
2003	13,317,493	13,317,493	0.90%	535

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 %
2012	28,018	\$ 3,014,207	\$ 38,428	4,435	6.80%
2011	28,001	2,818,964	36,258	4,545	6.90%
2010	28,087	2,763,691	35,547	4,679	7.90%
2009	27,209	2,647,721	34,291	4,675	8.90%
2008	27,047	2,536,617	33,035	4,687	4.20%
2007	25,747	2,430,176	31,826	4,623	3.40%
2006	25,695	2,328,236	30,652	4,573	3.10%
2005	25,391	2,200,815	29,288	4,530	4.00%
2004	25,111	2,100,822	27,938	4,469	3.80%
2003	24,873	2,040,656	27,146	4,423	4.00%

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

Note: (1) Includes Colonial Heights and Petersburg; estimates used for 2011 & 2012

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

Employer	Fiscal Year 2012		Fiscal Year 2003		Employer
	Range of Employees	Rank	Range of Employees	Rank	
Southside VA Training Center	1000+	1	1000+	1	Southside VA Training Center
WalMart	500-999	2	1000+	2	WalMart
Central State Hospital	500-999	3	500-999	3	Central State Hospital
Dinwiddie Co School Board	500-999	4	500-999	4	Dinwiddie Co School Board
Gerdeau Ameristee/Chaparral	250-499	5	250-499	5	Chaparral
County of Dinwiddie	100-249	6	100-249	6	Hiram W. Davis Medical Ctr
Hiram W Davis Medical Ctr	100-249	7	100-249	7	Tindall Concrete Products
Tindall Concrete Products	100-249	8	100-249	8	County of Dinwiddie
Iluka Resources	100-249	9	100-249	9	Phillip Morris Products
Food Lion	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	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government	21.0	21.0	24.0	24.0	24.0	24.2	26.1	24.8	24.5	25.4
Judicial administration	7.5	7.1	7.3	9.5	11.0	11.9	13.4	12.5	12.2	12.4
Public safety										
Sheriff's Office/Jail	57.0	55.0	55.0	57.0	58.0	64.5	65.4	64.6	64.2	63.1
Communications	10.0	10.0	10.0	16.0	16.0	17.0	16.5	16.4	17.4	18.2
Fire / Rescue / EMS	17.0	21.5	20.5	19.5	20.5	22.5	22.4	22.8	23.3	22.9
Building inspections	4.0	4.0	4.0	4.0	5.0	6.0	5.5	4.0	4.0	3.8
Animal control	3.0	3.5	3.5	3.5	3.5	3.6	3.8	3.7	4.0	3.9
Department of Comprehensive Services	1.0	2.3	2.3	2.6	2.5	3.3	3.1	2.3	2.1	2.6
Public works										
General maintenance	7.0	6.0	7.0	6.0	6.0	5.8	6.9	6.0	6.4	6.0
Waste management	13.0	14.0	14.0	12.0	10.0	10.3	13.3	15.2	15.3	15.5
Health and welfare										
Department of Social Services	28.0	29.0	30.0	32.0	29.0	30.0	30.0	30.0	30.0	29.0
Culture and recreation										
Parks and recreation	5.0	5.0	5.0	5.0	5.0	6.5	8.0	7.4	8.9	14.0
Community development										
Economic development	-	-	-	-	1.0	0.8	1.2	0.7	1.0	1.0
Cooperative extension	-	-	-	-	-	-	0.7	1.0	1.0	0.6
Planning	4.0	4.0	5.0	5.0	6.0	5.5	6.3	5.9	6.0	5.9
Totals	177.5	182.4	187.6	196.1	197.5	211.9	222.6	217.3	220.3	224.3

