

*Comprehensive Annual
Financial Report
Fiscal Year Ended
June 30, 2013*

County of Dinwiddie, Virginia



DIXON HUGHES GOODMAN LLP
Certified Public Accountants and Advisors

County of Dinwiddie, Virginia
Introductory Section (Unaudited)
Year Ended June 30, 2013

County of Dinwiddie, Virginia

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

June 30, 2013

Board of Supervisors

Dr. Mark E. Moore, Chairperson
William D. Chavis, Vice-Chairperson

Brenda K. Ebron-Bonner
Daniel D. Lee

Harrison A. Moody

School Board

Gregory K. McCammon, Chairperson
Barbara T. Pittman, Vice-Chairperson

Kelley B. Frakes
William R. Haney

Sherilyn H. Merritt

Board of Social Services

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

Carla W. Brandon
Brenda K. Ebron-Bonner

Elois Evans
Yvonne Stewart

Industrial Development Authority

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

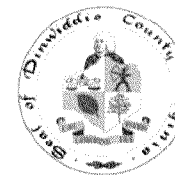
W. Alan Kissner
David Lyle

George M. Rapp
Maxwell Watkins

Other Officials

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

James F. D'Alton Jr.
J. Barrett Chappell, Jr.
Lisa Caruso
Mayo K. Gravatt
Valentine Southall, Jr.
Jennifer C. Perkins
D. T. "Duck" Adams
W. David Clark
Bonnie Gholson
Ray Spicer
Lori K. Stevens
W. Kevin Massengill
Tyler Southall
Anne Howerton
Dennis Hale
Tammie Collins



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County of Dinwiddie, Virginia

Financial Section

Year Ended June 30, 2013

Independent Auditors' Report

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the ***County of Dinwiddie, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedule of funding progress on pages 3 through 7 and 43 and 44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Accompanying Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2013, on our consideration of ***County of Dinwiddie, Virginia's*** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering ***County of Dinwiddie, Virginia's*** internal control over financial reporting and compliance.

Dixon Hughes Goodman LLP

Chester, Virginia
November 15, 2013

County of Dinwiddie, Virginia

Management's Discussion and Analysis

June 30, 2013

As management of the *County of Dinwiddie, Virginia*, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2013.

Financial Highlights

Dinwiddie County's assets exceeded its liabilities at the close of fiscal year 2013 by \$38,777,154 (net position). Of this amount, \$24,996,338 may be used to meet the primary government's ongoing obligations to citizens and creditors.

The County's net position decreased \$19,454 in FY 2013, and this is primarily attributable to the demolition of two abandoned elementary schools.

As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$23,346,865, a decrease of \$694,262 in comparison with the prior year. The reduction in fund balance was primarily due to the completion of capital projects such as the parking lot paving at the Sports Complex, the public safety radio system expansion, and the demolition of Northside Elementary School. These projects had all been appropriated and funded by previous years' Capital Improvement Plans.

At the end of FY 2013, unassigned fund balance for the general fund was \$18,994,949 or 41% of total general fund expenditures and other financing uses.

The County's combined long-term obligations decreased \$4,413,408 during the current fiscal year due to scheduled principal payments being made. No additional new debt was issued in FY 2013.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements which are comprised of three components: government-wide financial statements; fund financial statements; and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

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

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

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

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the

County include general government, judicial administration, public safety, public works, health and welfare, education, parks and recreation, and community development.

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

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

Fund Financial Statements

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

Governmental funds - Governmental funds are used to account for essentially the same functions or services reported as governmental activities in the government-wide financial statements. Whereas the government-wide financial statements are prepared on the accrual basis of accounting, the governmental fund financial statements are prepared on the modified accrual basis of accounting. The focus of modified accrual reporting is on near-term inflows and outflows of financial resources and the balance of financial resources available at the end of the fiscal year. Since the governmental funds focus is narrower than that of the government-wide financial statements a reconciliation between the two methods is provided at the bottom of the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The County has two major governmental funds - the General Fund and the County Debt Service Fund and two non-major governmental funds – the Capital Projects Fund and the Special Revenue Fund. (See Exhibits 3-6). Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

Fiduciary funds - The County is the trustee, or fiduciary, for the County's private purpose trust and agency funds. It is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net position. The County excludes these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations. The private purpose trust funds are used for scholarships and for disadvantaged citizens in the County. Agency funds are County custodial funds used to provide accountability of client monies for which the County is custodian. (See Exhibits 7-8).

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19 – 42 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's component units - School Board, Industrial Development Authority, Water Authority, and Airport and Industrial Authority (See Exhibits 9-10 and 18-21). Neither the School Board nor the IDA issue separate financial statements, whereas the Airport and Industrial Authority and the Water Authority both issue separate financial statements.

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

Government-Wide Financial Statement Analysis

As noted earlier, net position may serve over time as a useful indicator of a County's financial position. In the case of the County, assets increased to exceed liabilities by \$38,777,154 at the close of the most recent fiscal year. The following table summarizes the County's Government-Wide Statement of Net Position:

County of Dinwiddie, Virginia's Net Position

	Governmental Activities	
	2013	2012
Current and other assets	\$ 41,140,612	\$ 41,645,496
Capital assets	73,785,967	76,705,217
Total assets	114,926,579	118,350,713
Current liabilities	14,645,270	13,636,542
Long-term liabilities outstanding	61,504,155	65,917,563
Total liabilities	76,149,425	79,554,105
Net position		
Net investment in capital assets	13,780,816	12,357,012
Restricted	-	7,411
Unrestricted	24,996,338	26,432,185
Total net position	\$ 38,777,154	\$ 38,796,608

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

The remaining net position balance of \$24,996,338 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

Governmental activities decreased the County's net position by \$19,454 during FY 2013. The following table summarizes the County's Government-Wide Statement of Activities:

County of Dinwiddie, Virginia's Changes in Net Position

	Governmental Activities	
	2013	2012
Charges for services	\$ 2,783,950	\$ 2,963,987
Operating grants and contributions	6,620,851	7,235,060
Capital grants and contributions	295,603	748,964
General property taxes	26,664,129	26,805,696
Other local taxes	4,502,267	4,285,549
Grants and other contributions not restricted	3,861,191	3,691,120
Other general revenues	402,016	558,356
Total revenues	45,130,007	46,288,732
General government administration	2,737,123	2,647,617
Judicial administration	1,204,496	1,121,095
Public safety	10,830,573	10,702,298
Public works	4,152,120	3,134,643
Health and welfare	3,910,976	3,804,266
Education	16,511,110	18,782,146
Parks, recreation and cultural	1,378,098	1,296,375
Community development	1,898,953	2,046,538
Interest and other fiscal charges	2,473,351	2,379,842
Loss on disposal of capital assets	52,661	941,808
Total expenses	45,149,461	46,856,628
Change in net position	(19,454)	(567,896)
Net position – beginning of year	38,796,608	39,364,504
Net position – end of year	\$ 38,777,154	\$ 38,796,608

Financial Analysis of Governmental Funds

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

General Fund

The general fund is the chief operating fund for the County. The difference between the original expenditure budget and the final amended expenditure budget amounted to \$913,382 and was due primarily to a one-time bonus paid to employees; Dinwiddie Airport & Industrial Authority debt forgiveness by the Board of Supervisors; and appropriation of miscellaneous grant funds received during the year.

During the year, revenues and other sources exceeded the budgetary estimates by \$1,713,093. This was primarily due to greater than expected real estate and personal property tax collections, particularly delinquent tax collections. Expenditures were less than budgetary estimates by \$1,383,861 - - \$746,897 from unexpended community development funds (primarily grants); \$272,349 from salary and benefits due to vacancies; \$196,057 from savings related to waste disposal and other purchased services; and the remainder from insurance, repairs/maintenance, and utilities expenditures that were less than expected.

The final budget included an anticipated draw on beginning fund balance of \$4,951,538 for capital projects. However, the actual change in the general fund balance for FY 2013 was a decrease of \$1,857,181. See Exhibit 11 for more details.

Capital Asset and Debt Administration

Capital assets - The County's investment in capital assets for its governmental activities as of June 30, 2013 amounted to \$73,785,967 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery and equipment.

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

Long-term debt - At the end of the current fiscal year, the County had total bonded debt outstanding of \$60,005,151. Of this amount, \$13,632,640 comprises debt backed by the full faith and credit of the County. The remainder of the County's debt represents bonds secured solely by specified revenue sources - lease/revenue bonds. The County's total outstanding long-term debt decreased by \$4,413.408 during FY 2013.

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

Economic Factors and Next Year's Budgets and Rates

As of June 30, 2013, the County's unemployment rate of 6.5% fell in between the state's average unemployment rate of 5.6% and the national average rate of 7.3%. Inflationary trends in the region compared favorably to national indices. These and other national and state economic factors were considered in preparing the County's budget for the 2014 fiscal year.

The upcoming FY 2014 overall budget shows a decrease of 3.3% due to flat local economy-driven revenues, and capital expenditure reductions. While there is a 2% increase in salaries, there are also only a limited number of new positions and other operating expenditures are kept to a minimum in the FY 2014 budget. During FY 2013, the unassigned fund balance in the general fund was \$18,994,949, and the County has appropriated \$1,434,226 of this amount for spending in FY 2014 on capital improvement plan projects.

Requests for Information

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

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County of Dinwiddie, Virginia

Basic Financial Statements

Year Ended June 30, 2013

County of Dinwiddie, Virginia
Government-Wide Financial Statements

Statement of Net Position

June 30, 2013

	Primary Governmental Activities	Component Units	Total Reporting Entity
Assets			
Current assets			
Cash and cash equivalents	\$ 15,184,714	\$ 5,524,732	\$ 20,709,446
Receivables (net of allowances for uncollectibles)			
Taxes receivable, including penalties	15,872,249	-	15,872,249
Accounts receivable	721,485	1,352,189	2,073,674
Due from other governmental units	3,145,589	1,630,231	4,775,820
Due from component units	160,466	-	160,466
Due from primary government	-	69,591	69,591
Prepaid expenses	-	25,632	25,632
Inventories	-	41,127	41,127
Investments	5,567,901	-	5,567,901
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents (in custody of others)	-	377,157	377,157
Total current assets	40,652,404	9,020,659	49,673,063
Noncurrent assets			
Other noncurrent assets	488,208	6,775,553	7,263,761
Capital assets (net of accumulated depreciation):			
Land and improvements	2,757,606	5,103,743	7,861,349
Buildings	66,836,850	42,675,068	109,511,918
Machinery and equipment	3,621,203	2,722,781	6,343,984
Infrastructure	-	17,875,152	17,875,152
Construction in progress	570,308	990,813	1,561,121
Total capital assets net of accumulated depreciation	73,785,967	69,367,557	143,153,524
Total assets	\$ 114,926,579	\$ 85,163,769	200,090,348
Liabilities			
Current liabilities			
Accounts payable	\$ 877,170	\$ 321,761	\$ 1,198,931
Accrued liabilities	74,876	3,837,778	3,912,654
Other current liabilities	22,053	91,212	113,265
Due to component units	69,591	-	69,591
Due to primary government	-	160,466	160,466
Accrued interest payable	816,743	32,154	848,897
Deferred revenue	12,784,837	870,153	13,654,990
Total current liabilities	14,645,270	5,313,524	19,958,794
Noncurrent liabilities			
Due within one year	4,397,267	1,326,591	5,723,858
Due in more than one year	57,106,888	13,018,807	70,125,695
Total noncurrent liabilities	61,504,155	14,345,398	75,849,553
Total liabilities	\$ 76,149,425	\$ 19,658,922	\$ 95,808,347
Net Position			
Net investment in capital assets	13,780,816	59,568,878	73,349,694
Restricted for bond covenants	-	377,157	377,157
Unrestricted	24,996,338	5,558,812	30,555,150
Total net position	\$ 38,777,154	\$ 65,504,847	\$ 104,282,001

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

County of Dinwiddie, Virginia

Exhibit 2

Statement of Activities

Year Ended June 30, 2013

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Units	Total Reporting Entity
					Governmental Activities		
Primary government							
Governmental activities:							
General government administration	\$ 2,737,123	\$ -	\$ 235,223	\$ -	\$ (2,501,900)	\$ -	\$ (2,501,900)
Judicial administration	1,204,496	764,553	769,136	-	329,193	-	329,193
Public safety	10,830,573	1,137,315	2,728,931	182,380	(6,781,947)	-	(6,781,947)
Public works	4,152,120	698,753	1,799	-	(3,451,568)	-	(3,451,568)
Health and welfare	3,910,976	-	2,759,859	-	(1,151,117)	-	(1,151,117)
Education	16,511,110	-	-	-	(16,511,110)	-	(16,511,110)
Parks, recreation and cultural	1,378,098	182,042	-	-	(1,196,056)	-	(1,196,056)
Community development	1,898,953	1,287	125,903	113,223	(1,658,540)	-	(1,658,540)
Interest on long-term debt	2,473,351	-	-	-	(2,473,351)	-	(2,473,351)
Total primary government	\$ 45,096,800	\$ 2,783,950	\$ 6,620,851	\$ 295,603	(35,396,396)	-	(35,396,396)
Component units	\$ 51,055,009	\$ 4,440,884	\$ 29,750,081	\$ 3,794,917	-	(13,069,127)	(13,069,127)
General revenues							
General property taxes					26,664,129	-	26,664,129
Local sales and use tax					1,423,691	-	1,423,691
Consumer utility tax					585,574	-	585,574
Other local taxes					2,493,002	-	2,493,002
Revenues from use of money and property					92,727	178,131	270,858
Miscellaneous					309,289	194,510	503,799
Grants and contributions not restricted to specific programs					3,861,191	-	3,861,191
Payments from Dinwiddie County					-	14,389,172	14,389,172
Loss on disposal of capital assets					(52,661)	-	(52,661)
Total general revenues					35,376,942	14,761,813	50,138,755
Change in net position					(19,454)	1,692,686	1,673,232
Net position - beginning of year					38,796,608	63,812,161	102,608,769
Net position- end of year					\$ 38,777,154	\$ 65,504,847	\$ 104,282,001

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

County of Dinwiddie, Virginia

Fund Financial Statements

Balance Sheet
Governmental Funds

June 30, 2013

	Major Funds		Non-Major Funds		
	General	Debt Service	Capital Projects	Special Revenue	Total
Assets					
Cash and cash equivalents	\$ 11,319,436	\$ 791,800	\$ 2,882,762	\$ 190,716	\$ 15,184,714
Receivables (net of allowances for uncollectibles)					
Taxes receivable, including penalties	15,872,249	-	-	-	15,872,249
Accounts receivable	305,606	-	-	3,069	308,675
Due from other governmental units	2,893,845	-	-	251,744	3,145,589
Due from component units	160,466	-	-	-	160,466
Investments	5,567,901	-	-	-	5,567,901
	<u>\$ 36,119,503</u>	<u>\$ 791,800</u>	<u>\$ 2,882,762</u>	<u>\$ 445,529</u>	<u>\$ 40,239,594</u>
Liabilities					
Accounts payable	\$ 524,857	\$ -	\$ 350,560	\$ 1,753	\$ 877,170
Accrued liabilities	74,876	-	-	-	74,876
Other current liabilities	22,053	-	-	-	22,053
Due to component unit	-	19,387	50,204	-	69,591
Deferred revenue	15,849,039	-	-	-	15,849,039
	<u>16,470,825</u>	<u>19,387</u>	<u>400,764</u>	<u>1,753</u>	<u>16,892,729</u>
Fund Balances					
Nonspendable	22,053	-	-	-	22,053
Restricted	27,282	-	-	357,953	385,235
Committed	604,394	772,413	2,481,998	85,823	3,944,628
Unassigned	18,994,949	-	-	-	18,994,949
	<u>19,648,678</u>	<u>772,413</u>	<u>2,481,998</u>	<u>443,776</u>	<u>23,346,865</u>
Total liabilities and fund balances	\$ 36,119,503	\$ 791,800	\$ 2,882,762	\$ 445,529	\$ 40,239,594

