

COUNTY OF DICKENSON, VIRGINIA

ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2013

**COUNTY OF DICKENSON, VIRGINIA
ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2013**

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INTRODUCTORY SECTION

COUNTY OF DICKENSON, VIRGINIA

BOARD OF SUPERVISORS

Delano Sykes, Vice-chair Donnie Rife	David Yates, Chair	Gary Hall Shelbie Willis
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COUNTY SCHOOL BOARD

Rufus "Shanghai" Nickles, Vice-chair Donald Raines	John Skeen, Chair	Rocky Barton Susan B. Mullins
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SOCIAL SERVICES BOARD

Linza Baker, Vice-chair Charles Hay	Eric Vitatoe, Chair	Josh Evans Scott Stanley
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PUBLIC SERVICE AUTHORITY BOARD

Don Mullins, Vice-chair Zane Counts	Damon Rasnick, Chair	Delano Sykes Sam Edwards
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BEHAVIORAL HEALTH SERVICES

Carol Robinette Gary Artrip Henry Spangler	T.J. Fryatt, Chair	Vickie Barton Roger Deel Kelly Rose
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OTHER OFFICIALS

Clerk of the Circuit Court	Richard Edwards
Commonwealth's Attorney	Joshua Newberry
Commissioner of the Revenue	Mike Yates
Treasurer	Danny Edwards
Sheriff	Bobby Hammons
Superintendent of Schools	Haydee Robinson
Director of Social Services	Susan Mullins
County Administrator	David Moore

FINANCIAL SECTION

ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Dickenson, Virginia, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise County of Dickenson, Virginia's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Dickenson, Virginia, as of June 30, 2013, 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

As described in Note 19 to the financial statements, in 2013, the County adopted new accounting guidance, GASB Statement Nos. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise County of Dickenson, Virginia's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, supporting schedules, and other statistical information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

Other Information (continued)

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

The introductory section and other statistical information 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 April 23, 2014, on our consideration of County of Dickenson, 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 Dickenson, Virginia's internal control over financial reporting and compliance.

Robinson, Turner, Co. Associates
Blacksburg, Virginia
April 23, 2014

Basic Financial Statements

County of Dickenson, Virginia
Statement of Net Position
June 30, 2013

	Primary Government	Component Units		
	Governmental Activities	School Board	Public Service Authority	Industrial Development Authority
ASSETS				
Cash and investments	\$ 25,806,874	\$ 2,753,220	\$ 2,436,163	\$ 355,114
Cash in custody of others	-	1,100	-	-
Receivables (net of allowance for uncollectibles):				
Taxes receivable	12,150,606	-	-	-
Other local taxes receivable	730,102	-	-	-
Accounts receivable	-	-	410,697	17,358
Notes receivable	-	-	-	653,131
Interest receivable	-	-	-	3
Other receivables	-	-	-	92,836
Due from primary government	-	-	63,769	-
Due from component unit	1,958,197	-	-	-
Due from other governmental units	979,863	759,217	-	15,531,320
Prepaid items	-	112,540	37,823	-
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	-	-	461,858	-
Capital assets (net of accumulated depreciation):				
Land	3,854,898	1,988,000	34,592	739,027
Buildings and system	6,121,194	1,282,985	115,682	13,862,027
Machinery and equipment	1,035,556	1,575,656	181,445	-
Infrastructure	-	-	29,331,556	-
Construction in progress	13,404,021	-	1,084,876	-
Total assets	\$ 66,041,311	\$ 8,472,718	\$ 34,158,461	\$ 31,250,816
LIABILITIES				
Accounts payable	\$ 861,480	\$ 333,398	\$ 231,253	\$ 7,358
Accrued liabilities	-	1,274,483	-	-
Customers' deposits	-	-	191,445	-
Accrued interest payable	94,413	-	19,409	-
Due to primary government	-	1,958,197	-	-
Long-term liabilities:				
Due within one year	748,870	-	273,061	459,554
Due in more than one year	28,534,347	1,871,032	7,943,370	20,050,973
Total liabilities	\$ 30,239,110	\$ 5,437,110	\$ 8,658,538	\$ 20,517,885
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	\$ 9,460,276	\$ -	\$ -	\$ -
NET POSITION				
Net investment in capital assets	\$ 15,578,059	\$ 4,846,641	\$ 22,618,058	\$ 9,632,025
Restricted for:				
Coal Road	5,999,660	-	-	-
Economic Development	-	-	-	292,686
Agricultural Center	-	-	-	33,039
Cash Reserve Accounts	-	-	270,413	-
Unrestricted (deficit)	4,764,206	(1,923,573)	2,611,452	775,181
Total net position	\$ 26,341,925	\$ 2,923,068	\$ 25,499,923	\$ 10,732,931

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

County of Dickenson, Virginia
Statement of Activities
For the Year Ended June 30, 2013

Functions/Programs	Net (Expense) Revenue and Changes in Net Position									
	Program Revenues					Component Units				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	School Board	Public Service Authority	Industrial Development Authority		
PRIMARY GOVERNMENT:										
Governmental activities:										
General government administration	\$ 2,050,009	\$ 425,315	\$ 1,713,687	\$ -	\$ 88,993	\$ -	\$ -	\$ -		
Judicial administration	1,138,929	93,755	419,310	-	(625,864)	-	-	-		
Public safety	4,885,973	35,347	1,306,640	-	(3,543,986)	-	-	-		
Public works	3,022,683	354,557	9,745	-	(2,658,381)	-	-	-		
Health and welfare	9,254,319	1,283,941	4,907,715	-	(3,062,663)	-	-	-		
Education	6,766,973	-	-	6,129,008	(637,965)	-	-	-		
Parks, recreation, and cultural	185,519	16,655	-	-	(168,864)	-	-	-		
Community development	6,453,207	-	523,813	30,712	(5,898,682)	-	-	-		
Interest on long-term debt	888,962	-	-	-	(888,962)	-	-	-		
Total governmental activities	\$ 34,646,574	\$ 2,209,570	\$ 8,880,910	\$ 6,159,720	\$ (17,396,374)	\$ -	\$ -	\$ -		
Total primary government	\$ 34,646,574	\$ 2,209,570	\$ 8,880,910	\$ 6,159,720	\$ (17,396,374)	\$ -	\$ -	\$ -		
COMPONENT UNITS:										
School Board	\$ 24,915,421	\$ 394,794	\$ 16,556,348	\$ 814,914	\$ -	\$ (7,149,365)	\$ -	\$ -		
Public Service Authority	3,427,755	3,027,356	576,225	-	-	-	175,826	-		
Industrial Development Authority	1,167,490	-	62,195	365,091	-	-	-	(740,204)		
Total component units	\$ 29,510,666	\$ 3,422,150	\$ 17,194,768	\$ 1,180,005	\$ -	\$ (7,149,365)	\$ 175,826	\$ (740,204)		
General revenues:										
General property taxes					\$ 11,906,790	\$ -	\$ -	\$ -		
Other local taxes:										
Local sales and use taxes					762,752	-	-	-		
Consumers' utility taxes					324,681	-	-	-		
Consumption taxes					63,099	-	-	-		
Vehicle reg. withholding stops					18,660	-	-	-		
Bank stock taxes					22,318	-	-	-		
Hotel and motel room taxes					2,295	-	-	-		
Coal severance taxes					6,530,096	-	-	-		
Gas severance taxes					1,785,638	-	-	-		
Unrestricted revenues from use of money and property					32,329	-	366	244,160		
Miscellaneous					-	343,341	96,380	975,056		
Payments from County of Dickenson					-	6,499,468	15,000	-		
Grants and contributions not restricted to specific programs					2,747,311	-	-	-		
Total general revenues					\$ 24,195,969	\$ 6,842,809	\$ 111,746	\$ 1,219,216		
Change in net position					\$ 6,799,595	\$ (306,556)	\$ 287,572	\$ 479,012		
Net position - beginning, as restated					19,542,330	3,342,164	25,212,351	10,253,919		
Net position - ending					\$ 26,341,925	\$ 3,035,608	\$ 25,499,923	\$ 10,732,931		

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

County of Dickenson, Virginia
Balance Sheet
Governmental Funds
June 30, 2013

	<u>General</u>	<u>Coal Road Tax</u>	<u>School Construction Projects</u>	<u>Total</u>
ASSETS				
Cash and investments	\$ -	\$ 5,761,430	\$ 20,062,496	\$ 25,823,926
Receivables (net of allowance for uncollectibles):				
Taxes receivable	12,150,606	-	-	12,150,606
Other local taxes receivable	406,520	323,582	-	730,102
Due from component unit	1,958,197	-	-	1,958,197
Due from other governmental units	979,863	-	-	979,863
Total assets	<u>\$ 15,495,186</u>	<u>\$ 6,085,012</u>	<u>\$ 20,062,496</u>	<u>\$ 41,642,694</u>
LIABILITIES				
Liabilities:				
Accounts payable	\$ 202,622	\$ 85,352	\$ 573,506	\$ 861,480
Reconciled overdraft	17,052	-	-	17,052
Total liabilities	<u>\$ 219,674</u>	<u>\$ 85,352</u>	<u>\$ 573,506</u>	<u>\$ 878,532</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	\$ 11,886,709	\$ -	\$ -	\$ 11,886,709
FUND BALANCES				
Restricted for:				
Coal Road	\$ -	\$ 5,999,660	\$ -	\$ 5,999,660
School Construction	-	-	19,488,990	19,488,990
Unassigned	3,388,803	-	-	3,388,803
Total fund balances	<u>\$ 3,388,803</u>	<u>\$ 5,999,660</u>	<u>\$ 19,488,990</u>	<u>\$ 28,877,453</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 15,495,186</u>	<u>\$ 6,085,012</u>	<u>\$ 20,062,496</u>	<u>\$ 41,642,694</u>

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

County of Dickenson, Virginia
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2013

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$ 28,877,453
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Land	\$ 3,854,898	
Buildings and system	6,121,194	
Machinery and equipment	1,035,556	
Construction in progress	13,404,021	24,415,669

Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenues in the funds.	2,426,433
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Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

General obligation bonds	\$ (26,221,320)	
Bond premium	(21,637)	
Capital lease	(2,238,116)	
Landfill postclosure liability	(353,582)	
Compensated absences	(448,562)	
Accrued interest	(94,413)	(29,377,630)

Net position of governmental activities	\$ 26,341,925
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The notes to the financial statements are an integral part of this statement.

County of Dickenson, Virginia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2013

	<u>General</u>	<u>Coal Road Tax</u>	<u>School Construction Projects</u>	<u>Total</u>
REVENUES				
General property taxes	\$ 12,669,532	\$ -	\$ -	\$ 12,669,532
Other local taxes	5,351,672	4,157,867	-	9,509,539
Permits, privilege fees, and regulatory licenses	12,822	-	-	12,822
Fines and forfeitures	35,276	-	-	35,276
Revenue from the use of money and property	7,151	62	25,116	32,329
Charges for services	2,161,472	-	-	2,161,472
Recovered costs	355,045	-	-	355,045
Intergovernmental revenues:				
Commonwealth	7,858,227	1,082,893	-	8,941,120
Federal	2,717,813	-	6,129,008	8,846,821
Total revenues	\$ 31,169,010	\$ 5,240,822	\$ 6,154,124	\$ 42,563,956
EXPENDITURES				
Current:				
General government administration	\$ 2,108,988	\$ -	\$ -	\$ 2,108,988
Judicial administration	1,138,723	-	-	1,138,723
Public safety	4,652,216	-	-	4,652,216
Public works	2,800,774	150,000	-	2,950,774
Health and welfare	9,386,889	-	-	9,386,889
Education	6,414,416	-	-	6,414,416
Parks, recreation, and cultural	179,094	-	-	179,094
Community development	2,300,658	5,016,981	-	7,317,639
Capital projects	-	-	6,172,837	6,172,837
Debt service:				
Principal retirement	464,331	-	385,000	849,331
Interest and other fiscal charges	147,341	-	754,500	901,841
Total expenditures	\$ 29,593,430	\$ 5,166,981	\$ 7,312,337	\$ 42,072,748
Excess (deficiency) of revenues over (under) expenditures	\$ 1,575,580	\$ 73,841	\$ (1,158,213)	\$ 491,208
OTHER FINANCING SOURCES (USES)				
Issuance of bonds	\$ -	\$ -	\$ 3,216,320	\$ 3,216,320
Total other financing sources (uses)	\$ -	\$ -	\$ 3,216,320	\$ 3,216,320
Net change in fund balances	\$ 1,575,580	\$ 73,841	\$ 2,058,107	\$ 3,707,528
Fund balances - beginning	1,813,223	5,925,819	17,430,883	25,169,925
Fund balances - ending	\$ 3,388,803	\$ 5,999,660	\$ 19,488,990	\$ 28,877,453

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

County of Dickenson, Virginia
 Reconciliation of Statement of Revenues,
 Expenditures, and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Year Ended June 30, 2013

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

Net change in fund balances - total governmental funds	\$	3,707,528
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period.

