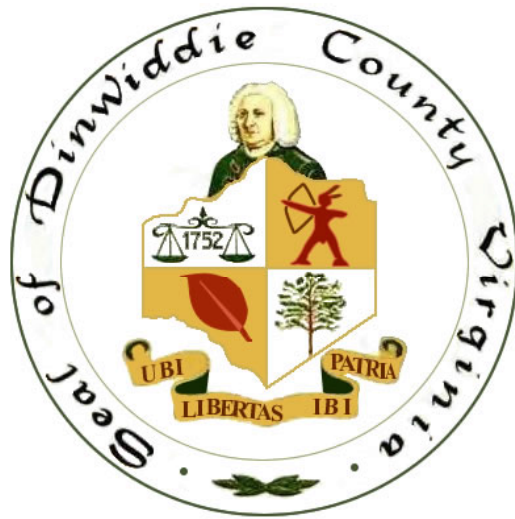


County of Dinwiddie, Virginia



Prepared by:
Finance Department
County of Dinwiddie, Virginia

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2015

County of Dinwiddie, Virginia

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County of Dinwiddie, Virginia

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County of Dinwiddie, Virginia
Introductory Section (Unaudited)
Year Ended June 30, 2015



County of Dinwiddie

BOARD OF SUPERVISORS

WILLIAM D. CHAVIS
BRENDA K. EBRON-BONNER
DANIEL D. LEE
HARRISON A. MOODY
DR. MARK E. MOORE



COUNTY ADMINISTRATOR

W. KEVIN MASSENGILL

FOUNDED 1752

December 1, 2015

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

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) for Dinwiddie County (the County) for the fiscal year ended June 30, 2015. The Code of Virginia (Section 15.2-2511) requires that local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. This report has been prepared by the County's Accounting Department in accordance with standards of financial reporting as prescribed by the Governmental Accounting Standards Board (GASB), the Financial Accounting Standards Board (FASB), and the Auditor of Public Accounts (APA).

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

To provide the required, independent review and confirmation of management's representations, the County's financial statements have been audited by Dixon Hughes Goodman LLP, licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements are free of material misstatement. Therefore, the independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The

independent auditor concluded, based upon their audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended June 30, 2015 are fairly presented in all material respects and in conformity with GAAP. The auditors' report is presented as the first component of the financial section of the CAFR.

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

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

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

Profile of the Government

Dinwiddie County was established May 1, 1752, from Prince George County and was named after Robert Dinwiddie, Lieutenant Governor of Virginia from 1751 to 1758. Its first inhabitants can be traced back to the Paleolithic period, with early stone tools from this period having been discovered in various fields within the County. During the Civil War, Dinwiddie County had more battles fought within its boundaries than in any other location in the United States, and is home to Pamplin Historical Park and the National Museum of the Civil War Soldier. This heritage was highlighted in FY 2015 through the establishment of a driving tour and a number of events held as part of the sesquicentennial anniversary of the County's involvement in the Civil War.

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

Dinwiddie County offers a blend of suburban and rural living, with agriculture contributing significantly to the economy and the quality of life that its approximately 28,971 residents enjoy. Lake Chesdin, located along the northern rim of Dinwiddie County, provides numerous recreational opportunities. The Town of McKenney, with a population of approximately 477, is the only incorporated town located within the County.

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

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

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

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

accordance with the Code of Virginia (Section 15.2-2507). Budgetary compliance is monitored through on-line and monthly financial reports provided to County departments and the Board of Supervisors by County Administration.

Factors Affecting the Government's Financial Condition

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

Local Economy

Despite challenging national economic conditions, Dinwiddie has maintained population growth, business investment and positive economic activity. When considering the population change from 2000 to 2010 within the overall Tri-Cities/Tri-County Region (Cities of Petersburg, Hopewell, Colonial Heights and Counties of Chesterfield, Dinwiddie, and Prince George), Dinwiddie County was the second fastest growing community with a 14.1% increase. This trend has also continued since 2010, with the population increasing from 28,001 to 28,971 in 2015.

Based on available economic data at June 30, 2015, the local unemployment rate was 6.0%, slightly lower than the prior June's unemployment rate of 6.4%, but higher than Virginia's rate of 5.0% and the national rate of 5.7%. This decline can be attributed in part to the expansion of several existing businesses and the location of several new businesses in the County during FY 2015. Predominant industries/employers in the County are distribution, government, advanced manufacturing, forestry, mining, and agriculture. With the County located between two military installations, national defense spending in the region has somewhat insulated the County from the sharp downturns in the economy over the past several years, but that could change with future Sequestration orders.

Local sales tax revenue, which can also be an indication of the overall condition of the County's economy, shows steady growth in FY 2015 with receipts 4.6% higher than FY 2014. New home construction in FY 2015 yielded 41 homes being added to the County's real estate tax book. That was a decrease from last fiscal year which yielded an additional 70 homes. FY 2015 experienced a very stable real estate market with the sales ratio finishing at approximately 96% overall. This is an indication that sales to assessments are holding very steady -- the County's last general tax reassessment was effective January 1, 2013. Additionally, 257 new business licenses were issued in FY 2015, which reflects an increase of 76 licenses from the year before. Overall, Dinwiddie County has demonstrated an even real estate market and an increase in the business base over the course of the last fiscal year.

Long-term Financial Planning

Both County staff and external financial advisors, as needed, provide guidance in addressing the long term capital and operating needs of the County. One result of this guidance is the preparation of a five year Capital Improvements Plan (CIP). The CIP reflects the County's strategic initiatives and is adopted annually by the Board of Supervisors, with the first year funding appropriated and the remaining four years provided for planning purposes. The FY

2015-2019 CIP projects represent the Board of Supervisors' commitment to education, public safety and improving the quality of life in the County through recreational opportunities. The County utilizes a balanced approach to capital project funding, using a combination of debt financing, draws on unassigned fund balance, and pay-as-you-go current year appropriations.

Financial Policies

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

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

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

Major Initiatives in FY 2015

Designed to enhance levels of service provided to County residents while maintaining an effective and efficient government, the following projects were initiated and/or completed during FY 2015 without a tax rate increase:

- ❖ Purchased property in the Ford area of the County for the eighth manned convenience waste center, as a part of the County's waste management plan to eliminate unmanned dumpster sites.
- ❖ Replaced an ambulance and extrication tools as a part of the County's Fire and EMS Apparatus Program and funded part-time paid Emergency Medical Technicians for the southern end of the County.
- ❖ Continued with security upgrades in the County Courthouse to address security concerns in today's environment with the purchase of an x-ray machine and reconfiguration of the front lobby.
- ❖ Replaced vehicles and completed the renovation of a donated building into a training/investigations center for the Sheriff's Office.
- ❖ Provided funding to the School system for school buses.
- ❖ In response to today's citizens, students, and businesses ever increasing dependence on internet service, a broadband needs assessment was funded.

- ❖ Funded a water infrastructure improvements study to assess the feasibility of providing public water and sewer in the Courthouse area of the County.
- ❖ As part of the County's tourism efforts, funding was provided to establish a County Museum in the Historic Courthouse.
- ❖ Provided funding for plans for parking lot lights and paving at Eastside Community Enhancement Center.
- ❖ Purchased a gymnasium and completed plans for the renovation of a donated building to create the McKenney Recreation Center to address the recreational needs of residents in the southern part of the County.
- ❖ Approved the concept of the County Government Complex project, which will consist of a new administrative building to include health and human services and a new public safety building.
- ❖ Leased space in the Historic Southside School Education Center to the Rivermont School for autistic students, which provided a much needed addition to educational services in the County.

Acknowledgements

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

Respectfully submitted,

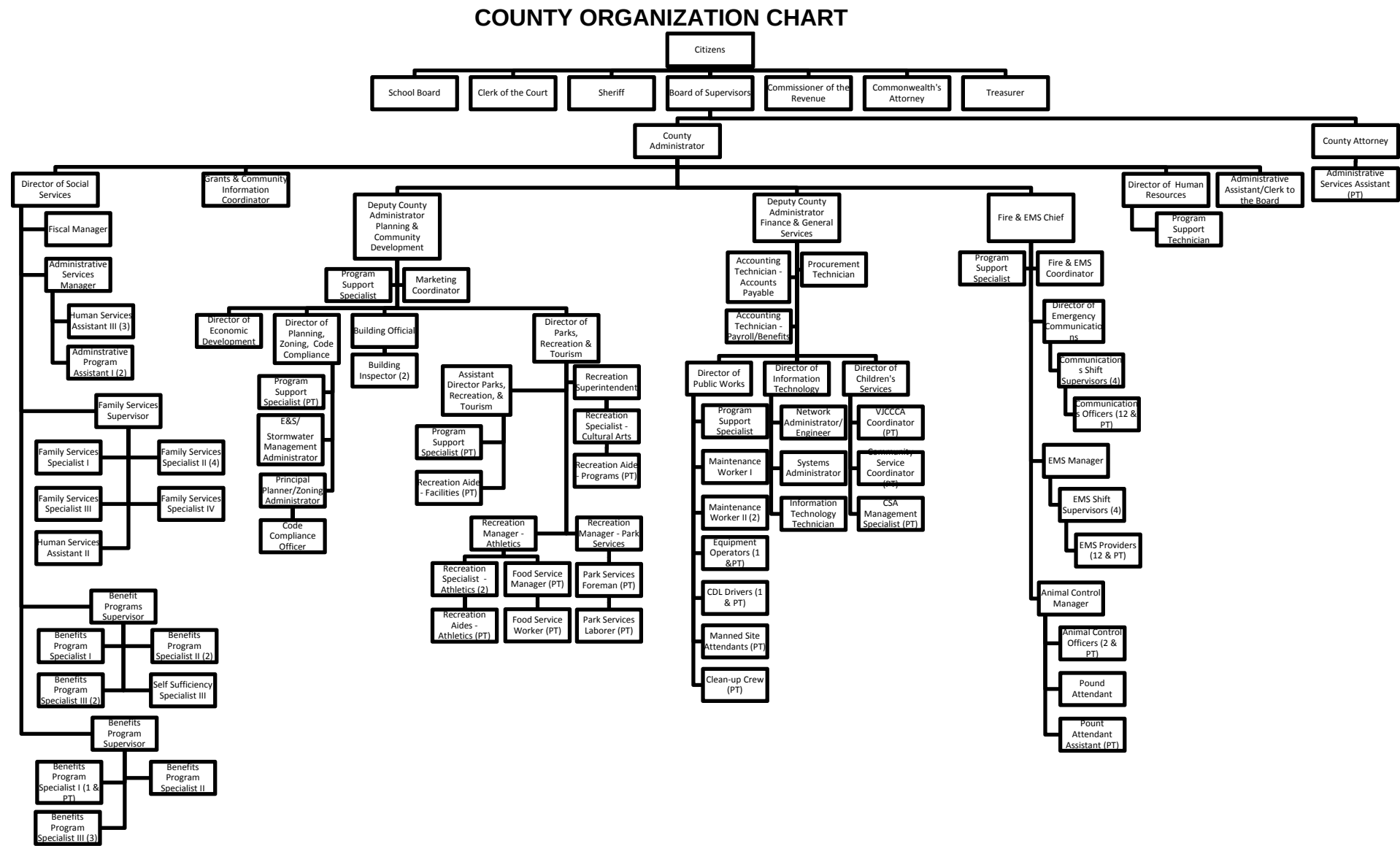


W. Kevin Massengill
County Administrator



Anne R. Howerton, CPA
Deputy County Administrator, Finance and General Services

County of Dinwiddie, Virginia
Organizational Chart



Official Directory

June 30, 2015

Board of Supervisors

Daniel D. Lee, Chairperson
Brenda K. Ebron-Bonner, Vice-Chairperson

William D. Chavis
Dr. Mark E. Moore

Harrison A. Moody

School Board

William R. Haney, Chairperson
Kelley B. Frakes, Vice-Chairperson

Gregory K. McCammon
Barbara T. Pittman

Sherilyn H. Merritt

Industrial Development Authority

Victoria Heller, Chairperson
Thomas Hooker, Vice-Chairperson
W. Alan Kissner, Treasurer

David Lyle
James Vanlandingham

George M. Rapp
Maxwell Watkins

Other Officials

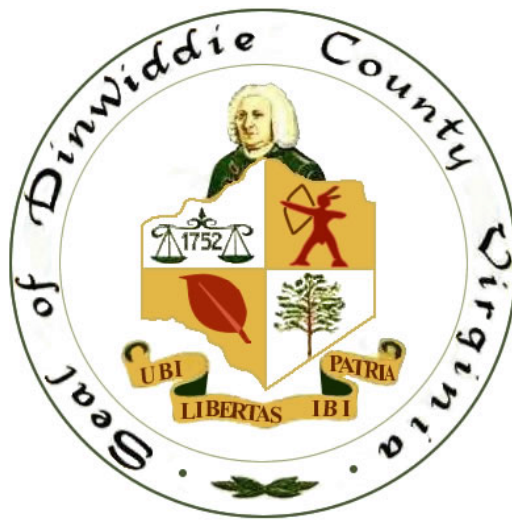
Chief Judge of the Circuit Court
Clerk of the Circuit Court
Commonwealth's Attorney
Chief Judge of the General District Court
Chief Judge of the Juvenile and Domestic Relations Court
Treasurer
Sheriff
Superintendent of Schools
Clerk of the School Board
Superintendent of Public Welfare
Commissioner of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

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

County of Dinwiddie, Virginia

Financial Section

Year Ended June 30, 2015



Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Dinwiddie, Virginia, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Dinwiddie, Virginia, as of June 30, 2015, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 3 to the financial statements, beginning balances were restated due to the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27", and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68", in 2015. Our opinion is not modified with respect to these changes.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of funding progress, and pension information, including contributions and related notes, and on pages 13 through 20 and 69 through 75 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Accompanying Information

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

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

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

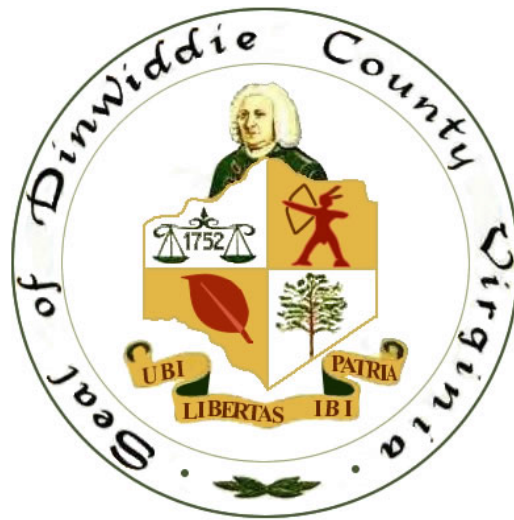


Other Reporting Required by Government Auditing Standards

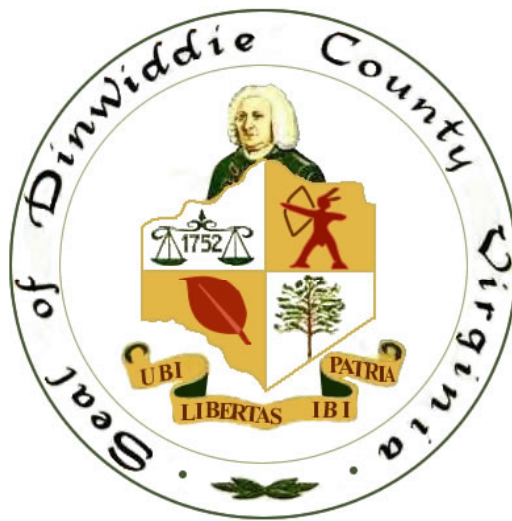
In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2015, on our consideration of County of Dinwiddie, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Dinwiddie, Virginia's internal control over financial reporting and compliance.

Dixon Hughes Goodman LLP

**Chester, Virginia
November 18, 2015**



County of Dinwiddie, Virginia
Management's Discussion and Analysis
Year Ended June 30, 2015



Management's Discussion and Analysis

As management of County of Dinwiddie, Virginia, we offer readers of the County's FY 2015 financial statements this narrative overview and analysis for the purpose of assisting them with understanding significant financial issues, providing an overview of the County's financial activity, and identifying changes in the County's financial position. Readers are also encouraged to read the transmittal letter at the front of this report and the County's financial statements which follow this analysis.

Financial Highlights

- Dinwiddie County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2015 by \$35,572,077 (net position).
- On a government-wide basis for governmental activities, the County had expenses net of program revenue totaled (\$36,218,394). This amount is \$2,195,649 less than the general revenues of \$38,414,043 (change in net position).
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$23,764,226, an increase of \$854,015 in comparison with the prior year.
- Of the governmental funds' ending balances, unassigned fund balance for the general fund was \$20,199,566 or 44% of total general fund expenditures and other financing uses. This represents a 2.9% increase in unassigned fund balance from FY14.

Using This Comprehensive Annual Financial Report

This Comprehensive Annual Financial Report consists of four sections: introductory, financial, statistical, and compliance. This management's discussion and analysis is intended to serve as an introduction to the County's basic financial statements which are comprised of three components: government-wide financial statements; fund financial statements; and notes to the financial statements. Required supplementary information follows the basic financial statements. Other supplementary information and supporting schedules are also presented in the financial section. The unaudited statistical section shows financial data and trends over time, and the compliance section reports on the County's compliance with internal controls and various federal and state requirements.

Government-Wide Financial Statements

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

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

The *Statement of Activities* presents information showing how the County's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are reported in the Statement of Activities, regardless of when cash was received or paid.

The governmental activities of the County include general government administration, judicial administration, public safety, public works, health and welfare, education, parks and recreation, and community development. The government-wide financial statements can be found in Exhibits A and B.

County of Dinwiddie, Virginia Management's Discussion and Analysis

The government-wide financial statements include not only the County itself (known as the primary government), but also the legally separate School Board, Industrial Development Authority, Airport and Industrial Authority, and Water Authority, all of which Dinwiddie County is financially accountable. Financial information for the component units is reported separately from the financial information presented for the primary government. Neither the School Board nor the IDA issue separate financial statements, whereas the Airport and Industrial Authority and the Water Authority both issue separate financial statements. (See Exhibits I-J and Z-CC).

Fund Financial Statements

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

Governmental Funds - Governmental funds are used to account for essentially the same functions or services reported as governmental activities in the government-wide financial statements. Whereas the government-wide financial statements are prepared on the accrual basis of accounting, the governmental fund financial statements are prepared on the modified accrual basis of accounting. The focus of modified accrual reporting is on near-term inflows and outflows of financial resources and the balance of financial resources available at the end of the fiscal year. Since the governmental funds focus is narrower than that of the government-wide financial statements, a reconciliation between the two methods is provided after 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 Debt Service Fund and two non-major governmental funds - the Capital Projects Fund and the Special Revenue Fund. (See Exhibits C -F).

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31 - 68 of this report.

Other Information

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

Presented as other supplementary information are combining fund statements and schedules for funds other than the General Fund and for the School Board as a discretely presented component unit. Additionally, supporting schedules detail budgetary comparison schedules for all governmental funds (See Exhibits R-Y and Schedules 1-2).

County of Dinwiddie, Virginia
Management's Discussion and Analysis

Government-Wide Financial Statement Analysis

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

	Governmental Activities	
	2015	(As Restated) 2014
Current and other assets	\$ 41,590,255	\$ 39,524,051
Capital assets	68,830,816	72,469,019
	<u>110,421,071</u>	<u>111,993,070</u>
Deferred pension contributions	986,872	1,094,374
Deferred amount on bond refunding	2,142,659	2,371,319
	<u>3,129,531</u>	<u>3,465,693</u>
Current liabilities	1,793,873	2,265,383
Long-term liabilities outstanding	59,924,915	67,132,516
	<u>61,718,788</u>	<u>69,397,899</u>
Deferred pension investment experience	1,767,038	-
Deferred property taxes	14,492,699	12,684,436
	<u>16,259,737</u>	<u>12,684,436</u>
Net position:		
Net investment in capital assets	17,554,195	16,780,320
Unrestricted	18,017,882	16,596,108
Total net position	<u>\$ 35,572,077</u>	<u>\$ 33,376,428</u>

Fiscal year 2014 amounts were restated to reflect a reduction in net position for a net pension liability and deferred pension contributions incurred in prior years as a result of the implementation of GASB 68 and GASB 71. See Note 3 to the financial statements.

As noted earlier, net position may serve over time as a useful indicator of the County's financial position. As shown in the table above, the County's net position increased by 6.6% from FY 2014 to FY 2015. This was accomplished through an increase in assets from additional cash received from tax collections and a decrease in long-term liabilities through required debt service payments.

Approximately 49% of the County's net position reflect its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any outstanding debt that was used to acquire those assets. The County uses these capital assets to provide a variety of services to its citizens, including education. Accordingly, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining net position balance of \$18,017,882 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors. This represents an increase of \$1,421,774 from the unrestricted net position at the end of FY 2014, which as noted above is primarily a result of increased general property tax collection efforts, although there were no tax rate increases in FY 2015.

County of Dinwiddie, Virginia
Management's Discussion and Analysis

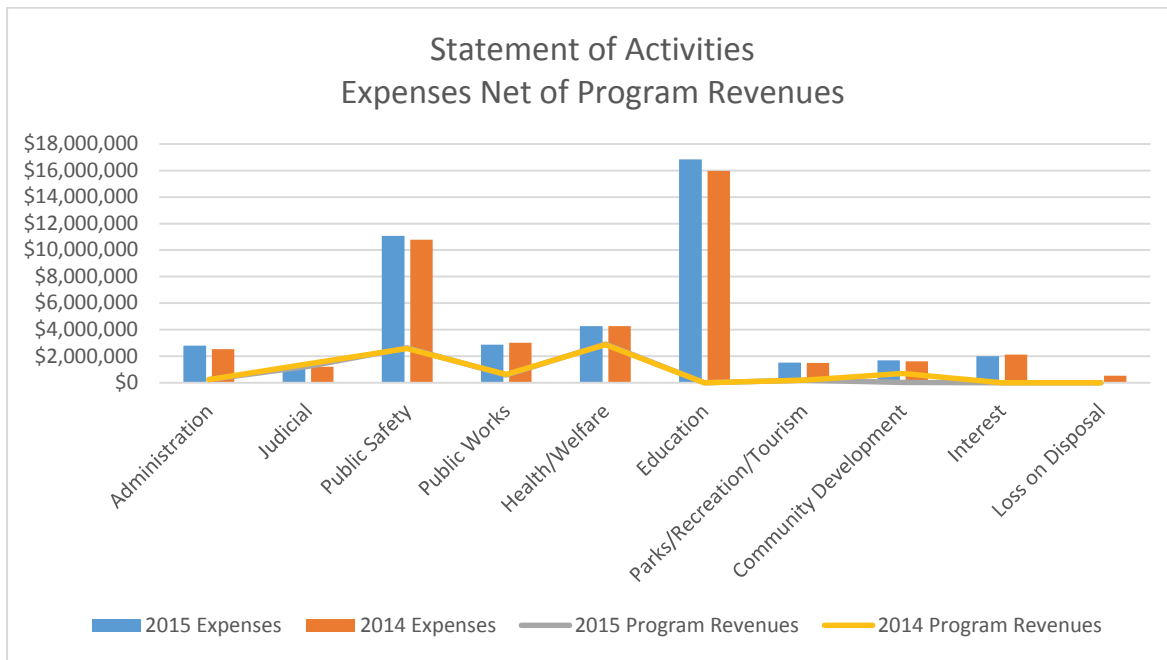
County of Dinwiddie, Virginia's Condensed Statement of Activities

	Governmental Activities	
	2015	(As Restated) 2014
Program revenues:		
Charges for services	\$ 2,359,295	\$ 2,051,214
Operating grants and contributions	5,480,256	6,586,412
General revenues:		
General property taxes	28,569,530	26,701,104
Other local taxes	4,715,539	4,545,306
Grants and other contributions not restricted	4,805,481	4,821,770
Other general revenues	323,493	1,451,028
Total revenues	<u>46,253,594</u>	<u>46,156,834</u>
General government administration	2,761,437	2,503,060
Judicial administration	1,182,308	1,163,642
Public safety	11,055,175	10,765,393
Public works	2,861,601	3,003,165
Health and welfare	4,243,201	4,235,239
Education	16,826,706	15,943,324
Parks, recreation and cultural	1,486,972	1,463,533
Community development	1,681,973	1,585,657
Interest and other fiscal charges	1,958,572	2,105,020
Loss on disposal of capital assets	-	504,892
Total expenses	<u>44,057,945</u>	<u>43,272,925</u>
Change in net position	2,195,649	2,883,909
Net position – beginning of year	<u>33,376,428</u>	<u>30,492,519</u>
Net position – end of year	<u>\$ 35,572,077</u>	<u>\$ 33,376,428</u>

Total governmental activities revenues show an increase of \$96,760 (0.21%) in FY 2015 from FY 2014. The expiration of a fifteen-year economic development inducement agreement between the County and a local business increased machinery and tools tax revenue and the collection efforts of the Treasurer's Office resulted in an increase in both real estate and personal property tax collections in FY 2015. However, this increase in revenue was partially offset by the decrease in other general revenues due to a one-time sale of property in FY 2014.