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

Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position**June 30, 2013**

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$ 23,346,865
Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Capital assets, cost	101,756,404
Less: accumulated depreciation	(27,970,437)
	<u>73,785,967</u>
Other long-term assets (i.e. taxes levied) are not available to pay for current period expenditures and, therefore, are deferred in the funds:	
Unamortized bond issuance costs	488,208
Deferred revenue	3,064,202
Accounts receivable	412,810
	<u>3,965,220</u>
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
Lease revenue bonds	(42,105,000)
General obligation bonds	(13,632,640)
Bond issuance premium	(6,876,301)
Deferred amounts on refunding	2,608,790
Landfill postclosure care	(997,002)
Interest payable	(816,743)
OPEB liability	(34,015)
Compensated absences	(467,987)
	<u>(62,320,898)</u>
Net position of governmental activities	<u>\$ 38,777,154</u>

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

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

Year Ended June 30, 2013

	Major Funds		Non-Major Funds		Total Governmental Funds
	General	Debt Service	Capital Projects	Special Revenue	
Revenues					
General property taxes	\$ 27,337,402	\$ -	\$ -	\$ -	\$ 27,337,402
Other local taxes	4,502,267	-	-	-	4,502,267
Permits, privilege fees, and regulatory licenses	218,819	-	-	-	218,819
Fines and forfeitures	611,709	-	-	-	611,709
Revenue from use of money and property	91,994	-	-	733	92,727
Charges for services	1,715,547	-	-	2,177	1,717,724
Miscellaneous	121,242	-	62,587	125,460	309,289
Recovered costs	153,475	-	58,167	-	211,642
Intergovernmental revenues					
Commonwealth	8,199,846	-	278,717	782,877	9,261,440
Federal	1,286,245	-	930	46,650	1,333,825
Total revenues	44,238,546	-	400,401	957,897	45,596,844
Expenditures					
Current:					
General government administration	2,628,659	-	-	-	2,628,659
Judicial administration	1,025,226	-	-	1,629	1,026,855
Public safety	9,720,202	-	-	177,046	9,897,248
Public works	3,026,272	-	-	73,184	3,099,456
Health and welfare	2,830,017	-	-	1,145,878	3,975,895
Education	12,204,287	-	-	-	12,204,287
Parks, recreation, and cultural	1,332,954	-	-	-	1,332,954
Community development	1,205,563	570,259	-	44,482	1,820,304
Capital outlays and projects	-	-	3,870,818	-	3,870,818
Debt service					
Principal retirement	-	3,911,457	-	-	3,911,457
Interest and other fiscal charges	-	2,523,173	-	-	2,523,173
Total expenditures	33,973,180	7,004,889	3,870,818	1,442,219	46,291,106
Excess (deficiency) of revenues over (under) expenditures	10,265,366	(7,004,889)	(3,470,417)	(484,322)	(694,262)
Other financing sources (uses)					
Transfers in	402,587	7,772,772	4,661,178	413,597	13,250,134
Transfers out	(12,525,134)	-	(725,000)	-	(13,250,134)
Total other financing sources (uses)	(12,122,547)	7,772,772	3,936,178	413,597	-
Net change in fund balances	(1,857,181)	767,883	465,761	(70,725)	(694,262)
Fund balances - beginning of year	21,505,859	4,530	2,016,237	514,501	24,041,127
Fund balances - end of year	\$ 19,648,678	\$ 772,413	\$ 2,481,998	\$ 443,776	\$ 23,346,865

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

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

Year Ended June 30, 2013

Net change in fund balances - total governmental funds \$ (694,262)

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

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

Capital asset additions	1,792,554
Net book value of disposed assets	(52,661)
Depreciation expense	<u>(3,292,391)</u>
	<u>(1,552,498)</u>

Transfer of joint tenancy assets from Primary Government to the Component Unit	<u>(1,549,132)</u>
--------------------------------------------------------------------------------	--------------------

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

Contributed capital assets	182,380
Amortization on bond premium	386,264
Revenues not received within sixty days of year end	<u>(437,575)</u>
	<u>131,069</u>

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

Principal retired on revenue bonds	2,385,000
Principal retired on general obligation bonds	1,526,457
Decrease in landfill postclosure liability	<u>44,605</u>
	<u>3,956,062</u>

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

Change in accrued leave	33,758
Change in other post employment benefits	(8,009)
Change in interest payable	<u>(336,442)</u>
	<u>(310,693)</u>

Change in net position of governmental activities \$ (19,454)

Statement of Fiduciary Net Position
Fiduciary Funds

June 30, 2013

	Private-Purpose Trust Funds	Agency Funds
Assets		
Cash and cash equivalents	\$ 2,881,275	\$ 42,082
Investments	3,560,837	-
Other receivables	5,647	-
	<u>\$ 6,447,759</u>	<u>\$ 42,082</u>
Liabilities		
Amounts held for social services clients	\$ -	\$ 35,854
Amounts held for inmates	-	6,228
	<u>\$ -</u>	<u>\$ 42,082</u>
Net Position		
Amounts held in trust for scholarships and the disadvantaged	<u>\$ 6,447,759</u>	<u>\$ -</u>

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

*Statement of Changes in Fiduciary Net Position
Fiduciary Funds*

June 30, 2013

	Private-Purpose Trust Funds
Additions	
Investment earnings	\$ 175,318
Private donations	12,673
Net unrealized gains	25,238
Total additions	<u>213,229</u>
Deductions	
Scholarships	<u>138,547</u>
Change in net position	74,682
Net position - beginning of year	<u>6,373,077</u>
Net position - end of year	<u>\$ 6,447,759</u>

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

Statement of Net Position
Component Units

June 30, 2013

	School Board	Industrial Development Authority	Water Authority	Airport and Industrial Authority	Total Component Units
Assets					
Current assets					
Cash and cash equivalents	\$ 3,960,107	\$ 251,825	\$ 1,061,854	\$ 250,946	\$ 5,524,732
Receivables (net of allowances for uncollectibles)					
Accounts receivable	28,741	850,000	436,143	37,305	1,352,189
Due from other governmental units	1,630,231	-	-	-	1,630,231
Due from primary government	-	-	69,591	-	69,591
Inventories	-	-	-	41,127	41,127
Prepaid expenses	-	-	22,716	2,916	25,632
Restricted assets:					
Temporarily restricted:					
Cash and cash equivalents (in custody of others)	-	-	377,157	-	377,157
Total current assets	5,619,079	1,101,825	1,967,461	332,294	9,020,659
Noncurrent assets					
Other noncurrent assets	-	-	6,769,960	5,593	6,775,553
Capital assets (net of accumulated depreciation):					
Land and improvements	1,349,053	721,349	321,244	2,712,097	5,103,743
Buildings	37,569,938	-	2,108,932	2,996,198	42,675,068
Machinery and equipment	1,767,044	-	907,536	48,201	2,722,781
Infrastructure	-	-	16,708,029	1,167,123	17,875,152
Construction in progress	863,577	-	-	127,236	990,813
Total capital assets net of accumulated depreciation	41,549,612	721,349	20,045,741	7,050,855	69,367,557
Total assets	\$ 47,168,691	\$ 1,823,174	\$ 28,783,162	\$ 7,388,742	\$ 85,163,769
Liabilities					
Current liabilities					
Accounts payable	\$ 260,514	\$ 458	\$ 44,198	\$ 16,591	\$ 321,761
Accrued liabilities	3,837,778	-	-	-	3,837,778
Deposits	-	-	91,212	-	91,212
Due to primary government	-	-	160,466	-	160,466
Accrued interest payable	-	-	32,154	-	32,154
Deferred revenue	-	850,000	17,712	2,441	870,153
Total current liabilities	4,098,292	850,458	345,742	19,032	5,313,524
Noncurrent liabilities					
Due within one year	470,724	-	642,304	213,563	1,326,591
Due in more than one year	4,992,020	-	7,517,105	509,682	13,018,807
Total noncurrent liabilities	5,462,744	-	8,159,409	723,245	14,345,398
Total liabilities	9,561,036	850,458	8,505,151	742,277	19,658,922
Net Position					
Net investment in capital assets	37,323,982	-	15,917,286	6,327,610	59,568,878
Restricted for bond covenants	-	-	377,157	-	377,157
Unrestricted	283,673	972,716	3,983,568	318,855	5,558,812
Total net position	\$ 37,607,655	\$ 972,716	\$ 20,278,011	\$ 6,646,465	\$ 65,504,847

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

County of Dinwiddie, Virginia

Exhibit 10

Statement of Activities

Component Units

Year Ended June 30, 2013

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	School Board	Industrial Development Authority	Water Authority	Airport and Industrial Authority	Total Component Units
School Board	\$ 43,275,211	531,693	29,131,993	\$ 1,230,032	\$(12,381,493)	\$ -	\$ -	\$ -	\$(12,381,493)
Industrial Development Authority	2,512,148	3,471	-	2,500,000	-	(8,677)	-	-	(8,677)
Water Authority	3,976,215	3,212,616	-	64,885	-	-	(698,714)	-	(698,714)
Airport and Industrial Authority	1,291,435	693,104	618,088	-	-	-	-	19,757	19,757
	<u>\$ 51,055,009</u>	<u>\$ 4,440,884</u>	<u>\$ 29,750,081</u>	<u>\$ 3,794,917</u>	<u>\$(12,381,493)</u>	<u>(8,677)</u>	<u>(698,714)</u>	<u>19,757</u>	<u>(13,069,127)</u>
General revenues									
Revenues from use of money and property					162	692	11,147	166,130	178,131
Miscellaneous					103,607	-	57,268	33,635	194,510
Payments from Dinwiddie County					13,750,417	25,000	515,111	98,644	14,389,172
Total general revenues					<u>13,854,186</u>	<u>25,692</u>	<u>583,526</u>	<u>298,409</u>	<u>14,761,813</u>
Change in net position					1,472,693	17,015	(115,188)	318,166	1,692,686
Net position - beginning of year					36,134,962	955,701	20,393,199	6,328,299	63,812,161
Net position - end of year					<u>\$ 37,607,655</u>	<u>\$ 972,716</u>	<u>\$ 20,278,011</u>	<u>\$ 6,646,465</u>	<u>\$ 65,504,847</u>

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

County of Dinwiddie, Virginia

Notes to Financial Statements

June 30, 2013

1. Summary of Significant Accounting Policies

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

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

Financial Statement Presentation

Management's Discussion and Analysis

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

Government-wide Financial Statements

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

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

Statement of Net Position

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

Statement of Activities

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

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

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

Budgetary Comparison Schedules

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

A. Financial Reporting Entity

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

B. Individual Component Unit Disclosures

Blended Component Unit

The County has no blended component units to be included for the fiscal year ended June 30, 2013.

Discretely Presented Component Units

The School Board members are elected by the citizens of Dinwiddie County. The School Board is responsible for the operations of the County's School System within the County boundaries. The School Board is fiscally dependent on the County. The County has the ability to approve its budget and any amendments. The primary funding is from the General Fund of the County. The School does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation of the County financial statements for the fiscal year ended June 30, 2013. Fund financial statements of the School Board are included in the supplementary information section.

The Industrial Development Authority (IDA) of Dinwiddie County is responsible for industrial and commercial development in the County. The Authority consists of seven members appointed by the Board of Supervisors. The Authority is fiscally dependent on the County, and therefore, it is included in the County's financial statements as a discrete presentation for the year ended June 30, 2013. The Authority does not issue a separate financial report. Fund financial statements are not included in the supplementary information section since there is limited activity for the IDA which is all reflected as part of the basic financial statements.

Dinwiddie County Water Authority (Water Authority) was created by the Board of Supervisors of Dinwiddie County under the provisions of the Virginia Water and Sewer Authorities Act. The Water Authority was established for the purpose of providing and maintaining water and sewer facilities to residential and commercial customers within Dinwiddie County and is constantly improving and expanding its facilities to serve a greater number of residents and businesses. The Authority's Board of Directors is appointed by the Board of Supervisors of Dinwiddie County. The Water Authority and Dinwiddie County have Support Agreements, whereby the County will, subject to appropriation, pay the Authority budgeted amounts for debt service of the Series 2005 and Series 2006 Water and Sewer Revenue Bonds and Series 1999 Water System Revenue Bonds, for operation and maintenance of the Courthouse System and Church Road System, and for deficiencies in the operating revenues of the Authority's main water and sewer system. The Support Agreements also require the Director of the Water Authority to notify the County Administrator if in any month the Authority is unable to make its required debt service payment, and to request an appropriation from the Board of Directors to make up any deficiency. The existence of these Support Agreements makes the Water Authority financially dependent on the County, and therefore, is it discretely presented in the County's financial statements for the year ended June 30, 2013. The Water Authority issues a separate audited financial report which may be obtained at 23008 Airport Drive, Petersburg, VA 23803.

The Dinwiddie Airport and Industrial Authority (Airport Authority) is a public body organized by the General Assembly of Virginia to construct, operate, and maintain a regional airport and to promote industry in Dinwiddie, Virginia. The Airport Authority is governed by seven directors. The Board of Supervisors of Dinwiddie County appoints four out of the seven of the Airport Authority's Board members, and all Board members are approved by the County. The Airport Authority and Dinwiddie County have a Support Agreement, whereby the County will, subject to appropriation, pay the Authority budgeted amounts for debt service of the Refunding Series 2011A and 2011B Airports Revolving Fund Revenue Bonds, for operation and maintenance expenses, and for deficiencies in the Authority's operating revenues. The Support Agreement also requires the Airport Authority to notify the County Administrator if in any month the Authority is unable to make its required debt service payment, and to request an appropriation from the Board of Directors to make up any deficiency. The existence of this Support Agreement makes the Authority financially dependent on the County, and therefore, it is discretely presented in the County's financial statements for the year ended June 30, 2013. The Airport Authority also issues a separate audited financial report which may be obtained at 6775 Beck-Chappell Drive, Petersburg, VA 23803.

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

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

Appomattox Regional Library

The Appomattox Regional Library is a regional free library system that serves the localities of the City of Hopewell, Prince George County, Dinwiddie County, and Town of McKenney. The regional library system is jointly governed by a regional library Board of Trustees, which consists of nine members appointed by the Board of Supervisors of each County and the City Council of Hopewell. Annual appropriations are made in proportion to the service needs of each jurisdiction. The County's contribution for fiscal year 2013 was \$251,844.