Capital outlays	\$ 6,845,499	
Depreciation expense	<u>(636,506)</u>	6,208,993

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the change in unavailable property taxes.		(762,742)
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The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Debt issued or incurred:		
Issuance of general obligation bonds	\$ (3,216,320)	
Increase in landfill post-closure care liability	(5,910)	
Principal payments:		
General obligation bonds	<u>849,331</u>	(2,372,899)

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 (increase) in compensated absences	\$ 5,836	
Decrease (increase) in accrued interest payable	9,787	
Amortization of bond premium	<u>3,092</u>	18,715

Change in net position of governmental activities	\$	<u><u>6,799,595</u></u>
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County of Dickenson, Virginia
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2013

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 127,288
Total assets	<u>\$ 127,288</u>
LIABILITIES	
Amounts held for social services clients	\$ 9,747
Amounts held for Town of Clinchco	5,654
Amounts held for Town of Clintwood	19,996
Amounts held for Town of Haysi	7,724
Amounts held for County employees' fringe benefits	84,167
Total liabilities	<u>\$ 127,288</u>

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

COUNTY OF DICKENSON, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

Note 1-Summary of Significant Accounting Policies:

The financial statements of the County conform to generally accepted accounting principles (GAAP) applicable to governmental units promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant policies:

A. Financial reporting entity

County of Dickenson, Virginia is a municipal corporation governed by an elected five-member Board of Supervisors. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

Blended component units - None

Discretely Presented Component Units - The component unit columns in the financial statements include the financial data of the County's discretely presented component units. They are reported in a separate column to emphasize that they are legally separate from the County.

Dickenson County School Board operates the elementary and secondary public schools in the County. School Board members are popularly elected. The School Board is fiscally dependent upon the County because the County approves all debt issuances of the School Board and provides significant funding to operate the public schools since the School Board does not have separate taxing powers. The School Board is presented as a governmental fund type.

The Dickenson County Public Service Authority operates the water and sewer service for the County. Authority board members are appointed by the County Board of Supervisors. The complete financial report for the Authority may be obtained by contacting the Authority.

The Dickenson County Industrial Development Authority operates for the economic development of the County. Authority board members are appointed by the County Board of Supervisors. The complete financial report for the Authority may be obtained by contacting the Authority.

Related Organizations - The County's officials are also responsible for appointing the members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointment.

Jointly Governed Organizations - The County of Dickenson and the Counties of Wise, Lee, Scott, the City of Norton, and the Towns of Wise, Big Stone Gap, Coeburn, and St. Paul participate in supporting the Lonesome Pine Regional Library. The governing body of this organization is appointed by the respective governing bodies of the participating jurisdictions. For the fiscal year ended June 30, 2013, the County did not make a contribution to the Library.

Note 1-Summary of Significant Accounting Policies: (continued)

B. Government-wide and fund financial statements

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.

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

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

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

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 GASB 34 reporting model, governments provide budgetary comparison information in their annual reports, including the original and a comparison of final budget and actual results.

C. 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.

Note 1-Summary of Significant Accounting Policies: (continued)

C. Measurement focus, basis of accounting, and financial statement presentation: (continued)

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the 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.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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 financial statements.

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

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all 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 un-collectible amounts. Property taxes not collected within 60 days after year-end are reflected as unavailable 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 in the month preceding receipt by the County.

Note 1-Summary of Significant Accounting Policies: (continued)

C. Measurement focus, basis of accounting, and financial statement presentation: (continued)

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 the 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 the government receives cash.

The County reports the following major governmental funds:

The *general fund* is the County's primary operating fund. It accounts for and reports all financial resources of the general government, except those required to be accounted for and reported in other funds. The general fund includes the activities of the Law Library, Enhanced E-911, CSA, CSA Admin., Early Intervention, Disability Services Board, Inmate Medical Co-payment, 29th Judicial Grant, Restitution Recoveries, and CSB funds.

The Coal Road Tax fund is the County's only major *special revenue fund*. It accounts for and reports financial resources to be used for improvements to roads used in conjunction with coal mining.

The School Construction Projects fund is the County's only major *capital projects fund*. It accounts for and reports financial resources to be used for the construction of school property.

Additionally, the government reports the following fund types:

Fiduciary funds (Trust and Agency Funds) account for assets held by the government in a trustee account or as agent or custodian for individuals, private organizations, other governmental units, or other funds. Agency funds include the Special Welfare, Town of Clinchco, Town of Clintwood, Town of Haysi, and Fringe Benefits funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are other charges between the government's functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, and then unrestricted resources as they are needed.

Note 1-Summary of Significant Accounting Policies: (continued)

D. Assets, liabilities, and net position or equity

1. Deposits and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments for the County, as well as for its component units, are reported at fair value. The State Treasurer's 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.

2. Prepaid Items

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

3. 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) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by nonspendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

4. Property Taxes

Property is assessed at its value on January 1. Property taxes attach as an enforceable lien on property as of January 1. Real estate taxes are payable on December 5th. Personal property taxes are due and collectible annually on December 5th. The County bills and collects its own property taxes.

5. Allowance for Uncollectible Accounts

The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$456,191 at June 30, 2013 and is comprised of property taxes.

Note 1-Summary of Significant Accounting Policies: (continued)

D. Assets, liabilities, and net position or equity (continued)

6. Use of Estimates

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

7. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. 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 cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

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

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

Assets	Years
Buildings	40
Building improvements	40
Structures, lines, and accessories	20-40
Machinery and equipment	4-30
Land Improvements	20

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County does not have any deferred outflows of resources as of June 30, 2013.

Note 1-Summary of Significant Accounting Policies: (continued)

D. Assets, liabilities, and net position or equity (continued)

8. Deferred Outflows/Inflows of Resources (continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has one type of item that qualifies for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30, 2nd half installments levied during the fiscal year but due after June 30th, and amounts prepaid on the 2nd half installments and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, 2nd half installments levied during the fiscal year but due after June 30th and amounts prepaid on the 2nd half installments are reported as deferred inflows of resources.

9. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. In accordance with the provisions of Government Accounting Standards No. 16, *Accounting for Compensated Absences*, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits. The County accrues salary-related payments associated with the payment of compensated absences. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements.

10. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

Note 1-Summary of Significant Accounting Policies: (continued)

D. Assets, liabilities, and net position or equity (continued)

11. Fund Equity

The County reports fund balance in accordance with GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable -amounts that cannot be spent because they are not in spendable form, such as prepaid items and inventory or are required to be maintained intact (corpus of a permanent fund).

Restricted -amounts that are restricted by external parties such as creditors or imposed by grants, law or legislation.

Committed -amounts that have been committed by formal action by the entity's "highest level of decision-making authority"; which the County of Dickenson, Virginia considers to be the Board of Directors.

Assigned -amounts that have been allocated by committee action where the government's intent is to use the funds for a specific purpose. The County of Dickenson, Virginia considers this level of authority to be the Board of Directors or any Committee granted such authority by the Board of Directors.

Unassigned -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 an ordinance / resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board of Supervisors through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

Note 1-Summary of Significant Accounting Policies: (continued)

D. Assets, liabilities, and net position or equity (continued)

12. Net Position

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

13. Net Position Flow Assumption

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

Note 2-Stewardship, Compliance, and Accountability:

A. Budgetary information

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

1. Prior to March 30, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them. The following funds have legally adopted budgets: General Fund and the School Operating Fund.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the function level. Only the Board of Supervisors can revise the appropriation for each department or category. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds (except the School Fund), and the School Construction Projects Funds. The School Operating Fund is integrated only at the level of legal adoption.

Note 2-Stewardship, Compliance, and Accountability: (continued)

6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30, for all County units. The County's practice is to appropriate Capital Projects by Project. Several supplemental appropriations were necessary during this fiscal year.
9. All budgetary data presented in the accompanying financial statements is the revised budget.

Note 3-Deposits and Investments:

Deposits:

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

Investments:

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

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COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 4-Due from Other Governmental Units:

The following amounts represent receivables from other governments at year-end:

	Primary Government	Component Unit- School Board
<u>Commonwealth of Virginia:</u>		
State sales tax	\$ 131,069	\$ 369,944
Categorical aid-shared expenses	120,735	-
Categorical aid-Comprehensive Services Act	154,490	-
Categorical aid-Virginia Public Assistance	154,632	-
Other state aid	236,275	-
<u>Federal Government:</u>		
Categorical aid-other	3,181	389,273
Categorical aid-Virginia Public Assistance	179,481	-
Totals	<u>\$ 979,863</u>	<u>\$ 759,217</u>

Note 5-Interfund/Component-Unit Obligations:

Fund	Due to Primary Government/ Component Unit	Due from Primary Government/ Component Unit
Primary Government:		
General Fund	\$ -	\$ 1,958,197
Component Unit - School Board:		
School Fund	\$ 1,958,197	\$ -

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 6-Long-term Obligations:

Primary Government - Governmental Activity Indebtedness:

The following is a summary of long-term obligation transactions of the County for the year ended June 30, 2013:

	Balance July 1, 2012	Increases/ Issuances	Decreases/ Retirements	Balance June 30, 2013
Note payable	\$ 47,445	\$ -	\$ (47,445)	\$ -
General obligation bond	985,000	-	(95,000)	890,000
Bond premium	24,729	-	(3,092)	21,637
QSCB	10,000,000	-	(200,000)	9,800,000
Rural Development	-	3,216,320	-	3,216,320
IDA Loans	12,500,000	-	(185,000)	12,315,000
Capital lease	2,560,002	-	(321,886)	2,238,116
Landfill postclosure liability	347,672	5,910	-	353,582
Compensated absences	454,398	-	(5,836)	448,562
Total	\$ 26,919,246	\$ 3,222,230	\$ (858,259)	\$ 29,283,217

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

Year Ending June 30,	General Obligation Bond		Rural Development		QSCB		IDA Loans	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 95,000	\$ 41,476	\$ 37,544	\$ 111,973	\$ 200,000	\$ 425,000	\$ 205,000	\$ 147,780
2015	100,000	33,895	38,879	110,638	200,000	425,000	12,110,000	145,320
2016	100,000	29,108	40,262	109,255	200,000	425,000	-	-
2017	110,000	24,046	41,694	107,823	200,000	425,000	-	-
2018	115,000	18,677	43,177	106,340	800,000	425,000	-	-
2019-2023	370,000	23,590	240,042	507,543	3,760,000	2,125,000	-	-
2024-2028	-	-	285,877	461,708	2,775,000	2,125,000	-	-
2029-2033	-	-	340,463	407,122	1,665,000	1,062,500	-	-
2034-2038	-	-	405,471	275,514	-	-	-	-
2039-2043	-	-	482,895	264,690	-	-	-	-
2044-2048	-	-	575,100	172,485	-	-	-	-
2049-2053	-	-	684,916	62,669	-	-	-	-
Totals	\$ 890,000	\$ 170,792	\$ 3,216,320	\$ 2,697,760	\$ 9,800,000	\$ 7,437,500	\$ 12,315,000	\$ 293,100

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 6-Long-term Obligations: (continued)

Primary Government - Governmental Activity Indebtedness: (continued)

Details of long-term indebtedness:

	<u>Total Amount</u>	<u>Amount Due Within One Year</u>
<u>General Obligation Bond:</u>		
\$1,475,000 bond issued June 8, 2005. Interest payments commenced on October 1, 2005 and continue through October 1, 2020. Interest rates vary from 3.1% to 4.9295%. Principal amounts varying from \$75,000 to \$130,000 are due each October 1st starting in 2006 and continuing until 2020.	\$ 890,000	\$ 95,000
Premium on bond	21,637	-
Total General Obligation Bond	\$ 911,637	95,000
<u>Other Obligations:</u>		
\$10,000,000 QSCB issued on December 1, 2011. Payments beginning December 1, 2012. Fixed annual interest payments of \$425,000 with a 6.238% interest rate and varying annual principal payments.	\$ 9,800,000	\$ 200,000
\$42,150,000 available from USDA - Rural Development at a rate of 3.5% with interest only payments for the first two years during the construction phase. The initial draw occurred on May 14, 2013 and the total draws on the note as of June 30, 2013 were \$3,216,320.	3,216,320	37,544
\$7,500,000 revenue note series 2011B issued on December 16, 2011 at an interest rate of 2.4% and purchased by Wells Fargo Bank, N.A. Interest is payable semi-annually on January 15 and July 15 each year and matures on January 15, 2015.	7,500,000	-
\$5,000,000 revenue note series 2011A issued November 30, 2011 at an interest rate of 2.4% and purchased by Wells Fargo Bank, N.A. Interest is payable semi-annually on January 15 and July 15 each year with principal payments due annually beginning on January 15, 2015.	4,815,000	205,000
Capital lease (Note 7)	2,238,116	211,326
Landfill postclosure monitoring liability	353,582	-
Compensated absences	448,562	-
Total Other Obligations	\$ 28,371,580	\$ 653,870
Total Long-term Obligations	\$ 29,283,217	\$ 748,870

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 7-Capital Lease:

Primary Government:

The County has previously entered into lease agreements for the acquisition of fire vehicles, packer trucks, and energy improvements to schools.