Total governmental activities expenses show an increase of \$785,020 (1.81%) in FY 2015 from FY 2014. The addition of several new positions, the one-time bonus given to employees, and the increased cost of purchased services in general resulted in an increase in expenses across most of the governmental activities.

County of Dinwiddie, Virginia Management's Discussion and Analysis



From the government-wide Statement of Activities, the County had total expenses net of program revenue of \$36,218,394, which were \$2,195,649 less than the general revenues of \$38,414,043 (change in net position). As shown in the chart above, each category of expenditure far exceeds the program revenue received for each governmental activity. This is a good indicator of the County's reliance on tax revenues.

Financial Analysis of Governmental Funds

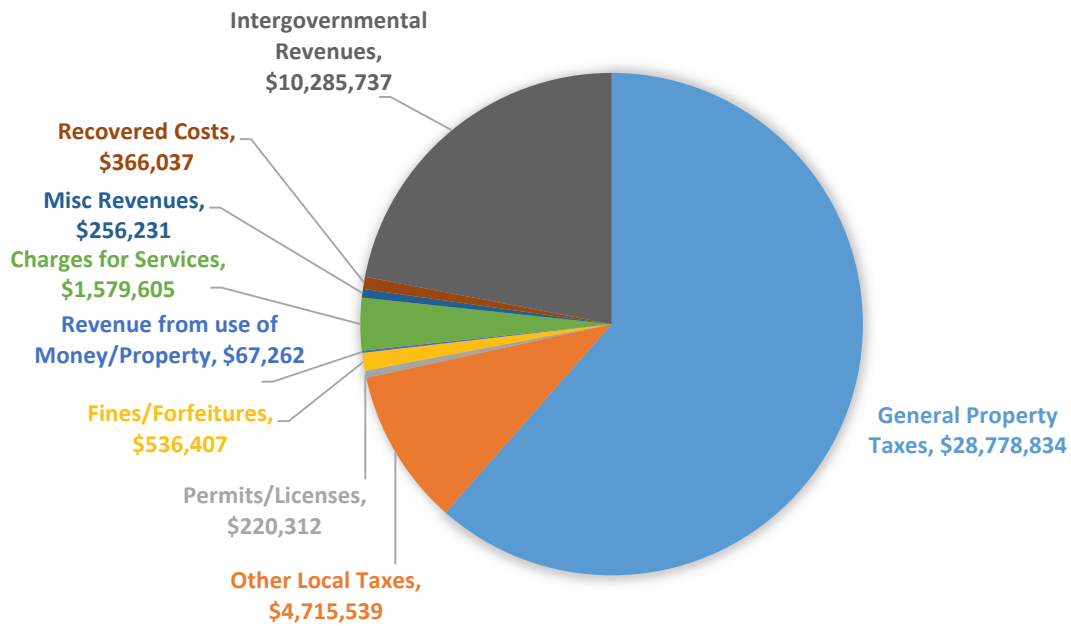
The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of available resources. Such information is useful in assessing the County's financing requirements. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

As shown on the Balance Sheet, the combined fund balances equal \$23,764,226, which can be further divided into the following components based on liquidity: \$17,260 non-spendable payments in lieu of bond; \$360,614 restricted by various contributors and grantors and enabling federal or state legislation; \$3,186,786 committed by the Board of Supervisors for economic development; capital purchases and projects and Comprehensive Services Act expenditures; and \$20,199,566 unassigned fund balance.

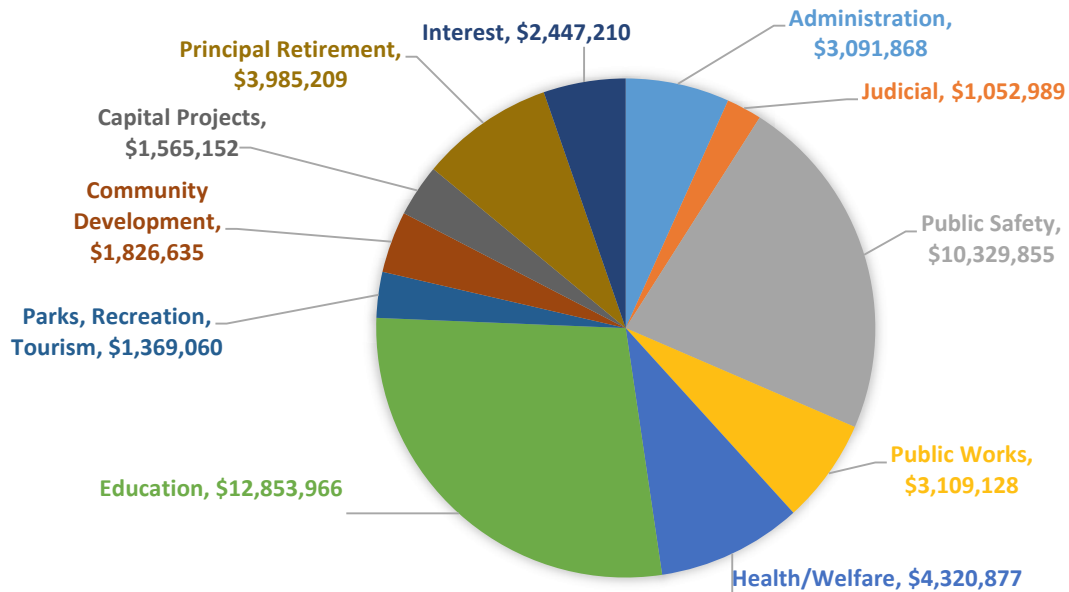
As shown on the Statement of Revenues, Expenditures and Changes in Fund Balances, the General Fund increased by \$332,196, which was primarily due to increased tax revenue as previously discussed. The Debt Service Fund decreased by \$103,499, which was a budgeted draw on fund balance for debt funding. The Non-Major Funds increased by \$625,318. This was primarily due to several capital projects receiving funding in FY 2015, but not starting during the fiscal year. Additionally, not all of the public safety grant funds and Comprehensive Services Act funds were spent in FY 2015.

The following graphs illustrate the various revenue streams and expenditure categories in the governmental funds. Education and public safety are the largest expenditure categories, which aligns with the Board of Supervisors' funding priorities.

GOVERNMENTAL FUNDS REVENUES



GOVERNMENTAL FUNDS EXPENDITURES



County of Dinwiddie, Virginia Management's Discussion and Analysis

General Fund Budgetary Highlights

The general fund is the chief operating fund for the County – the County's basic services are reported in the general fund. The difference between the original expenditure budget and the final amended expenditure budget was an increase of \$129,071 and was due primarily to the net effect of the return of the FY 2014 Schools operating fund balance of \$432,943 with the additional appropriation of \$474,145 for a one-time bonus for County and School employees along with the appropriation of miscellaneous grant funds received during the year.

During the year, revenues and other sources exceeded the budgetary estimates by \$1,958,409. This was primarily due to greater than expected real estate and personal property tax collections, particularly delinquent tax collections. Expenditures were less than budgetary estimates by \$1,747,703 as follows: \$1,087,583 from unexpended community development funds from anticipated economic development related land purchases that did not occur in FY 2015; \$188,500 from salary and benefits due to several position vacancies; \$355,886 from savings related to health and welfare expenditures that were less than expected; and \$115,734 from training, fuel and utilities expenditures that were less than expected.

The final budget included an anticipated draw on beginning fund balance of \$1,860,022 for capital projects. However, the actual change in the general fund balance for FY 2015 was an increase of \$332,196.

See Exhibit K for more details.

Capital Assets

The County's investment in capital assets for its governmental activities as of June 30, 2015 amounted to \$68,830,816 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery and equipment. The FY 2015 capital budget appropriated an additional \$1,855,000 from the unassigned General Fund balance, primarily for school buses, public safety equipment/vehicles, and recreation/tourism facilities and improvements but not all of those projects were completed in FY 2015. Also, the County Government Complex project was approved but not funded in the FY 2015 Capital Improvements Plan, as the project had not gotten far enough along to do a bond issuance by June 30, 2015.

Governmental Activities Change in Capital Assets			
	<u>June 30, 2014</u>	<u>Net Increase (Decrease)</u>	<u>June 30, 2015</u>
Land	\$ 2,757,606	\$ 41,000	\$ 2,798,606
Construction in progress	262,196	434,514	696,710
Buildings	23,360,896	36,542	23,397,438
Machinery and equipment	17,627,337	483,910	18,111,247
Jointly owned assets	59,290,518	(2,184,663)	57,105,855
Less: Total accumulated depreciation	<u>(30,829,534)</u>	<u>(2,449,506)</u>	<u>(33,279,040)</u>
Total Primary Government capital assets, net	<u>\$ 72,469,019</u>	<u>\$ (3,638,203)</u>	<u>\$ 68,830,816</u>

Additional information on the County's capital assets can be found in Note 6 of this report.

Long Term Obligations

The County's combined total long-term obligations decreased \$10,905,405 during the current fiscal year, \$3,985,209 of which was due to scheduled principal payments being made. At the end of the current fiscal year, the County had total bonded debt outstanding of \$47,897,673, which has required debt service payments through 2034. Of this amount, \$10,957,673 comprises debt backed by the full faith and credit of the County. The remainder of the County's bonded debt represents bonds secured solely by specified revenue sources - lease/revenue bonds. The County's credit rating from Standard & Poors was upgraded to AA in FY 2014, however no additional new debt was issued in FY 2015.

County of Dinwiddie, Virginia
Management's Discussion and Analysis

	County Obligations		School Board Obligations	
	Principal	Interest	Principal	Interest
General obligation bonds	\$ -	\$ -	\$ 10,957,673	\$ 3,121,969
Lease revenue bonds	3,494,779	599,267	33,445,221	16,625,506
Total primary government bonded debt	<u>\$ 3,494,779</u>	<u>\$ 599,267</u>	<u>\$ 44,402,894</u>	<u>\$ 19,747,475</u>

Additional information on the County's long-term debt can be found in Note 8 of this report.

Economic Factors and Next Year's Budgets and Rates

On June 30, 2015, the County's unemployment rate of 6.0%, while higher than the state's average unemployment rate of 5.0% and the national average rate of 5.7%, was slightly less than FY 2014's unemployment rate of 6.4%. Inflationary trends in the region compared favorably to national indices. These and other national and state economic factors were considered in preparing the County's budget for FY 2016. The County's population has increased 14.1% from 2000 to 2010, with another 3.5% increase from 2010 to 2015.

County Administration typically takes a very conservative approach to revenue and expenditures projections, and the FY 2016 consolidated budget reflects that approach, showing an overall increase of only 3.5% from the FY 2015 budget. General Fund revenues are budgeted for a 6.6% increase over FY 2015, based on tax base growth rather than tax rate increases. General Fund expenditures are budgeted for a 4.4% increase over FY 2015, primarily due to a 3% cost of living adjustment (COLA) for all County employees. The FY 2016 budget also includes the School Board's request for an additional \$1.3 million to provide their employees with the 3% COLA as well and to restore several key positions that had been held vacant for the past several years. The General Fund operating capital budget provides \$600,340 to primarily replace vehicles and upgrade technology and equipment.

Per County financial policy, the unassigned general fund balance is not used to balance the FY 2016 operational budget. The Board of Supervisors has adopted a financial policy that requires maintenance of a 15% general fund balance based on the total expenditure budget, less debt service. The minimum amount is calculated for FY 2016 at \$11,768,246, and the general fund balance at June 30, 2016, is budgeted to be \$16,974,544.

Requests for Information

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

County of Dinwiddie, Virginia

Basic Financial Statements

Year Ended June 30, 2015



County of Dinwiddie, Virginia

Basic Financial Statements

Year Ended June 30, 2015



Statement of Net Position

June 30, 2015

	Primary Government Governmental Activities	Component Units	Total Reporting Entity
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 5,556,618	\$ 5,103,537	\$ 10,660,155
Receivables, net of allowances for uncollectibles:			
Taxes receivable, including penalties	16,408,844	-	16,408,844
Accounts receivable	380,060	621,514	1,001,574
Due from other governmental units	3,058,301	2,370,082	5,428,383
Due from component units	135,299	-	135,299
Due from primary government	-	20,067	20,067
Other current assets	-	106,546	106,546
Investments	16,051,133	-	16,051,133
Temporarily restricted assets - cash and cash equivalents	-	409,020	409,020
Total current assets	<u>41,590,255</u>	<u>8,630,766</u>	<u>50,221,021</u>
Noncurrent assets:			
Other noncurrent assets	-	6,868,632	6,868,632
Capital assets, net of accumulated depreciation:			
Land and improvements	2,798,606	5,081,639	7,880,245
Buildings	59,810,312	44,034,825	103,845,137
Machinery and equipment	5,525,188	3,242,271	8,767,459
Infrastructure	-	16,320,413	16,320,413
Construction in progress	696,710	112,892	809,602
Total capital assets, net of accumulated depreciation	<u>68,830,816</u>	<u>68,792,040</u>	<u>137,622,856</u>
Total assets	<u>\$ 110,421,071</u>	<u>\$ 84,291,438</u>	<u>\$ 194,712,509</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred pension contributions	986,872	3,265,524	4,252,396
Deferred amount on bond refunding	2,142,659	48,673	2,191,332
Change in proportionate share of net pension liability	-	407,000	407,000
Total deferred outflow of resources	<u>\$ 3,129,531</u>	<u>\$ 3,721,197</u>	<u>\$ 6,850,728</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 1,052,948	\$ 4,618,542	\$ 5,671,490
Due to component units	20,067	-	20,067
Due to primary government	-	135,299	135,299
Accrued interest payable	703,598	19,565	723,163
Other current liabilities	17,260	147,097	164,357
Total current liabilities	<u>1,793,873</u>	<u>4,920,503</u>	<u>6,714,376</u>
Noncurrent liabilities:			
Due within one year	5,091,885	853,085	5,944,970
Due in more than one year	54,833,030	47,186,202	102,019,232
Total liabilities	<u>\$ 61,718,788</u>	<u>\$ 52,959,790</u>	<u>\$ 114,678,578</u>
DEFERRED INFLOW OF RESOURCES			
Pension investment experience	\$ 1,767,038	\$ 5,647,763	\$ 7,414,801
Deferred property taxes	14,492,699	-	14,492,699
Total deferred inflow of resources	<u>\$ 16,259,737</u>	<u>\$ 5,647,763</u>	<u>\$ 21,907,500</u>
NET POSITION			
Net investment in capital assets	\$ 17,554,195	\$ 61,101,542	\$ 78,655,737
Restricted for bond covenants	-	409,020	409,020
Unrestricted	18,017,882	(32,105,480)	(14,087,598)
Total net position	<u>\$ 35,572,077</u>	<u>\$ 29,405,082</u>	<u>\$ 64,977,159</u>

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

County of Dinwiddie, Virginia
Statement of Activities

Exhibit B

Year Ended June 30, 2015

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities		Total Reporting Entity
					Governmental Activities	Component Units	
Primary government:							
Governmental activities:							
General government administration	\$ 2,761,437	\$ -	\$ 246,458	\$ -	\$ (2,514,979)	\$ -	\$ (2,514,979)
Judicial administration	1,182,308	660,545	587,137	-	65,374	-	65,374
Public safety	11,055,175	952,948	1,669,407	-	(8,432,820)	-	(8,432,820)
Public works	2,861,601	558,306	13,354	-	(2,289,941)	-	(2,289,941)
Health and welfare	4,243,201	-	2,926,395	-	(1,316,806)	-	(1,316,806)
Education	16,826,706	-	-	-	(16,826,706)	-	(16,826,706)
Parks, recreation and cultural	1,486,972	185,346	-	-	(1,301,626)	-	(1,301,626)
Community development	1,681,973	2,150	37,505	-	(1,642,318)	-	(1,642,318)
Interest on long-term debt	1,958,572	-	-	-	(1,958,572)	-	(1,958,572)
Total primary government	\$44,057,945	\$ 2,359,295	\$ 5,480,256	\$ -	(36,218,394)	-	(36,218,394)
Component units	\$49,456,283	\$ 4,469,921	\$30,052,007	\$ 835,816	-	(14,098,539)	(14,098,539)
General revenues:							
General property taxes					28,569,530	-	28,569,530
Local sales and use tax					1,572,641	-	1,572,641
Consumer utility tax					539,173	-	539,173
Other local taxes					2,603,725	-	2,603,725
Revenues from use of money and property					67,262	150,789	218,051
Miscellaneous					256,231	96,152	352,383
Grants and contributions not restricted to specific programs					4,805,481	-	4,805,481
Payments from Dinwiddie County					-	15,205,737	15,205,737
Total general revenues					38,414,043	15,452,678	53,866,721
Change in net position					2,195,649	1,354,139	3,549,788
Net position - beginning of year, as restated					33,376,428	28,050,943	61,427,371
Net position- end of year					\$ 35,572,077	\$ 29,405,082	\$ 64,977,159

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

Balance Sheet
Governmental Funds

June 30, 2015

	Major Funds		Non-Major Funds	Total
	General	Debt Service		
ASSETS				
Cash and cash equivalents	\$ 3,207,980	\$ 20,788	\$ 2,327,850	\$ 5,556,618
Receivables, net of allowances for uncollectibles:				
Taxes receivable, including penalties	16,408,844	-	-	16,408,844
Accounts receivable	314,629	-	902	315,531
Due from other governmental units	2,852,945	-	205,356	3,058,301
Due from component units	135,299	-	-	135,299
Investments	16,051,133	-	-	16,051,133
	<u>\$ 38,970,830</u>	<u>\$ 20,788</u>	<u>\$ 2,534,108</u>	<u>\$ 41,525,726</u>
LIABILITIES				
Accounts payable	\$ 721,437	\$ -	\$ 241,757	\$ 963,194
Accrued liabilities	89,754	-	-	89,754
Other current liabilities	17,260	-	-	17,260
Due to component unit	-	20,067	-	20,067
Deferred revenue	16,671,225	-	-	16,671,225
	<u>17,499,676</u>	<u>20,067</u>	<u>241,757</u>	<u>17,761,500</u>
FUND BALANCES				
Nonspendable	17,260	-	-	17,260
Restricted	20,335	-	340,279	360,614
Committed	1,233,993	721	1,952,072	3,186,786
Unassigned	20,199,566	-	-	20,199,566
	<u>21,471,154</u>	<u>721</u>	<u>2,292,351</u>	<u>23,764,226</u>
	<u>\$ 38,970,830</u>	<u>\$ 20,788</u>	<u>\$ 2,534,108</u>	<u>\$ 41,525,726</u>

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

June 30, 2015

Total fund balances per Exhibit C - Balance Sheet - Governmental Funds	\$ 23,764,226
Amounts reported for governmental activities in the statement of net position (Exhibit A) are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Capital assets, cost	102,109,856
Less: accumulated depreciation	(33,279,040)
	<u>68,830,816</u>
Deferred outflows of resources are not outflows of resources in the current period and, therefore, are not reported in the funds:	
Deferred pension contributions	986,872
Deferred amounts on bond refunding	2,142,659
	<u>3,129,531</u>
Other long-term assets (i.e. taxes levied) are not available to pay for current period expenditures and, therefore, are deferred in the funds:	
Deferred revenue	2,178,526
Accounts receivable	64,529
	<u>2,243,055</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	(36,940,000)
General obligation bonds	(10,957,673)
Net pension liability	(3,389,735)
Bond issuance premium	(5,521,607)
Landfill postclosure care	(897,859)
Interest payable	(703,598)
OPEB liability	(74,833)
Nonexchange financial guarantees	(1,685,047)
Compensated absences	(458,161)
	<u>(60,628,513)</u>
Deferred inflows of resources are not inflows of resources for the current period and, therefore, are not reported in the funds:	
Deferred pension investment experience	(1,767,038)
	<u>(1,767,038)</u>
Net position of governmental activities	\$ 35,572,077

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

Year Ended June 30, 2015

	Major Funds		Non-Major Funds	Total
	General	Debt Service		
Revenues				
General property taxes	\$ 28,778,834	\$ -	\$ -	\$ 28,778,834
Other local taxes	4,715,539	-	-	4,715,539
Permits, privilege fees, and regulatory licenses	220,312	-	-	220,312
Fines and forfeitures	536,407	-	-	536,407
Revenue from use of money and property	66,494	-	768	67,262
Charges for services	1,577,127	-	2,478	1,579,605
Miscellaneous	195,092	-	61,139	256,231
Recovered costs	366,037	-	-	366,037
Intergovernmental revenues:				
Commonwealth	7,924,065	-	968,450	8,892,515
Federal	1,381,822	-	11,400	1,393,222
Total revenues	45,761,729	-	1,044,235	46,805,964
Expenditures				
Current:				
General government administration	3,091,868	-	-	3,091,868
Judicial administration	1,035,838	-	17,151	1,052,989
Public safety	10,246,265	-	83,590	10,329,855
Public works	3,099,055	-	10,073	3,109,128
Health and welfare	2,879,839	-	1,441,038	4,320,877
Education	12,853,966	-	-	12,853,966
Parks, recreation, and cultural	1,369,060	-	-	1,369,060
Community development	1,202,116	593,456	31,063	1,826,635
Capital outlays and projects	-	-	1,565,152	1,565,152
Debt service:				
Principal retirement	-	3,985,209	-	3,985,209
Interest and other fiscal charges	-	2,447,210	-	2,447,210
Total expenditures	35,778,007	7,025,875	3,148,067	45,951,949
Excess (deficiency) of revenues over (under) expenditures	9,983,722	(7,025,875)	(2,103,832)	854,015
Other financing sources (uses)				
Transfers in	-	6,922,376	2,729,150	9,651,526
Transfers out	(9,651,526)	-	-	(9,651,526)
Total other financing sources (uses)	(9,651,526)	6,922,376	2,729,150	-
Net change in fund balances	332,196	(103,499)	625,318	854,015
Fund balances - beginning of year	21,138,958	104,220	1,667,033	22,910,211
Fund balances - end of year	\$ 21,471,154	\$ 721	\$ 2,292,351	\$ 23,764,226