Crater Youth Care Commission

The Crater Youth Care Commission was created in 1972 by resolutions of the governing bodies of the Member Jurisdictions for the purpose of owning, maintaining, and operating a regional facility for the secure detention of juvenile offenders. The Commission has also operated a non-secure juvenile shelter care facility and certain other alternative juvenile justice programs. Member jurisdictions are the Cities of Emporia, Hopewell, and Petersburg, and the Counties of Dinwiddie, Prince George, Sussex, and Surry. Annual contributions made by the Member Jurisdictions are based on the Member Jurisdictions' populations and average annual usage of secure detention by each of the Member Jurisdictions. Contributions help to fund operating expenses, capital expenditures, and debt obligations. The County's contribution for fiscal year 2013 was \$249,704.

Dinwiddie Health Department

The Dinwiddie Health Department (Department) serves the citizens of Dinwiddie County. The County, along with the Virginia Department of Health, makes an annual contribution for operating support, which is based on the needs of the Department. The County's contribution for fiscal year 2013 was \$236,032.

District 19 Community Services Board

The District 19 Community Services Board is a multi-jurisdictional, community-based organization whose mission is to improve the quality and productivity of the lives of individuals who experience or are at risk of experiencing mental disabilities and or substance abuse. The mission is accomplished through a fully integrated continuum of services in collaboration with the localities of Colonial Heights, Dinwiddie, Emporia, Greensville, Hopewell, Petersburg, Prince George, Surry, and Sussex (per <http://www.d19csb.com/>). Annual appropriations are made in proportion to the service needs of each locality. The County's contribution for fiscal year 2013 was \$69,128.

Meherrin River Regional Jail Authority

The Meherrin River Regional Jail Authority is a regional jail system that, beginning July 1, 2012, will serve the localities of Brunswick County, Dinwiddie County, and Mecklenburg County. The Authority is jointly governed by a Board consisting of three representatives from each of the Member Jurisdictions. Annually, the Jail Authority shall establish a per diem charge (including the operating and debt service components) for the care, maintenance, and subsistence of prisoners from Member Jurisdictions during the next fiscal year. Based on proportionate prisoner populations, Dinwiddie County's per diem percentage for fiscal year 2013 is 36%. The County's contribution for fiscal year 2013 was \$1,451,968.

Rowanty Technical Center

Rowanty Technical Center (Center) prepares high school students for employment and higher education in many fields. A jointly operated facility serving Dinwiddie, Prince George and Sussex County Public Schools, Rowanty Technical Center is located in Carson, Virginia, equidistant from each of the county high schools. The Center is governed by a Board made up of two representatives from each of the participating localities. The School Boards of the participating localities provide each year such funds as are necessary to establish, operate, and maintain the Center on a pro rata basis. The pro rata share of each member for operation is based upon average daily membership and the pro rata share for capital outlay projects is determined annually by unanimous consent of the members. The School Board's contribution for FY 2013 was \$599,248.

Appomattox Regional Governor's School

The Appomattox Regional Governor's School for the Arts and Technology provides gifted and talented students a differentiated and rigorous education, cultivates a supportive environment that inspires unique artistic and technological visions, promotes cultural tolerance, nurtures community partnerships, and produces active, engaged citizens. This school board is jointly governed by a representative from each of the following localities: the counties of Amelia, Charles City, Chesterfield, Dinwiddie, Powhatan, Prince George, Southampton, Surry and Sussex and the cities of Colonial Heights, Franklin, Hopewell, Petersburg, and Richmond. The County of Dinwiddie pays the school a set rate for each student that attends. The School Board's contribution for FY 2013 was \$125,286.

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

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

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

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

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

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

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

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

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

1. Governmental Funds

Governmental Funds are those through which most governmental functions typically are financed. The County reports the General and Debt Service Funds as major governmental funds.

a. General Fund

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

b. Debt Service Fund

The Debt Service Fund accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should also be used to report financial resources being accumulated for future debt service. The County Debt Service Fund accounts for debt service expenditures for the county and school system. Payment of principal and interest on the school system's general long-term debt financing is provided by appropriations from the General Fund.

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

a. Capital Projects Fund

The Capital Projects Fund accounts for and reports financial resources that are restricted, committed or assigned to expenditure for capital outlays, except for those financed by proprietary funds or for assets held in trust for individuals, private organizations, or other governments. The Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities.

b. Special Revenue Funds

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

3. Fiduciary Funds

The Fiduciary Funds (Trust and Agency Funds) account for assets held by the County unit in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. These funds include Agency Funds and Private Purpose Trust Funds. These funds utilize the accrual basis of accounting described in the Governmental Fund Presentation. Fiduciary funds are not included in the government-wide financial statements.

E. Cash and Cash Equivalents

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

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

F. Investments

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

G. Receivables and payables

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

All trade and property tax receivables are shown net of an allowance for uncollectibles. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to \$629,383 at June 30, 2013 and is comprised of personal property taxes in the amount of \$533,158 and real estate taxes in the amount of \$96,225.

Real and Personal Property Tax Data

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

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

The County bills and collects its own property taxes.

H. Capital Assets

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

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

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

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

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

I. Compensated Absences

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

J. Retirement Plan

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

K. Long-term Obligations

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

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

L. Uses of Estimates

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

M. Net position

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

N. Fund Equity

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

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

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

The Board of Supervisors establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through the adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board of Supervisors through adoption or amendment of the budget as intended for specific purposes (such as the purchase of capital assets, construction, debt service, or for other purposes).

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

	General	Debt Service	Capital Projects	Special Revenue Funds	Total
Fund balances:					
Nonspendable:					
Deposits and overpayments	\$ 22,053	\$ -	\$ -	\$ -	\$ 22,053
Restricted for:					
Jail phone commission	3,249	-	-	-	3,249
Grant purposes	24,033	-	-	-	24,033
Forfeited assets	-	-	-	70,463	70,463
Fire programs	-	-	-	196,764	196,764
Community service	-	-	-	40,044	40,044
Community development block grant	-	-	-	45,215	45,215
Law library	-	-	-	5,467	5,467
Total restricted fund balance	27,282	-	-	357,953	385,235
Committed to:					
Annual debt service	92,857	-	-	-	92,857
Social Services	103,701	-	-	-	103,701
Community development	407,836	-	-	-	407,836
Comprehensive services	-	-	-	7,682	7,682
Litter grant	-	-	-	65,992	65,992
Sesquicentennial committee	-	-	-	12,149	12,149
County debt service	-	197,493	-	-	197,493
School debt service	-	574,920	-	-	574,920
School capital projects	-	-	168,165	-	168,165
County capital projects	-	-	2,313,833	-	2,313,833
Total committed fund balance	604,394	772,413	2,481,998	85,823	3,944,628
Unassigned fund balance	18,994,949	-	-	-	18,994,949
Total fund balances	\$ 19,648,678	\$ 772,413	\$ 2,481,998	\$ 443,776	\$ 23,346,865

O. Subsequent Events

In preparing these financial statements, the County has evaluated events and transactions for potential recognition or disclosure through November 15, 2013, the date the financial statements were available to be issued.

2. Stewardship, Compliance and Accounting

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

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

Expenditures and Appropriations

Expenditures did not exceed appropriations during the fiscal year ending June 30, 2013.

3. New GASB Standard

In the fiscal year ending June 30, 2013, the County adopted GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position (GASB 63). The objective of this Statement is to provide guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position (net assets/balance sheet). Amounts that are required to be reported as deferred outflows should be reported in a statement of net position in a separate section following assets. Similarly, amount required to be reported as deferred inflows of resources should be reported in a separated section following liabilities. The statement of net position should report the residual amount as net position, rather than net assets or equity. GASB 63 was implemented retroactively. The adoption of this statement resulted in a change in the presentation of the Statement of Net Assets to net position.

4. Deposits and Investments

Deposits

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

Investments

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

Credit Risk of Debt Securities

The County's rated debt investments as of June 30, 2013 were rated by *Standard & Poor's* and the ratings are presented below using *Standard & Poor's* rating scale. The County's investment policy has an emphasis on high credit quality and known marketability. Holdings of commercial paper are required to be rated no lower than *Standards and Poor's* A-1 and *Moody's* Investor Service P-1, pending that the issuing corporation has a net worth of \$50 million and its long term debt rating of A or better by *Moody's* and *Standard and Poor's*.

	Fair Quality Ratings												Totals
	AAAm	AAA	AA	AA+	AA-	A	A-	BBB+	BBB	BB+	BBB-	Unrated	
Local Government													
Investment Pool	\$ 4,161,529	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,161,529
Corporate Debt	-	-	-	-	50,518	641,084	292,364	289,964	113,945	140,074	234,890	-	1,762,839
Municipal/Public Bonds	-	176,337	358,229	670,858	-	-	-	-	-	-	-	75,487	1,280,911
Total	\$ 4,161,529	\$ 176,337	\$ 358,229	\$ 670,858	\$ 50,518	\$ 641,084	\$ 292,364	\$ 289,964	\$ 113,945	\$ 140,074	\$ 234,890	\$ 75,487	\$ 7,205,279

Interest Rate Risk

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

Investment Type	Investment Maturities (in years)				
	Fair Value	Less Than 1 Year	1-5 Years	6-10 Years	Greater Than 10 years
Corporate Debt	\$ 1,762,839	\$ -	\$ 76,419	\$ -	\$ 1,686,420
Municipal/Public Bonds	1,280,911	778,716	502,195	-	-
Total	\$ 3,043,750	\$ 778,716	\$ 578,614	\$ -	\$ 1,686,420

External Investment Pools

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

Total Cash, Cash Equivalents, and Investments

Following is a summary, as of June 30, 2013, of the Primary Government's cash, cash equivalents, and investments by asset type:

Government-Wide Accounts	Balance June 30, 2013
Cash and cash equivalents:	
Governmental Activities	\$ 15,184,714
Fiduciary Funds:	
Private-Purpose Trust Funds	2,881,275
Agency Funds	42,082
Investments:	
Governmental Activities	5,567,901
Fiduciary Funds – Private-Purpose Trust Funds	3,560,837
Total cash, cash equivalents, and investments	<u>\$ 27,236,809</u>
Asset Type	
Petty cash	\$ 1,580
Deposit accounts	18,106,491
Investments:	
Local Government Investment Pool	4,161,529
Corporate Debt	1,762,839
Municipal / Public Bonds	1,280,911
Corporate Equity Stocks and Mutual Funds	1,923,459
Total cash, cash equivalents, and investments	<u>\$ 27,236,809</u>

5. Due to/from Other Governmental Units

At June 30, 2013, the County has amounts due from other local governments as follows:

	Component Units		
	Primary Government	School Board	Water Authority
Primary government	\$ -	\$ -	\$ 69,591
Component units:			
Dinwiddie County Water Authority	160,466	-	-
Other governmental units:			
Commonwealth of Virginia:			
Local sales tax	335,219	-	-
Public assistance and welfare administration	66,178	-	-
Mobile home titling tax	6,492	-	-
Rolling stock tax	133,847	-	-
State sales tax	-	727,227	-
School fund grants	-	307,927	-
Constitutional officer reimbursements	192,934	-	-
Recordation tax	13,448	-	-
Personal property tax relief act	1,875,641	-	-
Communications tax	149,173	-	-
Fire programs	12,278	-	-
Wireless grant	11,789	-	-
Emergency management grant	2,184	-	-
Comprehensive service	239,466	-	-
Other state funds	373	-	-
Federal Government:			
School fund grants	-	595,077	-
Public assistance and welfare administration	91,667	-	-
Victim witness assistance	12,268	-	-
Criminal justice services grant	2,632	-	-
Total due from other governmental units	\$ 3,145,589	\$ 1,630,231	\$ -

6. Capital Assets

The following is a summary of changes in capital assets for the year ended June 30, 2013:

Primary Government

	Balance at July 1, 2012	Additions	Deletions/ Transfers	Balance at June 30, 2013
Capital assets not subject to depreciation				
Land	\$ 2,618,640	\$ 182,602	\$ (43,636)	\$ 2,757,606
Construction in process	3,032,916	1,255,976	(3,718,584)	570,308
Total capital assets not subject to depreciation	5,651,556	1,438,578	(3,762,220)	3,327,914
Capital assets subject to depreciation				
Buildings	19,578,809	3,389,201	(19,000)	22,949,010
Machinery and equipment	13,531,362	865,739	(140,736)	14,256,365
Jointly owned assets	63,094,448	-	(1,871,333)	61,223,115
Total capital assets subject to depreciation	96,204,619	4,254,940	(2,031,069)	98,428,490
Less accumulated depreciation				
Buildings	(6,309,941)	(494,067)	9,975	(6,794,033)
Machinery and equipment	(9,563,400)	(1,212,498)	140,736	(10,635,162)
Jointly owned assets	(9,277,617)	(1,585,826)	322,201	(10,541,242)
Total accumulated depreciation	(25,150,958)	(3,292,391)	472,912	(27,970,437)
Total capital assets subject to depreciation, net	71,053,661	962,549	(1,558,157)	70,458,053
Governmental activities capital assets, net	\$ 76,705,217	\$ 2,401,127	\$ (5,320,377)	\$ 73,785,967

Component Unit – School Board

	Balance at July 1, 2012	Additions	Deletions/ Transfers	Balance at June 30, 2013
Capital assets not subject to depreciation				
Land	\$ 1,349,053	\$ -	\$ -	\$ 1,349,053
Construction in process	4,602,435	1,165,223	(4,904,081)	863,577
Total capital assets not subject to depreciation	5,951,488	1,165,223	(4,904,081)	2,212,630
Capital assets subject to depreciation				
Buildings	174,443	4,900,623	-	5,075,066
Machinery and equipment	7,081,510	456,356	(714,382)	6,823,484
Jointly owned assets	37,611,828	1,871,333	-	39,483,161
Total capital assets subject to depreciation	44,867,781	7,228,312	(714,382)	51,381,711
Less accumulated depreciation				
Buildings	(13,342)	(176,834)	-	(190,176)
Machinery and equipment	(5,284,799)	(486,023)	714,382	(5,056,440)
Jointly owned assets	(5,530,568)	(945,342)	(322,201)	(6,798,111)
Total accumulated depreciation	(10,828,709)	(1,608,199)	392,181	(12,044,727)
Total capital assets subject to depreciation, net	34,039,072	5,620,113	(322,201)	39,336,984
Governmental activities capital assets, net	\$ 39,990,560	\$ 6,785,336	\$ (5,226,282)	\$ 41,549,614

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

Government activities:	
General government administration	\$ 168,831
Judicial administration	166,853
Public safety	1,129,108
Public works	60,789
Health and welfare	24,173
Education	1,585,826
Parks, recreation and cultural	42,720
Community development	114,091
Total governmental activities	<u>\$ 3,292,391</u>
Component Unit School Board	
Education	\$ 1,608,199
Accumulated depreciation on jointly owned assets transferred to School Board during the year	322,201
Total Component Unit School Board	<u>\$ 1,930,400</u>

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

	Expended to June 30, 2013	Committed at June 30, 2013
Primary Government		
McKenney Community Center	\$ 7,750	\$ -
Courthouse Security Upgrades	40,303	276,218
E-911 System and Tower Upgrades	512,094	167,896
Fire Department Improvements	1,375	4,125
Old Stage Road Manned Site	8,786	33,767
Fire Pumper	-	1,438,350
	<u>\$ 570,308</u>	<u>\$ 1,920,356</u>
School Board		
Sunnyside Elementary – Equipment Upgrade	-	23,700
Fieldhouse – Building	863,577	-
Southside Elementary – Equipment Upgrade	-	36,258
	<u>\$ 863,577</u>	<u>\$ 59,958</u>

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

7. Interfund Transfers

Interfund transfers for the year ended June 30, 2013, consisted of the following:

	Transfers In	Transfers Out
Primary Government:		
Governmental funds:		
General fund	\$ 402,587	\$ 12,525,134
Debt service fund	7,772,772	-
Capital projects fund	4,661,178	725,000
Special revenue fund	413,597	-
Total – All funds	<u>\$ 13,250,134</u>	<u>\$ 13,250,134</u>

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

8. Long-Term Obligations

Prior Year Defeasance of Debt

In prior years, the County defeased certain lease revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. On June 30, 2013, \$35.27 million of bonds outstanding are considered defeased.