The costs of the assets acquired through capital leases are as follows:

Asset:	<u>Fire Trucks</u>	<u>Packer Trucks</u>	<u>Energy Lease</u>
Equipment	\$ 370,243	\$ 498,069	\$ 5,733,747
Less: Accumulated Depreciation	(210,553)	(269,776)	(3,461,768)
Net	<u>\$ 159,690</u>	<u>\$ 228,293</u>	<u>\$ 2,271,979</u>

The future minimum lease obligation and the net present value of the minimum lease payments as of June 30, 2013, are as follows:

<u>Year Ending June 30,</u>	<u>Capital Leases</u>
2014	\$ 304,820
2015	294,151
2016	293,630
2017	293,630
2018	262,924
2019-2023	<u>1,314,621</u>
Sub-total	\$ 2,763,776
Less, amount representing interest	<u>(525,660)</u>
Present Value of Lease Agreements	<u>\$ 2,238,116</u>

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 8-Long-term Obligations-Component Unit School Board:

The following is a summary of long-term obligation transactions of the Component Unit-School Board for the year ended June 30, 2013:

	Balance July 1, 2012	Increase/ Issuances	Decrease/ Retirements	Balance June 30, 2013
Net OPEB obligation	\$ 744,764	\$ 917,828	\$ (911,500)	\$ 751,092
Compensated absences	1,109,901	10,039	-	1,119,940
Total	<u>\$ 1,854,665</u>	<u>\$ 927,867</u>	<u>\$ (911,500)</u>	<u>\$ 1,871,032</u>

Details of long-term indebtedness:

	Total Amount	Amount Due Within One Year
<u>Other Obligations:</u>		
Net OPEB obligation	\$ 751,092	\$ -
Compensated absences	1,119,940	-
Total Long-term Obligations	<u>\$ 1,871,032</u>	<u>\$ -</u>

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Note 9-Employee Retirement System and Defined Benefit Pension Plans:

A. Plan Description

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

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

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

Members hired before July 1, 2010 and who were vested as of January 1, 2013 are covered under Plan 1. Non-hazardous duty members are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or at age 50 with at least 30 years of service credit. They may retire with a reduced benefit early at age 55 with at least five years of service credit or at age 50 with at least 10 years of service credit.

Members hired or rehired on or after July 1, 2010 and Plan 1 members who were not vested on January 1, 2013 are covered under Plan 2. Non-hazardous duty members are eligible for an unreduced benefit beginning at their normal Social Security retirement age with at least five years of service credit or when the sum of their age and service equals 90. They may retire with a reduced benefit as early as age 60 with at least five years of service credit.

Eligible hazardous duty members in Plan 1 and Plan 2 are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. These members include sheriffs, deputy sheriffs and hazardous duty employees of political subdivisions that have elected to provide enhanced coverage for hazardous duty service. They may retire with a reduced benefit as early as age 50 with at least five years of service credit. All other provisions of the member's plan apply.

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Note 9-Employee Retirement System and Defined Benefit Pension Plans: (continued)

A. Plan Description (continued)

The VRS Basic Benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the member's average final compensation multiplied by the member's total service credit. Under Plan 1, average final compensation is the average of the member's 36 consecutive months of highest compensation. Under Plan 2, average final compensation is the average of the member's 60 consecutive months of highest compensation. The retirement multiplier for non-hazardous duty members is 1.70%. The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. The retirement multiplier for eligible political subdivision hazardous duty employees other than sheriffs and jail superintendents is 1.70% or 1.85% as elected by employer. The multiplier for Plan 2 members was reduced to 1.65% effective January 1, 2013 unless they are hazardous duty employees and their employer has elected the enhanced retirement multiplier. At retirement, members can elect the Basic Benefit, the Survivor Option, a Partial Lump-Sum Option Payment (PLOP) or the Advance Pension Option. A retirement reduction factor is applied to the Basic Benefit amount for members electing the Survivor Option, PLOP or Advance Pension Option or those retiring with a reduced benefit.

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

The system issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of the most recent report may be obtained from the VRS website at <http://www.varetire.org/Pdf/Publications/2012-annual-report.pdf> or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

B. Funding Policy

Primary Government:

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5% of their compensation toward their retirement. All or part of the 5% member contribution may be assumed by the employer. Beginning July 1, 2012 new employees were required to pay the 5% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5% member contribution. This could be phased in over a period up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution. In addition, the County of Dickenson, Virginia is required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The County of Dickenson, Virginia's contribution rate for the fiscal year ended 2013 was 10.84% of annual covered payroll.

Note 9-Employee Retirement System and Defined Benefit Pension Plans: (continued)**B. Funding Policy (continued)**Discretely Presented Component Unit - School Board (Non-Professional Employees):

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5% of their compensation toward their retirement. All or part of the 5% member contribution may be assumed by the employer. Beginning July 1, 2012 new employees were required to pay the 5% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5% member contribution. This could be phased in over a period up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution. In addition, the School Board is required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The School Board's contribution rate for the fiscal year ended 2013 was 24.93% of annual covered payroll.

C. Annual Pension Cost

For fiscal year 2013, the County's and School Board's annual pension costs of \$691,222 and \$332,025 was equal to the required and actual contributions for the County and the School Board Non-Professionals, respectively.

Three-Year Trend Information

	Fiscal Year Ending	Annual Pension Cost (APC) ¹	Percentage of APC Contributed	Net Pension Obligation
Primary Government:				
County	6/30/2013	\$ 691,222	100.00%	\$ -
	6/30/2012	492,236	100.00%	-
	6/30/2011	500,706	100.00%	-
Discretely Presented-Component Unit:				
School Board Non-Professional	6/30/2013	\$ 332,025	100.00%	\$ -
	6/30/2012	400,392	100.00%	-
	6/30/2011	441,182	100.00%	-

¹ Employer portion only

Note 9-Employee Retirement System and Defined Benefit Pension Plans: (Continued)

C. Annual Pension Cost (Continued)

The FY 2013 required contribution was determined as part of the June 30, 2011 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at June 30, 2011 included (a) an investment rate of return (net of administrative expenses) of 7.00%, (b) projected salary increases ranging from 3.75% to 5.60% per year for general government employees, 3.75% to 6.20% per year for teachers, and 3.50% to 4.75% for employees eligible for enhanced benefits available to law enforcement officers, firefighters, and sheriffs, and (c) a cost-of-living adjustment of 2.50% per year for Plan 1 employees and 2.25% for Plan 2 employees. Both the investment rate of return and the projected salary increases include an inflation component of 2.50%. The actuarial value of the County of Dickenson, Virginia and School Board's assets is equal to the modified market value of assets. This method uses techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. The County of Dickenson, Virginia and School Board's 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, 2011 for the Unfunded Actuarial Accrued Liability (UAAL) was 30 years.

D. Funded Status and Funding Progress

Primary Government:

As of June 30, 2012, the most recent actuarial valuation date, the plan was 72.29% funded. The actuarial accrued liability for benefits was \$26,416,424, and the actuarial value of assets was \$19,096,070, resulting in an unfunded actuarial accrued liability (UAAL) of \$7,320,354. The covered payroll (annual payroll of active employees covered by the plan) was \$6,232,917, and ratio of the UAAL to the covered payroll was 117.45%.

Discretely Presented Component Unit - School Board (Non-Professional Employees):

As of June 30, 2012, the most recent actuarial valuation date, the plan was 46.70% funded. The actuarial accrued liability for benefits was \$11,635,919, and the actuarial value of assets was \$5,434,255, resulting in an unfunded actuarial accrued liability (UAAL) of \$6,201,664. The covered payroll (annual payroll of active employees covered by the plan) was \$1,575,977, and ratio of the UAAL to the covered payroll was 393.51%.

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

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Note 9-Employee Retirement System and Defined Benefit Pension Plans: (Continued)

E. Discretely Presented Component Unit School Board - Professional Employees

Plan Description

The Dickenson County School Board contributes to the Virginia Retirement System (VRS), a cost-sharing multiple-employer defined benefit pension plan administered by the Virginia Retirement System. VRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the State legislature. The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of the most recent report may be obtained from the VRS website at <http://www.varetire.org/Pdf/2012-annual-report.pdf> or obtained by writing to the System at P.O. Box 2500, Richmond, VA, 23218-2500.

Funding Policy

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5% of their compensation toward their retirement. All or part of the 5% member contribution may be assumed by the employer. Beginning July 1, 2012 new employees were required to pay the 5% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5% member contribution. This could be phased in over a period up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution. In addition, the School Board is required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The School Board's contribution to the statewide cost sharing pool for professional employees was \$1,019,141, \$720,333, and \$493,244, for the fiscal years ended 2013, 2012, and 2011, respectively. Employer contributions represented 11.66%, 6.33%, and 3.93%, of covered payroll for the fiscal years ended 2013, 2012, and 2011, respectively.

Note 10-Other Post-Employment Benefits - Health Insurance:

A. Plan Description

The School Board's Retiree Medical Program (the "Program") is a single-employer defined benefit healthcare plan administered by the County. The Program provides health insurance benefits to eligible retirees and their spouses. To be eligible as a retiree, employees must be a full-time employee who retires directly from the School Board and are eligible to receive an early or regular retirement benefit from VRS. Retirees of the Public Schools must also be employed for at least five consecutive years. The benefit provisions, including employer and employee contributions, are governed by School Board and can be amended through School Board action. The Program does not issue a publicly available financial report.

Note 10-Other Post-Employment Benefits - Health Insurance: (continued)**B. Funding Policy**

The Dickenson County School Board establishes employer medical contribution rates for all medical plan participants as part of the budgetary process each year. The School Board also determines how the plan will be funded each year, whether it will be partially funded or fully funded in the upcoming fiscal year. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the School Board. For fiscal year 2013, the School Board continued to follow the pay-as-you-go basis with no pre-funding.

Retirees are responsible for a portion of the monthly premiums for the benefits elected as shown in the tables below (premium amounts shown are for the year beginning 6/30/13):

<u>Monthly Premiums:</u>	<u>Retiree Only</u>	<u>Retiree and One Child</u>	<u>Retiree and Spouse/Family</u>
Anthem (PPO)	\$ 489.05	\$ 752.47	\$ 1,320.41
Anthem Dental	24.83	33.02	51.62
 <u>Retiree Contributions:</u>			
Anthem (PPO)	\$ 25.00	\$ 30.00	\$ 50.00
Anthem Dental	-	8.19	26.79

Retirees receive employer contributions toward monthly premium amounts for both medical and dental for a duration determined by the retiree's age at retirement as shown below:

<u>Age at Retirement</u>	<u>Duration of School Board's Contribution</u>
52 and younger	10 years
53	9 years
54	8 years
55 and older	7 years, but not past age 65

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013**Note 10-Other Post-Employment Benefits - Health Insurance: (continued)****C. Annual OPEB Cost and Net OPEB Obligation**

The School Board's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the School Board's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the School Board's net OPEB obligation:

	School Board
Annual required contribution	\$ 919,300
Interest on net OPEB obligation	26,067
Adjustment to annual required contribution	(27,539)
Annual OPEB cost (expense)	917,828
Contributions made	(911,500)
Increase in net OPEB obligation	6,328
Net OPEB obligation - beginning of year	744,764
Net OPEB obligation - end of year	\$ 751,092

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2011	\$ 776,280	76%	\$ 597,358
6/30/2012	798,606	82%	744,764
6/30/2013	917,828	99%	751,092

D. Funded Status and Funding Progress

As of June 30, 2013, the most recent actuarial valuation date, the actuarial accrued liabilities (AAL) were \$10,895,100, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$11,428,900, and ratio of the UAAL to the covered payroll was 95.33%.

Note 10-Other Post-Employment Benefits - Health Insurance: (continued)

D. Funded Status and Funding Progress (continued)

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 include assumptions about future employment, mortality, and the 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 multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

E. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan 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.

As of June 30, 2013, the most recent actuarial valuation date, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 3.5 percent investment rate of return and a 3.00% payroll growth rate per annum. An annual healthcare cost trend rate of 7.0 percent initially, graded to 4.8% over 70 years. Dental trend rates were held constant at 4.8 percent for all years. The UAAL is being amortized as a level percentage over the remaining amortization period, which at June 30, 2013, was 30 years.