Source: County Payroll; Efficiency Review layoffs occurred 4th qtr FY 2009

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

Table 14

Function	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Public safety										
Sheriff's department										
Physical arrests	1,337	1,464	1,288	1,445	1,371	1,501	1,965	2,331	1,828	1,657
Traffic violations	1,259	3,005	2,055	1,853	1,513	6,833	15,125	14,211	16,974	11,478
Civil papers	12,684	13,293	12,524	10,524	11,071	11,627	11,654	12,225	10,456	11,471
Department on Comprehensive Services										
Caseload	n/a	256	249	189	193	227	277	229	206	207
Fire and rescue										
Number of EMS calls answered	n/a	1,329	1,743	3,135	3,244	3,186	3,337	3,039	2,982	3,226
Building inspections										
Permits issued	1,667	1,739	1,486	1,550	1,776	1,610	1,151	994	1,004	939
Animal control										
Number of calls answered	3,446	3,067	3,742	4,113	3,947	2,398	2,367	2,629	3,409	6,465
Public works										
Landfill										
Refuse collection (tons/day)	64	65	59	58	51	56	48	53	49	53
Health and welfare										
Department of Social Services caseload	4,079	4,344	4,373	4,505	4,557	4,597	5,284	6,170	6,485	6,844
Culture and recreation										
Parks and recreation										
Program participants: avg/mo	1,663	1,675	1,696	1,700	1,874	3,784	3,996	3,712	3,958	7,585
Community development										
Planning										
Zoning permits issued	196	187	184	102	216	127	75	82	44	41
Component Unit - School Board										
Education										
School age population	4,741	4,741	4,741	4,925	4,925	4,925	4,925	5,629	5,629	5,629*
Number of teachers	n/a	350	355	356	358	364	370	365	351	342
Local expenditures per pupil	2,346	2,509	2,680	2,274	2,708	2,669	2,457	2,487	2,775	2,840

Source: Individual county departments

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

**Capital Asset Statistics by Function
Last Ten Fiscal Years**

Function	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government										
Buildings	15	15	15	15	15	15	16	16	16	16
Public safety										
Sheriff's department										
Patrol units	52	57	50	56	56	54	54	54	54	49
Building inspections										
Vehicles	3	3	3	3	3	4	4	4	4	3
Animal control										
Vehicles	2	2	3	3	3	3	3	3	3	3
Public works										
General maintenance										
Trucks / vehicles	2	2	3	3	3	3	3	3	6	6
Landfill										
Vehicles	5	5	6	6	4	7	7	7	9	11
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	1	1	2	2
Vehicles	1	1	1	1	1	2	2	2	5	5
Community development										
Planning										
Vehicles	1	1	2	2	2	3	3	3	3	3
Component unit - School Board										
Education										
Schools	7	7	7	7	7	8	8	8	8	8
School buses	103	107	107	107	110	113	113	113	113	113

Source: Individual County departments

County of Dinwiddie, Virginia

Compliance Section

Year Ended June 30, 2012



***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 the financial statements of the governmental activities, the 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, 2012, which collectively comprise the ***County of Dinwiddie, Virginia's*** basic financial statements and have issued our report thereon dated November 29, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

We noted certain other matters that we reported to management of *County of Dinwiddie, Virginia* in a separate letter dated November 29, 2012.

The *County of Dinwiddie, Virginia's* responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the *County of Dinwiddie, Virginia's* responses and, accordingly, we express no opinion on it.

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

Dixon Hughes Goodman LLP

Chester, Virginia
November 29, 2012



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

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

Compliance

We have audited *County of Dinwiddie, Virginia's* compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (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, 2012. 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. Compliance with the requirements referred to above is the responsibility of the *County of Dinwiddie, Virginia's* management. Our responsibility is to express an opinion on the *County of Dinwiddie, Virginia's* compliance based on our audit.

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

In our opinion, the *County of Dinwiddie, Virginia* complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs identified in the accompanying schedule of findings and questioned costs for the year ended June 30, 2012.

Internal Control over Compliance

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

over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

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

Dixon Hughes Goodman LLP

Chester, Virginia
November 29, 2012



***Report of Independent Auditors 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, 2012, and have issued our report thereon dated November 29, 2012.