Primary Government

The following is a summary of changes in long-term obligations for the fiscal year ended June 30, 2013:

	Amount Payable July 1, 2012	Increase	Decrease	Amount Payable June 30, 2013	Amounts Due Within One Year
Governmental Obligations:					
Incurred by County:					
Compensated absences payable	\$ 501,745	\$ 414,200	\$ (447,958)	\$ 467,987	\$ 46,799
Lease revenue bond	5,832,266	-	(776,498)	5,055,768	764,693
OPEB liability	26,006	48,896	(40,887)	34,015	34,015
Landfill post-closure care	1,041,607	-	(44,605)	997,002	-
Add deferred amounts					
Issuance premium	799,127	-	(141,050)	658,077	146,327
Refunding	(83,154)	-	16,631	(66,523)	(16,631)
Total incurred by County	8,117,597	463,096	(1,434,367)	7,146,326	975,203
Incurred by School Board:					
General obligation bonds	15,159,097	-	(1,526,457)	13,632,640	1,319,758
Lease revenue bond	38,657,734	-	(1,608,502)	37,049,232	1,770,307
Add deferred amounts					
Issuance premium	6,725,274	-	(507,050)	6,218,224	552,839
Refunding	(2,742,139)	-	199,872	(2,542,267)	(220,840)
Total incurred by School Board	57,799,966	-	(3,442,137)	54,357,829	3,422,064
Total government obligations	\$ 65,917,563	\$ 463,096	\$ (4,876,504)	\$ 61,504,155	\$ 4,397,267

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

Year Ending June 30,	County Obligations		School Board Obligations			
	Lease Revenue Bond		General Obligation Bonds		Lease Revenue Bond	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	764,693	214,565	1,319,758	659,494	1,770,307	1,740,582
2015	796,296	184,132	1,355,208	590,542	1,833,704	1,671,136
2016	838,827	144,623	1,392,539	519,712	1,931,173	1,580,170
2017	876,071	104,598	1,431,847	434,045	2,023,929	1,487,876
2018	224,881	80,306	812,478	389,273	2,030,119	1,393,047
2019 – 2023	1,265,000	229,309	3,837,846	1,324,403	6,485,000	5,952,628
2024 – 2028	290,000	7,431	3,482,964	454,537	8,175,000	4,192,122
2029 – 2033	-	-	-	-	10,390,000	1,961,506
2034	-	-	-	-	2,410,000	58,156
Total	\$ 5,055,768	\$ 964,964	\$ 13,632,640	\$ 4,372,006	\$ 37,049,232	\$ 20,037,223

Incurred by County

Lease revenue bond:

\$5,832,266 VRA Series 2012A bonds, dated June 13, 2012, maturing annually in installments of varying amounts and at various interest rates through October 1, 2023; interest payable semi-annually. \$ 5,055,768

Incurred by School Board

General obligation bonds:

\$3,789,949 School Bonds, dated November 14, 1996, maturing annually in installments of varying amounts and at various interest rates through July 15, 2016; interest payable semi-annually at an average rate of 5.32%. \$ 939,882

\$2,273,960 School Bonds, dated November 14, 1996, maturing annually in installments of varying amounts and at various interest rates through July 15, 2016; interest payable semi-annually at an average rate of 5.32%. 563,930

\$3,789,949 School Bonds, dated November 14, 1996, maturing annually in installments of varying amounts and at various interest rates through July 15, 2016; interest payable semi-annually at an average rate of 5.32%. 939,882

\$5,810,323 2007A Series School Bonds, maturing annually in installments of varying amounts through July 15, 2027; interest at 5.10%. 4,613,974

\$5,810,323 2007B Series School Bonds, maturing annually in installments of varying amounts through July 15, 2027; interest at 5.10%. 4,613,974

\$4,209,598 School VPSA Loan payable, maturing on July 15, 2021, interest payable at various rates semi-annually. 1,960,998

Total general obligation bonds \$ 13,632,640

Lease revenue bond:

\$38,657,734 VRA Series 2012A Bonds, dated June 13, 2012, maturing annually in installments of varying amounts and at various interest rates through October 1, 2033; interest payable semi-annually. \$ 37,049,232

The following is a summary of long-term debt transactions of the component unit – School Board for the year ended June 30, 2013:

	Amount Payable July 1, 2012	Increase	Decrease	Amount Payable June 30, 2013	Amounts Due Within One Year
Component Unit-School Board:					
Compensated absences	\$ 865,890	\$ 2,102,985	\$ (2,067,886)	\$ 900,989	\$ 90,099
Capital lease	3,971,846	360,296	(106,512)	4,225,630	44,500
OPEB liability	248,348	291,327	(203,550)	336,125	336,125
Total incurred by School Board	<u>\$ 5,086,084</u>	<u>\$ 2,754,608</u>	<u>\$ (2,377,948)</u>	<u>\$ 5,462,744</u>	<u>\$ 470,724</u>

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

9. Conduit Debt Obligations

To provide for the construction and equipping of student housing facilities and related parking facilities at Richard Bland College, the Industrial Development Authority of Dinwiddie County, VA, issued \$3,000,000 in Series 2006 Revenue Bonds on December 1, 2006. These bonds are special limited obligations of the Industrial Development Authority, payable solely from and secured by a Promissory Note between the Richard Bland College Foundation, Inc. and a Support and Operating Agreement between the Richard Bland College Foundation, Inc. and Richard Bland College. The bonds do not constitute a debt or pledge of the faith and credit of the Authority, the County, or the State, and accordingly have not been reported in the accompanying financial statements. At June 30, 2013, Revenue Bonds outstanding totaled \$2,746,188.

10. Closure and Postclosure Costs

The County closed its landfill and is liable for postclosure monitoring for a period of thirty years. The amount reported as landfill postclosure liability at June 30, 2013, represents the estimated liability for postclosure monitoring, of \$997,002 over a period of sixteen years. These amounts are based on what it would cost to perform all postclosure care in 2013. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

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

11. Deferred Revenue

Deferred revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Deferred revenue totaling \$15,849,039 is comprised of the following:

Deferred Property Tax Revenue - Deferred revenue representing uncollected tax billings not available for funding of current expenditures totaled \$15,338,252 at June 30, 2013.

Prepaid Property Taxes – Property taxes due subsequent to June 30, 2013 but paid in advance by the taxpayers totaled \$510,787 at June 30, 2013.

12. Commitments and Contingent Liabilities

Commitments

The County has outstanding commitments at June 30, 2013 related to site development study. The total combined contract costs to date incurred are approximately \$386,954. Remaining construction costs associated with the contract are estimated at \$263,046.

Federal programs

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

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

Operating leases

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

13. Litigation

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

14. Risk Management

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

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

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

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

15. Defined Benefit Pension Plan

Primary Government

A. Plan Description

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

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

VRS administers two defined benefit plan 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 five years of service credit or age 50 with at least 30 years of service credit. They may retire with a reduced benefit early at age 55 with at least five years of service credit or age 50 with at least 10 years of service credit.
- Members hired or rehired on or after July 1, 2010 and 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.

The VRS Basic Benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the member's average final compensation multiplied by the member's total service credit. Under Plan 1, average final compensation is the average of the member's 36 consecutive months of highest compensation. Under Plan 2, average final compensation is the average of the member's 60 consecutive months of highest compensation. The retirement multiplier for non-hazardous duty members is 1.7%. The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. The retirement multiplier for eligible political subdivision hazardous duty employees other than sheriffs and jail superintendents is 1.7% or 1.85% as elected by the employer. 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%; under Plan 2, the COLA cannot exceed 6%. During years of no inflation or deflation, the COLA is 0%. The VRS also provides death and disability benefits. Title 51.1 of the *Code of Virginia* (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of the most recent report may be obtained from the VRS 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

Plan members are required by Title 51.1 of the *Code of Virginia* (1950), as amended, to contribute 5% of their compensation toward their retirement. All or part of the 5% member contribution may be assumed by the employer. Beginning July 1, 2012 new employees were required to pay the 5% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5% member contribution. This could be phased in over a period up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution. In addition, the County and School Board are required to contribute the remaining amounts necessary to fund their participation in the VRS using the actuarial basis specified by the *Code of Virginia* and approved by the VRS Board of Trustees. The County's and School's nonprofessional employee contribution rates for the fiscal year ended 2013 were 18.79% and 16.47% of annual covered payroll, respectively.

The Dinwiddie County School Board professional employee's current rate is 11.66% of annual covered payroll. The contribution requirements of plan members and Dinwiddie County School Board are established and may be amended by the VRS Board of Trustees. The School Board's contributions to VRS for the years ending June 30, 2013, 2012, and 2011 were \$2,356,293, \$2,352,810, and \$838,593, respectively, and equal to the required contributions for each year.

C. Annual Pension Cost

For the fiscal year 2013, the County's annual pension cost of \$1,270,786 (which includes the portion of the employees share assumed by the County of \$246,327) was equal to the County's required and actual contributions.

For the fiscal year 2013, the School Board's annual pension cost for the Board's non-professional employees was \$226,810, which was equal to the Board's required and actual contributions.

Three-Year Trend Information for the County and School Board

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)(1)</u>	<u>Percentage Of APC Contributed</u>	<u>Net Pension Obligation</u>
County:			
June 30, 2013	\$ 1,024,459	100%	\$ -
June 30, 2012	\$ 879,239	100%	\$ -
June 30, 2011	\$ 886,136	100%	\$ -
School Board Nonprofessional:			
June 30, 2013	\$ 226,810	100%	\$ -
June 30, 2012	\$ 128,931	100%	\$ -
June 30, 2011	\$ 129,124	100%	\$ -

(1) Includes Employer portion only

The fiscal year 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%, (b) projected salary increases ranging from 3.75% to 5.6% per year for general government employees, 3.75% to 6.2% per year for teachers, and 3.5% to 4.75% for employees eligible for enhanced benefits available to law enforcement officers, firefighters and sheriffs, and (c) a cost-of-living adjustment of 2.5% per year for Plan 1 employees and 2.25% for Plan 2 employees. Both the investment rate of return and the projected salary increases include an inflation component of 2.5%. The actuarial value of the County's assets is equal to the modified market value of assets. This method uses techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. The County's unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at June 30, 2011 for the Unfunded Actuarial Accrued Liability (UAAL) was 30 years.

D. Funded Status and Funding Progress

As of June 30, 2012, the most recent actuarial valuation date, the County's plan was 72.68% funded. The actuarial accrued liability for benefits was \$31,442,481, and the actuarial value of assets was \$22,851,902, resulting in an unfunded actuarial accrued liability (UAAL) of \$8,590,579. The covered payroll (annual payroll of active employees covered by the plan) was \$7,483,015, and ratio of the UAAL to the covered payroll was 114.80%.

As of June 30, 2012, the most recent actuarial valuation date, the School Board's Non-Professions plan was 77% funded. The actuarial accrued liability for benefits was \$7,381,814 and the actuarial value of assets was \$5,684,267, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,697,547. The covered payroll (annual payroll of active employees covered by the plan) was \$1,449,736 and ratio of the UAAL to the covered payroll was 117.09%.

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

16. Surety Bonds

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

17. Postemployment Benefits Other Than Pensions

Plan Description

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

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

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

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

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

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

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

Funding Policy

The County and School Board's retirees pay 100% of the premiums directly to the County and School Board. The Schools currently have 55 retirees and 10 spouses on their plan. The County has 9 retirees and 6 spouses.

Annual OPEB Cost and Net OPEB Obligation

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

	County	School Board
Annual required contribution	\$ 49,331	\$ 295,476
Interest on net OPEB obligation	1,040	9,934
Adjustment to annual required contribution	(1,475)	(14,083)
Annual OPEB cost (expense)	48,896	291,327
Estimated contributions made	(40,887)	(203,550)
Increase in net OPEB obligation	8,009	87,777
Net OPEB obligation – beginning of year	26,006	248,348
Net OPEB obligation – end of year	\$ 34,015	\$ 336,125

The County and School Board's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2013 and the preceding two years were as follows:

	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
Fiscal Year Ended June 30, 2013			
County			
6/30/2013	\$ 48,896	83.62%	\$ 34,015
6/30/2012	\$ 35,800	89.66%	\$ 26,006
6/30/2011	\$ 35,206	83.51%	\$ 22,306
Schools:			
6/30/2013	\$ 291,327	69.87%	\$ 336,125
6/30/2012	\$ 216,200	72.34%	\$ 248,348
6/30/2011	\$ 207,948	75.45%	\$ 188,548

Funded Status and Funding Progress

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

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

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

Actuarial Methods and Assumptions

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

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

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

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

Based on the historical and expected returns of the County's short-term investment portfolio, a discount of 4.0% was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2013 was thirty years.

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

Plan Description

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

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

Benefit provisions and eligibility requirements are established by Title 51.1, Chapter 14 of the *Code of Virginia*. The VRS actuarially determines the amount necessary to fund all credits provided, reflects the cost of such credits in the applicable employer contribution rate pursuant to 951.1 -145, and prescribes such terms and conditions as are necessary to carry out the provisions of the health insurance credit program. VRS issues separate financial statements as previously discussed in Note 15.

Funding Policy

The School Board is required to contribute, at an actuarially determined rate, the entire amount necessary to fund participation in the program. The current rate is 1.11% of annual covered payroll. The School Board's contributions to VRS for the years ended Year Ended June 30, 2013, 2012, and 2011 were \$224,317, \$124,597, and \$128,029, respectively, which equaled the required contributions for the year.