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COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 11-Capital Assets:

Capital asset activity for the year ended June 30, 2013 was as follows:

Primary Government:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 3,303,570	\$ 551,328	\$ -	\$ 3,854,898
Construction in progress	7,147,108	6,256,913	-	13,404,021
Total capital assets not being depreciated	<u>\$ 10,450,678</u>	<u>\$ 6,808,241</u>	<u>\$ -</u>	<u>\$ 17,258,919</u>
Capital assets, being depreciated:				
Buildings and improvements	\$ 12,434,709	\$ -	\$ -	\$ 12,434,709
Machinery and equipment	3,588,538	37,258	-	3,625,796
Total capital assets being depreciated	<u>\$ 16,023,247</u>	<u>\$ 37,258</u>	<u>\$ -</u>	<u>\$ 16,060,505</u>
Less: accumulated depreciation for:				
Buildings and improvements	\$ (6,161,288)	\$ (152,227)	\$ -	\$ (6,313,515)
Machinery and equipment	(2,105,961)	(484,279)	-	(2,590,240)
Total accumulated depreciation	<u>\$ (8,267,249)</u>	<u>\$ (636,506)</u>	<u>\$ -</u>	<u>\$ (8,903,755)</u>
Total capital assets being depreciated, net	<u>\$ 7,755,998</u>	<u>\$ (599,248)</u>	<u>\$ -</u>	<u>\$ 7,156,750</u>
Governmental activities capital assets, net	<u><u>\$ 18,206,676</u></u>	<u><u>\$ 6,208,993</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 24,415,669</u></u>

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COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 11-Capital Assets: (continued)

Capital asset activity for the School Board for the year ended June 30, 2013 was as follows:

Discretely Presented Component Unit School Board:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 1,988,000	\$ -	\$ -	\$ 1,988,000
Capital assets, being depreciated:				
Buildings and improvements	\$ 6,027,801	\$ -	\$ -	\$ 6,027,801
Machinery and equipment	6,065,621	107,509	-	6,173,130
Total capital assets being depreciated	\$ 12,093,422	\$ 107,509	\$ -	\$ 12,200,931
Less: accumulated depreciation for:				
Buildings and improvements	\$ (4,630,064)	\$ (114,752)	\$ -	\$ (4,744,816)
Machinery and equipment	(4,254,529)	(342,945)	-	(4,597,474)
Total accumulated depreciation	\$ (8,884,593)	\$ (457,697)	\$ -	\$ (9,342,290)
Total capital assets being depreciated, net	\$ 3,208,829	\$ (350,188)	\$ -	\$ 2,858,641
Governmental activities capital assets, net	\$ 5,196,829	\$ (350,188)	\$ -	\$ 4,846,641

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

Governmental activities:

General government administration	\$ 92,608
Judicial administration	3,303
Public safety	283,723
Public works	67,294
Health and welfare	21,313
Education	153,693
Parks, recreation, and cultural	5,856
Community development	8,716

Total depreciation expense-governmental activities \$ 636,506

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 12-Risk Management:

The County and its component unit - School Board are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The County and its component unit - School Board participate with other localities in a public entity risk pool for their coverage of general liability and auto insurance with the Virginia Municipal Liability Pool. Each member of each of this risk pool jointly and severally agrees to assume, pay and discharge any liability. The County and its component unit - School Board pay the Virginia Municipal Group contributions and assessments based upon classification and rates into a designated cash reserve fund out of which expenses of the pool, claims and awards are to be paid. In the event of a loss deficit and depletion of all available excess insurance, the pool may assess all members in the proportion in which the premium of each bears to the total premiums of all members in the year in which such deficit occurs. The County and its component unit - School Board continue to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 13-Contingent Liabilities:

Federal programs in which the County and its component units 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 disallowances of current grant program expenditures, if any, would be immaterial.

Note 14-Surety Bonds:

Primary Government:

Fidelity & Deposit Company of Maryland-Surety:

Richard Edwards, Clerk of the Circuit Court	\$ 103,000
Danny Edwards, Treasurer	400,000
Mike Yates, Commissioner of the Revenue	3,000
Bobby Hammons, Sheriff	30,000
All constitutional officers' employees: blanket bond	50,000

VACo Insurance Programs

All County employees-blanket bond	\$ 250,000
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Hartford Insurance Company-Surety:

All Social Services employees-blanket bond	\$ 100,000
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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 14-Surety Bonds: (continued)

Component Unit - School Board:

Nationwide Insurance-Surety

Haydee Robinson, Superintendent	\$ 10,000
Reba McCowen, Clerk of the School Board	10,000
Monica Wright, Deputy Clerk of the School Board	10,000
All School Board employees: blanket bond	10,000

Note 15-Landfill Post Closure Care Cost:

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site after closure. The landfill has stopped accepting waste and \$353,582 is the total estimated post closure care liability at June 30, 2013. The liability represents what it cost to perform all post closure care in 2013. Actual costs post closure monitoring may change due to inflation, deflation, changes in technology or changes in regulations. The County uses the Commonwealth of Virginia's financial assurance mechanism to meet the Department of Environmental Quality's assurance requirements for landfill post closure costs.

The County has demonstrated financial assurance requirements for closure and post closure care and corrective action costs through the submission of a Local Government Financial Test to the Virginia Department of Environmental Quality in accordance with Section 9VAC20-70 of the Virginia Administrative Code.

Note 16-Unavailable Revenue:

Unavailable 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. Unavailable revenue totaling \$11,886,709 is comprised of the following:

Unavailable Property Tax Revenue - Unavailable revenue representing uncollected tax billings not available for funding of current expenditures totaled \$11,288,324 (including 2nd ½ tax billings of \$8,861,891 until December 5) at June 30, 2013.

Prepaid Property Taxes - Property taxes due subsequent to June 30, 2013 but paid in advance by the taxpayers totaled \$598,385 at June 30, 2013.

COUNTY OF DICKENSON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 17-Commitments and Contingencies:

The County entered into a construction contract with Branch & Associates, Inc. for the construction of the Ridgeview High School, Middle School, and Career Technical Center.

<u>Original Contract</u>	<u>Amount Paid As of 6/30/2013</u>	<u>Remaining Contract</u>	<u>Accounts Payable</u>	<u>Retainage Payable</u>
\$ 56,200,000	\$ 3,180,675	\$ 53,178,359	\$ 573,586	\$ 159,034

Note 18-Litigation:

At June 30, 2013, there were no matters of litigation involving the County or which would materially affect the County's financial position should any court decisions on pending matters not be favorable to the County.

Note 19-Adoption of Accounting Principles:

Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, Statement No. 63 of the Governmental Accounting Standards Board:

The County implemented the financial reporting provisions of the above Statement for the fiscal year ended June 30, 2013. This Statement provides guidance for reporting deferred inflows and deferred outflows of resources. The requirements of this Statement will improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on an entity's net position. With the implementation of this Statement, certain terminology has changed and financial statement descriptions have changed from "net assets" to "net position." The net equity reported in the financial statements was not changed as a result of implementing this Statement and no restatement of prior balances is required.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 19-Adoption of Accounting Principles: (continued)

Items Previously Reported as Assets and Liabilities, Statement No. 65 of the Governmental Accounting Standards Board:

The County implemented the financial reporting provisions of the above Statement for the fiscal year ended June 30, 2013. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The net equity reported in the financial statements was restated as a result of implementing this Statement.

Beginning balances have been restated from the prior financial report as noted below:

	<u>Governmental Activities</u>
Restatement of beginning position:	
Net position, as previously reported	\$ 19,820,969
Removal of bond issuance cost	(278,639)
Net position, as restated	<u>\$ 19,542,330</u>

Note 20-Upcoming Pronouncements:

The Governmental Accounting Standards Board has issued Statement No. 68, Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27. This Statement replaces the requirements of Statements No. 27 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of statements No. 27 and No. 50 remain applicable for pensions that are not administered as trusts or equivalent arrangements. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2014. The County has not determined the impact of this pronouncement on its financial statements.

Required Supplementary Information

County of Dickenson, Virginia
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
REVENUES				
General property taxes	\$ 10,916,950	\$ 10,916,950	\$ 12,669,532	\$ 1,752,582
Other local taxes	4,839,000	4,839,000	5,351,672	512,672
Permits, privilege fees, and regulatory licenses	20,000	20,000	12,822	(7,178)
Fines and forfeitures	41,950	41,950	35,276	(6,674)
Revenue from the use of money and property	13,000	13,000	7,151	(5,849)
Charges for services	599,552	599,552	2,161,472	1,561,920
Miscellaneous	10,000	10,000	-	(10,000)
Recovered costs	225,600	225,600	355,045	129,445
Intergovernmental revenues:				
Commonwealth	8,625,470	6,594,670	7,858,227	1,263,557
Federal	422,926	2,453,726	2,717,813	264,087
Total revenues	<u>\$ 25,714,448</u>	<u>\$ 25,714,448</u>	<u>\$ 31,169,010</u>	<u>\$ 5,454,562</u>
EXPENDITURES				
Current:				
General government administration	\$ 1,699,001	\$ 1,807,001	\$ 2,108,988	\$ (301,987)
Judicial administration	1,165,743	1,165,743	1,138,723	27,020
Public safety	4,629,704	4,168,155	4,652,216	(484,061)
Public works	2,583,453	2,659,474	2,800,774	(141,300)
Health and welfare	6,887,178	6,887,178	9,386,889	(2,499,711)
Education	6,468,641	6,205,717	6,414,416	(208,699)
Parks, recreation, and cultural	173,568	173,568	179,094	(5,526)
Community development	2,383,358	2,024,199	2,300,658	(276,459)
Debt service:				
Principal retirement	-	463,146	464,331	(1,185)
Interest and other fiscal charges	-	147,341	147,341	-
Total expenditures	<u>\$ 25,990,646</u>	<u>\$ 25,701,522</u>	<u>\$ 29,593,430</u>	<u>\$ (3,891,908)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (276,198)</u>	<u>\$ 12,926</u>	<u>\$ 1,575,580</u>	<u>\$ 1,562,654</u>
Net change in fund balances	\$ (276,198)	\$ 12,926	\$ 1,575,580	\$ 1,562,654
Fund balances - beginning	276,198	(12,926)	1,813,223	1,826,149
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,388,803</u>	<u>\$ 3,388,803</u>

County of Dickenson, Virginia
Special Revenue Fund-Coal Road Tax Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
REVENUES				
Other local taxes	\$ 3,667,000	\$ 3,667,000	\$ 4,157,867	\$ 490,867
Revenue from the use of money and property	5,000	5,000	62	(4,938)
Intergovernmental revenues:				
Commonwealth	-	-	1,082,893	1,082,893
Total revenues	<u>\$ 3,672,000</u>	<u>\$ 3,672,000</u>	<u>\$ 5,240,822</u>	<u>\$ 1,568,822</u>
EXPENDITURES				
Current:				
Public works	\$ 969,899	\$ 969,899	\$ 150,000	\$ 819,899
Community development	2,702,101	2,702,101	5,016,981	(2,314,880)
Total expenditures	<u>\$ 3,672,000</u>	<u>\$ 3,672,000</u>	<u>\$ 5,166,981</u>	<u>\$ (1,494,981)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,841</u>	<u>\$ 73,841</u>
Net change in fund balances	\$ -	\$ -	\$ 73,841	\$ 73,841
Fund balances - beginning	-	-	5,925,819	5,925,819
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,999,660</u>	<u>\$ 5,999,660</u>

County of Dickenson, Virginia
Schedules of Pension and OPEB Funding Progress
For the Year Ended June 30, 2013

Defined Benefit Plan:

Primary Government:

County Retirement Plan:

Actuarial Valuation as of	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (3) - (2)	Funded Ratio % (2) / (3)	Covered Payroll	UAAL as a % of Covered Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
June 20, 2012	\$ 19,096,070	\$ 26,416,424	\$ 7,320,354	72.29%	\$ 6,232,917	117.45%
June 20, 2011	19,088,437	25,026,322	5,937,885	76.27%	6,453,435	92.01%
June 30, 2010	18,526,595	24,133,581	5,606,986	76.77%	6,393,739	87.69%

Discretely Presented Component Unit:

School Board Non-Professional Retirement Plan

Actuarial Valuation as of	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (3) - (2)	Funded Ratio % (2) / (3)	Covered Payroll	UAAL as a % of Covered Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
June 30, 2012	\$ 5,434,255	\$ 11,635,919	\$ 6,201,664	46.70%	\$ 1,575,977	393.51%
June 30, 2011	5,753,733	11,521,286	5,767,553	49.94%	1,656,180	348.24%
June 30, 2010	5,795,039	11,633,528	5,838,489	49.81%	1,654,009	352.99%

Other Post-Employment Benefits (OPEB):

Discretely Presented Component Unit:

Post-Retirement Medical Plan:

Actuarial Valuation as of	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (3) - (2)	Funded Ratio % (2) / (3)	Covered Payroll	UAAL as a % of Covered Payroll (4) / (6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
June 30, 2013	\$ -	\$ 10,895,100	\$ 10,895,100	0.00%	\$ 11,428,900	95.33%
June 30, 2011	-	9,185,100	9,185,100	0.00%	13,464,900	68.22%
June 30, 2009	-	7,777,600	7,777,600	0.00%	14,359,100	54.16%

Other Supplementary Information

FIDUCIARY FUNDS

Special Welfare- The Special Welfare fund accounts for those funds belonging to individuals entrusted to the local social services agency, such as foster care children.

Town of Clinchco- The Town of Clinchco fund accounts for those funds collected by the County for the Town of Clinchco.

Town of Clintwood- The Town of Clintwood fund accounts for those funds collected by the County for the Town of Clintwood.

Town of Haysi- The Town of Haysi fund accounts for those funds collected by the County for the Town of Haysi.