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 an instance of noncompliance with the provisions referred to in the preceding paragraph. This instance is discussed in the schedule of findings and responses as Finding 12-01. 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 29, 2012

County of Dinwiddie, Virginia

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

Year Ended June 30, 2012

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	\$ 429,092 *
Department of Health and Human Services pass-through programs:		
Virginia Department of Social Services:		
Promoting safe and stable families	93.556	15,990
Temporary Assistance for Needy Families	93.558	270,295
Refugee and entrant assistance - state administered programs	93.566	396
Low-income Home Energy Assistance	93.568	23,618
Child care and development block grant	93.575	101,926
Child care mandatory and matching funds of the child care development fund	93.596	140,339
Chafee education and training vouchers program	93.599	989
Stephanie Tubbs Jones child welfare services program	93.645	898
Foster Care - Title IV-E	93.658	360,826 *
Adoption assistance	93.659	127,894
Social services block grant	93.667	265,105
Chafee foster care independence program	93.674	3,065
Children's health insurance program	93.767	10,004
Medical assistance program	93.778	260,113
Total Department of Health and Human Services		<u>1,581,458</u>
Department of Transportation pass-through programs:		
Department of Motor Vehicles:		
State and community highway safety	20.600	<u>19,961</u>
Primary Government (continued):		
Department of Justice:		
Direct programs:		
Bulletproof vest partnership program	16.607	<u>6,783</u>
Pass-through programs:		
Department of Criminal Justice Services:		
Crime victim assistance	16.575	54,046
Edward Byrne memorial justice assistance grant program	16.738	<u>2,708</u>
		56,754
Total Department of Justice		<u>63,537</u>

County of Dinwiddie, Virginia

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

Year Ended June 30, 2012

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Expenditures
Department of Homeland Security pass-through programs:		
Department of Emergency Assistance:		
State homeland security program	97.073	10,988
Disaster grants - public assistance	97.036	196,173
Total Department of Emergency Assistance		<u>207,161</u>
Department of the Interior:		
Direct payments:		
Bureau of Land Management:		
Payments in lieu of taxes	15.226	841
Total Primary Government		<u>\$ 2,302,050</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	\$ 105,144
Virginia Department of Education:		
National school breakfast program	10.553	298,434
National school lunch program	10.555	782,598
Total Child Nutrition Cluster		<u>1,186,176 *</u>
The Improvement Association:		
Child and adult care food program	10.558	55,723
Total Department of Agriculture		<u>1,241,899</u>
Department of Defense direct program:		
JROTC Instruction	12.000	56,899
Department of Education pass-through programs:		
Virginia Department of Education:		
Special Education Cluster (IDEA):		
Special education - grants to states	84.027	973,990
Special education - preschool grants	84.173	25,929
Total Special Education Cluster (IDEA)		<u>999,919 *</u>

County of Dinwiddie, Virginia

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

Year Ended June 30, 2012

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Expenditures
Component Unit - School Board (continued):		
Department of Education pass-through programs (continued):		
Virginia Department of Education (continued):		
Title I, Part A Cluster:		
Title I grants to local educational agencies	84.010	782,101
Title I grants to local educational agencies - ARRA	ARRA - 84.389	<u>8,171</u>
Total Title I, Part A Cluster		<u>790,272</u> *
Career and technical education - basic grants to states	84.048	62,727
Safe and drug-free schools and communities	84.186	467
Education technology state grants	84.318	3,509
21st century community learning centers	84.287	40,311
English language acquisition grants	84.365	4,272
Improving teacher quality state grants	84.367	236,476
Education jobs fund - ARRA	ARRA - 84.410	<u>1,232,113</u> *
		<u>1,579,875</u>
 Total Department of Education		 <u>3,370,066</u>
Total Component Unit School Board		<u>\$ 4,668,864</u>
Total Reporting Entity		<u>\$ 6,970,914</u>

* Type A program. All other programs are Type B.

Notes to Schedule of Expenditures of Federal Awards

June 30, 2012

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, 2012. 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, 2011

1. Summary of Auditors' Results

- A. An unqualified 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 unqualified 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:
 - Child Nutrition Cluster – CFDA Numbers 10.553 and 10.555
 - Foster Care – CFDA Number 93.658
 - Education Jobs Fund – CFDA Number ARRA-84.410
- 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

County of Dinwiddie, Virginia

Schedule of Findings and Responses (Continued)

Year Ended June 30, 2011

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

Finding 12-01

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

Criteria: One financial disclosure statement (from a member of the Airport and Industrial Authority) was not filed.

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

Cause: Local government official failed to turn in the statements on a timely basis.

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 agrees with the finding and will take steps to ensure that all required forms are filed by the deadline.

5. Results of Prior Year Findings

None