* * * * *

County of Dinwiddie, Virginia

Required Supplementary Information

Year Ended June 30, 2013

Note to Required Supplementary Information:

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

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

Year Ended June 30, 2013

	General Fund			Variance From
	Budgeted Amounts			Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues				
General property taxes	\$ 25,725,161	\$ 25,725,161	\$ 27,337,402	\$ 1,612,241
Other local taxes	4,167,440	4,167,440	4,502,267	334,827
Permits, privilege fees and regulatory licenses	181,230	181,230	218,819	37,589
Fines and forfeitures	933,700	933,700	611,709	(321,991)
Revenue from use of money and property	103,802	103,802	91,994	(11,808)
Charges for services	1,665,736	1,702,604	1,715,547	12,943
Miscellaneous	97,800	97,800	121,242	23,442
Recovered costs	61,500	61,500	153,475	91,975
Intergovernmental revenues				
Commonwealth	9,286,882	8,428,532	8,199,846	(228,686)
Federal	80,261	1,123,684	1,286,245	162,561
	42,303,512	42,525,453	44,238,546	1,713,093
Expenditures				
General government administration	2,809,481	2,821,533	2,628,659	192,874
Judicial administration	1,011,675	1,034,525	1,025,226	9,299
Public safety	9,937,798	10,002,812	9,720,202	282,610
Public works	3,121,914	3,134,993	3,026,272	108,721
Health and welfare	2,661,042	2,823,465	2,830,017	(6,552)
Education	11,844,287	12,204,287	12,204,287	-
Parks, recreation, and cultural	1,324,259	1,354,185	1,332,954	21,231
Community development	1,732,703	1,981,241	1,205,563	775,678
Total expenditures	34,443,159	35,357,041	33,973,180	1,383,861
Excess of revenues over expenditures	7,860,353	7,168,412	10,265,366	3,096,954
Other financing sources (uses)				
Transfers in	387,688	402,587	402,587	-
Transfers out	(11,132,638)	(12,522,537)	(12,525,134)	(2,597)
Other financing sources (uses)	(10,744,950)	(12,119,950)	(12,122,547)	(2,597)
Net change in fund balances	(2,884,597)	(4,951,538)	(1,857,181)	3,094,357
Fund balance at beginning of year	21,505,859	21,505,859	21,505,859	-
Fund balance at end of year	\$ 18,621,262	\$ 16,554,321	\$ 19,648,678	\$ 3,094,357

See independent auditors' report.

County of Dinwiddie, Virginia
Schedule of Funding Progress

Exhibit 12

Virginia Retirement System						
Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Liability (AAL)	Unfunded (Excess Unfunded) Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	UAAL as % of Payroll
	(a)	(b)	(b-a)	(a/b)	(c)	((b-a)/c)
County						
6/30/2012	\$ 22,851,902	\$ 31,442,481	\$ 8,590,579	72.68%	\$ 7,483,015	114.80%
6/30/2011	22,683,092	30,154,600	7,471,508	75.22%	7,796,934	95.83%
6/30/2010	22,186,685	29,848,118	7,661,433	74.33%	7,830,223	97.84%
6/30/2009	22,178,964	27,260,857	5,081,893	81.36%	7,835,381	64.86%
6/30/2008	22,112,742	25,096,944	2,984,202	88.11%	7,038,900	42.40%
6/30/2007	20,282,226	21,014,270	732,044	96.52%	6,799,634	10.77%
6/30/2006	17,964,988	19,343,879	1,378,891	92.87%	6,161,067	22.38%
6/30/2005	16,923,179	18,749,065	1,825,886	90.26%	5,655,563	32.28%
6/30/2004	16,408,648	15,178,548	(1,230,100)	108.10%	4,973,076	-24.74%
6/30/2003	16,025,387	14,406,435	(1,618,952)	111.24%	4,613,632	-35.09%
School Board						
Non-Professionals						
6/30/2012	5,684,267	7,381,814	1,697,547	77.00%	1,449,736	117.09%
6/30/2011	5,780,068	7,298,806	1,518,738	79.19%	1,462,266	103.86%
6/30/2010	5,730,922	7,032,684	1,301,762	81.49%	1,487,998	87.48%
6/30/2009	5,800,169	6,612,125	811,956	87.72%	1,707,203	47.56%
6/30/2008	5,780,494	6,179,326	398,832	93.55%	1,775,809	22.46%
6/30/2007	5,265,478	6,043,507	778,029	87.13%	1,731,527	44.93%
6/30/2006	4,692,827	5,493,627	800,800	85.42%	1,712,154	46.77%
6/30/2005	4,478,406	5,264,508	786,102	85.07%	1,704,029	46.13%
6/30/2004	4,426,564	4,446,813	20,249	99.54%	1,637,840	1.24%
6/30/2003	4,342,557	3,783,100	(559,457)	114.79%	1,335,593	-41.89%
6/30/2002	4,299,556	3,721,226	(578,330)	115.54%	1,432,070	-40.38%
Retiree Healthcare Plan						
Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Liability (AAL)	Unfunded (Excess Unfunded) Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	UAAL as % of Payroll
	(a)	(b)	(b-a)	(a/b)	(c)	((b-a)/c)
County						
7/1/2012	\$ -	\$ 601,884	\$ 601,884	0.00%	\$ 7,460,861	8.07%
1/1/2011	-	436,900	436,900	0.00%	7,803,100	5.60%
1/1/2009	-	317,700	317,700	0.00%	6,586,100	4.82%
School Board						
7/1/2012	\$ -	\$ 2,394,042	\$ 2,394,042	0.00%	\$ 22,650,701	10.57%
1/1/2011	-	1,750,300	1,750,300	0.00%	19,901,700	8.79%
1/1/2009	-	1,675,500	1,675,500	0.00%	21,492,200	7.80%

See independent auditors' report.

County of Dinwiddie, Virginia
Other Supplementary Information
Year Ended June 30, 2013

County of Dinwiddie, Virginia
Combining and Individual Fund Statements and Schedules
Year Ended June 30, 2013

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

Year Ended June 30, 2013

	Debt Service Fund				Variance From Final Budget Positive (Negative)
	Budgeted Amounts		Actual		
	Original	Final			
Expenditures					
Community development	\$ 589,623	\$ 589,623	\$ 570,259	\$	19,364
Debt service					
Principal retirement	7,178,149	6,796,560	3,911,457		2,885,103
Interest and other fiscal charges	5,000	211,827	2,523,173		(2,311,346)
Total expenditures	7,772,772	7,598,010	7,004,889		593,121
Deficiency of revenues under expenditures	(7,772,772)	(7,598,010)	(7,004,889)		593,121
Other financing sources					
Transfers in	7,772,772	7,772,772	7,772,772		-
Net change in fund balances	-	174,762	767,883		593,121
Fund balance at beginning of year	4,530	4,530	4,530		-
Fund balance at end of year	\$ 4,530	\$ 179,292	\$ 772,413	\$	593,121

See independent auditors' report.

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

Year Ended June 30, 2013

	Capital Projects Fund			Variance From Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues				
Miscellaneous	\$ -	\$ -	\$ 62,587	\$ 62,587
Recovered costs	-	24,615	58,167	33,552
Intergovernmental revenues				
Commonwealth	166,350	1,211,857	278,717	(933,140)
Federal	-	-	930	930
Total revenues	166,350	1,236,472	400,401	(836,071)
Expenditures				
Capital outlays and projects	4,844,963	7,188,887	3,870,818	3,318,069
Deficiency of revenues under expenditures	(4,678,613)	(5,952,415)	(3,470,417)	2,481,998
Other financing sources (uses)				
Transfers in	3,371,178	4,661,178	4,661,178	-
Transfers out	(725,000)	(725,000)	(725,000)	-
Total other financing sources (uses)	2,646,178	3,936,178	3,936,178	-
Net change in fund balances	(2,032,435)	(2,016,237)	465,761	2,481,998
Fund balance at beginning of year	2,016,237	2,016,237	2,016,237	-
Fund balance at end of year	\$ (16,198)	\$ -	\$ 2,481,998	\$ 2,481,998

See independent auditors' report.

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

Year Ended June 30, 2013

	Special Revenue Fund			Variance From
	Budgeted Amounts		Actual	Final Budget
	Original	Final		Positive (Negative)
Revenues				
Revenue from use of money and property	\$ -	\$ -	\$ 733	\$ 733
Charges for services	2,350	2,350	2,177	(173)
Miscellaneous	40,000	96,690	125,460	28,770
Intergovernmental revenues				
Commonwealth	809,691	812,709	782,877	(29,832)
Federal	-	22,990	46,650	23,660
Total revenues	852,041	934,739	957,897	23,158
Expenditures				
Judicial administration	2,350	7,269	1,629	5,640
Public safety	337,435	456,577	177,046	279,531
Public works	115,106	115,106	73,184	41,922
Health and welfare	999,000	1,179,974	1,145,878	34,096
Community development	19,230	101,314	44,482	56,832
Total expenditures	1,473,121	1,860,240	1,442,219	418,021
Deficiency of revenues under expenditures	(621,080)	(925,501)	(484,322)	441,179
Other financing sources				
Transfers in	326,000	411,000	413,597	2,597
Net change in fund balances	(295,080)	(514,501)	(70,725)	443,776
Fund balance at beginning of year	514,501	514,501	514,501	-
Fund balance at end of year	\$ 219,421	\$ -	\$ 443,776	\$ 443,776

See independent auditors' report.

Combining Statement of Fiduciary Net Position
Fiduciary Funds

June 30, 2013

Assets	Agency Funds			Private Purpose Trust Funds							
	Special Welfare	Jail Inmate	Total	Butterworth Scholarship	Retired Teachers Scholarships	Williamson Scholarship	Doyle Scholarship	Pamplin Endowment	Abrahams Scholarship	Total	
Cash and cash equivalents	\$ 35,854	\$ 6,228	\$ 42,082	\$ 12,205	\$ 34,920	\$ 845	\$ 145,709	\$ 729,608	\$ 1,957,988	\$ 2,881,275	
Investments	-	-	-	-	-	-	232,592	1,609,447	1,718,798	3,560,837	
Other receivables	-	-	-	-	-	-	3,713	1,434	500	5,647	
	<u>\$ 35,854</u>	<u>\$ 6,228</u>	<u>\$ 42,082</u>	<u>\$ 12,205</u>	<u>\$ 34,920</u>	<u>\$ 845</u>	<u>\$ 382,014</u>	<u>\$ 2,340,489</u>	<u>\$ 3,677,286</u>	<u>\$ 6,447,759</u>	
Liabilities											
Amounts held for social services clients	\$ 35,854	\$ -	\$ 35,854	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Amounts held for inmates	-	6,228	6,228	-	-	-	-	-	-	-	
	<u>\$ 35,854</u>	<u>\$ 6,228</u>	<u>\$ 42,082</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Net Position											
Amounts held in trust for scholarships and the disadvantaged	\$ -	\$ -	\$ -	\$ 12,205	\$ 34,920	\$ 845	\$ 382,014	\$ 2,340,489	\$ 3,677,286	\$ 6,447,759	

See independent auditors' report.

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

June 30, 2013

	Balance Beginning of Year	Additions	Reductions	Balance End of Year
Special Welfare Fund				
Assets:				
Cash and cash equivalents	\$ 45,931	\$ 19,255	\$ (29,332)	\$ 35,854
Liabilities:				
Amounts held for social services clients	\$ 45,931	\$ 19,255	\$ (29,332)	\$ 35,854
Jail Inmate Fund				
Assets:				
Cash and cash equivalents	\$ 6,688	\$ -	\$ (460)	\$ 6,228
Liabilities:				
Amounts held for others	\$ 6,688	\$ -	\$ (460)	\$ 6,228
Totals - All Agency Funds				
Assets:				
Cash and cash equivalents	\$ 52,619	\$ 19,255	\$ (29,792)	\$ 42,082
Liabilities:				
Amounts held for social services clients	\$ 45,931	\$ 19,255	\$ (29,332)	\$ 35,854
Amounts held for others	6,688	-	(460)	6,228
	\$ 52,619	\$ 19,255	\$ (29,792)	\$ 42,082

See independent auditors' report.

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County of Dinwiddie, Virginia

Discretely Presented Component Unit School Board

Year Ended June 30, 2013

Combining Balance Sheet
Discretely Presented Component Unit - School Board

June 30, 2013

Assets	School Operating Fund	School Special Revenue Fund	Total Component Unit
Cash and cash equivalents	\$ 2,934,779	\$ 1,025,328	\$ 3,960,107
Receivables (net of allowance for uncollectibles):			
Accounts receivable	19,935	8,806	28,741
Due from other governmental units	1,630,231	-	1,630,231
	\$ 4,584,945	\$ 1,034,134	\$ 5,619,079

Liabilities			
Accounts payable	\$ 258,226	\$ 2,288	\$ 260,514
Accrued liabilities	3,712,568	125,210	3,837,778
Total liabilities	3,970,794	127,498	4,098,292

Fund Balances			
Committed to:			
School operating expenses	614,151	-	614,151
Textbook purchases	-	563,091	563,091
School food	-	343,545	343,545
Total committed fund balances	614,151	906,636	1,520,787
	\$ 4,584,945	\$ 1,034,134	\$ 5,619,079

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

Total fund balances per above	\$ 1,520,787
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	41,549,612
Long-term liabilities, including compensated absences payable, are not due and payable in the current period and, therefore, are not reported in the funds	<u>(5,462,744)</u>
Net position of governmental activities	<u>\$ 37,607,655</u>

See independent auditors' report.

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

Year Ended June 30, 2013

	School Operating Fund	School Special Revenue Funds	Total Governmental Funds
Revenues			
Revenue from use of money and property	\$ -	\$ 162	\$ 162
Charges for services	13,497	518,196	531,693
Miscellaneous	98,182	8,057	106,239
Recovered costs	(2,632)	-	(2,632)
Intergovernmental revenues			
Local government	12,174,187	27,100	12,201,287
Commonwealth	25,520,877	323,152	25,844,029
Federal	2,057,053	1,230,911	3,287,964
Total revenues	39,861,164	2,107,578	41,968,742
Expenditures			
Education	39,445,381	2,233,060	41,678,441
Excess (deficiency) of revenues over (under) expenditures	415,783	(125,482)	290,301
Other financing sources (uses)			
Transfers in	-	113,749	113,749
Transfers out	(113,749)	-	(113,749)
Total other financing sources (uses)	(113,749)	113,749	-
Changes in fund balances	302,034	(11,733)	290,301
Fund balances - beginning of year	312,117	918,369	1,230,486
Fund balances - end of year	\$ 614,151	\$ 906,636	\$ 1,520,787

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

Net change in fund balances - total governmental funds - per above		\$ 290,301
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period.		
Capital outlay	\$ 27,791	
Depreciation expense	(1,608,199)	
Allocation of jointly owned assets - original cost depreciation	1,549,132	(31,276)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		1,230,032
The repayment of capital leases consumes the current financial resources of governmental funds; however, they do not have any affect on net position.		106,512
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
(Increase) decrease in compensated absences	\$ (35,099)	
(Increase) decrease in OPEB liability	(87,777)	(122,876)
Change in net position of governmental activities		\$ 1,472,693

See independent auditors' report.