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

Year Ended June 30, 2015

Net change in fund balances - total governmental funds \$ 854,015

**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 the current period. Details supporting this adjustment are as follows:

Capital asset additions	1,195,612
Depreciation expense	(3,135,122)
	(1,939,510)

Transfer of joint tenancy assets from Primary Government to the Component Unit	(1,698,693)
--	-------------

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:

Amortization on bond premium and deferred amount on bond refunding	426,869
Revenues not received within sixty days of year end	(186,333)
	240,536

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

Principal retired on revenue bonds	2,630,000
Principal retired on general obligation bonds	1,355,209
Payments made on nonexchange financial guarantees	177,315
Decrease in landfill postclosure liability	49,916
	4,212,440

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	18,072
Change in other post employment benefits	(38,957)
Change in net pension liability and related deferred amounts	485,977
Change in interest payable	61,769
	526,861

Change in net position of governmental activities	\$ 2,195,649
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County of Dinwiddie, Virginia
Statement of Fiduciary Net Position
Fiduciary Funds

Exhibit G

June 30, 2015

	Private-Purpose Trust Funds	Agency Funds
Assets		
Cash and cash equivalents	\$ 2,216,123	\$ 54,566
Investments	4,244,513	-
Other receivables	197	-
	<u>\$ 6,460,833</u>	<u>\$ 54,566</u>
Liabilities		
Amounts held for social services clients	<u>\$ -</u>	<u>\$ 54,566</u>
Net Position		
Amounts held in trust for scholarships and the disadvantaged	<u>\$ 6,460,833</u>	<u>\$ -</u>

County of Dinwiddie, Virginia**Exhibit H****Statement of Changes in Fiduciary Net Position
Fiduciary Funds**

Year Ended June 30, 2015

	Private-Purpose Trust Funds
Additions	
Investment earnings	\$ 142,592
Private donations	1,787
Total additions	<u>144,379</u>
Deductions	
Net unrealized loss	175,384
Scholarships	222,813
	<u>398,197</u>
Change in net position	(253,818)
Net position - beginning of year	<u>6,714,651</u>
Net position - end of year	<u>\$ 6,460,833</u>

**Statement of Net Position
Component Units**

June 30, 2015

	School Board	Industrial Development Authority	Water Authority	Airport and Industrial Authority	Total Component Units
Assets					
Current assets					
Cash and cash equivalents	\$ 3,370,197	\$ 275,991	\$ 1,147,623	\$ 309,726	\$ 5,103,537
Accounts receivables, net allowances for uncollectibles	161,993	-	440,548	18,973	621,514
Due from other governmental units	2,362,024	-	-	8,058	2,370,082
Due from primary government	-	-	20,067	-	20,067
Other current assets	-	-	60,331	46,215	106,546
Temporarily restricted assets:					
Cash and cash equivalents	-	-	409,020	-	409,020
Total current assets	5,894,214	275,991	2,077,589	382,972	8,630,766
Noncurrent assets					
Other noncurrent assets	-	-	6,868,632	-	6,868,632
Capital assets, net of accumulated depreciation:					
Land and improvements	1,349,053	721,349	321,244	2,689,993	5,081,639
Buildings	39,391,749	-	1,920,356	2,722,720	44,034,825
Machinery and equipment	2,208,014	-	996,150	38,107	3,242,271
Infrastructure	-	-	15,620,647	699,766	16,320,413
Construction in progress	-	-	-	112,892	112,892
Total capital assets, net of accumulated depreciation	42,948,816	721,349	18,858,397	6,263,478	68,792,040
Total assets	\$ 48,843,030	\$ 997,340	\$ 27,804,618	\$ 6,646,450	\$ 84,291,438
Deferred Outflow of Resources					
Deferred amount on bond refunding	\$ -	\$ -	\$ 48,673	\$ -	\$ 48,673
Deferred pension contributions	3,222,733	-	42,791	-	3,265,524
Change in proportionate share of net pension liability	407,000	-	-	-	407,000
Total deferred outflow of resources	\$ 3,629,733	\$ -	\$ 91,464	\$ -	\$ 3,721,197
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	\$ 4,543,987	\$ -	\$ 58,243	\$ 16,312	\$ 4,618,542
Accrued interest payable	-	-	19,565	-	19,565
Due to primary government	-	-	135,299	-	135,299
Other current liabilities	-	-	140,554	6,543	147,097
Total current liabilities	4,543,987	-	353,661	22,855	4,920,503
Noncurrent liabilities					
Due within one year	312,321	-	481,042	59,722	853,085
Due in more than one year	40,001,177	-	6,632,776	552,249	47,186,202
Total liabilities	\$ 44,857,485	\$ -	\$ 7,467,479	\$ 634,826	\$ 52,959,790
Deferred Inflow of Resources					
Pension investment experience	\$ 5,541,831	\$ -	\$ 105,932	\$ -	\$ 5,647,763
Net Position					
Net investment in capital assets	\$ 39,116,171	\$ 721,349	\$ 15,612,515	\$ 5,651,507	\$ 61,101,542
Restricted for bond covenants	-	-	409,020	-	409,020
Unrestricted	(37,042,724)	275,991	4,301,136	360,117	(32,105,480)
Total net position	\$ 2,073,447	\$ 997,340	\$ 20,322,671	\$ 6,011,624	\$ 29,405,082

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

County of Dinwiddie, Virginia
Statement of Activities
Component Units

Exhibit J

Year Ended June 30, 2015

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	School Board	Industrial Development Authority	Water Authority	Airport and Industrial Authority	Total Component Units
School Board	\$ 43,980,920	\$ 480,656	\$ 30,048,981	\$ -	\$ (13,451,283)	\$ -	\$ -	\$ -	\$ (13,451,283)
Industrial Development Authority	543,615	3,313	-	525,025	-	(15,277)	-	-	(15,277)
Water Authority	3,723,218	3,279,097	-	224,035	-	-	(220,086)	-	(220,086)
Airport and Industrial Authority	1,208,530	706,855	3,026	86,756	-	-	-	(411,893)	(411,893)
	\$ 49,456,283	\$ 4,469,921	\$ 30,052,007	\$ 835,816	(13,451,283)	(15,277)	(220,086)	(411,893)	(14,098,539)
General revenues									
Revenues from use of money and property					141,786	366	8,637	-	150,789
Miscellaneous					43,087	-	53,065	-	96,152
Payments from Dinwiddie County					14,541,985	25,000	538,312	100,440	15,205,737
Total general revenues					14,726,858	25,366	600,014	100,440	15,452,678
Change in net position					1,275,575	10,089	379,928	(311,453)	1,354,139
Net position - beginning of year, as restated					797,872	987,251	19,942,743	6,323,077	28,050,943
Net position - end of year					\$ 2,073,447	\$ 997,340	\$ 20,322,671	\$ 6,011,624	\$ 29,405,082

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

County of Dinwiddie, Virginia

Notes to Financial Statements



Notes to Financial Statements

1. Summary of Significant Accounting Policies

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

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

Financial Statement Presentation

Management's Discussion and Analysis

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

Government-wide Financial Statements

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

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

Statement of Net Position

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

Statement of Activities

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

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

County of Dinwiddie, Virginia

Notes to Financial Statements

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, 2015.

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, 2015. 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, 2015. The Authority does not issue a separate financial report. Fund financial statements are not included in the supplementary information section since there is limited activity for the IDA which is all reflected as part of the basic financial statements.

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

Agreements also require the Director of the Water Authority to notify the County Administrator if in any month the Authority is unable to make its required debt service payment, and to request an appropriation from the Board of Directors to make up any deficiency. The existence of these Support Agreements makes the Water Authority financially dependent on the County, and therefore, it is discretely presented in the County's financial statements for the year ended June 30, 2015. The Water Authority issues a separate audited financial report which may be obtained at 23008 Airport Drive, North Dinwiddie, VA 23803.

The Dinwiddie Airport and Industrial Authority (Airport Authority) is a public body organized by the General Assembly of Virginia to construct, operate, and maintain a regional airport and to promote industry in Dinwiddie, Virginia. The Airport Authority is governed by seven directors. The Board of Supervisors of Dinwiddie County appoints four out of the seven of the Airport Authority's Board members, and all Board members are approved by the County. The Airport Authority and Dinwiddie County have a Support Agreement, whereby the County will, subject to appropriation, pay the Authority budgeted amounts for debt service of the Refunding Series 2011A and 2011B Airports Revolving Fund Revenue Bonds, for operation and maintenance expenses, and for deficiencies in the Authority's operating revenues. The Support Agreement also requires the Airport Authority to notify the County Administrator if in any month the Authority is unable to make its required debt service payment, and to request an appropriation from the Board of Directors to make up any deficiency. The existence of this Support Agreement makes the Authority financially dependent on the County, and therefore, it is discretely presented in the County's financial statements for the year ended June 30, 2015. The Airport Authority also issues a separate audited financial report which may be obtained at 6775 Beck-Chappell Drive, North Dinwiddie, VA 23803.

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

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

Appomattox Regional Library

The Appomattox Regional Library is a regional free library system that serves the localities of the City of Hopewell, Prince George County, Dinwiddie County, and Town of McKenney. The regional library system is jointly governed by a regional library Board of Trustees, which consists of nine members appointed by the Board of Supervisors of each County and the City Council of Hopewell. Annual appropriations are made in proportion to the service needs of each jurisdiction. The County's contribution for fiscal year 2015 was \$259,084.

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 2015 was \$224,592.

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 2015 was \$236,032.

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 2015 was \$72,368.

Meherrin River Regional Jail Authority

The Meherrin River Regional Jail Authority is a regional jail system that, beginning July 1, 2012, serves 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 establishes 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 2015 is 28%. The County's charges for fiscal year 2015 were \$1,541,509.

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 2015 was \$538,245.

Appomattox Regional Governor's School

The Appomattox Regional Governor's School for the Arts and Technology provides gifted and talented students a differentiated and rigorous education, cultivates a supportive environment that inspires unique artistic and technological visions, promotes cultural tolerance, nurtures community partnerships, and produces active, engaged citizens. This school board is jointly governed by a representative from each of the following localities: the counties of Amelia, Charles City, Chesterfield, Dinwiddie, Powhatan, Prince George, Southampton, Surry and Sussex and the cities of Colonial Heights, Franklin, Hopewell, Petersburg, and Richmond. The County of Dinwiddie pays the school a set rate for each student that attends. The School Board's contribution for FY 2015 was \$131,880.

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

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

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

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

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

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

Property taxes, vehicle licenses, ambulance billings, 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.

Business 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 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 Fund

The Special Revenue Fund accounts for the proceeds of specific revenue sources (other than major capital projects) requiring separate accounting because of legal or regulatory provisions or administration action.

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 \$719,761 at June 30, 2015 and is comprised of personal property taxes in the amount of \$412,875 and real estate taxes in the amount of \$306,886.

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	June 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 and sick 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 and sick leave that are not expected to be liquidated with expendable available financial resources are reported as an expense in the Statement of Activities and a long-term obligation in the Statement of Net Position. In accordance with the provisions of Governmental Accounting Standards No. 16, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

J. Long-term Obligations

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

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

K. 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.

L. Pensions

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

M. Net position

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

N. Fund Equity

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

- Nonspendable fund balance – amounts that are not in spendable form (such as inventory and prepaids) or are required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;

County of Dinwiddie, Virginia
Notes to Financial Statements

- 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, less debt service.

	<u>General</u>	<u>Debt Service</u>	<u>Non-major</u>	<u>Total</u>
Fund balances:				
Nonspendable:				
Deposits and overpayments	\$ 17,260	\$ -	\$ -	\$ 17,260
Restricted for:				
Jail phone commission	2,333	-	-	2,333
Grant purposes	18,002	-	-	18,002
Forfeited assets	-	-	81,982	81,982
Fire programs	-	-	196,951	196,951
Community service	-	-	9,676	9,676
Community development block grant	-	-	46,408	46,408
Law library	-	-	5,262	5,262
Total restricted fund balance	<u>20,335</u>	<u>-</u>	<u>340,279</u>	<u>360,614</u>
Committed to:				
Annual debt service	70,206	-	-	70,206
Community development	1,163,787	-	-	1,163,787
Comprehensive services	-	-	197,197	197,197
Litter grant	-	-	173,264	173,264
School debt service	-	721	-	721
School capital projects	-	-	148,493	148,493
County capital projects	-	-	1,433,118	1,433,118
Total committed fund balance	<u>1,233,993</u>	<u>721</u>	<u>1,952,072</u>	<u>3,186,786</u>
Unassigned fund balance	<u>20,199,566</u>	<u>-</u>	<u>-</u>	<u>20,199,566</u>
Total fund balances	<u>\$ 21,471,154</u>	<u>\$ 721</u>	<u>\$ 2,292,351</u>	<u>\$ 23,764,226</u>

O. Subsequent Events

In preparing these financial statements, the County has evaluated events and transactions for potential recognition or disclosure through November 18, 2015, the date the financial statements were available to be issued.

2. Stewardship, Compliance and Accounting

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

- A. On or before March 30th, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
- B. Public hearings are conducted to obtain citizen comments.
- C. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
- D. The Appropriations Resolution places legal restrictions on expenditures at the department or category level. The appropriation for each department or category can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the School Board is authorized to transfer budgeted amounts within the school system's categories.
- E. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- F. Appropriations lapse on June 30, for all County units.

Expenditures and Appropriations

Expenditures did not exceed appropriations during the fiscal year ending June 30, 2015.

3. New GASB Standards

The County and School Board implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27 (“GASB No. 68”) and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68 (“GASB No. 71”) during fiscal year 2015. GASB No. 68 provides accounting and financial reporting guidance for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to pensions and related disclosures. GASB No. 71 provides accounting and financial reporting guidance for contributions, if any, made by the employer to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The accounting changes required by GASB No. 68 and No. 71 are applied retroactively.

County of Dinwiddie, Virginia
Notes to Financial Statements

Retrospective Application of a Change in Accounting Principle

The following table summarizes the effects of the implementation of GASB No. 68 and No. 71 in the Statements of Net Position as of June 30, 2015 and 2014:

Summary Statements of Net Position	(As Previously Reported) June 30, 2014	Record Effects of GASB 68	(As Adjusted) June 30, 2014
<i>Primary government</i>			
Assets	\$ 111,993,070	\$ -	\$ 111,993,070
Deferred outflows of resources	2,371,319	1,094,374	3,465,693
Liabilities	63,647,647	5,750,252	69,397,899
Deferred inflows of resources	12,684,436	-	12,684,436
Net position:			
Net investment in capital assets	16,780,320	-	16,780,320
Unrestricted	21,251,986	(4,655,878)	16,596,108
Total net position	<u>\$ 38,032,306</u>	<u>\$ (4,655,878)</u>	<u>\$ 33,376,428</u>
<i>Component unit – School Board</i>			
Assets	\$ 48,051,052	\$ -	\$ 48,051,052
Deferred outflows of resources	-	2,658,956	2,658,956
Liabilities	9,916,689	39,995,447	49,912,136
Net position:			
Net investment in capital assets	38,073,084	-	38,073,084
Unrestricted	61,279	(37,336,491)	(37,275,212)
Total net position	<u>\$ 38,134,363</u>	<u>\$ (37,336,491)</u>	<u>\$ 797,872</u>

4. Deposits and Investments

Deposits

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

Investments

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

County of Dinwiddie, Virginia
Notes to Financial Statements

Credit Risk of Debt Securities

The County's rated debt investments as of June 30, 2015 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								Unrate	Totals
	AAAm	AA	AA+	AA-	A	BBB+	BBB-	BB		
Local Government Investment Pool	\$4,674,319	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$14,674,319
Corporate Debt	-	65,698	100,012	176,278	659,456	713,050	173,561	229,230	-	2,117,285
Municipal/Public Bonds	-	-	983,063	-	-	-	-	-	51,762	1,034,825
Total	\$4,674,319	\$ 65,698	\$ 1,083,075	\$ 176,278	\$ 659,456	\$ 713,050	\$173,561	\$ 229,230	\$ 51,762	\$17,826,429

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)				Greater Than 10 years
	Fair Value	Less Than 1 Year	1-5 Years	6-10 Years	
Corporate Debt	\$ 2,117,285	\$ 232,810	\$ 133,236	\$ -	\$ 1,751,239
Municipal/Public Bonds	1,034,827	329,070	705,757	-	-
Total	\$ 3,152,112	\$ 561,880	\$ 838,993	\$ -	\$ 1,751,239

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, 2015, of the Primary Government and Fiduciary Funds' cash, cash equivalents, and investments by asset type:

Government-Wide Accounts	Balance June 30, 2015
Cash and cash equivalents:	
Governmental Activities	\$ 5,556,618
Fiduciary Funds:	
Private-Purpose Trust Funds	2,216,123
Agency Funds	54,566
Investments:	
Governmental Activities	16,051,133
Fiduciary Funds – Private-Purpose Trust Funds	4,244,513
Total cash, cash equivalents and investments	\$ 28,122,953

County of Dinwiddie, Virginia
Notes to Financial Statements

<u>Asset Type</u>	
Petty cash	\$ 1,580
Deposit accounts	7,825,727
Investments:	
Local Government Investment Pool	14,674,319
Corporate Debt	2,117,285
Municipal / Public Bonds	1,034,825
Corporate Equity Stocks and Mutual Funds	<u>2,469,217</u>
Total cash, cash equivalents and investments	<u>\$ 28,122,953</u>

5. Due from Other Governmental Units

At June 30, 2015, the County has amounts due from other local governments as follows:

	<u>Primary Government</u>	<u>Component Unit School Board</u>
Commonwealth of Virginia:		
Local sales tax	\$ 297,575	\$ -
Public assistance and welfare administration	60,175	-
Mobile home titling tax	4,618	-
Rolling stock tax	135,412	-
State sales tax	-	808,636
School fund grants	-	205,532
Constitutional officer reimbursements	180,360	-
Recordation tax	10,702	-
Personal property tax relief act	1,875,641	-
Communications tax	150,909	-
Wireless grant	11,275	-
Comprehensive service	197,856	-
Other state funds	3,379	-
Federal Government:		
School fund grants	-	1,347,856
Public assistance and welfare administration	101,314	-
Victim witness assistance	12,647	-
Criminal justice services grant	8,938	-
Other federal funds	<u>7,500</u>	<u>-</u>
Total due from other governmental units	<u>\$ 3,058,301</u>	<u>\$ 2,362,024</u>

6. Capital Assets

The following is a summary of changes in capital assets for the year ended June 30, 2015:

Primary Government

	Balance at July 1, 2014	Additions	Deletions/ Transfers	Balance at June 30, 2015
Capital assets not subject to depreciation:				
Land	\$ 2,757,606	\$ 41,000	\$ -	\$ 2,798,606
Construction in process	262,196	471,056	(36,542)	696,710
Total capital assets not subject to depreciation	3,019,802	512,056	(36,542)	3,495,316
Capital assets subject to depreciation:				
Buildings	23,360,896	36,542	-	23,397,438
Machinery and equipment	17,627,337	683,556	(199,646)	18,111,247
Jointly owned assets	59,290,518	-	(2,184,663)	57,105,855
Total capital assets subject to depreciation	100,278,751	720,098	(2,384,309)	98,614,540
Less accumulated depreciation:				
Buildings	(7,379,084)	(610,939)	-	(7,990,023)
Machinery and equipment	(11,751,741)	(1,033,964)	199,646	(12,586,059)
Jointly owned assets	(11,698,709)	(1,490,219)	485,970	(12,702,958)
Total accumulated depreciation	(30,829,534)	(3,135,122)	685,616	(33,279,040)
Total capital assets subject to depreciation, net	69,449,217	(2,415,024)	(1,698,693)	65,335,500
Primary government capital assets, net	\$ 72,469,019	\$ (1,902,968)	\$ (1,735,235)	\$ 68,830,816

Component Unit – School Board

	Balance at July 1, 2014	Additions	Deletions/ Transfers	Balance at June 30, 2015
Capital assets not subject to depreciation:				
Land	\$ 1,349,053	\$ -	\$ -	\$ 1,349,053
Capital assets subject to depreciation:				
Buildings	6,140,995	151,254	-	6,292,249
Machinery and equipment	7,222,509	786,562	(157,725)	7,851,346
Jointly owned assets	41,415,758	2,184,663	-	43,600,421
Total capital assets subject to depreciation	54,779,262	3,122,479	(157,725)	57,744,016
Less accumulated depreciation:				
Buildings	(421,971)	(380,215)	-	(802,186)
Machinery and equipment	(5,422,429)	(378,628)	157,725	(5,643,332)
Jointly owned assets	(8,171,815)	(1,526,920)	-	(9,698,735)
Total accumulated depreciation	(14,016,215)	(2,285,763)	157,725	(16,144,253)
Total capital assets subject to depreciation, net	40,763,047	836,716	-	41,599,763
Component unit – School Board capital assets, net	\$ 42,112,100	\$ 836,716	\$ -	\$ 42,948,816

County of Dinwiddie, Virginia
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Depreciation expense was charged to functions/programs of the primary government as follows:

Government activities:	
General government administration	\$ 159,580
Judicial administration	204,082
Public safety	962,597
Public works	90,313
Health and welfare	11,151
Education	1,490,219
Parks, recreation and cultural	126,935
Community development	90,245
Total governmental activities	<u>\$ 3,135,122</u>
Component Unit School Board:	
Education	\$ 1,799,793
Accumulated depreciation on jointly owned assets transferred to School Board during the year	485,970
Total Component Unit School Board	<u>\$ 2,285,763</u>

	Expended to June 30, 2015	Committed at June 30, 2015
Construction in process for the Primary Government is composed of the following:		
McKenney Community Center	\$ 219,868	\$ 55,598
Records Management System / Computer Aided Dispatch System Upgrades	195,378	279,252
Ford Manned Site	7,520	-
McKenney Gym	145,107	-
Eastside Paving and Lighting	13,560	29,090
Courthouse Security	30,567	-
McKenney Gym Equipment	27,260	-
Ambulance	57,450	134,361
	<u>\$ 696,710</u>	<u>\$ 498,301</u>

	Expended to June 30, 2015	Committed at June 30, 2015
The component unit - School board had committed to certain capital asset purchases prior to year-end as follows:		
54-Passenger Bus	\$ -	\$ 95,231
Five 77-Passenger Buses	-	408,672
Southside Elementary trailer	-	74,328
Sunnyside Elementary trailer	-	70,368
	<u>\$ -</u>	<u>\$ 648,599</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.