Fringe Benefits- The Fringe Benefits fund accounts for the County employees' fringe benefits.

County of Dickenson, Virginia
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2013

Agency Funds						
	Special Welfare	Town of Clinchco	Town of Clintwood	Town of Haysi	Fringe Benefits	Total
ASSETS						
Cash and cash equivalents	9,747	\$ 5,654	\$ 19,996	\$ 7,724	\$ 84,167	\$ 127,288
Total assets	\$ 9,747	\$ 5,654	\$ 19,996	\$ 7,724	\$ 84,167	\$ 127,288
LIABILITIES						
Amounts held for social services clients	\$ 9,747	\$ -	\$ -	\$ -	\$ -	\$ 9,747
Amounts held for Town of Clinchco	-	5,654	-	-	-	5,654
Amounts held for Town of Clintwood	-	-	19,996	-	-	19,996
Amounts held for Town of Haysi	-	-	-	7,724	-	7,724
Amounts held for County employees' fringe benefits	-	-	-	-	84,167	84,167
Total liabilities	\$ 9,747	\$ 5,654	\$ 19,996	\$ 7,724	\$ 84,167	\$ 127,288

County of Dickenson, Virginia
Statement of Changes in Assets and Liabilities - Agency Funds
Fiduciary Funds
June 30, 2013

		Agency Funds				
	Special Welfare	Town of		Town of		Fringe Benefits
		Clinchco	Clintwood	Haysi		
ASSETS						Total
Beginning Balance	\$ 16,808	\$ 3,354	\$ 41,190	\$ 9,921	\$ 335	\$ 71,608
Additions	124,405	42,507	147,345	49,868	1,009,748	1,373,873
Deductions	(131,466)	(40,207)	(168,538)	(52,064)	(925,918)	(1,318,193)
Ending Balance	\$ 9,747	\$ 5,654	\$ 19,997	\$ 7,725	\$ 84,165	\$ 127,288
LIABILITIES						
Beginning Balance	\$ 16,808	\$ 3,354	\$ 41,190	\$ 9,921	\$ 335	\$ 71,608
Additions	124,405	42,507	147,345	49,868	1,009,748	1,373,873
Deductions	(131,466)	(40,207)	(168,538)	(52,064)	(925,918)	(1,318,193)
Ending Balance	\$ 9,747	\$ 5,654	\$ 19,997	\$ 7,725	\$ 84,165	\$ 127,288

DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD

MAJOR GOVERNMENTAL FUNDS

School Operating Fund - The School Operating Fund is a special revenue fund that accounts for the operations of the County's school system. Financing is provided by the State and Federal governments as well as contributions from the General Fund.

County of Dickenson, Virginia
Balance Sheet
Discretely Presented Component Unit - School Board
June 30, 2013

	School Operating <u>Fund</u>
ASSETS	
Cash and cash equivalents	\$ 2,753,220
Cash in custody of others	1,100
Due from other governmental units	759,217
Prepaid items	112,540
Total assets	<u>\$ 3,626,077</u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 333,398
Accrued liabilities	1,274,483
Due to primary government	1,958,197
Total liabilities	<u>\$ 3,566,078</u>
Fund balances:	
Nonspendable-Prepays	\$ 112,540
Unassigned	(52,541)
Total liabilities and fund balances	<u>\$ 3,626,077</u>
Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:	
Total fund balances per above	\$ 59,999
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Land	\$ 1,988,000
Buildings and system	1,282,985
Machinery and equipment	<u>1,575,656</u>
	4,846,641
Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.	
Compensated absences	\$ (1,119,940)
Net OPEB obligation	<u>(751,092)</u>
	(1,871,032)
Net position of governmental activities	<u>\$ 3,035,608</u>

County of Dickenson, Virginia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds - Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2013

	School Operating Fund
REVENUES	
Charges for services	\$ 394,794
Miscellaneous	343,341
Recovered costs	197,254
Intergovernmental revenues:	
Local government	6,345,775
Commonwealth	14,747,595
Federal	2,623,667
Total revenues	<u>\$ 24,652,426</u>
EXPENDITURES	
Current:	
Education	<u>\$ 24,592,427</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 59,999</u>
Fund balances - beginning	-
Fund balances - ending	<u><u>\$ 59,999</u></u>
Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:	
Net change in fund balances - total governmental funds - per above	\$ 59,999
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	
Capital outlays	\$ 107,509
Depreciation expense	<u>(457,697)</u> (350,188)
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 (increase) in compensated absences	\$ (10,039)
Decrease (increase) in net OPEB obligation	<u>(6,328)</u> (16,367)
Change in net position of governmental activities	<u><u>\$ (306,556)</u></u>

County of Dickenson, Virginia
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2013

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts			
	Original	Final	Actual	
REVENUES				
Revenue from the use of money and property	\$ 4,000	\$ 4,000	\$ -	\$ (4,000)
Charges for services	480,000	480,000	394,794	(85,206)
Miscellaneous	615,000	615,000	343,341	(271,659)
Recovered costs	150,000	150,000	197,254	47,254
Intergovernmental revenues:				
Local government	6,400,000	6,137,076	6,345,775	208,699
Commonwealth	14,886,279	14,639,052	14,747,595	108,543
Federal	3,106,959	3,106,959	2,623,667	(483,292)
Total revenues	\$ 25,642,238	\$ 25,132,087	\$ 24,652,426	\$ (479,661)
EXPENDITURES				
Current:				
Education	\$ 27,088,574	\$ 26,578,423	\$ 24,592,427	\$ 1,985,996
Excess (deficiency) of revenues over (under) expenditures	\$ (1,446,336)	\$ (1,446,336)	\$ 59,999	\$ 1,506,335
Net change in fund balances	\$ (1,446,336)	\$ (1,446,336)	\$ 59,999	\$ 1,506,335
Fund balances - beginning	1,506,336	1,506,336	-	(1,506,336)
Fund balances - ending	\$ 60,000	\$ 60,000	\$ 59,999	\$ (1)

Supporting Schedules

County of Dickenson, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2013

Schedule 1
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 7,839,402	\$ 7,839,402	\$ 8,473,576	\$ 634,174
Real and personal public service corporation taxes	365,000	365,000	562,989	197,989
Personal property taxes	1,128,048	1,128,048	1,404,378	276,330
Mobile home taxes	77,500	77,500	96,497	18,997
Machinery and tools taxes	1,300,000	1,300,000	1,783,397	483,397
Merchant's capital taxes	82,000	82,000	77,595	(4,405)
Penalties	45,000	45,000	77,729	32,729
Interest	80,000	80,000	193,371	113,371
Total general property taxes	<u>\$ 10,916,950</u>	<u>\$ 10,916,950</u>	<u>\$ 12,669,532</u>	<u>\$ 1,752,582</u>
Other local taxes:				
Local sales and use taxes	\$ 720,000	\$ 720,000	\$ 762,752	\$ 42,752
Consumers' utility taxes	326,000	326,000	324,681	(1,319)
Consumption taxes	61,000	61,000	63,099	2,099
Vehicle reg. withholding stops	15,000	15,000	18,660	3,660
Tax on deeds	35,000	35,000	22,318	(12,682)
Hotel and motel room taxes	15,000	15,000	2,295	(12,705)
Gas severance taxes	500,000	500,000	892,819	392,819
Coal severance taxes	3,167,000	3,167,000	3,265,048	98,048
Total other local taxes	<u>\$ 4,839,000</u>	<u>\$ 4,839,000</u>	<u>\$ 5,351,672</u>	<u>\$ 512,672</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 3,000	\$ 3,000	\$ 1,482	\$ (1,518)
Building permits	17,000	17,000	11,340	(5,660)
Total permits, privilege fees, and regulatory licenses	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 12,822</u>	<u>\$ (7,178)</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 41,950	\$ 41,950	\$ 35,276	\$ (6,674)
Revenue from use of money and property:				
Revenue from use of money	\$ 5,500	\$ 5,500	\$ 3,996	\$ (1,504)
Revenue from use of property	7,500	7,500	3,155	(4,345)
Total revenue from use of money and property	<u>\$ 13,000</u>	<u>\$ 13,000</u>	<u>\$ 7,151</u>	<u>\$ (5,849)</u>
Charges for services:				
Charges for law enforcement and traffic control	\$ 5,732	\$ 5,732	\$ 22,525	\$ 16,793
Document production costs	4,000	4,000	4,882	882
Charges for Commonwealth's Attorney	1,000	1,000	1,296	296
Solid waste tipping fees	210,500	210,500	354,557	144,057
DCWIN user fees	280,820	280,820	390,443	109,623
Cell tower fees	-	-	29,990	29,990
Charges for law library	-	-	1,248	1,248
Charges for parks and recreation	7,500	7,500	15,407	7,907
Charges for behavioral health services	-	-	1,283,941	1,283,941
Charges for office on youth	90,000	90,000	57,183	(32,817)
Total charges for services	<u>\$ 599,552</u>	<u>\$ 599,552</u>	<u>\$ 2,161,472</u>	<u>\$ 1,561,920</u>

County of Dickenson, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2013

Schedule 1
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Miscellaneous revenue:				
Miscellaneous	\$ 10,000	\$ 10,000	\$ -	\$ (10,000)
Recovered costs:				
Regional jails	\$ 76,270	\$ 76,270	\$ -	\$ (76,270)
Engineering reimbursement	-	-	38,231	38,231
DUI Restitution payments	-	-	8,326	8,326
VPA refunds/recoveries	70,000	70,000	142,442	72,442
Health insurance reimbursement	59,680	59,680	74,791	15,111
Expenditure refunds	-	-	13,890	13,890
Health department rental	7,150	7,150	7,150	-
Other recovered costs	12,500	12,500	70,215	57,715
Total recovered costs	\$ 225,600	\$ 225,600	\$ 355,045	\$ 129,445
Total revenue from local sources	\$ 16,666,052	\$ 16,666,052	\$ 20,592,970	\$ 3,926,918
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carriers' tax	\$ 100,000	\$ 100,000	\$ 228,233	\$ 128,233
Mobile home titling tax	100,000	100,000	69,852	(30,148)
State recordation tax	10,000	10,000	7,807	(2,193)
Grantor's tax	5,000	5,000	8,949	3,949
Personal property tax relief funds	817,952	817,952	817,952	-
Communications tax	600,000	600,000	504,744	(95,256)
Total noncategorical aid	\$ 1,632,952	\$ 1,632,952	\$ 1,637,537	\$ 4,585
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 181,004	\$ 181,004	\$ 179,597	\$ (1,407)
Sheriff	969,173	969,173	919,100	(50,073)
Commissioner of revenue	104,978	104,978	106,190	1,212
Treasurer	91,078	91,078	87,855	(3,223)
Registrar/electoral board	34,616	34,616	35,212	596
Clerk of the Circuit Court	188,591	188,591	239,713	51,122
Amounts returned to the Commonwealth	-	-	(111,299)	(111,299)
Total shared expenses	\$ 1,569,440	\$ 1,569,440	\$ 1,456,368	\$ (113,072)
Other categorical aid:				
Comprehensive services act	\$ 925,938	\$ 925,938	\$ 875,350	\$ (50,588)
Public assistance and welfare administration	4,289,140	2,258,340	1,812,376	(445,964)
Department of environmental quality	25,000	25,000	19,179	(5,821)
Litter control grant	7,000	7,000	9,745	2,745
Commission for the arts	5,000	5,000	-	(5,000)
Fire program	36,000	36,000	-	(36,000)
Virginia housing authority	80,000	80,000	85,372	5,372

County of Dickenson, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2013

Schedule 1
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
Other categorical aid: (Continued)				
Grants to localities	\$ -	\$ -	\$ 1,575,926	\$ 1,575,926
State health department - four for life	-	-	14,608	14,608
Criminal justice grant	-	-	29,075	29,075
Special welfare - foster care	-	-	5,295	5,295
State and local foster care	-	-	2,888	2,888
VITA grant	-	-	229,251	229,251
Reduction in state aid	-	-	624	624
E-911 regional ID grant	-	-	58,395	58,395
Wireless E-911 services	55,000	55,000	46,238	(8,762)
Total other categorical aid	\$ 5,423,078	\$ 3,392,278	\$ 4,764,322	\$ 1,372,044
Total categorical aid	\$ 6,992,518	\$ 4,961,718	\$ 6,220,690	\$ 1,258,972
Total revenue from the Commonwealth	\$ 8,625,470	\$ 6,594,670	\$ 7,858,227	\$ 1,263,557
Revenue from the federal government:				
Payments in lieu of taxes	\$ -	\$ -	\$ 26,881	\$ 26,881
Categorical aid:				
Public assistance and welfare administration	\$ -	\$ 2,030,800	\$ 2,030,800	\$ -
Comprehensive services act	-	-	95,634	95,634
Corps of engineers	29,968	29,968	30,712	744
DMV grants	12,000	12,000	4,973	(7,027)
Emergency Management	-	-	5,000	5,000
Cranesnest River Trail	283,347	283,347	523,813	240,466
Haysi Breaks Trail	97,611	97,611	-	(97,611)
Total categorical aid	\$ 422,926	\$ 2,453,726	\$ 2,690,932	\$ 237,206
Total revenue from the federal government	\$ 422,926	\$ 2,453,726	\$ 2,717,813	\$ 264,087
Total General Fund	\$ 25,714,448	\$ 25,714,448	\$ 31,169,010	\$ 5,454,562