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

Year Ended June 30, 2013

	School Operating Fund			Variance From Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Charges for services	\$ 15,000	\$ 15,000	\$ 13,497	\$ (1,503)
Miscellaneous	13,900	78,891	98,182	19,291
Recovered costs	75,000	75,000	(2,632)	(77,632)
Intergovernmental revenues				
Local government	11,841,287	12,174,187	12,174,187	-
Commonwealth	25,284,640	25,284,640	25,520,877	236,237
Federal	2,148,122	2,291,476	2,057,053	(234,423)
Total revenues	39,377,949	39,919,194	39,861,164	(58,030)
Expenditures				
Education	39,574,739	40,118,790	39,445,381	673,409
Excess (deficiency) of revenues over (under) expenditures	(196,790)	(199,596)	415,783	615,379
Other financing sources (uses)				
Transfers out	(112,521)	(112,521)	(113,749)	(1,228)
Changes in fund balances	(309,311)	(312,117)	302,034	614,151
Fund balances at beginning of year	312,117	312,117	312,117	-
Fund balances at end of year	\$ 2,806	\$ -	\$ 614,151	\$ 614,151

See independent auditors' report.

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

Year Ended June 30, 2013

	School Special Revenue Funds			Variance From Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Revenue from use of money and property	\$ 650	\$ 650	\$ 162	(488)
Charges for services	650,000	650,000	518,196	(131,804)
Miscellaneous	-	-	8,057	8,057
Intergovernmental revenues				
Local	-	27,100	27,100	-
Commonwealth	326,084	326,084	323,152	(2,932)
Federal	1,152,000	1,152,000	1,230,911	78,911
Total revenues	2,128,734	2,155,834	2,107,578	(48,256)
Expenditures				
Education	3,036,986	3,140,767	2,233,060	907,707
Excess (deficiency) of revenues over (under) expenditures	(908,252)	(984,933)	(125,482)	859,451
Other financing sources				
Transfers in	112,521	112,521	113,749	1,228
Changes in fund balances	(795,731)	(872,412)	(11,733)	860,679
Fund balances at beginning of year	918,369	918,369	918,369	-
Fund balances at end of year	\$ 122,638	\$ 45,957	\$ 906,636	\$ 860,679

See independent auditors' report.

County of Dinwiddie, Virginia

Supporting Schedules

Year Ended June 30, 2013

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

Year Ended June 30, 2013

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
PRIMARY GOVERNMENT				
GENERAL FUND				
Revenue from local sources				
General property taxes				
Real property tax	\$ 16,051,842	\$ 16,051,842	\$ 16,318,807	\$ 266,965
Real and personal PSC tax	1,039,496	1,039,496	1,198,132	158,636
Personal property tax	6,909,083	6,909,083	7,155,017	245,934
Mobile home tax	53,700	53,700	63,479	9,779
Machinery and tools tax	591,242	591,242	674,328	83,086
Pollution and recycling control	734,798	734,798	1,342,401	607,603
Penalties	200,000	200,000	293,756	93,756
Interest	145,000	145,000	291,482	146,482
Total general property taxes	25,725,161	25,725,161	27,337,402	1,612,241
Other local taxes				
Local sales and use tax	1,275,000	1,275,000	1,423,691	148,691
Bank stock tax	126,000	126,000	142,289	16,289
Consumption tax	165,000	165,000	159,023	(5,977)
Consumer utility tax	585,000	585,000	585,574	574
Business license tax	610,000	610,000	756,995	146,995
Admission tax	12,000	12,000	15,045	3,045
Motor vehicle licenses	545,740	545,740	534,395	(11,345)
Taxes on recordation and wills	171,200	171,200	150,205	(20,995)
Meals tax	600,000	600,000	662,561	62,561
Transient occupancy tax	77,500	77,500	72,489	(5,011)
Total other local taxes	4,167,440	4,167,440	4,502,267	334,827
Permits, privilege fees and regulatory licenses				
Animal licenses	20,000	20,000	17,186	(2,814)
Transfer fees	600	600	830	230
Other permits and licenses	160,630	160,630	200,803	40,173
Total permits, privilege fees and regulatory licenses	181,230	181,230	218,819	37,589
Fines and forfeitures				
Court fines and forfeitures	933,700	933,700	611,709	(321,991)
Revenue from use of money and property				
Revenue from use of money	33,600	33,600	33,502	(98)
Revenue from use of property	70,202	70,202	58,492	(11,710)
Total revenue from use of money and property	103,802	103,802	91,994	(11,808)

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

Year Ended June 30, 2013

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
PRIMARY GOVERNMENT (continued)				
GENERAL FUND (continued)				
Revenue from local sources (continued)				
Charges for services				
Ambulance and EMS services	605,000	605,000	664,883	59,883
Law enforcement and traffic control	1,386	1,386	1,386	-
Courthouse security	165,000	165,000	121,311	(43,689)
Other court services	27,300	27,300	25,826	(1,474)
Commonwealth's Attorney	3,050	3,050	3,530	480
Correction and detention	-	2,000	4,842	2,842
Other protection	15,300	15,300	11,687	(3,613)
Community development	200	200	1,287	1,087
Sanitation and waste removal	70,000	70,000	59,450	(10,550)
Water and sewer services	615,000	615,000	639,303	24,303
Parks and recreation	163,500	198,368	182,042	(16,326)
Total charges for services	1,665,736	1,702,604	1,715,547	12,943
Miscellaneous				
Miscellaneous revenues	97,800	97,800	121,242	23,442
Recovered costs				
Security deputies	40,000	40,000	79,280	39,280
Other recovered costs	10,000	10,000	63,330	53,330
Prisoner extradition reimbursement	500	500	1,634	1,134
Social services insurance	11,000	11,000	9,231	(1,769)
Total recovered costs	61,500	61,500	153,475	91,975
Total revenue from local sources	32,936,369	32,973,237	34,752,455	1,779,218
Revenue from the Commonwealth				
Noncategorical aid				
Rolling stock tax	110,000	110,000	260,609	150,609
Mobile home titling tax	48,500	48,500	29,521	(18,979)
Taxes on deeds	26,150	26,150	30,439	4,289
Communications tax	926,000	926,000	943,512	17,512
State recordation tax	60,000	60,000	49,087	(10,913)
Personal property tax relief funds	3,642,692	3,642,692	3,642,692	-
Reduction in state aid to local governments	(175,000)	(175,000)	(120,718)	54,282
Total noncategorical aid	4,638,342	4,638,342	4,835,142	196,800
Categorical aid				
Shared expenses				
Commonwealth's Attorney	330,246	330,246	309,759	(20,487)
Sheriff	1,472,280	1,472,280	1,306,829	(165,451)
Commissioner of revenue	110,549	110,549	115,460	4,911
Treasurer	83,263	83,263	79,930	(3,333)
Registrar/electoral board	42,763	42,763	39,833	(2,930)
Clerk of the Circuit Court	244,774	261,597	259,589	(2,008)
Local jails	-	-	716	716
Total shared expenses	2,283,875	2,300,698	2,112,116	(188,582)

See independent auditors' report.

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

Year Ended June 30, 2013

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
PRIMARY GOVERNMENT (continued)				
GENERAL FUND (continued)				
Revenue from the Commonwealth (continued)				
Other categorical aid				
Public assistance and welfare administration	1,832,778	933,879	892,398	(41,481)
E-911 wireless grants	40,000	40,000	178,645	138,645
Tobacco commission	441,238	464,964	125,903	(339,061)
VJCCCA grant	19,549	19,549	19,549	-
Pesticide recycling	1,100	1,100	1,799	699
Other state funds	30,000	30,000	34,294	4,294
Total other categorical aid	2,364,665	1,489,492	1,252,588	(236,904)
Total categorical aid	4,648,540	3,790,190	3,364,704	(425,486)
Total revenue from the Commonwealth	9,286,882	8,428,532	8,199,846	(228,686)
Revenue from the federal government				
Payments in lieu of taxes	800	800	821	21
Categorical aid				
Public assistance and welfare administration	-	1,043,423	1,210,875	167,452
Bulletproof vest grant	4,800	4,800	854	(3,946)
Highway safety grant	20,500	20,500	12,424	(8,076)
Victim witness assistance grant	54,161	54,161	53,582	(579)
Other federal funds	-	-	7,689	7,689
Total categorical aid	79,461	1,122,884	1,285,424	162,540
Total revenue from the federal government	80,261	1,123,684	1,286,245	162,561
Total General Fund	\$ 42,303,512	\$ 42,525,453	\$ 44,238,546	\$ 1,713,093
SPECIAL REVENUE FUND				
Revenue from local sources				
Revenue from use of money and property				
Revenue from use of money	\$ -	\$ -	\$ 733	\$ 733
Charges for services				
Law library fees	2,350	2,350	2,177	(173)
Miscellaneous				
Miscellaneous revenues	40,000	96,690	125,460	28,770
Total revenue from local sources	42,350	99,040	128,370	29,330
Revenue from the Commonwealth				
Categorical aid				
Fire programs	92,185	92,185	78,483	(13,702)
Comprehensive services act	683,000	683,000	656,586	(26,414)
Four for life	27,697	27,697	28,040	343
Asset forfeitures	-	-	9,941	9,941
Litter control grant	6,809	9,827	9,827	-
Total revenue from the Commonwealth	809,691	812,709	782,877	(29,832)

See independent auditors' report.

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

Year Ended June 30, 2013

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
PRIMARY GOVERNMENT (continued)				
SPECIAL REVENUE FUND (continued)				
Revenue from the federal government				
Categorical aid				
Homeland security grant	-	-	15,146	15,146
Asset forfeitures	-	-	8,514	8,514
Community development block grant	-	22,990	22,990	-
Total revenue from the federal government	-	22,990	46,650	23,660
Total Special Revenue Fund	\$ 852,041	\$ 934,739	\$ 957,897	\$ 23,158
CAPITAL PROJECTS FUND				
Revenue from local sources				
Miscellaneous				
Miscellaneous revenues	\$ -	\$ -	\$ 62,587	\$ 62,587
Recovered costs				
Insurance proceeds	-	24,615	58,167	33,552
Total revenue from local sources	-	24,615	120,754	96,139
Revenue from the Commonwealth				
Categorical aid				
Other state funds	166,350	615,494	165,494	(450,000)
Tobacco grant	-	596,363	113,223	(483,140)
Total revenue from the Commonwealth	166,350	1,211,857	278,717	(933,140)
Revenue from the federal government				
Categorical aid				
FEMA reimbursement	-	-	930	930
Total Capital Projects Fund	\$ 166,350	\$ 1,236,472	\$ 400,401	\$ (836,071)
TOTAL PRIMARY GOVERNMENT	\$ 43,321,903	\$ 44,696,664	\$ 45,596,844	\$ 900,180

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

Year Ended June 30, 2013

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD				
SCHOOL OPERATING FUND				
Revenue from local sources				
Charges for services				
Charges for education	\$ 15,000	\$ 15,000	\$ 13,497	\$ (1,503)
Miscellaneous				
Miscellaneous revenues	13,900	78,891	98,182	19,291
Recovered costs				
Medicare admin services	75,000	75,000	(2,632)	(77,632)
Total revenue from local sources	103,900	168,891	109,047	(59,844)
Revenue from local governments				
Contributions from County of Dinwiddie, VA	11,841,287	12,174,187	12,174,187	-
Revenue from the Commonwealth				
Categorical aid				
Share of state sales tax	4,384,980	4,384,980	4,363,370	(21,610)
Basic school aid	13,522,809	13,522,809	13,632,260	109,451
Remedial summer education	-	-	39,231	39,231
Regular foster care	3,414	3,414	9,307	5,893
Gifted and talented	144,716	144,716	145,929	1,213
Remedial education	481,338	481,338	485,374	4,036
English as a second language	39,221	39,221	32,827	(6,394)
Special education	1,761,760	1,761,760	1,777,338	15,578
Vocational education	384,954	384,954	390,126	5,172
School fringes	2,559,691	2,559,691	2,347,558	(212,133)
Technology	258,000	258,000	296,900	38,900
Early reading intervention	89,292	89,292	84,827	(4,465)
Homebound education	45,442	45,442	64,967	19,525
Other state funds	3,704	3,704	245,909	242,205
GED funding	7,859	7,859	7,859	-
Mentor teacher program	2,693	2,693	4,170	1,477
Hospitals, clinics, etc.	105,020	105,020	97,560	(7,460)
At risk four year olds	137,280	137,280	137,280	-
At risk payments	587,557	587,557	592,313	4,756
Algebra readiness	70,794	70,794	73,133	2,339
Primary class size	694,116	694,116	692,639	(1,477)
Total categorical aid	25,284,640	25,284,640	25,520,877	236,237

See independent auditors' report.

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

Year Ended June 30, 2013

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD (continued)				
SCHOOL OPERATING FUND (continued)				
Revenue from the federal government				
Categorical aid				
Title I	701,216	770,107	685,176	(84,931)
Title VI-B, special education flow-through	1,150,907	1,135,439	935,267	(200,172)
Vocational education	62,830	67,932	67,544	(388)
Title VI-B, special education preschool	28,574	35,980	28,837	(7,143)
Title II, Part A	159,106	224,245	210,238	(14,007)
Title II, Part D	-	1,470	1,470	-
Title IV-B - 21st century	-	10,814	10,814	-
Jr ROTC	45,489	45,489	55,221	9,732
Other federal funds	-	-	62,486	62,486
Total categorical aid	2,148,122	2,291,476	2,057,053	(234,423)
Total School Operating Fund	\$ 39,377,949	\$ 39,919,194	\$ 39,861,164	\$ (58,030)
SCHOOL SPECIAL REVENUE FUND				
Revenue from local sources				
Revenue from use of money and property				
Revenue from use of money	\$ 650	\$ 650	\$ 162	\$ (488)
Charges for services				
Cafeteria sales	650,000	650,000	518,196	(131,804)
Miscellaneous				
Miscellaneous revenues	-	-	8,057	8,057
Total revenue from local sources	650,650	650,650	526,415	(124,235)
Revenue from local governments				
Contributions from County of Dinwiddie, VA	-	27,100	27,100	-
Revenue from the Commonwealth				
Categorical aid				
Textbook payment	282,291	282,291	284,657	2,366
School food program grant	43,793	43,793	38,495	(5,298)
Total categorical aid	326,084	326,084	323,152	(2,932)
Revenue from the federal government				
Categorical aid				
School food program grant	1,152,000	1,152,000	1,120,431	(31,569)
Commodities	-	-	110,480	110,480
Total categorical aid	1,152,000	1,152,000	1,230,911	78,911
Total School Special Revenue Fund	\$ 2,128,734	\$ 2,155,834	\$ 2,107,578	\$ (48,256)
TOTAL DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD	\$ 41,506,683	\$ 42,075,028	\$ 41,968,742	\$ (106,286)

See independent auditors' report.