County of Dinwiddie, Virginia
Notes to Financial Statements

7. Interfund Transfers

Interfund transfers for the year ended June 30, 2015, consisted of the following:

	Transfers In	Transfers Out
Primary Government:		
Governmental Funds:		
General fund	\$ -	\$ 9,651,526
Debt service fund	6,922,376	-
Non-major funds	2,729,150	-
Total Primary Government	<u>\$ 9,651,526</u>	<u>\$ 9,651,526</u>
Component Unit – School Board:		
Operating fund	\$ -	\$ 122,250
Special revenue fund	122,250	-
Total Component Unit – School Board	<u>\$ 122,250</u>	<u>\$ 122,250</u>

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

8. Long-Term Obligations

Primary Government

The following is a summary of changes in long-term obligations for the fiscal year ended June 30, 2015:

	Amount Payable July 1, 2014 (as restated)	Increase	Decrease	Amount Payable June 30, 2015	Amounts Due Within One Year
Governmental Obligations:					
Incurred by County:					
Compensated absences payable	\$ 476,233	\$ 536,700	\$ (554,772)	\$ 458,161	\$ 45,816
Lease revenue bond	4,291,075	-	(796,296)	3,494,779	838,827
OPEB liability	35,876	68,396	(29,439)	74,833	-
Net pension liability	5,750,252	3,092,708	(5,453,225)	3,389,735	-
Nonexchange financial guarantees	1,862,362	-	(177,315)	1,685,047	232,849
Landfill post-closure care	947,775	-	(49,916)	897,859	51,627
Add deferred amounts:					
Issuance premium	511,751	-	(125,573)	386,178	98,629
Total incurred by County	<u>13,875,324</u>	<u>3,697,804</u>	<u>(7,186,536)</u>	<u>10,386,592</u>	<u>1,267,748</u>
Incurred by School Board:					
General obligation bonds	12,312,882	-	(1,355,209)	10,957,673	1,392,539
Lease revenue bond	35,278,925	-	(1,833,704)	33,445,221	1,931,173
Add deferred amounts:					
Issuance premium	5,665,385	-	(529,956)	5,135,429	500,425
Total incurred by School Board	<u>53,257,192</u>	<u>-</u>	<u>(3,718,869)</u>	<u>49,538,323</u>	<u>3,824,137</u>
Total government obligations	<u>\$ 67,132,516</u>	<u>\$ 3,697,804</u>	<u>\$ (10,905,405)</u>	<u>\$ 59,924,915</u>	<u>\$ 5,091,885</u>

The County General Fund where the employees' salaries are charged is generally used to liquidate compensated absences and other postemployment benefit obligations.

County of Dinwiddie, Virginia
Notes to Financial Statements

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
2016	\$ 838,827	\$ 144,623	\$ 1,392,539	\$ 519,712	\$ 1,931,173	\$ 1,580,170
2017	876,071	104,598	1,431,847	434,045	2,023,929	1,487,876
2018	224,881	80,306	812,478	389,273	2,030,119	1,393,047
2019	230,000	69,625	833,962	347,288	1,200,000	1,312,050
2020	240,000	58,556	856,571	304,180	1,265,000	1,250,659
2021 – 2025	1,085,000	108,559	3,479,509	960,738	7,050,000	5,307,819
2026 – 2030	-	-	2,150,767	166,733	8,985,000	3,371,728
2031 – 2034	-	-	-	-	8,960,000	922,157
Total	\$ 3,494,779	\$ 566,267	\$ 10,957,673	\$ 3,121,969	\$ 33,445,221	\$ 16,625,506

Incurred by County

Lease revenue bond:

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

\$ 3,494,779

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%.

\$ 484,503

\$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%.

290,655

\$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%.

484,503

\$5,810,323 2007A Series School Bonds, maturing annually in installments of varying amounts through July 15, 2027; interest at 5.10%.

4,093,389

\$5,810,323 2007B Series School Bonds, maturing annually in installments of varying amounts through July 15, 2027; interest at 5.10%.

4,093,389

\$4,209,598 School VPSA Loan payable, maturing on July 15, 2021, interest payable at various rates semi-annually.

1,511,234

Total general obligation bonds

\$ 10,957,673

Lease revenue bond:

\$38,657,734 VRA Series 2012A Bonds, dated June 13, 2012, maturing annually in installments of varying amounts and at various interest rates through October 1, 2033; interest payable semi-annually.

\$ 33,445,221

County of Dinwiddie, Virginia
Notes to Financial Statements

The following is a summary of long-term obligations of the component unit – School Board for the year ended June 30, 2015:

	Amount Payable July 1, 2014 (As Restated)	Increase	Decrease	Amount Payable June 30, 2015	Amounts Due Within One Year
Component Unit-School Board:					
Compensated absences	\$ 960,921	\$ 1,788,986	\$ (1,899,996)	\$ 849,911	\$ 84,991
Capital lease	4,039,016	-	(206,371)	3,832,645	227,330
OPEB liability	420,355	209,226	(100,950)	528,631	-
Net pension liability	39,995,447	725,869	(5,619,005)	35,102,311	-
Total incurred by School Board	\$ 45,415,739	\$ 2,724,081	\$ (7,826,322)	\$ 40,313,498	\$ 312,321

The School Board Operating Fund where the employees' salaries are charged is generally used to liquidate compensated absences and other postemployment benefit obligations.

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

9. Guarantee of Component Unit Debt

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

In 2005, the County guaranteed the Water Authority's \$1,750,000, 3.82% interest, 15-year water and sewer system revenue bonds. The bonds mature annually through 2020 with semiannual interest payments. At June 30, 2015, the outstanding principal amount of the guaranteed debt is \$819,555. In the event the Water Authority's Courthouse Road System revenues are insufficient to make a required payment on the bonds, the County would be required to make that payment. The Water Authority is not required to repay the County for any payments the County makes pursuant to the support agreement.

In 2006, the County guaranteed the Water Authority's \$550,000, 4.65% interest 15-year water and sewer system revenue bonds. The bonds mature annually through 2021 with annual interest payments. At June 30, 2015, the outstanding principal amount of the guaranteed debt is \$265,000. In the event the Water Authority's Courthouse Road System revenues are insufficient to make a required payment on the bonds, the County would be required to make that payment. The Water Authority is not required to repay the County for any payments the County makes pursuant to the support agreement.

In 2012, the County guaranteed the Water Authority's \$2,640,000, variable interest, 12-year water and sewer system revenue bonds. The bonds mature annually through 2025 with semiannual interest payments. At June 30, 2015, the outstanding principal amount of the guaranteed debt is \$2,210,000. In the event the Water Authority's Church Road System revenues are insufficient to make a required payment on the bonds, the County would be required to make that payment. The Water Authority is not required to repay the County for any payments the County makes pursuant to the support agreement.

In 2011, the County guaranteed the Airport Authority's \$504,400, 3.18%, 11-year airport revolving fund revenue bonds. Payments are due in monthly installments of \$4,595 through 2022. At June 30, 2015, the outstanding principal amount of the guaranteed debt is \$341,975. In the event the Airport Authority is unable to make a required payment on the bonds, the County would be required to make that payment. The Airport Authority is not required to repay the county for any payments the County makes pursuant to the support agreement.

County of Dinwiddie, Virginia
Notes to Financial Statements

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

A liability and expense have been recognized for an amount that is the County's best estimate of the discounted present value of the future outflows the County expects to incur as a result of the support agreements noted above. In determining its liability for such guarantees, the County considered its historic experience and various other qualitative factors. The liability recognized for nonexchange financial guarantees at June 30, 2015, is as follows:

	July 1, 2014	Increase	Decreases	June 30, 2015	Due Within One Year
Airport Authority	\$ 43,193	\$ -	\$ (4,358)	\$ 38,835	\$ 6,107
Water Authority					
Courthouse - 2005	485,972	-	(55,287)	430,685	75,817
Courthouse - 2006	178,608	-	(24,807)	153,801	28,913
Church Road	1,154,589	-	(92,863)	1,061,726	122,012
Total Water Authority	1,819,169	-	(172,957)	1,646,212	226,742
Total	\$ 1,862,362	\$ -	\$ (177,315)	\$ 1,685,047	\$ 232,849

10. Conduit Debt Obligations

To provide for the construction and equipping of student housing facilities and related parking facilities at Richard Bland College, the Industrial Development Authority of Dinwiddie County, VA, issued \$3,000,000 in Series 2006 Revenue Bonds on December 1, 2006. These bonds are special limited obligations of the Industrial Development Authority, payable solely from and secured by a Promissory Note between the Richard Bland College Foundation, Inc. and a Support and Operating Agreement between the Richard Bland College Foundation, Inc. and Richard Bland College. The bonds do not constitute a debt or pledge of the faith and credit of the Authority, the County, or the State, and accordingly have not been reported in the accompanying financial statements. At June 30, 2015, Revenue Bonds outstanding totaled \$2,616,962.

11. Closure and Postclosure Costs

The County closed its landfill and is liable for postclosure monitoring for a period of thirty years. The amount reported as landfill postclosure liability at June 30, 2015, represents the estimated liability for postclosure monitoring, of \$897,859 over a period of fifteen years. These amounts are based on what it would cost to perform all postclosure care in 2015. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

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

12. Deferred Revenue

Deferred revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Deferred revenue totaling \$16,671,225 is comprised of the following:

Deferred Property Tax Revenue - Deferred revenue representing uncollected tax billings not available for funding of current expenditures totaled \$15,877,432 at June 30, 2015.

Prepaid Property Taxes – Property taxes due subsequent to June 30, 2015 but paid in advance by the taxpayers totaled \$793,793 at June 30, 2015.

13. Commitments and Contingent Liabilities

Federal programs

Federal programs in which the County and discretely presented component unit participate were audited in accordance with the provisions of U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Pursuant to the provisions of this circular all major programs and certain other programs were tested for compliance with applicable grant requirements.

While no matters of noncompliance were disclosed by audit, the Federal Government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, any future disallowance of current grant program expenditures, if any, would be immaterial.

Economic development incentives

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

Operating leases

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

14. Litigation

At June 30, 2015, there were no matters of litigation involving the County which management believes would materially affect its financial position should any court decisions on pending matters not be favorable.

15. Risk Management

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

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

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

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

16. Defined Benefit Pension Plan

Plan Description

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

The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. Each of these benefit structures has a different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are set out below:

VRS PLAN 1

About VRS Plan 1

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

Eligible Members

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

Hybrid Opt-In Election

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

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

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

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

Retirement Contributions

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

Creditable Service

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

Vesting

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

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

Calculating the Benefit

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

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

Average Final Compensation

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

Service Retirement Multiplier

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

Normal Retirement Age

Age 65. Political subdivisions hazardous duty employees: Age 60.

Earliest Unreduced Retirement Eligibility

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

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

Earliest Reduced Retirement Eligibility

Members who are not in hazardous duty positions may retire with a reduced benefit as early as age 55 with at least five years (60 months) of creditable service or age 50 with at least 10 years of creditable service.

Hazardous duty members are eligible for a reduced retirement benefit at age 50 with at least five years of creditable service.

Cost-of-Living Adjustment (COLA) in Retirement

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

Eligibility

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

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

Exceptions to COLA Effective Dates

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

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

Disability Coverage

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

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

Professional employees of public school divisions: not applicable.

Purchase of Prior Service

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

VRS PLAN 2

About VRS Plan 2

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

Eligible Members

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

Hybrid Opt-In Election

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

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

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

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

Retirement Contributions

Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Some political subdivisions elected to phase in the required 5% member contribution but all employees will be paying the full 5% by July 1, 2016.

Creditable Service

Same as VRS Plan 1.

Vesting

Same as VRS Plan 1.

Calculating the Benefit

See definition under VRS Plan 1.

Average Final Compensation

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

Service Retirement Multiplier

Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for creditable service earned, purchased or granted on or after January 1, 2013. The retirement multiplier for sheriffs and regional jail superintendents and for hazardous duty employees is the same as Plan 1.

Normal Retirement Age

Normal Social Security retirement age. Political subdivisions hazardous duty employees: same as Plan 1.

Earliest Unreduced Retirement Eligibility

Members who are not in hazardous duty positions are eligible for an unreduced retirement benefit when they reach normal Social Security retirement age and have at least five years (60 months) of creditable service or when their age and service equal 90. Hazardous duty employees: same as Plan 1.

Earliest Reduced Retirement Eligibility

Members may retire with a reduced benefit as early as age 60 with at least five years (60 months) of creditable service. Hazardous duty employees: same as Plan 1.

Cost-of-Living Adjustment (COLA) in Retirement

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

Eligibility

Same as VRS Plan 1

Exceptions to COLA Effective Dates

Same as VRS Plan 1

Disability Coverage

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

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

Professional employees of public school divisions: not applicable.

Purchase of Prior Service

Same as VRS Plan 1.

HYBRID RETIREMENT PLAN

About the Hybrid Retirement Plan

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

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

Eligible Members

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

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

*Non-Eligible Members

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

- Political subdivision employees who are covered by enhanced benefits for hazardous duty employees

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

Retirement Contributions

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

Creditable Service

Defined Benefit Component

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

Defined Contributions Component

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

Vesting

Defined Benefit Component

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

Defined Contributions Component

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

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

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

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

Distribution is not required by law until age 70½.

Calculating the Benefit

Defined Benefit Component

See definition under VRS Plan 1

Defined Contribution Component

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

Average Final Compensation

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

Service Retirement Multiplier

Defined Benefit Component

The retirement multiplier for the defined benefit component is 1.0%. For members that opted into the Hybrid Retirement Plan from VRS Plan 1 or VRS Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans. Sheriffs and regional jail superintendents: not applicable. Political subdivision hazardous duty employees: not applicable.

Defined Contribution Component

Not applicable.

Normal Retirement Age

Defined Benefit Component

Same as VRS Plan 2. Not applicable for political subdivision hazardous duty employees.

Defined Contribution Component

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

Earliest Unreduced Retirement Eligibility

Defined Benefit Component

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

Defined Contribution Component

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

Earliest Reduced Retirement Eligibility

Defined Benefit Component

Members may retire with a reduced benefit as early as age 60 with at least five years (60 months) of creditable service. Political subdivision hazardous duty employees: not applicable.

Defined Contribution Component

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

Cost-of-Living Adjustment (COLA) in Retirement

Defined Benefit Component

Same as VRS Plan 2.

Defined Contribution Component

Not applicable.

Eligibility

Same as VRS Plan 1 and VRS Plan 2.

Exceptions to COLA Effective Dates

Same as VRS Plan 1 and VRS Plan 2.

Disability Coverage

Eligible political subdivision and school division (including VRS Plan 1 and VRS Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides and employer-paid comparable program for its members.

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

Purchase of Prior Service

Defined Benefit Component

Same as VRS Plan 1, with the following exceptions:

- Hybrid Retirement Plan members are ineligible for ported service.
- The cost for purchasing refunded service is the higher of 4% of creditable compensation or average final compensation.
- Plan members have one year from their date of hire or return from leave to purchase all but refunded prior service at approximate normal cost. After than one-year period, the rate for most categories of service will change to actuarial cost.

Defined Contribution Component

Not applicable.

Employees Covered by Benefit Terms

As of the June 30, 2013, actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<u>County</u>	<u>School Board Non- Professional</u>
Inactive members or their beneficiaries currently receiving benefits	<u>105</u>	<u>70</u>
Inactive members:		
Vested	24	4
Non-vested	45	29
Active elsewhere in VRS	<u>87</u>	<u>23</u>
Total inactive members	<u>156</u>	<u>56</u>
Active members	<u>176</u>	<u>103</u>
Total	<u>437</u>	<u>229</u>

Contributions

The contributions requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Prior to July 1, 2012, all or part of the 5.00% member contribution may have been assumed by the employer. Beginning July 1, 2012, new employees were required to pay the 5.00% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5.00% member contribution. This could be phased in over a period of up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution.

Political Subdivision Plan – County and School Board Non-Professional

The County and School Board's non-professional contractually required contribution rates for the year ended June 30, 2015, were 12.01% and 9.41%, respectively, of covered employee compensation. These rates were based on actuarially determined rates from actuarial valuations as of June 30, 2013. This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County and School Board were \$986,872 and \$175,398, respectively, for the year ended June 30, 2015.

Teacher Plan – School Board Professional

Each school division's contractually required contribution rate for the year ended June 30, 2015, was 14.50% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2013. The actuarial rate for the Teacher Retirement Plan was 18.20%. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Based on the provisions of §51.1-145 of the *Code of Virginia*, as amended, the contributions were funded at 79.69% of the actuarial rate for the year ended June 30, 2015. Contributions to the pension plan from the School Board were \$3,047,335 for the year ended June 30, 2015.

Net Pension Liability

Political Subdivision Plan

The County and School Board's non-professional net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2013, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2014.

Actuarial Assumptions – County and School Board General Employees

The total pension liability for General Employees in the Political Subdivision's Retirement Plan was based on an actuarial valuation as of June 30, 2013, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2014.

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

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

Mortality rates: 14% of deaths are assumed to be service related

Largest 10 – Non-LEOS:

Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set forward 4 years and females were set back 2 years.

Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year.

Post-Disablement:

RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement

All Others (Non 10 Largest) – Non-LEOS:

Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set forward 4 years and females were set back 2 years.

Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year.

Post-Disablement:

RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

Largest 10 – Non-LEOS:

- - Update mortality table
- - Decrease in rates of service retirement
- - Decrease in rates of disability retirement
- - Reduce rates of salary increase by 0.25% per year

All Others (Non 10 Largest) – Non-LEOS:

- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

Actuarial Assumptions – County Public Safety Employees

The total pension liability for Public Safety Employees in the Political Subdivision's Retirement Plan was based on an actuarial valuation as of June 30, 2013, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2014.

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

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

Mortality rates: 60% of deaths are assumed to be service related

Largest 10 – LEOS:

Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set back 2 years and females were set back 2 years.

Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year.

Post-Disablement:

RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement

All Others (Non 10 Largest) – LEOS:

Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set back 2 years and females were set back 2 years.

Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year.

Post-Disablement:

RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

Largest 10 – LEOS:

- Update mortality table
- Decrease in male rates of disability

All Others (Non 10 Largest) – LEOS:

- - Update mortality table
- - Adjustments to rates of service retirement for females
- - Increase in rates of withdrawal
- - Decrease in male and female rates of disability

Actuarial Assumptions – School Board Professional Employees

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2013, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2014.

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

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

Mortality rates:

Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set back 3 years and females were set back 5 years.

Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set back 2 years and females were set back 3 years.

Post-Disablement:

RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 1 year and no provision for future mortality improvement

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

- Update mortality table
- Adjustments to the rates of service retirement
- Decrease in rates of withdrawals for 3 through 9 years of service
- Decrease in rates of disability
- Reduce rates of salary increase by 0.25% per year

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
U.S. Equity	19.50%	6.46%	1.26%
Developed Non U.S. Equity	16.50%	6.28%	1.04%
Emerging Market Equity	6.00%	10.00%	0.60%
Fixed Income	15.00%	0.09%	0.01%
Emerging Debt	3.00%	3.51%	0.11%
Rate Sensitive Credit	4.50%	3.51%	0.16%
Non Rate Sensitive Credit	4.50%	5.00%	0.23%
Convertibles	3.00%	4.81%	0.14%
Public Real Estate	2.25%	6.12%	0.14%
Private Real Estate	12.75%	7.10%	0.91%
Private Equity	12.00%	10.41%	1.25%
Cash	1.00%	(1.50%)	(0.02%)
Total	100.00%		5.83%
	Inflation		2.50%
	*Expected arithmetic nominal return		8.33%

*Using stochastic projection results provides an expected range of real rates of return over various time horizons. Looking at one year results produces an expected real return of 8.33% but also has a high standard deviation, which means there is high volatility. Over larger time horizons, the volatility declines significantly and provides a median return of 7.44%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2018, the rate contributed by the employer for the Political Subdivision Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2018 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the Long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability - County

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2013	\$ 30,826,442	\$ 25,076,190	\$ 5,750,252
Changes for the year:			
Service cost	967,375	-	967,375
Interest	2,104,161	-	2,104,161
Contributions – employer	-	1,094,374	(1,094,374)
Contributions – employee	-	396,746	(396,746)
Net investment income	-	3,961,896	(3,961,896)
Benefit payments, including refunds of employee contributions	(1,533,995)	(1,533,995)	-
Administrative expense	-	(21,172)	21,172
Other changes	-	209	(209)
Net changes	1,537,541	3,898,058	(2,360,517)
Balances at June 30, 2014	\$ 32,363,983	\$ 28,974,248	\$ 3,389,735

Changes in Net Pension Liability – School Board Non-Professional

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2013	\$ 7,363,682	\$ 6,151,235	\$ 1,212,447
Changes for the year:			
Service cost	220,298	-	220,298
Interest	500,348	-	500,348
Contributions – employer	-	227,601	(227,601)
Contributions – employee	-	104,640	(104,640)
Net investment income	-	961,713	(961,713)
Benefit payments, including refunds of employee contributions	(431,694)	(431,694)	-
Administrative expense	-	(5,223)	5,223
Other changes	-	51	(51)
Net changes	288,952	857,088	(568,136)
Balances at June 30, 2014	\$ 7,652,634	\$ 7,008,323	\$ 644,311

Changes in Net Pension Liability – School Board Professional

At June 30, 2015, the School Board reported a liability of \$34,458,000 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2014, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The School Board's proportion of the Net Pension Liability was based on the School Board's actuarially determined employer contributions to the pension plan for the year ended June 30, 2014, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2014, the School Board's proportion was 0.28514% as compared to 0.28153% at June 30, 2013.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following represents the net pension liability using the discount rate of 7.00%, as well as what the net position liability would be if it were calculated using a stated discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
County Plan's Net Pension Liability	\$ 7,563,096	\$ 3,389,735	\$ (76,839)
School Board Non-Professional Plan's Net Pension Liability	\$ 1,440,731	\$ 644,311	\$ (33,932)
School Board Professional Plan's Proportionate Share of the Net Pension Liability	\$ 50,599,000	\$ 34,458,000	\$ 21,170,000

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

For the year ending June 30, 2015, the County and School Board recognized pension expense of \$500,895 and \$2,900,651, respectively. Since there was a change in proportionate share of the School Board's Professional Plan net pension liability between June 30, 2013, and June 30, 2014, a portion of the School Board pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions. At June 30, 2015, the County and School Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
County		
Employer contributions made subsequent to measurement date	\$ 986,872	\$ -
Net difference between projected and actual earnings on plan investments	-	1,767,038
	<u>\$ 986,872</u>	<u>\$ 1,767,038</u>
School Board		
Employer contributions made subsequent to measurement date	\$ 3,222,733	\$ -
Changes in proportion and differences between employer contributions and proportionate share of contributions	407,000	-
Net difference between projected and actual earnings on plan investments	-	5,541,831
	<u>\$ 3,629,733</u>	<u>\$ 5,541,831</u>

County of Dinwiddie, Virginia
Notes to Financial Statements

Amounts reported and deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions as of June 30, 2015, will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	<u>County</u>	<u>School Board</u>
2016	\$ 441,759	\$ 1,294,958
2017	441,759	1,294,958
2018	441,759	1,294,958
2019	441,761	1,294,957
2020	-	(45,000)
Total	<u>\$ 1,767,038</u>	<u>\$ 5,134,831</u>

School Board Professional Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2014 Comprehensive Annual Financial Report (CAFR). A copy of the 2014 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2014-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

17. Surety Bonds

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

18. Postemployment Benefits Other Than Pensions

Plan Description

The County and School Board allow retirees to remain on their health insurance plan. A Dinwiddie County or Dinwiddie County School Board retiree, eligible for post-retirement medical coverage, is defined as a full-time employee who retires directly from the County, and is eligible to receive an early or regular retirement (pension) benefit from the County (see Note 16). In addition, retirees must meet the minimum VRS requirements:

- Member before July 1, 2010: Employees with membership prior to July 1, 2010 in the VRS must attain at least the age of 50 with 30 years of service, or attain age 65 with 5 years of service. For reduced pension benefits, members must have attained age 50 with at least 10 years of service or age 55 with 5 years of service.
- Member after July 1, 2010: Employees with membership after to July 1, 2010 must have age plus service equal to 90 points, or attain Social Security Normal Retirement age with at least 5 years of service. For reduced pension benefits, members must have attained age 60 with at least 5 years of service.
- LEOS Public Safety: Employees must attain at least the age of 50 with 25 years of service, or attain age 60 with 5 years of service.