County of Dickenson, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2013

Schedule 1
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Special Revenue Fund:				
Coal Road Tax Fund:				
Revenue from local sources:				
Other local taxes:				
Coal road improvement taxes	\$ 3,167,000	\$ 3,167,000	\$ 3,265,048	\$ 98,048
Gas severance taxes	500,000	500,000	892,819	392,819
Total other local taxes	<u>\$ 3,667,000</u>	<u>\$ 3,667,000</u>	<u>\$ 4,157,867</u>	<u>\$ 490,867</u>
Revenue from use of money and property:				
Revenue from the use of money	\$ 5,000	\$ 5,000	\$ 62	\$ (4,938)
Total revenue from local sources	<u>\$ 3,672,000</u>	<u>\$ 3,672,000</u>	<u>\$ 4,157,929</u>	<u>\$ 485,929</u>
Revenue from the Commonwealth:				
Noncategorical aid:				
VDOT revenue sharing reimbursement	\$ -	\$ -	\$ 1,082,893	\$ 1,082,893
Total Coal Road Tax Fund	<u>\$ 3,672,000</u>	<u>\$ 3,672,000</u>	<u>\$ 5,240,822</u>	<u>\$ 1,568,822</u>
Capital Projects Fund:				
School Construction Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 25,116	\$ 25,116
Intergovernmental Revenues:				
Revenue from the federal government:				
Categorical aid:				
QSCB	\$ -	\$ -	\$ 602,485	\$ 602,485
USACE	-	-	5,526,523	5,526,523
Total categorical aid	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,129,008</u>	<u>\$ 6,129,008</u>
Total School Construction Projects Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,154,124</u>	<u>\$ 6,154,124</u>
Total Primary Government	<u>\$ 29,386,448</u>	<u>\$ 29,386,448</u>	<u>\$ 42,563,956</u>	<u>\$ 13,177,508</u>

County of Dickenson, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2013

Schedule 1
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 4,000	\$ 4,000	\$ -	\$ (4,000)
Charges for services:				
Cafeteria charges	\$ 480,000	\$ 480,000	\$ 394,794	\$ (85,206)
Miscellaneous revenue:				
Other miscellaneous	\$ 615,000	\$ 615,000	\$ 343,341	\$ (271,659)
Recovered costs:				
Other recovered costs	\$ 150,000	\$ 150,000	\$ 197,254	\$ 47,254
Total revenue from local sources	\$ 1,249,000	\$ 1,249,000	\$ 935,389	\$ (313,611)
Revenues from local governments:				
Contribution from County of Dickenson, Virginia	\$ 6,400,000	\$ 6,137,076	\$ 6,345,775	\$ 208,699
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 2,213,181	\$ 2,229,930	\$ 2,205,174	\$ (24,756)
Basic school aid	7,648,087	7,528,439	7,518,338	(10,101)
Remedial summer education	23,267	35,401	16,569	(18,832)
Regular foster care	30,975	11,351	7,346	(4,005)
ISAP	7,859	7,859	7,859	-
IT academy model	-	-	2,700	2,700
Retirement inflation preschool	110,612	110,612	110,612	-
Expanded GED payments	-	-	706	706
Gifted and talented	78,880	77,985	77,900	(85)
Remedial education	291,514	288,207	287,890	(317)
Special education	811,094	801,893	801,012	(881)
Textbook payment	153,868	152,122	151,955	(167)
Vocational standards of quality payments	603,605	596,758	596,102	(656)
CTE adult education	-	-	2,477	2,477
Social security fringe benefits	504,147	498,428	497,880	(548)
Retirement fringe benefits	840,245	830,714	829,801	(913)
Early reading intervention	72,134	46,538	46,538	-
Homebound education	15,786	13,181	13,181	-
Group life insurance instructional	30,866	11,684	30,482	18,798
Adult literacy	3,976	3,976	-	(3,976)
Vocational education - occup/tech	31,275	33,251	24,435	(8,816)
Vocational education - equipment	-	-	5,390	5,390
School breakfast incentive	10,862	9,026	9,026	-
School food	15,621	15,814	15,814	-

County of Dickenson, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2013

Schedule 1
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Revenue from the Commonwealth: (continued)				
Categorical aid: (continued)				
Industry certification	\$ 4,200	\$ 4,200	\$ 2,660	\$ (1,540)
Special education - foster children	-	-	4,005	4,005
At risk payments	315,573	312,142	311,528	(614)
Project graduation	100,000	100,000	124,575	24,575
Primary class size	369,882	349,523	349,523	-
Technology	258,000	232,000	258,000	26,000
VCU math in elementary school	60,000	60,000	60,000	-
Standards of Learning algebra readiness	40,553	38,116	38,116	-
Mentor teacher program	2,424	2,208	2,208	-
Adademy grants	-	-	100,000	100,000
Epipen grants	788	689	788	99
VA preschool initiative	237,005	237,005	237,005	-
Total categorical aid	<u>\$ 14,886,279</u>	<u>\$ 14,639,052</u>	<u>\$ 14,747,595</u>	<u>\$ 108,543</u>
Total revenue from the Commonwealth	<u>\$ 14,886,279</u>	<u>\$ 14,639,052</u>	<u>\$ 14,747,595</u>	<u>\$ 108,543</u>
Revenue from the federal government:				
Categorical aid:				
Title I	\$ 1,134,765	\$ 1,134,765	\$ 742,762	\$ (392,003)
Title VI-B, special education flow-through	773,866	773,866	657,575	(116,291)
Vocational education	68,926	68,926	51,226	(17,700)
Title VI-B, special education pre-school	-	-	60,594	60,594
Title II, part A	248,805	248,805	190,298	(58,507)
School breakfast program	218,000	218,000	198,870	(19,130)
School lunch program	560,000	560,000	550,138	(9,862)
School food commodities	-	-	85,636	85,636
Summer school food	2,000	2,000	-	(2,000)
Federal reserve	23,000	23,000	13,115	(9,885)
Federal leasing of land payments	5,000	5,000	856	(4,144)
Rural and low income schools	62,412	62,412	62,412	-
ARRA - Education jobs fund	10,185	10,185	10,185	-
Total categorical aid	<u>\$ 3,106,959</u>	<u>\$ 3,106,959</u>	<u>\$ 2,623,667</u>	<u>\$ (483,292)</u>
Total revenue from the federal government	<u>\$ 3,106,959</u>	<u>\$ 3,106,959</u>	<u>\$ 2,623,667</u>	<u>\$ (483,292)</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 25,642,238</u>	<u>\$ 25,132,087</u>	<u>\$ 24,652,426</u>	<u>\$ (479,661)</u>

County of Dickenson, Virginia
Schedule of Expenditures - Budget and Actual
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For the Year Ended June 30, 2013

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<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 100,739	\$ 102,739	\$ 284,028	\$ (181,289)
General and financial administration:				
County administrator	\$ 305,438	\$ 405,438	\$ 333,250	\$ 72,188
Audit services	56,850	56,850	60,350	(3,500)
Legal services	60,500	60,500	24,460	36,040
Commissioner of revenue	418,729	418,729	404,853	13,876
Reassessment	22,351	22,351	256,501	(234,150)
Treasurer	325,527	331,527	335,874	(4,347)
IT/Mapping/Data processing	223,887	223,887	233,756	(9,869)
Total general and financial administration	\$ 1,413,282	\$ 1,519,282	\$ 1,649,044	\$ (129,762)
Board of elections:				
Registrar	\$ 131,919	\$ 131,919	\$ 129,691	\$ 2,228
Electoral board and officials	53,061	53,061	46,225	6,836
Total board of elections	\$ 184,980	\$ 184,980	\$ 175,916	\$ 9,064
Total general government administration	\$ 1,699,001	\$ 1,807,001	\$ 2,108,988	\$ (301,987)
Judicial administration:				
Courts:				
Circuit court	\$ 208,229	\$ 208,229	\$ 188,363	\$ 19,866
General district court	17,339	17,339	15,790	1,549
Special magistrates	7,500	7,500	5,071	2,429
Juvenile court services	70,860	70,860	70,614	246
Office on youth	116,770	116,770	93,731	23,039
Law library	14,000	14,000	19,290	(5,290)
Clerk of the circuit court	370,501	370,501	368,705	1,796
Total courts	\$ 805,199	\$ 805,199	\$ 761,564	\$ 43,635
Commonwealth's attorney:				
Commonwealth's attorney	\$ 360,544	\$ 360,544	\$ 377,159	\$ (16,615)
Total judicial administration	\$ 1,165,743	\$ 1,165,743	\$ 1,138,723	\$ 27,020
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 1,776,745	\$ 1,867,083	\$ 1,811,337	\$ 55,746
Fire and rescue services:				
Volunteer fire and rescue	\$ 395,842	\$ 270,006	\$ 258,451	\$ 11,555
E-911 Fund	986,002	696,878	1,130,313	(433,435)
DCWIN	433,987	297,060	341,510	(44,450)
Total fire and rescue services	\$ 1,815,831	\$ 1,263,944	\$ 1,730,274	\$ (466,330)
Correction and detention:				
SWVa Regional Jail Authority	\$ 764,851	\$ 764,851	\$ 854,019	\$ (89,168)

County of Dickenson, Virginia
Schedule of Expenditures - Budget and Actual
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For the Year Ended June 30, 2013

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<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Public safety: (Continued)				
Inspections:				
Building	\$ 118,802	\$ 118,802	\$ 115,814	\$ 2,988
Other protection:				
Animal warden	\$ 138,439	\$ 138,439	\$ 125,133	\$ 13,306
Emergency management	15,036	15,036	15,639	(603)
Total other protection	\$ 153,475	\$ 153,475	\$ 140,772	\$ 12,703
Total public safety	\$ 4,629,704	\$ 4,168,155	\$ 4,652,216	\$ (484,061)
Public works:				
Sanitation and waste removal:				
Refuse collection and disposal	\$ 1,843,407	\$ 1,760,907	\$ 1,782,464	\$ (21,557)
Litter control	166,563	166,563	154,582	11,981
Total sanitation and waste removal	\$ 2,009,970	\$ 1,927,470	\$ 1,937,046	\$ (9,576)
Maintenance of general buildings and grounds:				
General properties	\$ 340,512	\$ 499,033	\$ 625,825	\$ (126,792)
Engineering	232,971	232,971	237,903	(4,932)
Total maintenance of general buildings and grounds	\$ 573,483	\$ 732,004	\$ 863,728	\$ (131,724)
Total public works	\$ 2,583,453	\$ 2,659,474	\$ 2,800,774	\$ (141,300)
Health and welfare:				
Health:				
Supplement of local health department	\$ 258,788	\$ 258,788	\$ 256,194	\$ 2,594
Mental health and mental retardation:				
Community services board	\$ 138,000	\$ 138,000	\$ 2,868,995	\$ (2,730,995)
Welfare:				
Public assistance and welfare administration	\$ 6,307,962	\$ 4,964,709	\$ 4,586,717	\$ 377,992
Comprehensive services board	-	1,343,253	1,507,829	(164,576)
Senior citizens	65,188	65,188	56,063	9,125
Rental assistance	117,240	117,240	111,091	6,149
Total welfare	\$ 6,490,390	\$ 6,490,390	\$ 6,261,700	\$ 228,690
Total health and welfare	\$ 6,887,178	\$ 6,887,178	\$ 9,386,889	\$ (2,499,711)
Education:				
Other instructional costs:				
Community colleges	\$ 68,641	\$ 68,641	\$ 68,641	\$ -
Contribution to County School Board	6,400,000	6,137,076	6,345,775	(208,699)
Total education	\$ 6,468,641	\$ 6,205,717	\$ 6,414,416	\$ (208,699)