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

Year Ended June 30, 2013

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
PRIMARY GOVERNMENT				
GENERAL FUND				
General government administration				
Legislative				
Board of supervisors	\$ 100,001	\$ 100,001	\$ 98,807	\$ 1,194
General and financial administration				
County administrator	319,783	321,488	314,869	6,619
Legal services	212,736	213,304	197,506	15,798
Human resources	365,143	365,143	273,165	91,978
Independent auditor	57,500	57,500	61,200	(3,700)
Commissioner of revenue	567,536	570,947	515,909	55,038
Treasurer	423,413	426,029	414,800	11,229
Accounting	225,319	227,024	222,916	4,108
Information systems	397,805	399,511	391,627	7,884
Total general and financial administration	2,569,235	2,580,946	2,391,992	188,954
Board of elections				
Electoral board and officials	140,245	140,586	137,860	2,726
Total general governmental administration	2,809,481	2,821,533	2,628,659	192,874
Judicial administration				
Courts				
Circuit court	17,050	17,050	21,240	(4,190)
General district court	28,009	28,009	27,333	676
Special magistrates	1,127	1,127	648	479
Clerk of the circuit court	403,574	422,672	410,791	11,881
Victim and witness assistance	56,257	56,825	56,728	97
Total courts	506,017	525,683	516,740	8,943
Commonwealth's attorney				
Commonwealth's attorney	505,658	508,842	508,486	356
Total judicial administration	1,011,675	1,034,525	1,025,226	9,299
Public safety				
Law enforcement and traffic control				
Sheriff	4,261,531	4,291,102	4,229,942	61,160
Fire and rescue services				
Fire department	489,250	489,250	473,637	15,613
Fire and rescue services	281,408	283,113	266,994	16,119
Emergency medical services	1,296,930	1,307,849	1,275,439	32,410
Total fire and rescue services	2,067,588	2,080,212	2,016,070	64,142
Correction and detention				
Confinement and care of adult and juvenile prisoners	1,518,959	1,526,017	1,535,102	(9,085)
Juvenile probation and detention	276,182	276,523	267,425	9,098
VJCCCA	141,647	142,898	140,311	2,587
Total correction and detention	1,936,788	1,945,438	1,942,838	2,600
Inspections				
Building inspections	249,339	251,044	238,505	12,539

See independent auditors' report.

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

Year Ended June 30, 2013

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
PRIMARY GOVERNMENT (continued)				
GENERAL FUND (continued)				
Public safety (continued)				
Other protection				
Animal control	261,562	263,041	223,585	39,456
Communications	1,159,890	1,170,875	1,067,542	103,333
Medical examiner	1,100	1,100	1,720	(620)
Total other protection	1,422,552	1,435,016	1,292,847	142,169
Total public safety	9,937,798	10,002,812	9,720,202	282,610
Public works				
Maintenance of highways, streets, bridges, and sidewalks				
Streetlights	42,700	42,700	43,131	(431)
Sanitation and waste removal				
Refuse disposal	1,424,485	1,434,152	1,261,066	173,086
Maintenance of general buildings and grounds				
General properties	1,654,729	1,658,141	1,722,075	(63,934)
Total public works	3,121,914	3,134,993	3,026,272	108,721
Health and welfare				
Health				
Supplement of local health department	251,030	251,030	251,032	(2)
Mental health and mental retardation				
District 19 - Community services board	69,128	69,128	69,128	-
Welfare				
Public assistance and welfare administration	2,316,104	2,475,527	2,478,420	(2,893)
Area agency on aging	10,767	10,767	10,768	(1)
Other social services	14,013	17,013	20,669	(3,656)
Total welfare	2,340,884	2,503,307	2,509,857	(6,550)
Total health and welfare	2,661,042	2,823,465	2,830,017	(6,552)
Education				
Other instructional costs				
Contributions to Community Colleges	3,000	3,000	3,000	-
Contribution to Dinwiddie County School Board	11,841,287	12,201,287	12,201,287	-
Total education	11,844,287	12,204,287	12,204,287	-
Parks, recreation, and cultural				
Parks and recreation				
Supervision of parks and recreation	1,072,415	1,102,341	1,081,110	21,231
Library				
Contribution to regional library	251,844	251,844	251,844	-
Total parks, recreation and cultural	1,324,259	1,354,185	1,332,954	21,231

See independent auditors' report.

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

Year Ended June 30, 2013

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
PRIMARY GOVERNMENT (continued)				
GENERAL FUND (continued)				
Community development				
Planning and community development				
Planning and zoning	533,114	535,956	519,711	16,245
Economic development	120,644	121,212	108,463	12,749
Contribution to Industrial Development Authority	25,000	25,000	25,000	-
Other community development	942,899	1,187,686	450,317	737,369
Total planning and community development	1,621,657	1,869,854	1,103,491	766,363
Environmental management				
Contribution to soil and water conservation district	15,500	15,500	15,500	-
Cooperative extension program				
Extension office	95,546	95,887	86,572	9,315
Total community development	1,732,703	1,981,241	1,205,563	775,678
Total General Fund	\$ 34,443,159	\$ 35,357,041	\$ 33,973,180	\$ 1,383,861
SPECIAL REVENUE FUND				
Judicial administration				
Courts				
Law library	\$ 2,350	\$ 7,269	\$ 1,629	\$ 5,640
Public safety				
Law enforcement and traffic control				
Sheriff	-	67,722	27,473	40,249
Fire and rescue services				
Fire department	112,804	30,556	27,677	2,879
Fire/rescue grant	143,631	271,866	83,063	188,803
Emergency medical services	-	-	234	(234)
Total Fire and rescue services	256,435	302,422	110,974	191,448
Other Protection				
Forfeited assets	81,000	86,433	38,599	47,834
Total public safety	337,435	456,577	177,046	279,531
Public works				
Maintenance of general buildings and grounds				
Litter control grant	115,106	115,106	73,184	41,922
Health and welfare				
Welfare				
Comprehensive services act	999,000	1,179,974	1,145,878	34,096
Community development				
Planning and community development				
Medical office building	-	36,078	36,078	-
Sesquicentennial committee	19,230	20,553	8,404	12,149
Other community development	-	44,683	-	44,683
Total community development	19,230	101,314	44,482	56,832
Total Special Revenue Fund	\$ 1,473,121	\$ 1,860,240	\$ 1,442,219	\$ 418,021

See independent auditors' report.

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

Year Ended June 30, 2013

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
PRIMARY GOVERNMENT (continued)				
DEBT SERVICE FUND				
Community development				
Planning and community development				
Dinwiddie County Airport and Industrial Authority	\$ 55,144	\$ 55,144	\$ 55,144	\$ -
Dinwiddie County Water Authority	534,479	534,479	515,115	19,364
Total community development	589,623	589,623	570,259	19,364
Debt service				
Principal retirement	7,178,149	6,796,560	3,911,457	2,885,103
Interest and other fiscal charges	5,000	211,827	2,523,173	(2,311,346)
Total debt service	7,183,149	7,008,387	6,434,630	573,757
Total Debt Service Fund	\$ 7,772,772	\$ 7,598,010	\$ 7,004,889	\$ 593,121
CAPITAL PROJECTS FUND				
Capital outlays and projects				
County building renovations	\$ 1,527,597	\$ 1,981,327	\$ 1,089,937	\$ 891,390
County schools	1,342,232	1,301,129	1,230,032	71,097
Equipment purchases	1,070,612	2,601,447	779,680	1,821,767
Commerce park	61,422	536,250	2,435	533,815
MRRJA Satellite	843,100	768,734	768,734	-
Total Capital Projects Fund	\$ 4,844,963	\$ 7,188,887	\$ 3,870,818	\$ 3,318,069
TOTAL PRIMARY GOVERNMENT	\$ 48,534,015	\$ 52,004,178	\$ 46,291,106	\$ 5,713,072
DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD				
School Operating Fund				
Education				
Administration, health, and attendance	\$ -	\$ 1,686,932	\$ 1,678,665	\$ 8,267
Instruction costs	39,574,739	30,200,102	29,680,026	520,076
Pupil transportation	-	2,900,208	2,897,677	2,531
Operation and maintenance of school plant	-	5,331,548	5,189,013	142,535
Total School Operating Fund	39,574,739	40,118,790	39,445,381	673,409
Special Revenue Fund				
Education				
Instruction costs	900,543	1,004,245	444,761	559,484
School food services	2,136,443	2,136,522	1,677,819	458,703
Commodities	-	-	110,480	(110,480)
Total Special Revenue Fund	3,036,986	3,140,767	2,233,060	907,707
TOTAL DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD	\$ 42,611,725	\$ 43,259,557	\$ 41,678,441	\$ 1,581,116

See independent auditors' report.

County of Dinwiddie, Virginia

Statistical Section (unaudited)

Year Ended June 30, 2013

County of Dinwiddie, Virginia**Table 1****Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Net investment in capital assets	\$ 4,096,073	\$ 3,535,362	\$ 6,721,955	\$ 15,863,467	\$ 6,573,010	\$ 6,484,665	\$ 12,183,433	\$ 15,144,598	\$ 12,357,012	\$ 13,780,816
Restricted	281,512	281,512	281,512	281,512	281,512	300,303	-	-	7,411	-
Unrestricted	27,741,942	28,182,707	28,831,874	28,095,354	28,124,095	28,949,723	26,967,288	24,062,305	26,432,185	24,996,338
Total governmental activities net position	\$ 32,119,527	\$ 31,999,581	\$ 35,835,341	\$ 44,240,333	\$ 34,978,617	\$ 35,734,691	\$ 39,150,721	\$ 39,206,903	\$ 38,796,608	\$ 38,777,154
Primary government										
Net investment in capital assets	\$ 4,096,073	\$ 3,535,362	\$ 6,721,955	\$ 15,863,467	\$ 6,573,010	\$ 6,484,665	\$ 12,183,433	\$ 15,144,598	\$ 12,357,012	\$ 13,780,816
Restricted	281,512	281,512	281,512	281,512	281,512	300,303	-	-	7,411	-
Unrestricted	27,741,942	28,182,707	28,831,874	28,095,354	28,124,095	28,949,723	26,967,288	24,062,305	26,432,185	24,996,338
Total primary government net position	\$ 32,119,527	\$ 31,999,581	\$ 35,835,341	\$ 44,240,333	\$ 34,978,617	\$ 35,734,691	\$ 39,150,721	\$ 39,206,903	\$ 38,796,608	\$ 38,777,154

See independent auditors' report.

County of Dinwiddie, Virginia

Table 2

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental activities:										
General government administration	\$ 1,580,395	\$ 1,909,981	\$ 1,667,495	\$ 2,160,836	\$ 2,228,249	\$ 2,911,274	\$ 2,412,955	\$ 2,491,383	\$ 2,647,617	\$ 2,737,123
Judicial administration	353,585	450,660	731,623	828,790	1,000,621	1,094,384	1,233,507	1,101,074	1,121,095	1,204,496
Public safety	6,027,228	7,094,483	7,938,868	9,224,156	10,113,253	10,933,257	10,424,635	10,538,356	10,702,298	10,830,573
Public works	2,278,549	2,848,915	3,059,882	3,151,835	3,113,226	3,045,668	3,217,083	2,954,657	3,134,643	4,152,120
Health and welfare	2,802,923	3,041,606	3,092,617	3,188,957	3,410,351	3,383,742	3,514,474	3,615,528	3,804,266	3,910,976
Education	13,009,658	16,215,247	14,287,850	9,977,936	20,187,331	13,084,765	13,602,573	18,555,995	18,782,146	16,511,110
Parks, recreation, and cultural	474,585	492,027	511,327	552,282	911,484	933,556	890,544	450,650	1,296,375	1,378,098
Community development	1,311,546	1,372,021	1,242,298	1,521,653	1,987,130	1,870,325	2,020,023	1,714,759	2,046,538	1,898,953
Interest and other fiscal charges	2,599,202	3,513,977	4,204,312	3,960,721	3,934,723	3,722,439	3,510,601	3,267,513	2,379,842	2,473,351
Total governmental activities expenses	30,437,671	36,938,917	36,736,272	34,567,166	46,886,368	40,979,410	40,826,395	44,689,915	45,914,820	45,096,800
Total primary government expenses	\$ 30,437,671	\$ 36,938,917	\$ 36,736,272	\$ 34,567,166	\$ 46,886,368	\$ 40,979,410	\$ 40,826,395	\$ 44,689,915	\$ 45,914,820	\$ 45,096,800
Program revenues										
Governmental activities:										
Charges for services:										
Judicial administration	\$ 296,413	\$ 181,930	\$ 388,718	\$ 523,019	\$ 830,912	\$ 1,305,499	\$ 1,384,720	\$ 1,339,915	\$ 1,138,112	\$ 764,553
Public safety	619,330	923,608	924,691	1,203,542	898,793	856,280	1,031,217	1,018,918	1,015,426	1,137,315
Public works	612,300	629,256	89,757	739,398	751,894	653,109	637,392	627,203	644,216	698,753
Parks, recreation, and cultural	74,828	76,822	74,271	79,875	66,293	92,409	110,846	145,027	165,857	182,042
Community development	6,745	9,386	521,224	10,698	1,416	1,390	681	712	376	1,287
Operating grants and contributions	4,917,113	7,335,019	5,350,051	6,296,842	6,124,116	6,003,643	6,175,872	5,697,075	7,235,060	6,620,851
Capital grants and contributions	-	41,470	42,235	-	2,757,972	616,088	929,973	699,323	748,964	295,603
Total governmental activities program revenues	6,526,729	9,197,491	7,390,947	8,853,374	11,431,396	9,528,418	10,270,701	9,528,173	10,948,011	9,700,404
Total primary government program revenues	\$ 6,526,729	\$ 9,197,491	\$ 7,390,947	\$ 8,853,374	\$ 11,431,396	\$ 9,528,418	\$ 10,270,701	\$ 9,528,173	\$ 10,948,011	\$ 9,700,404
Total governmental activities	\$ (23,910,942)	\$ (27,741,426)	\$ (29,345,325)	\$ (25,713,792)	\$ (35,454,972)	\$ (31,450,992)	\$ (30,555,694)	\$ (35,161,742)	\$ (34,966,809)	\$ (35,396,396)
Total primary government net expense	\$ (23,910,942)	\$ (27,741,426)	\$ (29,345,325)	\$ (25,713,792)	\$ (35,454,972)	\$ (31,450,992)	\$ (30,555,694)	\$ (35,161,742)	\$ (34,966,809)	\$ (35,396,396)

County of Dinwiddie, Virginia

Changes in Net Position (Continued)

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General revenues and other changes in net position										
Governmental activities:										
Taxes:										
Property taxes	\$ 15,487,481	\$ 17,414,146	\$ 20,099,377	\$ 21,348,615	\$ 22,217,232	\$ 22,549,583	\$ 24,743,254	\$ 25,156,908	\$ 26,805,696	\$ 26,664,129
Local sales and use taxes	863,497	930,972	1,021,345	1,180,546	1,374,304	1,065,681	1,096,278	1,203,733	1,363,905	1,423,691
Taxes on recordation and wills	130,933	192,398	267,881	269,394	233,515	183,743	160,647	120,939	158,345	150,205
Motor vehicle licenses taxes	465,492	476,262	485,575	476,817	378,508	494,872	617,821	545,740	540,211	534,395
Consumer utility taxes	899,650	1,088,753	1,244,243	886,235	564,293	582,840	709,229	532,818	581,790	585,574
Communication taxes	-	-	-	-	1,058,009	961,296	965,609	-	-	-
Business licenses taxes	394,848	473,874	528,221	704,284	733,008	691,566	598,129	627,762	639,686	756,995
Other local taxes	1,086,299	1,176,517	1,171,340	1,613,971	1,027,137	939,573	771,758	950,403	1,001,612	1,051,407
Unrestricted grants and contributions	4,106,164	4,508,591	5,113,495	3,958,524	3,918,941	3,806,489	3,665,342	4,731,621	3,691,120	3,861,191
Unrestricted revenues from use of money and property	355,377	1,287,478	3,130,851	4,186,253	2,253,826	566,711	202,165	148,742	252,722	92,727
Miscellaneous	80,713	72,489	118,757	119,584	106,193	364,712	166,484	873,653	305,634	309,289
Gain (loss) on sale of capital assets	-	-	-	111,673	-	-	-	-	(941,808)	(52,661)
Payment from Dinwiddie County School Board	-	-	-	-	-	-	275,008	402,508	-	-
Refunds from mineral lands tax	-	-	-	(747,331)	-	-	-	-	-	-
Total governmental activities	23,870,454	27,621,480	33,181,085	34,108,565	33,864,966	32,207,066	33,971,724	35,294,827	34,398,913	35,376,942
Total primary government	\$ 23,870,454	\$ 27,621,480	\$ 33,181,085	\$ 34,108,565	\$ 33,864,966	\$ 32,207,066	\$ 33,971,724	\$ 35,294,827	\$ 34,398,913	\$ 35,376,942
Change in net position										
Governmental activities	\$ (40,488)	\$ (119,946)	\$ 3,835,760	\$ 8,394,773	\$ (1,590,006)	\$ 756,074	\$ 3,416,030	\$ 133,085	\$ (567,896)	\$ (19,454)
Total primary government	\$ (40,488)	\$ (119,946)	\$ 3,835,760	\$ 8,394,773	\$ (1,590,006)	\$ 756,074	\$ 3,416,030	\$ 133,085	\$ (567,896)	\$ (19,454)

See independent auditors' report.