County of Dinwiddie, Virginia
Notes to Financial Statements

County health plan benefits include medical and dental. For pre-Medicare coverage, retirees pay the full active premium rates. Currently the plans offered to retirees through the High Deductible Health plan and the Key Advantage 1000 plan. Retirees and spouses that become Medicare Eligible are no longer eligible for the retiree medical plan. The plan does not include a death benefit for spouses of employees.

School Board health plan benefits include medical and dental. For pre-Medicare coverage, retirees pay the full active premium rates. Currently the plans offered to retirees through Anthem are the Healthkeepers High Deductible Health Plan HMO, KeyKeepers HDHP PPO, and a traditional HMO 25. Retirees and spouses that become Medicare eligible are able to pay for the Medicare Supplement Plan for which there is no implicit subsidy. If an employee dies while employed and was eligible for retirement, the surviving spouse (or eligible family member) will be eligible to continue medical coverage, if they were covered before the employee's death.

Dinwiddie County School Board offered employees who are full-time employees of Dinwiddie Schools, members of the VRS who are eligible for full, unreduced retirement on July 1, 2012, and employed by the School for the last 5 years, a retirement incentive. Dinwiddie Schools will pay the approved employer's portion of the health insurance premium, excluding family coverage, for a period of three years from retirement. The incentive ended June 20, 2015.

Funding Policy

The County and School Board's retirees pay 100% of the premiums directly to the County and School Board. As of June 30, 2015, the Schools currently have 27 retirees and 5 spouses on their plan and 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:

	County	School Board
Annual required contribution	\$ 68,995	\$ 216,249
Interest on net OPEB obligation	1,435	16,814
Adjustment to annual required contribution	(2,034)	(23,837)
Annual OPEB cost (expense)	68,396	209,226
Estimated contributions made	(29,439)	(100,950)
Increase in net OPEB obligation	38,957	0
Net OPEB obligation – beginning of year	35,876	420,355
Net OPEB obligation – end of year	<u>\$ 74,833</u>	<u>\$ 0</u>

County of Dinwiddie, Virginia
Notes to Financial Statements

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 2015 and the preceding two years were as follows:

<u>Fiscal Year Ended June 30, 2015</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
County:			
6/30/2015	\$ 68,396	43.04%	\$ 74,833
6/30/2014	\$ 49,251	96.22%	\$ 35,875
6/30/2013	\$ 48,896	83.62%	\$ 34,015
Schools:			
6/30/2015	\$ 209,226	48.25%	\$ 528,631
6/30/2014	\$ 299,145	71.84%	\$ 420,355
6/30/2013	\$ 291,327	69.87%	\$ 336,125

Funded Status and Funding Progress

As of July 1, 2015, the County's actuarial accrued liability for benefits was \$664,801, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$8,409,343, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 7.91 percent.

As of July 1, 2015 the School Board's actuarial accrued liability for benefits was \$1,954,353, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$23,437,252, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 8.34 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 for County participants was estimated based on tables used for the VRS State employee retirement plan pension valuation and assumed that participants begin to retire when they become eligible to receive healthcare benefits. Retirement age for School Board participants was estimated based on tables used for the VRS Teacher retirement plan pension valuation and assumed that participants begin to retire when they become eligible to receive healthcare benefits.

Mortality - Life expectancies for the County and School Board were based on tables used for the VRS State employee retirement plan and the VRS Teacher retirement plan pension valuations, respectively.

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

Healthcare cost trend rate – The trend rates for medical benefits and prescription drugs are as follows:

<u>Plan Year</u>	<u>Current Year Trend</u>	<u>Prior Year Trend</u>
2015	7.50%	6.00%
2016	7.00%	5.00%
2017	6.50%	5.00%
2018	6.00%	5.00%
2019	5.50%	5.00%
2020+	5.00%	5.00%

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, 2015 was thirty years.

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

Plan Description

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

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

Benefit provisions and eligibility requirements are established by Title 51.1, Chapter 14 of the *Code of Virginia*. The VRS actuarially determines the amount necessary to fund all credits provided, reflects the cost of such credits in the applicable employer contribution rate pursuant to 951.1 -145, and prescribes such terms and conditions as are necessary to carry out the provisions of the health insurance credit program. VRS issues separate financial statements as previously discussed in Note 16.

Funding Policy

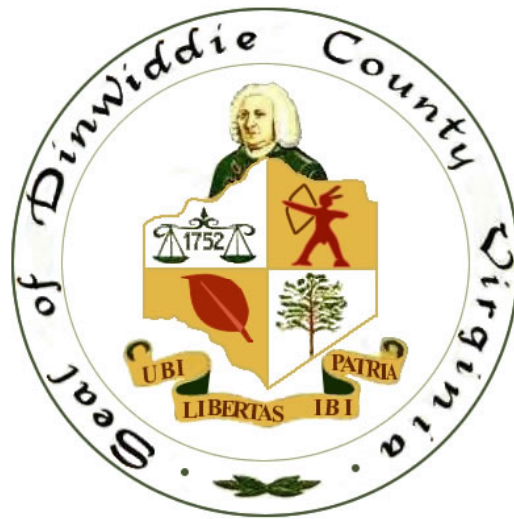
The School Board is required to contribute, at an actuarially determined rate, the entire amount necessary to fund participation in the program. The current rate is 1.06% of annual covered payroll. The School Board's contributions to VRS for the years ended Year Ended June 30, 2015, 2014, and 2013 were \$232,339, \$231,336, and \$224,317, respectively, which equaled the required contributions for the year.

20. Subsequent Events

Subsequent to year end but before the issuance of the financial statements, the County entered into a contract with a construction company totaling approximately \$3 million related to the renovation of the McKenney Recreation Center.

* * * * *

County of Dinwiddie, Virginia
Required Supplementary Information
Year Ended June 30, 2015



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

Year Ended June 30, 2015

	General Fund			Variance From
	Budgeted Amounts			Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues				
General property taxes	\$27,184,163	\$27,184,163	\$28,778,834	\$ 1,594,671
Other local taxes	4,329,000	4,329,000	4,715,539	386,539
Permits, privilege fees and regulatory licenses	217,155	217,155	220,312	3,157
Fines and forfeitures	639,000	639,000	536,407	(102,593)
Revenue from use of money and property	44,900	44,900	66,494	21,594
Charges for services	1,624,406	1,624,406	1,577,127	(47,279)
Miscellaneous	99,500	102,861	195,092	92,231
Recovered costs	191,128	191,128	366,037	174,909
Intergovernmental revenues:				
Commonwealth	8,186,845	8,224,595	7,924,065	(300,530)
Federal	1,246,112	1,246,112	1,381,822	135,710
Total revenues	43,762,209	43,803,320	45,761,729	1,958,409
Expenditures				
General government administration	2,915,501	3,134,470	3,091,868	42,602
Judicial administration	1,074,384	1,071,681	1,035,838	35,843
Public safety	10,323,010	10,366,944	10,246,265	120,679
Public works	3,200,361	3,119,323	3,099,055	20,268
Health and welfare	3,219,970	3,235,725	2,879,839	355,886
Education	12,922,909	12,853,966	12,853,966	-
Parks, recreation, and cultural	1,485,365	1,453,902	1,369,060	84,842
Community development	2,255,139	2,289,699	1,202,116	1,087,583
Total expenditures	37,396,639	37,525,710	35,778,007	1,747,703
Excess of revenues over expenditures	6,365,570	6,277,610	9,983,722	3,706,112
Other financing uses				
Transfers out	(9,462,408)	(9,651,526)	(9,651,526)	-
Net change in fund balances	(3,096,838)	(3,373,916)	332,196	3,706,112
Fund balance - beginning of year	21,138,958	21,138,958	21,138,958	-
Fund balance - end of year	\$18,042,120	\$17,765,042	\$21,471,154	\$ 3,706,112

Notes to required supplementary information:

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

County of Dinwiddie, Virginia
Schedule of OPEB Funding Progress

Exhibit L

Retiree Healthcare Plan						
Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded (Excess Unfunded) Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	UAAL as % of Payroll
	(a)	(b)	(b-a)	(a/b)	(c)	((b-a)/c)
County						
7/1/2015	\$ -	\$ 664,801	\$ 664,801	0.00%	\$ 8,409,343	7.91%
7/1/2012	-	601,884	601,884	0.00%	7,460,861	8.07%
1/1/2011	-	436,900	436,900	0.00%	7,803,100	5.60%
1/1/2009	-	317,700	317,700	0.00%	6,586,100	4.82%
School Board						
7/1/2015	\$ -	\$ 1,954,353	\$ 1,954,353	0.00%	\$ 23,437,252	8.34%
7/1/2012	-	2,394,042	2,394,042	0.00%	22,650,701	10.57%
1/1/2011	-	1,750,300	1,750,300	0.00%	19,901,700	8.79%
1/1/2009	-	1,675,500	1,675,500	0.00%	21,492,200	7.80%

**Schedule of Changes in Net Pension Liability and Related Ratios -
Primary Government**

Year Ended June 30,	2014
Total pension liability	
Service cost	\$ 967,375
Interest	2,104,161
Benefit payments	<u>(1,533,995)</u>
Net change in total pension liability	1,537,541
Total pension liability - beginning	<u>30,826,442</u>
Total pension liability - ending (a)	<u><u>\$ 32,363,983</u></u>
Plan fiduciary net position	
Contributions - employer	\$ 1,094,374
Contributions - employee	396,746
Net investment income	3,961,896
Benefit payments	(1,533,995)
Administrative expenses	(21,172)
Other changes	<u>209</u>
Net change in plan fiduciary net position	3,898,058
Plan fiduciary net position - beginning	<u>25,076,190</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 28,974,248</u></u>
County's net pension liability (asset) - ending (a) - (b)	<u><u>\$ 3,389,735</u></u>
Plan fiduciary net position as a percentage of the total pension liability	89.5%
Covered-employee payroll	\$ 8,217,087
Net pension liability as a percentage of covered- employee payroll	41.3%

Note: Information in this schedule is presented for the year in which information is available. Information will be added each year until a full 10-year trend is presented.

**Schedule of Changes in Net Pension Liability and Related Ratios -
Component Unit - School Board - Non-Professional Plan**

Year Ended June 30,	2014
Total pension liability	
Service cost	\$ 220,298
Interest	500,348
Benefit payments	<u>(431,694)</u>
Net change in total pension liability	288,952
Total pension liability - beginning	<u>7,363,682</u>
Total pension liability - ending (a)	<u><u>\$ 7,652,634</u></u>
Plan fiduciary net position	
Contributions - employer	\$ 227,601
Contributions - employee	104,640
Net investment income	961,713
Benefit payments	(431,694)
Administrative expenses	(5,223)
Other changes	<u>51</u>
Net change in plan fiduciary net position	857,088
Plan fiduciary net position - beginning	<u>6,151,235</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 7,008,323</u></u>
School Board's net pension liability (asset) - ending (a) - (b)	<u><u>\$ 644,311</u></u>
Plan fiduciary net position as a percentage of the total pension liability	91.6%
Covered-employee payroll	\$ 1,863,958
Net pension liability as a percentage of covered- employee payroll	34.6%

Note: Information in this schedule is presented for the year in which information is available. Information will be added each year until a full 10-year trend is presented.

**Schedule of Employer's Share of Net Pension Liability -
Component Unit - School Board - Professional Plan**

<i>Year Ended June 30,</i>	<i>2015</i>	<i>2014</i>
Employer's proportion of the net pension liability	0.28514%	0.28153%
Employer's proportionate share of the net pension liability	\$ 34,458,000	\$ 38,783,000
Employer's covered-employee payroll	\$ 21,673,789	\$ 20,836,105
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	158.98%	186.13%
Plan fiduciary net position as a percentage of the total pension liability	70.88%	unknown

*The amounts presented have a measurement date as of the previous fiscal year end.

Note: Information in this schedule is presented for the years in which information is available. Information will be added each year until a full 10-year trend is presented.

County of Dinwiddie, Virginia
Schedule of Employer Contributions

Exhibit P

Year Ended June 30,	2015	2014
Primary Government		
Actuarially determined contribution	\$ 986,872	\$ 1,094,374
Contributions in relation to the actuarially determined contribution	986,872	1,094,374
Contribution deficiency (excess)	\$ -	\$ -
Covered-employee payroll	\$ 8,217,087	\$ 7,925,648
Contributions as a percentage covered-employee payroll	12.01%	13.81%
Component Unit - School Board - Non-Professional Plan		
Actuarially determined contribution	\$ 175,398	\$ 227,601
Contributions in relation to the actuarially determined contribution	175,398	227,601
Contribution deficiency (excess)	\$ -	\$ -
Covered-employee payroll	\$ 1,863,958	\$ 1,988,146
Contributions as a percentage covered-employee payroll	9.41%	11.45%
Component Unit - School Board - Professional Plan		
Actuarially determined contribution	\$ 3,047,335	\$ 2,431,355
Contributions in relation to the actuarially determined contribution	3,047,335	2,431,355
Contribution deficiency (excess)	\$ -	\$ -
Covered-employee payroll	\$ 21,673,789	\$ 20,836,105
Contributions as a percentage covered-employee payroll	14.06%	11.67%

Notes to Schedule

Actuarially determined contribution rates are based on the most recent valuation date, which was June 30, 2013. Methods and assumptions used to determine contribution rates are as follows:

Actuarial cost method	Entry age normal
Amortization method	Level percent closed
Remaining amortization period	30 years
Asset valuation method	5-year smoothed market
Actuarial assumptions:	5-years for investment gains and losses
Investment rate of return*	7.00%
Projected salary increases*	3.50% - 5.35%
Cost-of-living adjustments	2.25% - 2.50%
*Includes inflation at	2.50%

Note: Information in this schedule is presented for the years in which information is available. Information will be added each year until a full 10-year trend is presented.

Notes to Required Supplementary Information Other Than MD&A

Year Ended June 30, 2015

Changes of benefit terms - Primary Government and School Board

There have been no significant changes to the System benefit provisions since the prior actuarial valuation. A hybrid plan with changes to the defined benefit plan structure and a new defined contribution component were adopted in 2012. The hybrid plan applies to most new employees hired on or after January 1, 2014 and not covered by enhanced hazardous duty benefits. The liabilities presented do not reflect the hybrid plan since it covers new members joining the System after the valuation date of June 30, 2013, and the impact on the liabilities as of the measurement date of June 30, 2014 are minimal.

Changes of assumptions - Primary Government and School Board Non-Professional

The following changes in actuarial assumptions were made effective June 30, 2013 based on the most recent experience study of the System for the four-year period ending June 30, 2012:

Non-LEOS:

- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

Largest 10 - LEOS:

- Update mortality table
- Decrease in male rates of disability

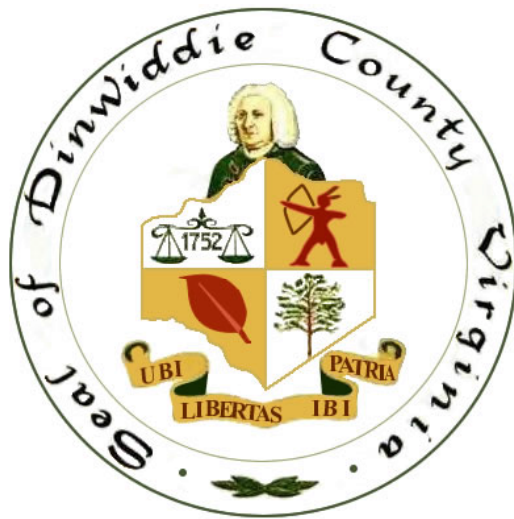
All Others (Non 10 Largest) - LEOS:

- Update mortality table
- Adjustments to rates of service retirement for females
- Increase in rates of withdrawal
- Decrease in male and female rates of disability

Changes of assumptions - School Board Professional

The following changes in actuarial assumptions were made effective June 30, 2013 based on the most recent experience study of the System for the four-year period ending June 30, 2012:

- Update mortality table
- Adjustments to the rates of service retirement
- Decrease in rates of withdrawals for 3 through 9 years of service
- Decrease in rates of disability
- Reduce rates of salary increase by 0.25% per year



County of Dinwiddie, Virginia
Other Supplementary Information
Year Ended June 30, 2015



County of Dinwiddie, Virginia
Combining Balance Sheet
Non-Major Governmental Funds

Exhibit R

June 30, 2015

	Capital Projects	Special Revenue	Total
Assets			
Cash and cash equivalents	\$ 1,615,821	\$ 712,029	\$ 2,327,850
Accounts receivable	-	902	902
Due from other governmental units	-	205,356	205,356
	<u>\$ 1,615,821</u>	<u>\$ 918,287</u>	<u>\$ 2,534,108</u>
Liabilities			
Accounts payable	\$ 34,210	\$ 207,547	\$ 241,757
Fund Balances			
Restricted	\$ -	\$ 340,279	\$ 340,279
Committed	1,581,611	370,461	1,952,072
	<u>1,581,611</u>	<u>710,740</u>	<u>2,292,351</u>
	<u>\$ 1,615,821</u>	<u>\$ 918,287</u>	<u>\$ 2,534,108</u>

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds**

Year Ended June 30, 2015

	Capital Projects	Special Revenue	Total
Revenues			
Revenue from use of money and property	\$ -	\$ 768	\$ 768
Charges for services	-	2,478	2,478
Miscellaneous	-	61,139	61,139
Intergovernmental revenues:			
Commonwealth	-	968,450	968,450
Federal	-	11,400	11,400
Total revenues	-	1,044,235	1,044,235
Expenditures			
Current:			
Judicial administration	-	17,151	17,151
Public safety	-	83,590	83,590
Public works	-	10,073	10,073
Health and welfare	-	1,441,038	1,441,038
Community development	-	31,063	31,063
Capital outlays and projects	1,565,152	-	1,565,152
Total expenditures	1,565,152	1,582,915	3,148,067
Deficiency of revenues under expenditures	(1,565,152)	(538,680)	(2,103,832)
Other financing sources			
Transfers in	2,005,000	724,150	2,729,150
Net change in fund balances	439,848	185,470	625,318
Fund balances - beginning of year	1,141,763	525,270	1,667,033
Fund balances - end of year	\$ 1,581,611	\$ 710,740	\$ 2,292,351

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

Year Ended June 30, 2015

	Debt Service Fund			Variance From Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Expenditures				
Community development	\$ 564,140	\$ 593,457	\$ 593,456	\$ 1
Debt service:				
Principal retirement	6,249,887	6,249,007	3,985,209	2,263,798
Interest and other fiscal charges	184,132	184,132	2,447,210	(2,263,078)
Total expenditures	6,998,159	7,026,596	7,025,875	721
Deficiency of revenues under expenditures	(6,998,159)	(7,026,596)	(7,025,875)	721
Other financing sources				
Transfers in	6,911,258	6,922,376	6,922,376	-
Net change in fund balances	(86,901)	(104,220)	(103,499)	721
Fund balance - beginning of year	104,220	104,220	104,220	-
Fund balance - end of year	\$ 17,319	\$ -	\$ 721	\$ 721

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

Year Ended June 30, 2015

	Capital Projects Fund			Variance From Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental revenues				
Commonwealth	\$ -	\$ -	\$ -	\$ -
Expenditures				
Capital outlays and projects	2,567,253	2,705,924	1,565,152	1,140,772
Deficiency of revenues under expenditures	(2,567,253)	(2,705,924)	(1,565,152)	1,140,772
Other financing sources				
Transfers	2,005,000	2,005,000	2,005,000	-
Net change in fund balances	(562,253)	(700,924)	439,848	1,140,772
Fund balance - beginning of year	1,141,763	1,141,763	1,141,763	-
Fund balance - end of year	\$ 579,510	\$ 440,839	\$ 1,581,611	\$ 1,140,772

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

Year Ended June 30, 2015

	Special Revenue Fund			Variance From Final Budget
	Budgeted Amounts		Actual	Positive (Negative)
	Original	Final		
Revenues				
Revenue from use of money and property	\$ -	\$ -	\$ 768	\$ 768
Charges for services	2,170	2,170	2,478	308
Miscellaneous	60,000	61,125	61,139	14
Intergovernmental revenues				
Commonwealth	686,018	754,333	968,450	214,117
Federal	7,500	7,500	11,400	3,900
Total revenues	755,688	825,128	1,044,235	219,107
Expenditures				
Judicial administration	22,537	27,096	17,151	9,945
Public safety	271,460	320,536	83,590	236,946
Public works	171,226	190,141	10,073	180,068
Health and welfare	1,109,000	1,441,346	1,441,038	308
Community development	29,172	31,063	31,063	-
Total expenditures	1,603,395	2,010,182	1,582,915	427,267
Deficiency of revenues under expenditures	(847,707)	(1,185,054)	(538,680)	646,374
Other financing sources				
Transfers in	546,150	724,150	724,150	-
Net change in fund balances	(301,557)	(460,904)	185,470	646,374
Fund balance - beginning of year	525,270	525,270	525,270	-
Fund balance - end of year	\$ 223,713	\$ 64,366	\$ 710,740	\$ 646,374

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

June 30, 2015

	Balance Beginning of Year	Additions	Reductions	Balance End of Year
Special Welfare Fund				
Assets:				
Cash and cash equivalents	\$ 43,368	\$ 24,260	\$ (13,062)	\$ 54,566
Liabilities:				
Amounts held for social services clients	\$ 43,368	\$ 24,260	\$ (13,062)	\$ 54,566

County of Dinwiddie, Virginia

Exhibit X

**Combining Statement of Fiduciary Net Position
Fiduciary Funds**

June 30, 2015

Assets	Agency Funds		Private Purpose Trust Funds							
	Special Welfare		Retired		Butterworth Scholarship	Scholarships				Total
			Teachers	Scholarships		Williamson	Doyle	Pamplin	Abrahams	
Cash and cash equivalents	\$ 54,566		\$ 35,063	\$	\$ 12,245	\$ 851	\$ 422,393	\$ 1,129,991	\$ 615,578	\$ 2,216,123
Investments	-		-		-	-	-	1,220,264	3,024,251	4,244,513
Other receivables	-		-		-	-	197	-	-	197
	\$ 54,566		\$ 35,063	\$	\$ 12,245	\$ 851	\$ 422,590	\$ 2,350,255	\$ 3,639,829	\$ 6,460,833
Liabilities										
Amounts held for social services clients	\$ 54,566		-	\$	-	-	-	-	-	-
Net Position										
Amounts held in trust for scholarships and the disadvantaged	\$ -		\$ 35,063	\$	\$ 12,245	\$ 851	\$ 422,590	\$ 2,350,255	\$ 3,639,829	\$ 6,460,833

See independent auditors' report.