County of Dickenson, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2013

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<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Parks, recreation, and cultural:				
Parks and recreation:				
Recreational	\$ 66,000	\$ 66,000	\$ 72,582	\$ (6,582)
Swimming pool	49,314	49,314	50,627	(1,313)
Tourism	58,254	58,254	55,885	2,369
Total parks and recreation	<u>\$ 173,568</u>	<u>\$ 173,568</u>	<u>\$ 179,094</u>	<u>\$ (5,526)</u>
Total parks, recreation, and cultural	<u>\$ 173,568</u>	<u>\$ 173,568</u>	<u>\$ 179,094</u>	<u>\$ (5,526)</u>
Community development:				
Planning and community development:				
Planning and community development	\$ 177,300	\$ 177,300	\$ 184,516	\$ (7,216)
Non-Departmental	429,159	-	-	-
Regional Planning	337,683	337,683	341,639	(3,956)
Education and Research Center	94,745	94,745	82,687	12,058
Haysi/Breaks Trail	237,175	237,175	594,927	(357,752)
Industrial Development Authority/Economic Development Corp.	1,023,531	1,093,531	1,036,726	56,805
Total planning and community development	<u>\$ 2,299,593</u>	<u>\$ 1,940,434</u>	<u>\$ 2,240,495</u>	<u>\$ (300,061)</u>
Cooperative extension program:				
Extension office	\$ 83,765	\$ 83,765	\$ 60,163	\$ 23,602
Total community development	<u>\$ 2,383,358</u>	<u>\$ 2,024,199</u>	<u>\$ 2,300,658</u>	<u>\$ (276,459)</u>
Debt service:				
Principal retirement	\$ -	\$ 463,146	\$ 464,331	\$ (1,185)
Interest and other fiscal charges	-	147,341	147,341	-
Total debt service	<u>\$ -</u>	<u>\$ 610,487</u>	<u>\$ 611,672</u>	<u>\$ (1,185)</u>
Total General Fund	<u>\$ 25,990,646</u>	<u>\$ 25,701,522</u>	<u>\$ 29,593,430</u>	<u>\$ (3,891,908)</u>
Special Revenue Fund:				
Coal Road Tax Fund:				
Public Works:				
Maintenance of Highways, Streets and Bridges:				
Road improvements	\$ 969,899	\$ 969,899	\$ 150,000	\$ 819,899
Total public works	<u>\$ 969,899</u>	<u>\$ 969,899</u>	<u>\$ 150,000</u>	<u>\$ 819,899</u>
Community Development:				
Planning and Community Development:				
Coalfield Economic Development	\$ 1,013,600	\$ 1,013,600	\$ 1,301,119	\$ (287,519)
Revenue sharing matching	1,000,001	1,000,001	2,992,709	(1,992,708)
Contribution to Public Service Authority	688,500	688,500	723,153	(34,653)
Total planning and community development	<u>\$ 2,702,101</u>	<u>\$ 2,702,101</u>	<u>\$ 5,016,981</u>	<u>\$ (2,314,880)</u>
Total community development	<u>\$ 2,702,101</u>	<u>\$ 2,702,101</u>	<u>\$ 5,016,981</u>	<u>\$ (2,314,880)</u>
Total Coal Road Tax Fund	<u>\$ 3,672,000</u>	<u>\$ 3,672,000</u>	<u>\$ 5,166,981</u>	<u>\$ (1,494,981)</u>

County of Dickenson, Virginia
Schedule of Expenditures - Budget and Actual
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For the Year Ended June 30, 2013

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<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Capital Projects Fund:				
School Construction Projects Fund:				
Capital Projects:				
Capital projects expenditures:				
School Construction	\$ -	\$ -	\$ 5,973,973	\$ (5,973,973)
Legal Fees	-	-	179,378	(179,378)
Miscellaneous Expenditures	-	-	19,486	(19,486)
Total capital projects	\$ -	\$ -	\$ 6,172,837	\$ (6,172,837)
Debt service:				
Principal retirement	\$ -	\$ -	\$ 385,000	\$ (385,000)
Interest and other fiscal charges	-	-	754,500	(754,500)
Total debt service	\$ -	\$ -	\$ 1,139,500	\$ (1,139,500)
Total School Construction Projects Fund	\$ -	\$ -	\$ 7,312,337	\$ (7,312,337)
Total Primary Government	\$ 29,662,646	\$ 29,373,522	\$ 42,072,748	\$ (12,699,226)
Discretely Presented Component Unit - School Board				
School Operating Fund:				
Education:				
Administration of schools:				
Administration and health	\$ 1,885,189	\$ 1,885,189	\$ 1,882,317	\$ 2,872
Instruction costs:				
Instruction	\$ 17,296,635	\$ 17,049,408	\$ 16,142,820	\$ 906,588
Operating costs:				
Pupil transportation	\$ 2,253,465	\$ 2,253,465	\$ 1,884,666	\$ 368,799
Operation and maintenance of school plant	3,205,176	2,942,252	2,414,695	527,557
School food and other non-instructional costs	1,896,037	1,896,037	1,749,433	146,604
Technology	552,072	552,072	518,496	33,576
Total operating costs	\$ 7,906,750	\$ 7,643,826	\$ 6,567,290	\$ 1,076,536
Total education	\$ 27,088,574	\$ 26,578,423	\$ 24,592,427	\$ 1,985,996
Total School Operating Fund	\$ 27,088,574	\$ 26,578,423	\$ 24,592,427	\$ 1,985,996
Total Discretely Presented Component Unit - School Board	\$ 27,088,574	\$ 26,578,423	\$ 24,592,427	\$ 1,985,996

Other Statistical Information

Table 1

County of Dickenson, Virginia
Government-wide Expenses by Function
Last Ten Fiscal Years

Fiscal Year	General		Judicial Administration	Public Safety	Public Works	Health and Welfare	Education	Parks, Recreation, and Cultural	Community Development	Interest on Long- Term Debt	Total									
	Government Administration																			
2012-13	\$	2,050,009	\$	1,138,929	\$	4,885,973	\$	3,022,683	\$	9,254,319	\$	6,766,973	\$	185,519	\$	6,453,207	\$	888,962	\$	34,646,574
2011-12		2,008,466		1,025,378		5,115,076		2,720,172		9,124,993		7,425,648		107,046		6,201,727		163,515		33,892,021
2010-11		1,763,110		1,074,443		3,686,694		3,372,252		8,674,918		6,197,020		571,735		5,607,673		190,910		31,138,755
2009-10		1,787,393		1,109,611		3,505,608		2,563,389		8,756,538		6,335,489		513,311		7,059,122		118,545		31,749,006
2008-09		1,799,477		957,871		3,910,141		2,804,944		5,174,372		7,058,251		501,388		6,139,085		240,406		28,585,935
2007-08		1,703,149		912,606		3,995,130		4,441,749		5,444,737		8,735,154		463,367		5,307,833		128,391		31,132,116
2006-07		1,501,542		850,347		3,537,314		2,641,070		5,211,236		5,880,047		457,546		3,201,093		68,026		23,348,221
2005-06		1,786,331		849,373		4,691,276		4,107,375		6,635,722		7,186,784		357,787		2,985,691		95,667		28,696,006
2004-05		1,363,560		772,003		3,913,522		2,710,489		6,613,972		4,790,114		387,081		2,539,694		96,111		23,186,546
2003-04		1,187,527		711,957		3,860,851		2,670,881		6,820,211		5,844,415		349,081		2,215,918		78,457		23,739,298

Table 2

County of Dickenson, Virginia
Government-wide Revenues
Last Ten Fiscal Years

Fiscal Year	PROGRAM REVENUES				GENERAL REVENUES						Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs		
2012-13	\$ 2,209,570	\$ 8,880,910	\$ 6,159,720	\$	11,906,790	\$ 9,509,539	\$ 32,329	\$ -	2,747,311	\$	41,446,169
2011-12	1,979,393	8,482,260	27,629		14,237,747	10,898,718	15,874	159,191	1,493,178		37,293,990
2010-11	2,039,718	7,729,598	167,311		8,849,635	10,745,737	33,382	225,498	1,586,883		31,377,762
2009-10	1,909,470	7,837,433	2,222,045		9,495,473	8,804,909	30,472	261,355	1,198,714		31,759,871
2008-09	283,173	5,814,889	200,367		8,384,400	13,453,817	47,889	404,828	1,094,113		29,683,476
2007-08	238,467	5,967,611	268,364		8,204,925	12,994,102	77,032	418,645	1,097,572		29,266,718
2006-07	141,089	5,378,433	-		6,965,778	11,208,523	171,437	260,260	1,724,980		25,850,500
2005-06	1,256,694	6,416,389	6,500		6,352,073	10,359,744	98,164	385,927	1,853,132		26,728,623
2004-05	1,046,391	6,595,296	22,926		7,147,156	7,673,572	25,298	415,021	1,299,746		24,225,406
2003-04	1,001,257	7,358,147	1,447,745		6,472,585	6,653,364	16,946	351,639	1,062,561		24,364,244

Table 3

County of Dickenson, Virginia
General Governmental Expenditures by Function (1)
Last Ten Fiscal Years

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (2)	Parks, Recreation, and Cultural	Community Development	Debt Service	Total
2012-13	\$ 2,108,988	\$ 1,138,723	\$ 4,652,216	\$ 2,950,774	\$ 9,386,889	\$ 24,661,068	\$ 179,094	\$ 7,317,639	\$ 1,751,172	\$ 54,146,563
2011-12	2,051,549	1,078,131	5,171,970	2,641,301	9,243,690	26,973,108	223,472	6,887,222	820,845	55,091,288
2010-11	1,771,524	1,069,006	4,946,091	3,254,042	8,697,353	26,503,176	568,027	5,571,076	820,393	53,200,688
2009-10	1,741,323	1,107,320	3,852,444	2,551,751	8,627,325	27,463,325	511,050	7,090,497	872,769	53,817,804
2008-09	1,657,821	965,283	3,772,252	2,692,577	5,474,083	27,983,215	496,678	6,121,357	867,396	50,030,662
2007-08	1,739,566	913,816	3,961,686	4,855,519	5,512,456	29,152,214	476,082	5,230,753	725,928	52,568,020
2006-07	1,394,588	846,594	3,438,152	2,659,827	5,221,693	26,825,710	456,225	3,194,739	546,549	44,584,077
2005-06	1,834,513	837,090	4,728,723	3,939,020	6,628,785	23,957,556	356,466	3,220,288	490,125	45,992,566
2004-05	1,433,634	760,972	4,260,097	2,706,406	6,564,503	22,444,690	385,760	2,540,003	462,709	41,558,774
2003-04	1,177,758	700,128	4,128,007	2,620,013	6,905,504	22,443,400	347,760	2,292,066	672,774	41,287,410

(1) Includes General, Special Revenue, and Capital Project funds of the Primary Government and its Discretely Presented Component Units.

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

Table 4

County of Dickenson, Virginia
General Governmental Revenues by Source (1)
Last Ten Fiscal Years

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the		Charges for Services	Miscellaneous & Recovered Costs	Inter-governmental (2)	Total
					Use of Money and Property					
2012-13	\$ 12,669,532	\$ 9,509,539	\$ 12,822	\$ 35,276	\$ 32,329	\$ 2,556,266	\$ 895,640	\$ 35,159,203	\$ 60,870,607	
2011-12	13,263,990	10,898,718	21,775	34,191	17,635	2,388,527	1,721,130	29,327,199	57,673,165	
2010-11	9,079,109	10,745,737	16,255	42,244	34,916	2,430,762	1,825,055	28,948,570	53,122,648	
2009-10	9,128,477	8,804,909	18,382	41,078	36,789	2,277,014	990,554	30,520,082	51,817,285	
2008-09	8,201,918	13,453,817	15,472	22,228	63,503	1,304,850	629,220	28,589,816	52,280,824	
2007-08	8,109,308	12,994,102	17,547	49,511	113,744	1,023,583	691,465	26,695,030	49,694,290	
2006-07	7,473,706	11,208,523	108,403	21,576	209,813	1,025,199	520,266	26,038,913	46,606,399	
2005-06	6,759,485	10,359,744	64,726	1,270	128,110	2,001,178	910,721	24,982,136	45,207,370	
2004-05	6,348,150	7,673,572	34,656	215	30,217	1,574,485	1,386,627	24,640,601	41,688,523	
2003-04	6,686,416	6,653,364	87,042	666	17,905	1,312,310	1,099,010	24,744,346	40,601,059	

(1) Includes General, Special Revenue, and Capital Project funds of the Primary Government and its Discretely Presented Component Units.

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

Table 5

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

Fiscal Year	Total Tax Levy (1)	Current Tax Collections (1)	Percent of Levy Collected	Delinquent Tax Collections (1)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1)	Percent of Delinquent Taxes to Tax Levy
2012-13	\$ 12,457,549	\$ 12,299,417	98.73%	\$ 916,967	\$ 13,216,384	106.09%	\$ 2,713,540	21.78%
2011-12	10,894,220	9,135,852	83.86%	1,957,654	11,093,506	101.83%	5,146,710	47.24%
2010-11	9,359,592	8,747,619	93.46%	194,387	8,942,006	95.54%	5,367,481	57.35%
2009-10	9,050,359	8,631,704	95.37%	363,287	8,994,991	99.39%	2,069,958	22.87%
2008-09	9,313,787	8,891,496	95.47%	128,374	9,019,870	96.84%	1,525,225	16.38%
2007-08	8,815,450	8,517,421	96.62%	280,676	8,798,097	99.80%	2,121,451	24.07%
2006-07	8,299,829	7,696,352	92.73%	449,969	8,146,321	98.15%	1,853,714	22.33%
2005-06	7,932,216	6,994,396	88.18%	485,252	7,479,648	94.29%	2,089,333	26.34%
2004-05	7,325,432	6,824,842	93.17%	212,532	7,037,374	96.07%	2,073,197	28.30%
2003-04	7,463,604	6,791,794	91.00%	507,204	7,298,998	97.79%	2,172,830	29.11%

(1) Exclusive of penalties and interest.