County of Dinwiddie, Virginia

Exhibit Y

**Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds**

Year Ended June 30, 2015

	Private Purpose Trust Funds						
	Butterworth Scholarship	Retired Teachers Scholarships	Williamson Scholarship	Doyle Scholarship	Pamplin Endowment	Abrahams Scholarship	Total
Additions							
Investment earnings	\$ 270	\$ 182	\$ 3	\$ 14,356	\$ 51,174	\$ 76,607	\$ 142,592
Private donations	-	949	-	-	838	-	1,787
	270	1,131	3	14,356	52,012	76,607	144,379
Deductions							
Net unrealized loss	-	-	-	16,681	102,047	56,656	175,384
Scholarships	250	500	-	14,875	92,312	114,876	222,813
	250	500	-	31,556	194,359	171,532	398,197
Change in net position	20	631	3	(17,200)	(142,347)	(94,925)	(253,818)
Net position - beginning of year	12,225	34,432	848	439,790	2,492,602	3,734,754	6,714,651
Net position - end of year	\$ 12,245	\$ 35,063	\$ 851	\$ 422,590	\$ 2,350,255	\$ 3,639,829	\$ 6,460,833

See independent auditors' report.

Combining Balance Sheet

Discretely Presented Component Unit - School Board

June 30, 2015

	School Operating Fund	School Special Revenue Funds	Total Component Unit School Board
Assets			
Cash and cash equivalents	\$ 2,296,836	\$ 1,073,361	\$ 3,370,197
Receivables, net of allowance for uncollectibles:			
Accounts receivable	161,475	518	161,993
Due from other governmental units	2,301,488	60,536	2,362,024
	<u>\$ 4,759,799</u>	<u>\$ 1,134,415</u>	<u>\$ 5,894,214</u>
Liabilities			
Accounts payable	\$ 456,729	\$ 5,645	\$ 462,374
Accrued liabilities	3,949,605	132,008	4,081,613
Total liabilities	<u>4,406,334</u>	<u>137,653</u>	<u>4,543,987</u>
Fund Balances			
Committed to:			
School operating expenses	353,465	-	353,465
Textbook purchases	-	801,122	801,122
School food	-	195,640	195,640
Total committed fund balances	<u>353,465</u>	<u>996,762</u>	<u>1,350,227</u>
	<u>\$ 4,759,799</u>	<u>\$ 1,134,415</u>	<u>\$ 5,894,214</u>

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

Total fund balances per above		\$ 1,350,227
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		42,948,816
Long-term liabilities, including compensated absences payable, are not due and payable in the current period and, therefore, are not reported in the funds		(40,313,498)
Deferred outflows of resources are not outflows of resources in the current period and, therefore, are not reported in the funds:		
Deferred pension contributions	\$ 3,222,733	
Change in proportion	<u>407,000</u>	3,629,733
Deferred inflows of resources are not inflows of resources for the current period and, therefore, are not reported in the funds:		
Deferred pension investment experience		<u>(5,541,831)</u>
Net position of governmental activities		<u>\$ 2,073,447</u>

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

Year Ended June 30, 2015

	School Operating Fund	School Special Revenue Funds	Total Component Unit School Board
Revenues			
Revenue from use of money and property	\$ 141,667	\$ 119	\$ 141,786
Charges for services	18,805	461,851	480,656
Miscellaneous	22,041	3,605	25,646
Recovered costs	17,441	-	17,441
Intergovernmental revenues:			
Local government	12,816,792	26,500	12,843,292
Commonwealth	26,577,608	330,579	26,908,187
Federal	1,911,840	1,228,954	3,140,794
Total revenues	41,506,194	2,051,608	43,557,802
Expenditures			
Education	41,537,134	2,112,996	43,650,130
Deficiency of revenues under expenditures	(30,940)	(61,388)	(92,328)
Other financing sources (uses)			
Transfers in	-	122,250	122,250
Transfers out	(122,250)	-	(122,250)
Total other financing sources (uses)	(122,250)	122,250	-
Changes in fund balances	(153,190)	60,862	(92,328)
Fund balances - beginning of year	506,655	935,900	1,442,555
Fund balances - end of year	\$ 353,465	\$ 996,762	\$ 1,350,227

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

Net change in fund balances - total governmental funds - per above \$ (92,328)

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	\$ 937,816	
Depreciation expense	(1,799,793)	
Allocation of jointly owned assets - original cost depreciation	<u>1,698,693</u>	836,716

The repayment of capital leases consumes the current financial resources of governmental funds; however, they do not have any affect on net position. 206,371

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.

Decrease in compensated absences	\$ 111,010	
Pension expense	322,082	
Increase in OPEB liability	<u>(108,276)</u>	324,816

Change in net position of governmental activities **\$ 1,275,575**

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

Year Ended June 30, 2015

	School Operating Fund			Variance From Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Revenue from use of money and property	\$ 100,000	\$ 140,000	\$ 141,667	\$ 1,667
Charges for services	25,000	25,000	18,805	(6,195)
Miscellaneous	5,000	5,000	22,041	17,041
Recovered costs	20,000	70,000	17,441	(52,559)
Intergovernmental revenues:				
Local government	12,912,235	12,816,792	12,816,792	-
Commonwealth	26,101,629	26,647,121	26,577,608	(69,513)
Federal	2,290,373	1,949,884	1,911,840	(38,044)
Total revenues	41,454,237	41,653,797	41,506,194	(147,603)
Expenditures				
Education	41,340,217	41,972,720	41,537,134	435,586
Excess (deficiency) of revenues over (under) expenditures	114,020	(318,923)	(30,940)	287,983
Other financing uses				
Transfers out	(122,250)	(122,250)	(122,250)	-
Changes in fund balances	(8,230)	(441,173)	(153,190)	287,983
Fund balances - beginning of year	506,655	506,655	506,655	-
Fund balances - end of year	\$ 498,425	\$ 65,482	\$ 353,465	\$ 287,983

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

Year Ended June 30, 2015

	School Special Revenue Funds			Variance From Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Revenue from use of money and property	\$ 150	\$ 150	\$ 119	(31)
Charges for services	560,000	560,000	461,851	(98,149)
Miscellaneous	45,000	45,000	3,605	(41,395)
Intergovernmental revenues:				
Local government	-	26,500	26,500	-
Commonwealth	351,724	351,724	330,579	(21,145)
Federal	1,100,000	1,100,000	1,228,954	128,954
Total revenues	2,056,874	2,083,374	2,051,608	(31,766)
Expenditures				
Education	2,424,654	2,633,412	2,112,996	520,416
Deficiency of revenues under expenditures	(367,780)	(550,038)	(61,388)	488,650
Other financing sources				
Transfers in	122,250	122,250	122,250	-
Changes in fund balances	(245,530)	(427,788)	60,862	488,650
Fund balances - beginning of year	935,900	935,900	935,900	-
Fund balances - end of year	\$ 690,370	\$ 508,112	\$ 996,762	\$ 488,650

County of Dinwiddie, Virginia

Supporting Schedules

Year Ended June 30, 2015



County of Dinwiddie, Virginia

Schedule 1

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

Year Ended June 30, 2015

Entity, Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
PRIMARY GOVERNMENT				
GENERAL FUND				
Revenue from local sources				
General property taxes				
Real property tax	\$ 16,534,617	\$ 16,534,617	\$ 16,699,459	\$ 164,842
Real and personal PSC tax	1,177,422	1,177,422	1,349,873	172,451
Personal property tax	7,270,886	7,270,886	7,875,204	604,318
Mobile home tax	72,198	72,198	64,148	(8,050)
Machinery and tools tax	622,162	622,162	636,356	14,194
Pollution and recycling control	1,066,878	1,066,878	1,610,239	543,361
Penalties	230,000	230,000	288,226	58,226
Interest	210,000	210,000	255,329	45,329
Total general property taxes	27,184,163	27,184,163	28,778,834	1,594,671
Other local taxes				
Local sales and use tax	1,300,000	1,300,000	1,572,641	272,641
Bank stock tax	163,000	163,000	175,916	12,916
Consumption tax	160,000	160,000	176,655	16,655
Consumer utility tax	555,000	555,000	539,173	(15,827)
Business license tax	766,000	766,000	694,323	(71,677)
Admission tax	15,000	15,000	28,441	13,441
Motor vehicle licenses	535,000	535,000	548,898	13,898
Taxes on recordation and wills	120,000	120,000	200,439	80,439
Meals tax	650,000	650,000	711,002	61,002
Transient occupancy tax	65,000	65,000	68,051	3,051
Total other local taxes	4,329,000	4,329,000	4,715,539	386,539
Permits, privilege fees and regulatory licenses				
Animal licenses	20,500	20,500	16,982	(3,518)
Transfer fees	650	650	796	146
Other permits and licenses	196,005	196,005	202,534	6,529
Total permits, privilege fees and regulatory licenses	217,155	217,155	220,312	3,157
Fines and forfeitures				
Court fines and forfeitures	639,000	639,000	536,407	(102,593)
Revenue from use of money and property				
Revenue from use of money	17,000	17,000	36,289	19,289
Revenue from use of property	27,900	27,900	30,205	2,305
Total revenue from use of money and property	44,900	44,900	66,494	21,594

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

Year Ended June 30, 2015

Entity, Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
PRIMARY GOVERNMENT (continued)				
GENERAL FUND (continued)				
Revenue from local sources (continued)				
Charges for services				
Ambulance and EMS services	\$ 607,000	\$ 607,000	\$ 688,599	\$ 81,599
Law enforcement and traffic control	1,386	1,386	1,386	-
Courthouse security	120,000	120,000	96,703	(23,297)
Other court services	25,350	25,350	21,352	(3,998)
Commonwealth's Attorney	3,650	3,650	3,605	(45)
Correction and detention	3,200	3,200	4,001	801
Other protection	18,820	18,820	15,679	(3,141)
Community development	225	225	2,150	1,925
Sanitation and waste removal	52,000	52,000	59,889	7,889
Water and sewer services	620,125	620,125	498,417	(121,708)
Parks and recreation	172,650	172,650	185,346	12,696
Total charges for services	1,624,406	1,624,406	1,577,127	(47,279)
Miscellaneous				
Miscellaneous revenues	99,500	102,861	195,092	92,231
Recovered costs				
Security deputies	72,000	72,000	52,820	(19,180)
Other recovered costs	109,600	109,600	303,230	193,630
Prisoner extradition reimbursement	1,000	1,000	1,694	694
Social services insurance	8,528	8,528	8,293	(235)
Total recovered costs	191,128	191,128	366,037	174,909
Total revenue from local sources	34,329,252	34,332,613	36,455,842	2,123,229
Revenue from the Commonwealth				
Noncategorical aid				
Reduction in state aid to local governments	-	-	(51,792)	(51,792)
Rolling stock tax	133,850	133,850	135,412	1,562
Mobile home titling tax	20,000	20,000	20,497	497
Taxes on deeds	26,000	26,000	61,299	35,299
Motor vehicle rental tax	-	-	417	417
Communications tax	935,000	935,000	919,359	(15,641)
State recordation tax	45,000	45,000	77,597	32,597
Personal property tax relief funds	3,642,692	3,642,692	3,642,692	-
Total noncategorical aid	4,802,542	4,802,542	4,805,481	2,939

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

Year Ended June 30, 2015

Entity, Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
PRIMARY GOVERNMENT (continued)				
GENERAL FUND (continued)				
Revenue from the Commonwealth (continued)				
Categorical aid				
Shared expenses				
Commonwealth's Attorney	\$ 324,366	\$ 324,366	\$ 319,332	\$ (5,034)
Sheriff	1,331,805	1,331,805	1,343,822	12,017
Commissioner of revenue	120,343	120,343	120,774	431
Treasurer	84,792	84,792	84,652	(140)
Registrar/electoral board	39,833	39,833	41,032	1,199
Clerk of the Circuit Court	302,494	302,494	265,936	(36,558)
Total shared expenses	2,203,633	2,203,633	2,175,548	(28,085)
Other categorical aid				
Public assistance and welfare administration	1,094,624	1,094,624	777,538	(317,086)
E-911 wireless grants	64,897	64,897	69,348	4,451
Tobacco commission	-	-	37,505	37,505
VJCCCA grant	19,549	19,549	19,549	-
Pesticide recycling	1,600	1,600	1,346	(254)
Other state funds	-	37,750	37,750	-
Total other categorical aid	1,180,670	1,218,420	943,036	(275,384)
Total categorical aid	3,384,303	3,422,053	3,118,584	(303,469)
Total revenue from the Commonwealth	8,186,845	8,224,595	7,924,065	(300,530)
Revenue from the federal government				
Payments in lieu of taxes	850	850	800	(50)
Categorical aid				
Public assistance and welfare administration	1,178,146	1,178,146	1,309,119	130,973
Bulletproof vest grant	2,000	2,000	919	(1,081)
Highway safety grant	11,000	11,000	11,906	906
Victim witness assistance grant	54,116	54,116	55,731	1,615
Other federal funds	-	-	3,347	3,347
Total categorical aid	1,245,262	1,245,262	1,381,022	135,760
Total revenue from the federal government	1,246,112	1,246,112	1,381,822	135,710
Total General Fund	\$ 43,762,209	\$ 43,803,320	\$ 45,761,729	\$ 1,958,409

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

Year Ended June 30, 2015

Entity, Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
PRIMARY GOVERNMENT (continued)				
SPECIAL REVENUE FUND				
Revenue from local sources				
Revenue from use of money and property				
Revenue from use of money	\$ -	\$ -	\$ 768	\$ 768
Charges for services				
Law library fees	2,170	2,170	2,478	308
Miscellaneous				
Miscellaneous revenues	60,000	61,125	61,139	14
Total revenue from local sources	62,170	63,295	64,385	1,090
Revenue from the Commonwealth				
Categorical aid				
Fire programs	76,500	74,380	87,181	12,801
Comprehensive services act	572,850	642,850	839,738	196,888
Four for life	28,000	28,000	28,164	164
Other state funds	-	435	435	-
Asset forfeitures	-	-	4,271	4,271
Litter control grant	8,668	8,668	8,661	(7)
Total revenue from the Commonwealth	686,018	754,333	968,450	214,117
Revenue from the federal government				
Categorical aid				
Emergency management performance grant	7,500	7,500	7,500	-
Asset forfeitures	-	-	3,900	3,900
Total revenue from the federal government	7,500	7,500	11,400	3,900
Total Special Revenue Fund	\$ 755,688	\$ 825,128	\$ 1,044,235	\$ 219,107
TOTAL PRIMARY GOVERNMENT	\$ 44,517,897	\$ 44,628,448	\$ 46,805,964	\$ 2,177,516

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

Year Ended June 30, 2015

Entity, Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD				
SCHOOL OPERATING FUND				
Revenue from local sources				
Revenue from use of money and property				
Revenue from use of property	\$ 100,000	\$ 140,000	\$ 141,667	\$ 1,667
Charges for services				
Charges for education	25,000	25,000	18,805	(6,195)
Miscellaneous				
Miscellaneous revenues	5,000	5,000	22,041	17,041
Recovered costs				
Medicare admin services	20,000	70,000	17,441	(52,559)
Total revenue from local sources	150,000	240,000	199,954	(40,046)
Revenue from local governments				
Contributions from County of Dinwiddie, VA	12,912,235	12,816,792	12,816,792	-
Revenue from the Commonwealth				
Categorical aid				
Share of state sales tax	4,362,524	4,377,940	4,432,841	54,901
Basic school aid	14,422,030	14,402,754	14,278,639	(124,115)
Remedial summer education	-	-	44,246	44,246
Regular foster care	-	-	1,605	1,605
Gifted and talented	147,556	147,535	146,543	(992)
Remedial education	593,362	593,278	589,288	(3,990)
English as a second language	56,833	56,753	45,225	(11,528)
Special education	1,692,179	1,691,941	1,683,665	(8,276)
Vocational education	219,885	222,772	228,731	5,959
School fringes	2,634,023	2,614,819	2,597,233	(17,586)
Technology	232,000	392,800	481,563	88,763
Early reading intervention	101,575	101,561	106,075	4,514
Homebound education	88,269	88,257	85,919	(2,338)
Other state funds	60,361	395,352	209,581	(185,771)
GED funding	-	7,859	10,359	2,500
Mentor teacher program	-	4,170	3,162	(1,008)
Hospitals, clinics, etc.	111,643	111,643	143,614	31,971
At risk four year olds	-	136,666	153,749	17,083
At risk payments	654,657	517,714	514,095	(3,619)
Algebra readiness	64,790	64,781	67,038	2,257
Primary class size	659,942	718,526	754,437	35,911
Total categorical aid	26,101,629	26,647,121	26,577,608	(69,513)

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

Year Ended June 30, 2015

Entity, Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD (continued)				
SCHOOL OPERATING FUND (continued)				
Revenue from the federal government				
Categorical aid				
Title I	\$ 975,062	\$ 625,062	\$ 594,520	\$ (30,542)
Title VI-B, special education flow-through	920,091	920,091	938,031	17,940
Vocational education	67,236	67,236	59,917	(7,319)
Title VI-B, special education preschool	32,495	32,495	29,271	(3,224)
Title II, Part A	250,000	250,000	208,992	(41,008)
Title III	-	-	1,802	1,802
Jr ROTC	45,489	55,000	65,301	10,301
Other federal funds	-	-	14,006	14,006
Total categorical aid	2,290,373	1,949,884	1,911,840	(38,044)
Total School Operating Fund	\$ 41,454,237	\$ 41,653,797	\$ 41,506,194	\$ (147,603)
SCHOOL SPECIAL REVENUE FUND				
Revenue from local sources				
Revenue from use of money and property				
Revenue from use of money	\$ 150	\$ 150	\$ 119	\$ (31)
Charges for services				
Cafeteria sales	560,000	560,000	461,851	(98,149)
Miscellaneous				
Miscellaneous revenues	45,000	45,000	3,605	(41,395)
Total revenue from local sources	605,150	605,150	465,575	(139,575)
Revenue from local governments				
Contributions from County of Dinwiddie, VA	-	26,500	26,500	-
Revenue from the Commonwealth				
Categorical aid				
Textbook payment	302,081	302,081	300,007	(2,074)
School food program grant	49,643	49,643	30,572	(19,071)
Total categorical aid	351,724	351,724	330,579	(21,145)
Revenue from the federal government				
Categorical aid				
School food program grant	1,100,000	1,100,000	1,129,883	29,883
Commodities	-	-	99,071	99,071
Total categorical aid	1,100,000	1,100,000	1,228,954	128,954
Total School Special Revenue Fund	\$ 2,056,874	\$ 2,083,374	\$ 2,051,608	\$ (31,766)
TOTAL DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD				
	\$ 43,511,111	\$ 43,737,171	\$ 43,557,802	\$ (179,369)

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

Year Ended June 30, 2015

Entity, Fund, Major and Minor Expenditure Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
PRIMARY GOVERNMENT				
GENERAL FUND				
General government administration				
Legislative				
Board of supervisors	\$ 107,768	\$ 112,768	\$ 112,714	\$ 54
General and financial administration				
County administrator	324,297	331,172	329,499	1,673
Legal services	196,011	196,444	191,036	5,408
Human resources	290,699	322,607	315,663	6,944
Independent auditor	61,000	61,000	61,060	(60)
Commissioner of revenue	451,608	455,689	436,676	19,013
Treasurer	467,034	470,532	465,679	4,853
Accounting	292,866	285,198	284,803	395
Information systems	585,780	605,612	591,094	14,518
Total general and financial administration	2,669,295	2,728,254	2,675,510	52,744
Board of elections				
Electoral board and officials	138,438	293,448	303,644	(10,196)
Total general governmental administration	2,915,501	3,134,470	3,091,868	42,602
Judicial administration				
Courts				
Circuit court	15,430	15,430	15,825	(395)
General district court	22,115	22,115	24,696	(2,581)
Special magistrates	627	627	903	(276)
Clerk of the circuit court	459,264	462,296	439,438	22,858
Victim and witness assistance	57,210	57,793	59,225	(1,432)
Total courts	554,646	558,261	540,087	18,174
Commonwealth's attorney				
Commonwealth's attorney	519,738	513,420	495,751	17,669
Total judicial administration	1,074,384	1,071,681	1,035,838	35,843
Public safety				
Law enforcement and traffic control				
Sheriff	4,379,406	4,384,746	4,342,284	42,462
Fire and rescue services				
Fire department	507,550	512,911	510,854	2,057
Fire and rescue services	279,434	313,883	304,491	9,392
Emergency medical services	1,484,222	1,467,231	1,418,849	48,382
Total fire and rescue services	2,271,206	2,294,025	2,234,194	59,831
Correction and detention				
Confinement and care of adult and juvenile prisoners	1,591,093	1,570,756	1,567,234	3,522
Juvenile probation and detention	240,237	240,587	236,771	3,816
VJCCCA	143,585	144,868	143,172	1,696
Total correction and detention	1,974,915	1,956,211	1,947,177	9,034

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

Year Ended June 30, 2015

Entity, Fund, Major and Minor Expenditure Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
PRIMARY GOVERNMENT (continued)				
GENERAL FUND (continued)				
Public safety (continued)				
Inspections				
Building inspections	\$ 233,426	\$ 228,173	\$ 228,672	\$ (499)
Other protection				
Animal control	315,670	338,150	328,274	9,876
Communications	1,147,387	1,164,639	1,165,004	(365)
Medical examiner	1,000	1,000	660	340
Total other protection	1,464,057	1,503,789	1,493,938	9,851
Total public safety	10,323,010	10,366,944	10,246,265	120,679
Public works				
Maintenance of highways, streets, bridges, and sidewalks				
Streetlights	43,000	43,000	43,402	(402)
Sanitation and waste removal				
Refuse disposal	1,333,431	1,269,278	1,250,608	18,670
Maintenance of general buildings and grounds				
General properties	1,823,930	1,807,045	1,805,045	2,000
Total public works	3,200,361	3,119,323	3,099,055	20,268
Health and welfare				
Health				
Supplement of local health department	251,030	251,030	251,032	(2)
Mental health and mental retardation				
District 19 - Community services board	72,369	72,369	72,368	1
Welfare				
Public assistance and welfare administration	2,862,591	2,878,346	2,518,085	360,261
Area agency on aging	10,767	10,767	10,767	-
Other social services	23,213	23,213	27,587	(4,374)
Total welfare	2,896,571	2,912,326	2,556,439	355,887
Total health and welfare	3,219,970	3,235,725	2,879,839	355,886
Education				
Other instructional costs				
Contributions to Community Colleges	10,674	10,674	10,674	-
Contribution to Dinwiddie County School Board	12,912,235	12,843,292	12,843,292	-
Total education	12,922,909	12,853,966	12,853,966	-

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

Year Ended June 30, 2015

Entity, Fund, Major and Minor Expenditure Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
PRIMARY GOVERNMENT (continued)				
GENERAL FUND (continued)				
Parks, recreation, and cultural				
Parks, recreation, and tourism	\$ 1,226,280	\$ 1,194,817	\$ 1,109,976	\$ 84,841
Library				
Contribution to regional library	259,085	259,085	259,084	1
Total parks, recreation and cultural	1,485,365	1,453,902	1,369,060	84,842
Community development				
Planning and community development				
Planning and zoning	608,796	550,125	541,725	8,400
Economic development	184,019	185,185	184,482	703
Contribution to Industrial Development Authority	25,000	25,000	25,000	-
Other community development	1,304,107	1,402,822	323,430	1,079,392
Total planning and community development	2,121,922	2,163,132	1,074,637	1,088,495
Environmental management				
Contribution to soil and water conservation district	15,500	15,500	15,500	-
Cooperative extension program				
Extension office	117,717	111,067	111,979	(912)
Total community development	2,255,139	2,289,699	1,202,116	1,087,583
Total General Fund	\$ 37,396,639	\$ 37,525,710	\$ 35,778,007	\$ 1,747,703
SPECIAL REVENUE FUND				
Judicial administration				
Courts				
Law library	\$ 7,537	\$ 7,692	\$ 2,738	\$ 4,954
Commonwealth's attorney				
Commonwealth's attorney	15,000	19,404	14,413	4,991
Total judicial administration	22,537	27,096	17,151	9,945
Public safety				
Law enforcement and traffic control				
Sheriff	7,696	11,081	2,778	8,303
Fire and rescue services				
Fire department	158,802	157,864	57,792	100,072
Fire/rescue grant	7,500	7,769	7,476	293
Emergency medical services	77,270	68,423	8,566	59,857
Total fire and rescue services	243,572	234,056	73,834	160,222
Other protection				
Forfeited assets	20,192	75,399	6,978	68,421
Total public safety	271,460	320,536	83,590	236,946

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

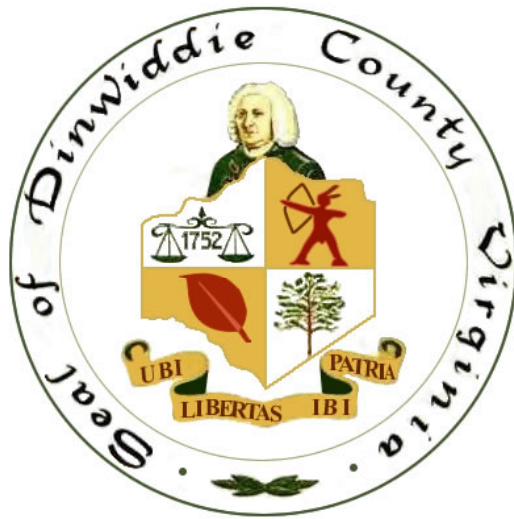
Year Ended June 30, 2015

Entity, Fund, Major and Minor Expenditure Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
PRIMARY GOVERNMENT (continued)				
SPECIAL REVENUE FUND (continued)				
Public works				
Maintenance of general buildings and grounds				
Litter control grant and recycling	\$ 171,226	\$ 190,141	\$ 10,073	\$ 180,068
Health and welfare				
Welfare				
Comprehensive services act	1,109,000	1,441,346	1,441,038	308
Community development				
Planning and community development				
Sesquicentennial committee	29,172	31,063	31,063	-
Total Special Revenue Fund	\$ 1,603,395	\$ 2,010,182	\$ 1,582,915	\$ 427,267
DEBT SERVICE FUND				
Community development				
Planning and community development				
Dinwiddie County Airport and Industrial Authority	\$ 55,140	\$ 55,140	\$ 55,140	\$ -
Dinwiddie County Water Authority	509,000	538,317	538,316	1
Total community development	564,140	593,457	593,456	1
Debt service				
Principal retirement	6,249,887	6,249,007	3,985,209	2,263,798
Interest and other fiscal charges	184,132	184,132	2,447,210	(2,263,078)
Total debt service	6,434,019	6,433,139	6,432,419	720
Total Debt Service Fund	\$ 6,998,159	\$ 7,026,596	\$ 7,025,875	\$ 721
CAPITAL PROJECTS FUND				
Capital outlays and projects				
County building renovations	\$ 1,452,253	\$ 1,408,602	\$ 563,484	\$ 845,118
County schools	750,000	932,322	783,829	148,493
Equipment purchases	365,000	365,000	217,839	147,161
Total Capital Projects Fund	\$ 2,567,253	\$ 2,705,924	\$ 1,565,152	\$ 1,140,772
TOTAL PRIMARY GOVERNMENT	\$ 48,565,446	\$ 49,268,412	\$ 45,951,949	\$ 3,316,463

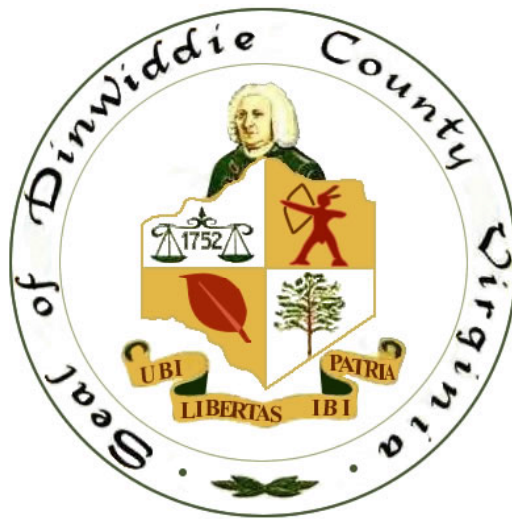
Schedule of Expenditures - Budget and Actual (Continued)
Governmental Funds

Year Ended June 30, 2015

Entity, Fund, Major and Minor Expenditure Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD				
School Operating Fund				
Education				
Administration, health, and attendance	\$ 1,959,640	\$ 2,000,542	\$ 1,993,992	\$ 6,550
Instruction costs	29,281,504	29,773,103	29,645,739	127,364
Technology	1,794,814	1,767,906	1,658,852	109,054
Pupil transportation	3,001,466	3,033,162	2,876,368	156,794
Operation and maintenance of school plant	5,302,793	5,398,007	5,362,183	35,824
Total School Operating Fund	41,340,217	41,972,720	41,537,134	435,586
Special Revenue Fund				
Education				
Instruction costs	700,000	700,000	297,816	402,184
School food services	1,724,654	1,933,412	1,716,109	217,303
Commodities	-	-	99,071	(99,071)
Total Special Revenue Fund	2,424,654	2,633,412	2,112,996	520,416
TOTAL DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD	\$ 43,764,871	\$ 44,606,132	\$ 43,650,130	\$ 956,002



County of Dinwiddie, Virginia
Statistical Section (unaudited)
Year Ended June 30, 2015



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

Table 1

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
	(as restated)									
Governmental activities										
Net investment in capital assets	\$ 6,721,955	\$15,863,467	\$ 6,573,010	\$ 6,484,665	\$12,183,433	\$15,144,598	\$12,357,012	\$13,780,816	\$16,780,320	\$17,554,195
Restricted	281,512	281,512	281,512	300,303	-	-	7,411	-	-	-
Unrestricted	28,831,874	28,095,354	28,124,095	28,949,723	26,967,288	24,062,305	26,432,185	24,996,338	16,596,108	18,017,882
Total governmental activities net position	\$35,835,341	\$44,240,333	\$34,978,617	\$35,734,691	\$39,150,721	\$39,206,903	\$38,796,608	\$38,777,154	\$33,376,428	\$35,572,077
Primary government										
Net investment in capital assets	\$ 6,721,955	\$15,863,467	\$ 6,573,010	\$ 6,484,665	\$12,183,433	\$15,144,598	\$12,357,012	\$13,780,816	\$16,780,320	\$17,554,195
Restricted	281,512	281,512	281,512	300,303	-	-	7,411	-	-	-
Unrestricted	28,831,874	28,095,354	28,124,095	28,949,723	26,967,288	24,062,305	26,432,185	24,996,338	16,596,108	18,017,882
Total primary government net position	\$35,835,341	\$44,240,333	\$34,978,617	\$35,734,691	\$39,150,721	\$39,206,903	\$38,796,608	\$38,777,154	\$33,376,428	\$35,572,077

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

Table 2

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
	(as restated)									
Expenses										
Governmental activities:										
General government administration	\$ 1,667,495	\$ 2,160,836	\$ 2,228,249	\$ 2,911,274	\$ 2,412,955	\$ 2,491,383	\$ 2,647,617	2,737,123	2,503,060	\$ 2,761,437
Judicial administration	731,623	828,790	1,000,621	1,094,384	1,233,507	1,101,074	1,121,095	1,204,496	1,163,642	1,182,308
Public safety	7,938,868	9,224,156	10,113,253	10,933,257	10,424,635	10,538,356	10,702,298	10,830,573	10,765,393	11,055,175
Public works	3,059,882	3,151,835	3,113,226	3,045,668	3,217,083	2,954,657	3,134,643	4,152,120	3,003,165	2,861,601
Health and welfare	3,092,617	3,188,957	3,410,351	3,383,742	3,514,474	3,615,528	3,804,266	3,910,976	4,235,239	4,243,201
Education	14,287,850	9,977,936	20,187,331	13,084,765	13,602,573	18,555,995	18,782,146	16,511,110	15,943,324	16,826,706
Parks, recreation, and cultural	511,327	552,282	911,484	933,556	890,544	450,650	1,296,375	1,378,098	1,463,533	1,486,972
Community development	1,242,298	1,521,653	1,987,130	1,870,325	2,020,023	1,714,759	2,046,538	1,898,953	2,090,549	1,681,973
Interest and other fiscal charges	4,204,312	3,960,721	3,934,723	3,722,439	3,510,601	3,267,513	2,379,842	2,473,351	2,105,020	1,958,572
Total governmental activities expenses	36,736,272	34,567,166	46,886,368	40,979,410	40,826,395	44,689,915	45,914,820	45,096,800	43,272,925	44,057,945
Total primary government expenses	\$ 36,736,272	\$ 34,567,166	\$ 46,886,368	\$ 40,979,410	\$ 40,826,395	\$ 44,689,915	\$ 45,914,820	\$ 45,096,800	\$ 43,272,925	\$ 44,057,945
Program revenues										
Governmental activities:										
Charges for services:										
Judicial administration	\$ 388,718	\$ 523,019	\$ 830,912	\$ 1,305,499	\$ 1,384,720	\$ 1,339,915	\$ 1,138,112	764,553	757,859	\$ 660,545
Public safety	924,691	1,203,542	898,793	856,280	1,031,217	1,018,918	1,015,426	1,137,315	487,342	952,948
Public works	89,757	739,398	751,894	653,109	637,392	627,203	644,216	698,753	616,209	558,306
Parks, recreation, and cultural	74,271	79,875	66,293	92,409	110,846	145,027	165,857	182,042	189,355	185,346
Community development	521,224	10,698	1,416	1,390	681	712	376	1,287	449	2,150
Operating grants and contributions	5,350,051	6,296,842	6,124,116	6,003,643	6,175,872	5,697,075	7,235,060	6,620,851	6,586,412	5,480,256
Capital grants and contributions	42,235	-	2,757,972	616,088	929,973	699,323	748,964	295,603	-	-
Total governmental activities program revenues	7,390,947	8,853,374	11,431,396	9,528,418	10,270,701	9,528,173	10,948,011	9,700,404	8,637,626	7,839,551
Total primary government program revenues	\$ 7,390,947	\$ 8,853,374	\$ 11,431,396	\$ 9,528,418	\$ 10,270,701	\$ 9,528,173	\$ 10,948,011	\$ 9,700,404	\$ 8,637,626	\$ 7,839,551
Total governmental activities	\$ (29,345,325)	\$ (25,713,792)	\$ (35,454,972)	\$ (31,450,992)	\$ (30,555,694)	\$ (35,161,742)	\$ (34,966,809)	\$ (35,396,396)	\$ (34,635,299)	\$ (36,218,394)
Total primary government net expense	\$ (29,345,325)	\$ (25,713,792)	\$ (35,454,972)	\$ (31,450,992)	\$ (30,555,694)	\$ (35,161,742)	\$ (34,966,809)	\$ (35,396,396)	\$ (34,635,299)	\$ (36,218,394)

See independent auditors' report.

County of Dinwiddie, Virginia

Table 2

Changes in Net Position (Continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
	(as restated)									
General revenues and other changes in net position										
Governmental activities:										
Taxes:										
Property taxes	\$ 20,099,377	\$ 21,348,615	\$ 22,217,232	\$ 22,549,583	\$ 24,743,254	\$ 25,156,908	\$ 26,805,696	\$ 26,664,129	\$ 26,701,104	\$ 28,569,530
Local sales and use taxes	1,021,345	1,180,546	1,374,304	1,065,681	1,096,278	1,203,733	1,363,905	1,423,691	1,503,579	1,572,641
Taxes on recordation and wills	267,881	269,394	233,515	183,743	160,647	120,939	158,345	150,205	119,494	200,439
Motor vehicle licenses taxes	485,575	476,817	378,508	494,872	617,821	545,740	540,211	534,395	547,572	548,898
Consumer utility taxes	1,244,243	886,235	584,293	582,840	709,229	532,818	581,790	585,574	570,881	539,173
Communication taxes	-	-	1,058,009	961,296	965,609	-	-	-	-	-
Business licenses taxes	528,221	704,284	733,008	691,566	598,129	627,762	639,686	756,995	737,025	694,323
Other local taxes	1,171,340	1,613,971	1,027,137	939,573	771,758	950,403	1,001,612	1,051,407	1,066,955	1,160,065
Unrestricted grants and contributions	5,113,495	3,958,524	3,918,941	3,806,489	3,665,342	4,731,621	3,691,120	3,861,191	4,821,770	4,805,481
Unrestricted revenues from use of money and property	3,130,851	4,186,253	2,253,826	566,711	202,165	148,742	252,722	92,727	80,256	67,262
Miscellaneous	118,757	119,684	106,193	364,712	166,484	873,653	305,634	309,289	1,370,772	256,231
Gain (loss) on sale of capital assets	-	111,673	-	-	-	-	(941,808)	(52,661)	-	-
Payment from Dinwiddie County School Board	-	-	-	-	275,008	402,508	-	-	-	-
Refunds from mineral lands tax	-	(747,331)	-	-	-	-	-	-	-	-
Total governmental activities	33,181,085	34,108,565	33,864,966	32,207,066	33,971,724	35,294,827	34,398,913	35,376,942	37,519,208	38,414,043
Total primary government	\$ 33,181,085	\$ 34,108,565	\$ 33,864,966	\$ 32,207,066	\$ 33,971,724	\$ 35,294,827	\$ 34,398,913	\$ 35,376,942	\$ 37,519,208	\$ 38,414,043
Change in net position										
Governmental activities	\$ 3,835,760	\$ 8,394,773	\$ (1,590,006)	\$ 756,074	\$ 3,416,030	\$ 133,085	\$ (567,896)	\$ (19,454)	\$ 2,883,909	\$ 2,195,649
Total primary government	\$ 3,835,760	\$ 8,394,773	\$ (1,590,006)	\$ 756,074	\$ 3,416,030	\$ 133,085	\$ (567,896)	\$ (19,454)	\$ 2,883,909	\$ 2,195,649

See independent auditors' report.

County of Dinwiddie, Virginia

Table 3

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

	2006	2007	2008	2009	2010	2011 ⁽¹⁾	2012	2013	2014	2015
General fund										
Reserved	\$ 281,512	\$ 281,512	\$ 281,512	\$ 192,984	\$ 192,984	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	15,542,431	18,307,012	20,566,462	19,216,083	20,349,735	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	199,877	22,053	3,182	17,260
Restricted	-	-	-	-	-	226,025	28,746	27,282	25,909	20,335
Committed	-	-	-	-	-	792,632	600,876	604,394	1,478,423	1,233,993
Unassigned	-	-	-	-	-	19,576,705	20,676,360	18,994,949	19,631,444	20,199,566
Total general fund	15,823,943	18,588,524	20,847,974	19,409,067	20,542,719	20,595,362	21,505,859	19,648,678	21,138,958	21,471,154
All other governmental funds										
Unreserved, reported in:										
Special revenue funds	1,169,310	620,213	293,749	466,301	382,200	-	-	-	-	-
Capital projects funds	56,736,752	37,479,461	10,996,380	4,761,094	2,789,047	-	-	-	-	-
Debt service funds	9,158,803	8,926,402	7,137,604	5,315,444	3,543,049	-	-	-	-	-
Restricted, reported in:										
Special revenue funds	-	-	-	-	-	332,570	343,882	357,953	299,947	340,279
Capital projects funds	-	-	-	-	-	121,817	-	-	-	-
Debt service funds	-	-	-	-	-	299,364	7,411	-	-	-
Committed, reported in:										
Special revenue funds	-	-	-	-	-	159,814	170,619	85,823	225,323	370,461
Capital projects funds	-	-	-	-	-	1,070,766	2,016,237	2,481,998	1,141,763	1,581,611
Debt service funds	-	-	-	-	-	1,570,371	-	772,413	104,220	721
Unassigned, reported in:										
Debt service funds	-	-	-	-	-	-	(2,881)	-	-	-
Total all other governmental funds	67,064,865	47,026,076	18,427,733	10,542,839	6,714,296	3,554,702	2,535,268	3,698,187	1,771,253	2,293,072
Total fund balances	\$ 82,888,808	\$ 65,614,600	\$ 39,275,707	\$ 29,951,906	\$ 27,257,015	\$ 24,150,064	\$ 24,041,127	\$ 23,346,865	\$ 22,910,211	\$ 23,764,226

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

County of Dinwiddie, Virginia

Table 4

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
General property taxes	\$ 19,763,605	\$ 21,238,498	\$ 21,877,562	\$ 22,387,028	\$ 24,350,213	\$ 25,198,581	\$ 25,844,662	\$ 27,337,402	\$ 27,377,476	\$ 28,778,834
Other local taxes	4,718,605	5,131,247	5,368,774	4,919,571	4,919,471	3,981,395	4,285,549	4,502,267	4,545,306	4,715,539
Permits, privilege fees and regulatory licenses	377,550	638,110	432,228	289,909	241,966	219,773	183,116	218,819	230,379	220,312
Fines and forfeitures	280,386	409,938	662,248	1,069,519	1,381,372	1,335,399	912,324	611,709	611,900	536,407
Revenue from use of money and property	3,103,892	4,159,294	2,226,867	566,711	202,165	148,742	126,044	92,727	80,256	67,262
Charges for services	1,340,725	1,508,484	1,454,832	1,549,259	1,541,518	1,576,603	1,691,435	1,717,724	1,580,187	1,579,605
Miscellaneous	118,757	119,584	106,193	364,712	166,484	873,653	305,634	309,289	1,370,772	256,231
Recovered costs	124,847	93,523	67,612	72,354	147,323	141,444	558,360	211,642	282,675	366,037
Intergovernmental:										
Local	720,066	-	-	-	275,008	402,508	-	-	-	-
Commonwealth	8,248,518	8,789,542	8,727,677	8,578,024	8,855,646	9,158,447	9,548,625	9,261,440	9,721,617	8,892,515
Federal	1,537,197	1,465,824	1,315,380	1,848,196	1,915,541	1,969,572	1,638,603	1,333,825	1,686,565	1,393,222
Total revenues	40,334,148	43,554,044	42,239,373	41,645,263	43,966,707	45,006,117	45,094,352	45,596,844	47,487,133	46,805,964
Expenditures										
Current:										
General government administration	1,644,700	1,852,439	2,156,294	2,756,161	2,281,210	2,317,414	2,639,998	2,628,659	2,679,015	3,091,868
Judicial administration	691,523	743,995	918,387	1,003,583	1,035,794	932,176	949,880	1,026,855	1,092,076	1,052,989
Public safety	7,083,245	8,725,167	9,187,117	9,937,558	9,348,959	9,940,361	9,878,659	9,897,248	10,620,701	10,329,855
Public works	2,822,076	2,852,468	2,929,734	3,120,224	3,214,198	3,034,564	3,185,400	3,099,456	3,017,870	3,109,128
Health and welfare	3,110,491	3,209,807	3,368,580	3,338,376	3,489,223	3,619,191	3,774,424	3,975,895	4,395,503	4,320,877
Education	13,047,329	10,827,763	11,691,834	11,125,804	9,992,801	13,218,360	10,532,122	12,204,287	12,177,415	12,853,966
Parks, recreation and cultural	474,172	521,670	758,189	943,879	841,349	953,983	1,244,371	1,332,954	1,380,267	1,369,060
Community development	1,171,257	1,439,554	1,600,038	1,857,951	1,991,454	2,473,718	1,914,620	1,820,304	2,245,621	1,826,635
Capital projects	3,536,690	29,769,497	27,848,522	8,017,859	5,869,156	3,047,106	1,885,107	3,870,818	3,842,471	1,565,152
Debt service:										
Principal	2,044,301	2,268,817	4,310,711	4,908,688	4,996,992	5,163,875	5,367,282	3,911,457	3,854,758	3,985,209
Interest and other fiscal charges	4,181,490	3,991,636	3,815,360	3,959,001	3,630,462	3,412,320	3,181,280	2,523,173	2,618,090	2,447,210
Total expenditures	39,807,274	66,202,813	68,584,766	50,969,084	46,691,598	48,113,068	44,553,143	46,291,106	47,923,787	45,951,949
Excess (deficiency) of revenues over expenditures	526,874	(22,648,769)	(26,345,393)	(9,323,801)	(2,694,891)	(3,106,951)	541,209	(694,262)	(436,654)	854,015

See independent auditors' report.

County of Dinwiddie, Virginia

Table 4

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Other financing sources (uses)										
Operating transfers in	7,723,257	8,289,953	8,461,868	10,489,849	10,370,440	8,785,037	19,321,137	13,250,134	10,057,949	9,651,526
Operating transfers out	(7,723,257)	(8,289,953)	(8,461,868)	(10,489,849)	(10,370,440)	(8,785,037)	(19,321,137)	(13,250,134)	(10,057,949)	(9,651,526)
Redemption of refunding bonds issued	(5,175,000)	-	(15,000,000)	-	-	-	(48,253,105)	-	-	-
Bonds issued	4,935,000	6,000,000	11,620,646	-	-	-	44,490,000	-	-	-
Premium on bonds issued	-	-	627,882	-	-	-	7,117,378	-	-	-
Bond issuance costs	-	-	-	-	-	-	(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)	(240,000)	5,364,342	6,500	-	-	-	(4,733)	-	-	-
Net change in fund balances	\$ 286,874	\$ (17,284,427)	\$ (26,338,893)	\$ (9,323,801)	\$ (2,694,891)	\$ (3,106,951)	\$ 536,476	\$ (694,262)	\$ (436,654)	\$ 854,015
Debt service as a percentage of noncapital expenditures	20.72%	20.75%	24.92%	26.02%	26.80%	23.50%	25.05%	17.88%	17.21%	16.95%

See independent auditors' report.