Table 6

County of Dickenson, Virginia
Assessed Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Estate (1)	Personal Property and Mobile Homes	Machinery and Tools	Merchant's Capital	Public Utility (2)			Total
					Real Estate	Real Estate	Personal Property	
2012-13	\$ 1,467,556,192	\$ 150,444,999	\$ 100,668,822	\$ 728,086	\$ 105,721,465	\$ 249,781	\$ 1,825,369,345	
2011-12	1,427,628,192	120,235,607	82,207,942	792,469	61,196,373	169,334	1,692,229,917	
2010-11	1,093,381,069	128,742,527	65,275,601	822,585	61,015,901	181,474	1,349,419,157	
2009-10	1,069,562,685	113,496,700	65,964,070	671,287	65,016,120	144,107	1,314,854,969	
2008-09	970,579,579	125,410,393	59,682,284	883,644	64,133,685	141,025	1,220,830,610	
2007-08	911,733,593	123,235,367	52,816,288	906,980	66,060,474	142,983	1,154,895,685	
2006-07	882,861,410	119,050,605	40,309,232	868,957	63,627,112	171,367	1,106,888,683	
2005-06	873,938,794	117,929,124	27,825,557	762,586	52,780,901	146,699	1,073,383,661	
2004-05	800,535,106	114,581,205	24,523,736	751,678	56,764,786	194,749	997,351,260	
2003-04	772,253,199	113,469,941	31,382,419	952,635	93,219,669	894,777	1,012,172,640	

(1) Real estate is assessed at 100% of fair market value.

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

Table 7

County of Dickenson, Virginia
Property Tax Rates (1)
Last Ten Fiscal Years

Fiscal Year	Real Estate	Personal Property (2)	Machinery and Tools (2)	Merchant's Capital
2012-13	\$ 0.60	1.69	\$ 1.69	\$ 10.50
2011-12	0.60	1.69	1.69	10.50
2010-11	0.60	1.69	1.69	10.50
2009-10	0.60	1.69	1.69	10.50
2008-09	0.60	1.69	1.69	10.50
2007-08	0.60	1.69	1.69	10.50
2006-07	0.60	1.69	1.69	10.50
2005-06	0.60	1.59	1.59	10.50
2004-05	0.60	1.59	1.59	10.50
2003-04	0.60	1.59	1.59	10.50

(1) Per \$100 of assessed value.

(2) Personal property taxes are assessed at 100% of fair market value.

Table 8

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

Fiscal Year	Population (1)	Assessed Value (in thousands) (2)	Gross Bonded Debt (3)	Net Bonded Debt	Ratio of		Net Bonded Debt per Capita
					Net Bonded Debt to Assessed Value	Bonded Debt per Capita	
2012-13	15,903	\$ 1,825,369	\$ 26,242,957	\$ 26,242,957	1.44%	\$ 1,650	
2011-12	15,903	1,692,230	985,000	985,000	0.06%	62	
2010-11	15,903	1,349,419	1,070,000	1,070,000	0.08%	67	
2009-10	16,395	1,314,855	1,155,000	1,155,000	0.09%	70	
2008-09	16,395	1,220,831	1,338,676	1,338,676	0.11%	82	
2007-08	16,395	1,154,896	1,747,016	1,747,016	0.15%	107	
2006-07	16,395	1,106,889	2,145,356	2,145,356	0.19%	131	
2005-06	16,395	1,073,384	2,543,696	2,543,696	0.24%	155	
2004-05	16,395	997,351	2,913,409	2,913,409	0.29%	178	
2003-04	16,395	1,012,173	1,728,123	1,728,123	0.17%	105	

(1) Bureau of the Census.

(2) Real property assessed at 100% of fair market value.

(3) Includes all long-term general obligation bonded debt, bonded anticipation notes, and literary fund loans.

Excludes revenue bonds, landfill closure/post-closure care liability, capital leases, and compensated absences.

Table 9

County of Dickenson, Virginia
Ratio of Annual Debt Service Expenditures for General Bonded
Debt to Total General Governmental Expenditures (1)

Fiscal Year	Last Ten Fiscal Years					Ratio of Debt Service to General Governmental Expenditures
	Principal	Interest	Total		Total General Governmental Expenditures	
			Debt Service			
2012-13	\$ 849,331	\$ 901,841	\$ 1,751,172	\$ 54,146,563	3.23%	
2011-12	644,902	175,943	820,845	55,091,288	1.49%	
2010-11	621,900	198,493	820,393	53,200,688	1.54%	
2009-10	684,273	188,496	872,769	53,817,804	1.62%	
2008-09	408,340	75,936	484,276	50,030,662	0.97%	
2007-08	398,340	88,241	486,581	52,568,020	0.93%	
2006-07	470,051	76,498	546,549	44,584,077	1.23%	
2005-06	398,710	91,415	490,125	45,992,566	1.07%	
2004-05	361,474	101,235	462,709	41,558,774	1.11%	
2003-04	589,194	83,580	672,774	41,287,410	1.63%	

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

COMPLIANCE SECTION

ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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
the Board of Supervisors
County of Dickenson, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Dickenson, Virginia as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County of Dickenson, Virginia's basic financial statements and have issued our report thereon dated April 23, 2014.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses. [Reference 2013-1]

Compliance and Other Matters

As part of obtaining reasonable assurance about whether County of Dickenson, 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*.

County of Dickenson, Virginia's Response to Findings

County of Dickenson, Virginia's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. County of Dickenson, Virginia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Robinson, Farmer, Cox Associates
Blacksburg, Virginia
April 23, 2014

ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133

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

Report on Compliance for Each Major Federal Program

We have audited County of Dickenson, Virginia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of County of Dickenson, Virginia's major federal programs for the year ended June 30, 2013. County of Dickenson, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of County of Dickenson, 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 Dickenson, Virginia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, County of Dickenson, 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, 2013.

Report on Internal Control Over Compliance

Management of County of Dickenson, Virginia is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered County of Dickenson, 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 County of Dickenson, 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.

Robinson, Turner, & Associates
Blacksburg, Virginia
April 23, 2014

County of Dickenson, Virginia
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

Federal Grantor/State Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
Department of Health and Human Services:			
Pass Through Payments:			
Department of Social Services:			
Child Care and Development Cluster:			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	90116, 90117, 90118, 90119 90236, 90237, 90238, 90239 90378, 90416, 90417, 90418 90419, 90529, 90540, 90541 90716, 90717, 90718, 90719	\$ 48,257
Promoting Safe and Stable Families	93.556	90249, 90360	19,371
Temporary Assistance for Needy Families (TANF)	93.558	90109, 90110, 90111, 90112 90127, 90229, 90230, 90231 90232, 90247, 90249, 90366 90377, 90409, 90410, 90411 90412, 90603, 90709, 90710 90711, 90712, 90727, 90729	305,726
Refugee and Entrant Assistance - State Administered Programs	93.566	90113, 90233	1,143
Low-Income Home Energy Assistance	93.568	90114, 90115, 90234, 90235 90414, 90415, 90714, 90715	26,523
Chaffee Education and Training Vouchers Program (ETV)	93.599	90353	703
Stephanie Tubbs Jones Child Welfare Services Program	93.645	90251, 90731	1,727
Foster Care - Title IV-E	93.658	90047, 90081, 90105, 90106 90107, 90147, 90209, 90225 90226, 90227, 90253, 90258 90267, 90268, 90368, 90405 90406, 90407, 90447, 636 90637, 90639, 90657, 90658 90705, 90706, 90707, 90733 90738, 90747, 90748	366,775
Adoption Assistance	93.659	90108, 90214, 90228, 90408 90606, 90604, 90627, 90708	383,421
Social Services Block Grant	93.667	90122, 90123, 90124, 90125 90126, 90240, 90242, 90243 90244, 90245, 90246, 90262 90340, 90351, 90358, 90379 90422, 90423, 90424, 90425 90426, 90648, 90720, 90722 90723, 90724, 90725, 90726 90742	368,861
Chaffee Foster Care Independence Program	93.674	90254, 90356, 90734	10,163
Children's Health Insurance Program	93.767	90102, 90222, 90402, 90702	8,772
Medical Assistance Program	93.778	90101, 90146, 90213, 90221 90266, 90401, 90446, 90701	219,548
Total Department of Health and Human Services:			\$ 1,760,990
Department of Agriculture:			
Pass Through Payments:			
Child Nutrition Cluster:			
Department of Agriculture:			
Food Distribution (Note 3)	10.555	Not Applicable	\$ 85,636
Department of Education:			
National School Lunch Program	10.555	40623	635,774
School breakfast program	10.553	40591	198,870
School and roads - grants to states	10.665	43841	856
Cooperative Forestry Assistance	10.664	43841	13,115
Department of Social Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	90103, 90104, 90212, 90223 90224, 90403, 90404, 90703 90704	365,444
Total Department of Agriculture			\$ 1,214,059

County of Dickenson, Virginia
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2013

Federal Grantor/State Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
Department of Housing and Urban Development:			
Pass Through Payments:			
Department of Housing and Community Development:			
Community Development Block Grant-State's programs	14.228	50797	\$ 523,813
Department of the Interior:			
Direct payments:			
Payments to States in Lieu of Real Estate Taxes	12.112	Not Applicable	\$ 26,881
Department of Transportation:			
Pass Through Payments:			
Department of Motor Vehicles:			
State and Community Highway Safety	20.600	AL-2012-52162-4540	\$ 4,973
Department of Education:			
Pass Through Payments:			
Department of Education:			
Title I: Grants to Local Educational Agencies	84.010	42892, 42901	\$ 742,762
Special Education - Grants to States (IDEA, Part B)	84.027	43071	657,575
Special Education - Preschool Grants (IDEA Preschool)	84.173	62521	60,594
Career and Technical Education - Basic Grants to States (Perkins IV)	84.048	61095	51,226
Rural Education	84.358	43481	62,412
Improving Teacher Quality State Grants	84.367	61480	190,298
ARRA Education Jobs Fund	84.410	62700	10,185
Total Department of Education			\$ 1,775,052
Department of Homeland Security:			
Pass Through Payments:			
Department of Emergency Management:			
Emergency Management Performance Grants	97.042	Not Applicable	\$ 5,000
Total Expenditures of Federal Awards			\$ 5,310,768

See accompanying notes to the schedule of expenditures of federal awards.

County of Dickenson, Virginia
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

Note 1 -- Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Dickenson County, Virginia and its component units under programs of the federal government for the year ended June 30, 2013. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the County of Dickenson, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of County of Dickenson, Virginia.

Note 2 -- Summary of Significant Accounting Policies

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

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

Note 3 -- Food Donation

Nonmonetary assistance is reported in the schedule at the fair market value of commodities received and disbursed. At June 30, 2013, the County had no food commodities in inventory.

Note 4 -- Relationship to the Financial Statements:

Federal expenditures, revenues and capital contributions are reported in the County's basic financial statements as follows:

Intergovernmental federal revenues per the basic financial statements:

Primary government:

General Fund

\$ 2,717,813

Flood Control Projects Not Subject to Single Audit Requirements

(6,159,720)

School Construction Projects

6,129,008

Total primary government

\$ 2,687,101

Component Unit Schools:

School Operating Fund

\$ 2,623,667

Total federal expenditures per the Schedule of Expenditures of Federal Awards

\$ 5,310,768

County of Dickenson, Virginia

Schedule of Findings and Questioned Costs
Year Ended June 30, 2013

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes

Significant deficiency(ies) identified? No

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be
reported in accordance with Circular A-133,
Section .510 (a)?

No

Identification of major programs:

CFDA #	Name of Federal Program or Cluster
84.010	Title I : Grants to Local Education Agencies
84.027/84.173	Special Education Cluster
10.553/10.555	Child Nutrition Cluster
14.228	Community Development Block Grant - State's Programs

Dollar threshold used to distinguish between Type A
and Type B programs:

\$300,000

Auditee qualified as low-risk auditee?

No

County of Dickenson, Virginia

Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2013

Section II - Financial Statement Findings

2013-1

Criteria: Per Statement on Auditing Standards 115, an auditee should have sufficient expertise in the selection and application of accounting principles used in the preparation of the annual financial report. In addition, the auditee should have sufficient internal controls over the preparation of financial statements in accordance with generally accepted accounting principles. Furthermore, reliance on the auditors to post such transactions is not a component of the auditee's internal controls.

Condition: The County's 2013 adjusted trial balance required significant adjusting entries that were made by the auditors.

Cause: The County has historically relied on the auditors for assistance in preparing the financial statements and related adjustments.

Effect: There is more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal controls over financial reporting.

Recommendation: Management should continue to implement and follow review procedures to make adjustments in a timely manner.

Management's
Response: Management is dedicated to complying with the concepts set forth in Statement on Auditing Standards 115 and will make efforts in the future to eliminate material misstatements from its adjusted trial balance.

Section III - Federal Award Findings and Questioned Costs

There are no federal award findings and questioned costs to report.

Section IV - Status of Prior Audit Findings and Questioned Costs

Finding 2013-1 is recurring from the prior year finding 2012-1.