County of Dinwiddie, Virginia

Table 5

**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
2015	\$ 2,177,246,848	\$ 311,327,929	\$ 8,774,611	\$ 20,702,654	\$ 162,890,147	\$ 2,680,942,189	\$ 2,680,942,189	100.00%
2014	\$ 2,115,140,397	\$ 270,014,052	\$ 8,016,891	\$ 18,853,409	\$ 148,482,804	\$ 2,560,507,553	\$ 2,560,507,553	100.00%
2013	\$ 2,103,004,800	\$ 268,979,238	\$ 7,835,200	\$ 19,115,504	\$ 153,809,681	\$ 2,552,744,423	\$ 2,552,744,423	100.00%
2012	\$ 2,309,384,088	\$ 217,568,311	\$ 10,105,858	\$ 17,873,920	\$ 144,290,152	\$ 2,699,222,329	\$ 2,699,222,329	100.00%
2011	\$ 2,293,243,398	\$ 221,451,302	\$ 9,121,178	\$ 17,998,701	\$ 129,154,426	\$ 2,670,969,005	\$ 2,670,969,005	100.00%
2010	\$ 2,275,904,269	\$ 183,394,803	\$ 7,834,404	\$ 19,740,366	\$ 121,448,841	\$ 2,608,322,683	\$ 2,608,322,683	100.00%
2009	\$ 2,246,727,030	\$ 239,032,639	\$ 7,392,197	\$ 23,206,263	\$ 121,569,471	\$ 2,637,927,600	\$ 2,637,927,600	100.00%
2008	\$ 1,588,563,485	\$ 234,516,674	\$ 8,596,551	\$ 21,624,995	\$ 78,317,277	\$ 1,931,618,982	\$ 1,931,618,982	100.00%
2007	\$ 1,541,253,515	\$ 220,564,452	\$ 8,541,491	\$ 20,291,570	\$ 91,695,853	\$ 1,882,346,881	\$ 1,882,346,881	100.00%
2006	\$ 1,502,861,149	\$ 206,308,733	\$ 8,609,200	\$ 18,427,540	\$ 101,645,357	\$ 1,837,851,979	\$ 1,837,851,979	100.00%

Source: Commissioner of Revenue

See independent auditors' report.

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

Fiscal Year	Real Estate	Personal Property	Mobile Homes	Machinery and Tools
2015	\$ 0.79	\$ 4.90	\$ 0.79	\$ 3.30
2014	\$ 0.79	\$ 4.90	\$ 0.79	\$ 3.30
2013	\$ 0.72 / 0.79	\$ 4.90	\$ 0.72 / 0.79	\$ 3.30
2012	\$ 0.72	\$ 4.90	\$ 0.72	\$ 3.30
2011	\$ 0.72	\$ 4.90	\$ 0.72	\$ 3.30
2010	\$ 0.68 / 0.72	\$ 4.90	\$ 0.68 / 0.72	\$ 3.30
2009	\$ 0.87 / 0.68	\$ 4.90	\$ 0.87 / 0.68	\$ 3.30
2008	\$ 0.87	\$ 4.90	\$ 0.87	\$ 3.30
2007	\$ 0.87	\$ 4.90	\$ 0.87	\$ 3.30
2006	\$ 0.87	\$ 4.90	\$ 0.87	\$ 3.30

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

County of Dinwiddie, Virginia

Table 7

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

Taxpayer	Industry	Fiscal Year 2015				Fiscal Year 2006			
		Percentage of			Total	Percentage of			Total
		Taxable Assessed Valuation	Taxable Assessed Valuation	Taxable Assessed Valuation		Taxable Assessed Valuation	Taxable Assessed Valuation	Taxable Assessed Valuation	
Gerdeau Ameristeel/Chaparral	Manufacturing	\$ 199,000,294	7.42%	\$ 167,573,102	9.12%	Gerdeau Ameristeel/Chaparral	Manufacturing		
Walmart	Distribution	54,762,085	2.04%	53,745,826	2.92%	Walmart	Distribution		
ARCIP ID Petersburg VA LLC	Lease Property	52,773,500	1.97%	13,247,400	0.72%	TIAA Timberlands 1 LLC	Timber		
TIAA Timberlands 1 LLC	Timber	26,824,900	1.00%	10,140,900	0.55%	American Timberland LLC	Timber		
American Timberland LLC	Timber	17,461,900	0.65%	8,153,100	0.44%	Rohoic Wood Apartments Inc	Rental Property		
Bain Properties LLC	Agricultural	14,648,450	0.55%	6,932,800	0.38%	Bain Properties LLC	Agricultural		
Tindall Corp	Manufacturing	12,570,747	0.47%	6,561,618	0.36%	Philip Morris Products Inc	Manufacturing		
Rohoic Wood Apartments Inc	Rental Property	9,757,050	0.36%	6,460,346	0.35%	Tindall Corp	Manufacturing		
Stonewall Timberlands LLC	Timber	9,751,900	0.36%	6,401,600	0.35%	Eastern Timberlands LLC	Timber		
Charles W & Shirley Harrison	Rental Property	9,728,825	0.36%	5,434,900	0.30%	Hollingsworth Capital Partners	Rental Property		
		\$ 407,279,651	15.19%	\$ 284,651,592	15.49%				

Source: Commissioner of Revenue

See independent auditors' report.

County of Dinwiddie, Virginia
Property Tax Levies and Collections
Last Ten Fiscal Years

Table 8

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
2015	\$ 30,776,805	\$ 28,792,802	93.55%	\$ -	\$ 28,792,802	93.55%
2014	\$ 31,061,069	\$ 28,912,246	93.08%	\$ 1,484,319	\$ 30,396,565	97.86%
2013	\$ 30,503,121	\$ 28,427,203	93.19%	\$ 1,767,044	\$ 30,194,247	98.99%
2012	\$ 30,359,371	\$ 28,047,282	92.38%	\$ 2,136,540	\$ 30,183,822	99.42%
2011	\$ 28,508,058	\$ 26,961,086	94.57%	\$ 1,423,431	\$ 28,384,517	99.57%
2010	\$ 28,521,723	\$ 26,370,246	92.46%	\$ 2,083,427	\$ 28,453,673	99.76%
2009	\$ 26,705,409	\$ 25,020,017	93.69%	\$ 1,673,810	\$ 26,693,827	99.96%
2008	\$ 25,662,900	\$ 23,993,360	93.49%	\$ 1,662,696	\$ 25,656,056	99.97%
2007	\$ 24,146,644	\$ 22,877,484	94.74%	\$ 1,265,754	\$ 24,143,238	99.99%
2006	\$ 23,301,976	\$ 22,126,560	94.96%	\$ 1,170,354	\$ 23,296,914	99.98%

Source: Treasurer's Office and Commissioner of the Revenue

County of Dinwiddie, Virginia
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Table 9

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			
2015	\$ 11,232,771	\$ -	\$ 42,186,509	\$ -	\$ 53,419,280	1.63%	\$ 1,844
2014	\$ 12,629,393	\$ -	\$ 45,430,625	\$ -	\$ 58,060,018	1.80%	\$ 2,012
2013	\$ 13,993,145	\$ -	\$ 48,620,796	\$ -	\$ 62,613,941	1.97%	\$ 2,129
2012	\$ 15,159,097	\$ -	\$ 44,490,000	\$ -	\$ 59,649,097	1.91%	\$ 2,456
2011	\$ 16,643,284	\$ -	\$ 52,136,200	\$ -	\$ 68,779,484	2.30%	\$ 2,677
2010	\$ 18,081,059	\$ -	\$ 57,101,372	\$ -	\$ 75,182,431	2.67%	\$ 2,949
2009	\$ 19,475,316	\$ 8,835	\$ 60,753,625	\$ -	\$ 80,237,776	2.95%	\$ 3,150
2008	\$ 20,801,266	\$ 23,835	\$ 64,379,716	\$ -	\$ 85,204,817	3.22%	\$ 3,555
2007	\$ 10,039,201	\$ 42,965	\$ 81,456,938	\$ -	\$ 91,539,104	3.59%	\$ 3,417
2006	\$ 10,868,126	\$ 62,095	\$ 76,877,700	\$ -	\$ 87,807,921	3.62%	\$ 3,548

Note:

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

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

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

Fiscal Year	Gross Bonded Debt	Net Bonded Debt (3)	Ratio of Net General Obligation Debt to Assessed Value (2)	Net Bonded Debt per Capita (1)
2015	\$11,232,771	\$ 11,232,771	0.42%	\$ 388
2014	\$12,629,393	\$ 12,629,393	0.49%	\$ 438
2013	\$13,993,145	\$ 13,993,145	0.53%	\$ 481
2012	\$15,159,097	\$ 15,159,097	0.56%	\$ 541
2011	\$16,643,284	\$ 16,643,284	0.62%	\$ 594
2010	\$18,081,059	\$ 18,081,059	0.69%	\$ 644
2009	\$19,484,151	\$ 19,484,151	0.74%	\$ 720
2008	\$20,825,101	\$ 20,825,101	1.08%	\$ 770
2007	\$10,082,166	\$ 10,082,166	0.54%	\$ 392
2006	\$10,930,221	\$ 10,930,221	0.59%	\$ 425

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 %
2015	28,971	\$ 3,278,300	\$ 41,594	4,380	6.06%
2014	28,864	\$ 3,224,769	\$ 41,108	4,389	6.40%
2013	28,314	\$ 3,172,112	\$ 40,629	4,439	7.30%
2012	28,018	\$ 3,120,171	\$ 40,155	4,435	7.60%
2011	28,001	\$ 2,986,610	\$ 38,487	4,545	7.90%
2010	28,087	\$ 2,818,489	\$ 36,153	4,679	8.80%
2009	27,209	\$ 2,716,697	\$ 35,018	4,675	8.00%
2008	27,047	\$ 2,646,330	\$ 34,189	4,687	4.50%
2007	25,747	\$ 2,552,633	\$ 33,212	4,623	3.40%
2006	25,695	\$ 2,423,544	\$ 31,732	4,573	3.10%

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

Note: (1) Includes Colonial Heights and Petersburg; estimates used for 2014 & 2015

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

Employer	Fiscal Year 2015		Fiscal Year 2006		Employer
	Range of Employees	Rank	Range of Employees	Rank	
Central State Hospital	1000+	1	1000+	1	Southside VA Training Center
Walmart	500-999	2	1000+	2	WalMart
Amazon.com	500-999	3	500-999	3	Dinwiddie Co School Board
Dinwiddie County School Board	500-999	4	500-999	4	Central State Hospital
Integrity Staffing Solutions	500-999	5	250-499	5	Gerdeau Ameristeel/Chaparral
Gerdeau Ameristeel/Chaparral	250-499	6	100-249	6	Tindall Concrete Products
County of Dinwiddie	250-499	7	100-249	7	County of Dinwiddie
Hiram W Davis Medical Ctr	100-249	8	100-249	8	Hiram W. Davis Medical Ctr
Tindall Concrete Products	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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government	24.0	24.0	24.2	26.1	24.8	24.5	25.4	25.7	27.0	28.3
Judicial administration	9.5	11.0	11.9	13.4	12.5	12.2	12.4	12.6	13.2	13.7
Public safety:										
Sheriff's Office/Jail	57.0	58.0	64.5	65.4	64.6	64.2	63.1	55.5	55.6	57.8
Communications	16.0	16.0	17.0	16.5	16.4	17.4	18.2	16.9	17.0	18.6
Fire / Rescue / EMS	19.5	20.5	22.5	22.4	22.8	23.3	22.9	23.1	23.4	25.7
Building inspections	4.0	5.0	6.0	5.5	4.0	4.0	3.8	3.0	3.0	3.0
Animal control	3.5	3.5	3.6	3.8	3.7	4.0	3.9	4.2	4.9	4.9
Department of Comprehensive Services	2.6	2.5	3.3	3.1	2.3	2.1	2.6	2.7	2.8	2.5
Public works:										
General maintenance	6.0	6.0	5.8	6.9	6.0	6.4	6.0	6.0	6.1	4.9
Waste management	12.0	10.0	10.3	13.3	15.2	15.3	15.5	15.1	15.6	16.9
Health and welfare:										
Department of Social Services	32.0	29.0	30.0	30.0	30.0	30.0	29.0	28.0	28.0	28.0
Culture and recreation:										
Parks and recreation	5.0	5.0	6.5	8.0	7.4	8.9	14.0	14.8	15.5	16.3
Community development:										
Economic development	-	1.0	0.8	1.2	0.7	1.0	1.0	1.6	1.9	2.0
Cooperative extension	-	-	-	0.7	1.0	1.0	0.6	0.6	0.7	0.9
Planning	5.0	6.0	5.5	6.3	5.9	6.0	5.9	5.1	5.7	5.6
Totals	196.1	197.5	211.9	222.6	217.3	220.3	224.3	214.9	220.4	229.1

Source: County Payroll

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

Table 14

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public safety:										
Sheriff's department:										
Physical arrests	1,445	1,371	1,501	1,965	2,331	1,828	1,657	1,658	1,643	1,399
Traffic violations	1,853	1,513	6,833	15,125	14,211	16,974	11,478	8,368	7,633	5,741
Civil papers	10,524	11,071	11,627	11,654	12,225	10,456	11,471	11,020	10,881	8,837
Department on Comprehensive Services:										
Caseload	189	193	227	277	229	206	207	179	158	164
Fire and rescue:										
Number of EMS calls answered	3,135	3,244	3,186	3,337	3,039	2,982	3,226	3,184	3,028	3,442
Building inspections:										
Permits issued	1,550	1,776	1,610	1,151	994	1,004	939	873	877	816
Animal control:										
Number of calls answered	4,113	3,947	2,398	2,367	2,629	3,409	6,465	5,298	4,872	4,598
Public works:										
Landfill:										
Refuse collection (tons/day)	58	51	56	48	53	49	53	51	47	51
Health and welfare:										
Department of Social Services caseload	4,505	4,557	4,597	5,284	6,170	6,485	6,844	6,926	6,793	6,968
Culture and recreation:										
Parks and recreation:										
Program participants: avg/mo	1,700	1,874	3,784	3,996	3,712	3,958	7,585	7,005	7,612	6,891
Community development:										
Planning:										
Zoning permits issued	102	216	127	75	82	44	41	47	45	32
Component Unit - School Board:										
Education:										
School age population	4,925	4,925	4,925	4,925	5,629*	5,629*	5,629*	5,629*	5,491	5,364
Number of teachers	356	358	364	370	365	351	342	333	336	341
Local expenditures per pupil	2,274	2,708	2,669	2,457	2,487	2,775	2,840	2,947	3,074	3,144

Source: Individual county departments

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

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

Table 15

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government:										
Buildings	15	15	15	16	16	16	16	16	16	16
Public safety:										
Sheriff's department:										
Patrol units	56	56	54	54	54	54	49	46	51	51
Building inspections:										
Vehicles	3	3	4	4	4	4	3	3	3	3
Animal control:										
Vehicles	3	3	3	3	3	3	3	3	4	4
Public works:										
General maintenance:										
Trucks / vehicles	3	3	3	3	3	6	6	7	7	7
Landfill:										
Vehicles	6	4	7	7	7	9	11	14	14	14
Health and welfare:										
Department of Social Services:										
Vehicles	7	7	7	7	7	7	7	7	7	7
Culture and recreation:										
Parks and recreation:										
Community centers	1	1	1	1	1	2	2	2	2	3
Vehicles	1	1	2	2	2	5	5	7	8	8
Community development:										
Planning:										
Vehicles	2	2	3	3	3	3	3	2	2	2
Component unit - School Board:										
Education:										
Schools	7	7	8	8	8	8	8	8	8	8
School buses	107	110	113	113	113	113	113	111	102	103

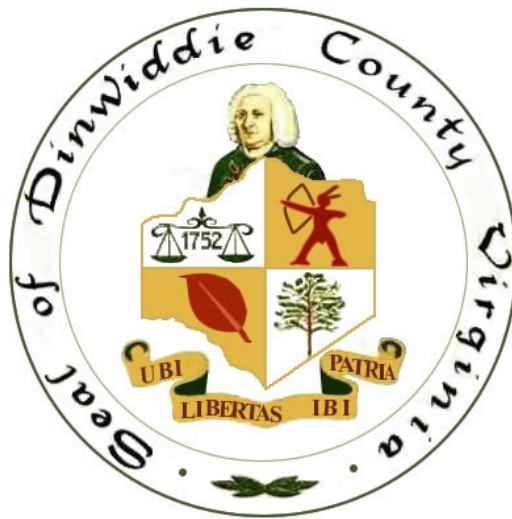
Source: Individual County departments



County of Dinwiddie, Virginia

Compliance Section

Year Ended June 30, 2015



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Dinwiddie, Virginia, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County of Dinwiddie, Virginia's basic financial statements, and have issued our report thereon dated November 18, 2015.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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



We noted certain other matters that we reported to the management of the County of Dinwiddie, Virginia in a separate letter dated November 18, 2015.

Purpose of this Report

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

Dixon Hughes Goodman LLP

**Chester, Virginia
November 18, 2015**

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

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

Report on Compliance for Each Major Federal Program

We have audited the County of Dinwiddie, Virginia's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the County of Dinwiddie, Virginia's major federal programs for the year ended June 30, 2015. The County of Dinwiddie, Virginia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County of Dinwiddie, Virginia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about County of Dinwiddie, Virginia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the County of Dinwiddie, Virginia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

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

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

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

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

Dixon Hughes Goodman LLP

**Chester, Virginia
November 18, 2015**

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

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

We have audited the financial statements of the County of Dinwiddie, Virginia, as of and for the year ended June 30, 2015, and have issued our report thereon dated November 18, 2015.

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

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

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

Code of Virginia

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

State Agency Requirements

- Education
- Comprehensive Services Act Funds
- Social Services



The results of our tests disclosed instances of noncompliance with the provisions referred to in the preceding paragraph. This instance is discussed in the schedule of findings and responses as Findings 15-01 and 15-02. With respect to items not tested, nothing came to our attention that caused us to believe that the County of Dinwiddie, Virginia had not complied, in all material respects, with those provisions.

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

Dixon Hughes Goodman LLP

**Chester, Virginia
November 18, 2015**

County of Dinwiddie, Virginia

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

Year Ended June 30, 2015

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	\$ 240,113
Department of Health and Human Services pass-through programs:		
Virginia Department of Social Services:		
Promoting safe and stable families	93.556	14,957
Temporary Assistance for Needy Families	93.558	242,108
Refugee and entrant assistance - state administered programs	93.566	366
Low-income Home Energy Assistance	93.568	27,622
Child care mandatory and matching funds of the child care and development fund	93.596	39,258
Chafee education and training vouchers program	93.599	560
Stephanie Tubbs Jones child welfare services program	93.645	1,698
Foster Care - Title IV-E	93.658	165,455
Adoption assistance	93.659	99,159
Social services block grant	93.667	189,316
Chafee foster care independence program	93.674	3,772
Children's health insurance program	93.767	8,099
Medical assistance program	93.778	276,636
Total Department of Health and Human Services		1,069,006
Department of Transportation pass-through programs:		
Department of Motor Vehicles:		
State and community highway safety	20.600	11,906
Department of Justice:		
Direct programs:		
Bulletproof vest partnership program	16.607	919
Equitable sharing program	16.922	3,900
Pass-through programs:		
Department of Criminal Justice Services:		
Crime victim assistance	16.575	55,731
Total Department of Justice		60,550
Department of Homeland Security pass-through programs:		
Department of Emergency Management:		
Emergency management performance grant	97.042	7,500
Department of the Interior:		
Direct payments:		
Bureau of Land Management:		
Payments in lieu of taxes	15.226	800
Environmental Protection Agency pass-through program:		
Department of Conservation and Recreation:		
Nonpoint Source Implementation Grants	66.460	3,347
Total Primary Government		\$ 1,393,222

County of Dinwiddie, Virginia

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

Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Expenditures
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	\$ 99,071
Virginia Department of Education:		
National school breakfast program	10.553	285,804
National school lunch program	10.555	779,783
Total Child Nutrition Cluster		<u>1,164,658</u>
The Improvement Association:		
Child and adult care food program	10.558	64,296
Total Department of Agriculture		<u>1,228,954</u>
Department of Defense direct program:		
JROTC Instruction	12.000	<u>65,301</u>
Department of Education pass-through programs:		
Virginia Department of Education:		
Special Education Cluster (IDEA):		
Special education - grants to states	84.027	938,031
Special education - preschool grants	84.173	29,271
Total Special Education Cluster (IDEA)		<u>967,302</u>
Title I grants to local educational agencies	84.010	594,520
Title III grants to local educational agencies	84.031	1,802
Career and technical education - basic grants to states	84.048	59,917
Improving teacher quality state grants	84.367	208,992
		<u>865,231</u>
State Council for Higher Education for Virginia		
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	13,932
Total Department of Education		<u>1,846,465</u>
Total Component Unit School Board		<u>\$ 3,140,720</u>
Total Reporting Entity		<u>\$ 4,533,942</u>

Notes to Schedule of Expenditures of Federal Awards

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, 2015. 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.

Schedule of Findings and Responses

1. Summary of Auditors' Results

- A. An unmodified opinion was issued on the financial statements.
- B. There were no material weaknesses or significant deficiencies in internal control over financial reporting disclosed by the audit of the financial statements.
- C. The audit did not disclose any instances of noncompliance material to the financial statements.
- D. There were no significant deficiencies in internal control over major federal programs disclosed by the audit.
- E. An unmodified opinion was issued on compliance for the major programs.
- F. The audit disclosed no compliance findings required to be reported under Section 510(a) of OMB Circular A-133.
- G. The major program was:
 - Child Nutrition Cluster – CFDA Numbers 10.553 and 10.555
- H. The dollar threshold used to distinguish between Type A and Type B programs is \$300,000.
- I. The auditee qualified as a low-risk auditee under Section 530 of OMB Circular A-133.

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

None noted

3. Findings and Questioned Costs for Federal Awards

None noted

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

Finding 15-01

Condition: A member of the Dinwiddie County Planning Commission did not timely file a real estate disclosure form as required by Virginia Code Section 2.2-3115.

Criteria: The State and Local Government Conflict of Interests Act contained in Chapter 31 of Title 2.2 of the Code of Virginia requires Planning Commissioners to file a real estate disclosure form with the clerk of the governing body by December 15 of each year.

Effect: The member of the Planning Commission did not file a disclosure form within the deadline as set forth by the State and Local Government Conflict of Interest Act.

Cause: Unknown

Recommendation: Members of governing bodies of Commissions, Boards, and Authorities should file required disclosure statements timely in accordance with the State and Local Government Conflict of Interests Act.

Management's Response: Management does an admirable job of attempting to obtain required forms from officials as demonstrated by the fact that only one official turned his form in late. Management will continue to take active steps to encourage officials to comply with the State and Local Government Conflict of Interests Act, including setting an internal deadline that is at least two weeks before the statutorily required deadline, and contacting officials who fail to submit required forms by the internal deadline.

Finding 15-02

Condition: Auditor was unable to determine timeliness of filing of one economic interest statement filed by a member of the School Board.

Criteria: 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 and school board officials to file a statement of economic interests with the clerk of the governing body by December 15 and June 15 of each year.

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

Cause: Unknown

Recommendation: Auditors recommend that the personnel responsible for receiving these economic interest statements date stamp and initial these documents when received so that timeliness of filing is readily determinable.

Management's Response: Management will begin date stamping and initialing conflict of interest disclosure forms as they are received from the filers.

5. Results of Prior Year Findings

No findings or questioned costs related to federal awards were noted during prior year audit.