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County of Dinwiddie, Virginia

Table 3

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

	2004	2005	2006	2007	2008	2009	2010	2011 ⁽¹⁾	2012	2013
General fund										
Reserved	\$ 281,512	\$ 281,512	\$ 281,512	\$ 281,512	\$ 281,512	\$ 192,984	\$ 192,984	\$ -	\$ -	\$ -
Unreserved	17,062,058	13,434,349	15,542,431	18,307,012	20,566,462	19,216,083	20,349,735	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	199,877	22,053
Restricted	-	-	-	-	-	-	-	226,025	28,746	27,282
Committed	-	-	-	-	-	-	-	792,632	600,876	604,394
Unassigned	-	-	-	-	-	-	-	19,576,705	20,676,360	18,994,949
Total general fund	17,343,570	13,715,861	15,823,943	18,588,524	20,847,974	19,409,067	20,542,719	20,595,362	21,505,859	19,648,678
All other governmental funds										
Unreserved, reported in:										
Special revenue funds	1,545,206	1,461,428	1,169,310	620,213	293,749	466,301	382,200	-	-	-
Capital projects funds	2,413,290	55,336,923	56,736,752	37,479,461	10,996,380	4,761,094	2,789,047	-	-	-
Debt service funds	6,702,475	12,087,722	9,158,803	8,926,402	7,137,604	5,315,444	3,543,049	-	-	-
Restricted, reported in:										
Special revenue funds	-	-	-	-	-	-	-	332,570	343,882	357,953
Capital projects funds	-	-	-	-	-	-	-	121,817	-	-
Debt service funds	-	-	-	-	-	-	-	299,364	7,411	-
Committed, reported in:										
Special revenue funds	-	-	-	-	-	-	-	159,814	170,619	85,823
Capital projects funds	-	-	-	-	-	-	-	1,070,766	2,016,237	2,481,998
Debt service funds	-	-	-	-	-	-	-	1,570,371	-	772,413
Unassigned, reported in:										
Debt service funds	-	-	-	-	-	-	-	-	(2,881)	-
Total all other governmental funds	10,660,971	68,886,073	67,064,865	47,026,076	18,427,733	10,542,839	6,714,296	3,554,702	2,535,268	3,698,187
Total fund balances	\$ 28,004,541	\$ 82,601,934	\$ 82,888,808	\$ 65,614,600	\$ 39,275,707	\$ 29,951,906	\$ 27,257,015	\$ 24,150,064	\$ 24,041,127	\$ 23,346,865

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

See independent auditors' report.

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
General property taxes	\$ 15,338,752	\$ 17,113,777	\$ 19,763,605	\$ 21,238,498	\$ 21,877,562	\$ 22,387,028	\$ 24,350,213	\$ 25,198,581	\$ 25,844,662	\$ 27,337,402
Other local taxes	3,840,719	4,338,776	4,718,605	5,131,247	5,368,774	4,919,571	4,919,471	3,981,395	4,285,549	4,502,267
Permits, privilege fees and regulatory licenses	213,154	349,493	377,550	638,110	432,228	289,909	241,966	219,773	183,116	218,819
Fines and forfeitures	208,617	135,296	280,386	409,938	662,248	1,069,519	1,381,372	1,335,399	912,324	611,709
Revenue from use of money and property	355,377	1,287,478	3,103,892	4,159,294	2,226,867	566,711	202,165	148,742	126,044	92,727
Charges for services	1,187,845	1,336,213	1,340,725	1,508,484	1,454,832	1,549,259	1,541,518	1,576,603	1,691,435	1,717,724
Miscellaneous	80,713	72,489	118,757	119,584	106,193	364,712	166,484	873,653	305,634	309,289
Recovered costs	640,146	105,565	124,847	93,523	67,612	72,354	147,323	141,444	558,360	211,642
Intergovernmental:										
Local	348,188	352,113	720,066	-	-	-	275,008	402,508	-	-
Commonwealth	6,750,829	9,969,990	8,248,518	8,789,542	8,727,677	8,578,024	8,855,646	9,158,447	9,548,625	9,261,440
Federal	1,924,260	1,562,977	1,537,197	1,465,824	1,315,380	1,848,196	1,915,541	1,969,572	1,638,603	1,333,825
Total revenues	30,888,600	36,624,167	40,334,148	43,554,044	42,239,373	41,645,283	43,996,707	45,006,117	45,094,352	45,596,844
Expenditures										
Current:										
General government administration	1,491,463	1,862,400	1,644,700	1,852,439	2,156,294	2,756,161	2,281,210	2,317,414	2,639,998	2,628,659
Judicial administration	267,867	316,976	691,523	743,995	918,387	1,003,583	1,035,794	932,176	949,880	1,026,855
Public safety	5,579,226	6,226,265	7,083,245	8,725,167	9,187,117	9,937,558	9,348,959	9,940,361	9,878,659	9,897,248
Public works	2,909,058	2,864,254	2,822,076	2,852,468	2,929,734	3,120,224	3,214,198	3,034,564	3,185,400	3,099,456
Health and welfare	2,791,203	3,033,833	3,110,491	3,209,807	3,368,580	3,338,376	3,489,223	3,619,191	3,774,424	3,975,895
Education	11,317,606	12,713,898	13,047,329	10,827,763	11,691,834	11,125,804	9,992,801	13,218,360	10,532,122	12,204,287
Parks, recreation and cultural	443,808	471,405	474,172	521,670	758,189	943,879	841,349	953,983	1,244,371	1,332,954
Community development	1,238,356	3,689,847	1,171,257	1,439,554	1,600,038	1,857,951	1,991,454	2,473,718	1,914,620	1,820,304
Capital projects	5,557,838	1,762,641	3,536,690	29,769,497	27,848,522	8,017,859	5,869,156	3,047,106	1,885,107	3,870,818
Debt service:										
Principal	2,032,295	2,177,334	2,044,301	2,268,817	4,310,711	4,908,688	4,996,992	5,163,875	5,367,282	3,911,457
Interest and other fiscal charges	2,753,167	2,670,625	4,181,490	3,991,636	3,815,360	3,959,001	3,630,462	3,412,320	3,181,280	2,523,173
Total expenditures	36,381,887	37,789,478	39,807,274	66,202,813	68,584,766	50,969,084	46,691,598	48,113,068	44,553,143	46,291,106
Excess (deficiency) of revenues over expenditures	(5,493,287)	(1,165,311)	526,874	(22,648,769)	(26,345,393)	(9,323,801)	(2,694,891)	(3,106,951)	541,209	(694,262)

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Other financing sources (uses)										
Operating transfers in	7,279,713	10,916,089	7,723,257	8,289,953	8,461,868	10,489,849	10,370,440	8,785,037	19,321,137	13,250,134
Operating transfers out	(7,279,713)	(10,916,089)	(7,723,257)	(8,289,953)	(8,461,868)	(10,489,849)	(10,370,440)	(8,785,037)	(19,321,137)	(13,250,134)
Redemption of refunding bonds issued	(7,905,000)	-	(5,175,000)	-	(15,000,000)	-	-	-	(48,253,105)	-
Bonds issued	12,508,700	56,040,000	4,935,000	6,000,000	11,620,646	-	-	-	44,490,000	-
Premium on bonds issued	-	808,773	-	-	627,882	-	-	-	7,117,378	-
Bond issuance costs	-	(1,126,519)	-	-	-	-	-	-	(533,713)	-
Deferred amounts on refunding	-	-	-	-	-	-	-	-	(2,825,293)	-
Interest rate subsidy	-	-	-	-	2,757,972	-	-	-	-	-
Refund of mineral lands tax	-	-	-	(747,331)	-	-	-	-	-	-
Sale of capital assets	-	-	-	111,673	-	-	-	-	-	-
Total other financing sources (uses)	4,603,700	55,722,254	(240,000)	5,364,342	6,500	-	-	-	(4,733)	-
Net change in fund balances	\$ (889,587)	\$ 54,556,943	\$ 286,874	\$ (17,284,427)	\$ (26,338,893)	\$ (9,323,801)	\$ (2,694,891)	\$ (3,106,951)	\$ 536,476	\$ (694,262)
Debt service as a percentage of noncapital expenditures										
	18.38%	15.55%	20.72%	20.75%	24.92%	26.02%	26.80%	23.50%	20.04%	15.17%

See independent auditors' report.

**Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years**

Fiscal Year	Real Estate	Personal Property	Mobile Homes	Machinery and Tools	Public Service	Total Taxable Assessed Value	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2013	\$ 2,103,004,800	\$ 268,979,238	\$ 7,835,200	\$ 19,115,504	\$ 153,809,681	\$ 2,552,744,423	\$ 2,552,744,423	100.00%
2012	\$ 2,309,384,088	\$ 217,568,311	\$ 10,105,858	\$ 17,873,920	\$ 144,290,152	\$ 2,699,222,329	\$ 2,699,222,329	100.00%
2011	\$ 2,293,243,398	\$ 221,451,302	\$ 9,121,178	\$ 17,998,701	\$ 129,154,426	\$ 2,670,969,005	\$ 2,670,969,005	100.00%
2010	\$ 2,275,904,269	\$ 183,394,803	\$ 7,834,404	\$ 19,740,366	\$ 121,448,841	\$ 2,608,322,683	\$ 2,608,322,683	100.00%
2009	\$ 2,246,727,030	\$ 239,032,639	\$ 7,392,197	\$ 23,206,263	\$ 121,569,471	\$ 2,637,927,600	\$ 2,637,927,600	100.00%
2008	\$ 1,588,563,485	\$ 234,516,674	\$ 8,596,551	\$ 21,624,995	\$ 78,317,277	\$ 1,931,618,982	\$ 1,931,618,982	100.00%
2007	\$ 1,541,253,515	\$ 220,564,452	\$ 8,541,491	\$ 20,291,570	\$ 91,695,853	\$ 1,882,346,881	\$ 1,882,346,881	100.00%
2006	\$ 1,502,861,149	\$ 206,308,733	\$ 8,609,200	\$ 18,427,540	\$ 101,645,357	\$ 1,837,851,979	\$ 1,837,851,979	100.00%
2005	\$ 1,380,698,562	\$ 162,995,054	\$ 9,053,334	\$ 46,643,795	\$ 98,243,151	\$ 1,697,633,896	\$ 1,697,633,896	100.00%
2004	\$ 1,247,968,292	\$ 145,276,192	\$ 9,637,545	\$ 74,536,706	\$ 156,145,636	\$ 1,633,564,371	\$ 1,633,564,371	100.00%

Source: Commissioner of Revenue

See independent auditors' report.

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

Fiscal Year	Real Estate	Personal Property	Mobile Homes	Machinery and Tools
2013	\$ 0.72 / 0.79	\$ 4.90	\$ 0.72 / 0.79	\$ 3.30
2012	\$ 0.72	\$ 4.90	\$ 0.72	\$ 3.30
2011	\$ 0.72	\$ 4.90	\$ 0.72	\$ 3.30
2010	\$ 0.68 / 0.72	\$ 4.90	\$ 0.68 / 0.72	\$ 3.30
2009	\$ 0.87 / 0.68	\$ 4.90	\$ 0.87 / 0.68	\$ 3.30
2008	\$ 0.87	\$ 4.90	\$ 0.87	\$ 3.30
2007	\$ 0.87	\$ 4.90	\$ 0.87	\$ 3.30
2006	\$ 0.87	\$ 4.90	\$ 0.87	\$ 3.30
2005	\$ 0.77 / 0.87	\$ 4.90	\$ 0.77 / 0.87	\$ 3.30
2004	\$ 0.77	\$ 4.90	\$ 0.77	\$ 3.30

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

County of Dinwiddie, Virginia

Table 7

Principal Property Taxpayers

Current Year and the Period Nine Years Prior

Taxpayer	Industry	Fiscal Year 2013		Fiscal Year 2004		Taxpayer	Industry
		Taxable Assessed Valuation	Percentage of Total Taxable Assessed Valuation	Taxable Assessed Valuation	Percentage of Total Taxable Assessed Valuation		
Gerdeau Ameristeel/Chaparral	Manufacturing	\$ 164,234,396	5.95%	\$ 172,203,061	11.07%	Gerdeau Ameristeel/Chaparral	Manufacturing
Walmart	Distribution	54,096,950	1.96%	46,681,128	3.00%	Walmart	Distribution
US RIO LP	Lease Property	53,771,300	1.95%	11,581,900	0.74%	TIAA Timberlands 1 LLC	Timber
TIAA Timberlands 1 LLC	Timber	26,899,900	0.97%	8,521,600	0.55%	American Timberland LLC	Timber
American Timberland LLC	Timber	18,027,100	0.65%	8,153,100	0.52%	Rohoic Wood Apartments Inc	Rental Property
Bain Properties LLC	Agricultural	13,181,100	0.48%	5,867,501	0.38%	Tindall Corp	Manufacturing
Tindall Corp	Manufacturing	12,561,332	0.46%	5,304,200	0.34%	Warehouse Holdings	Rental Property
Stonewall Timberlands LLC	Timber	9,829,300	0.36%	5,119,400	0.33%	NWB USA	Manufacturing
Rohoic Wood Apartments Inc	Rental Property	9,758,703	0.35%	5,037,660	0.32%	Bain Properties LLC	Agricultural
Charles W & Shirley Harrison	Rental Property	8,863,500	0.32%	4,912,200	0.32%	Eastern Timberlands LLC	Timber
		<u>\$ 371,223,581</u>	<u>13.45%</u>	<u>\$ 273,381,750</u>	<u>17.58%</u>		

Source: Commissioner of Revenue

See independent auditors' report.

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Original Levy		Amount	Percentage of Levy
2013	\$ 30,555,704	\$ 28,427,203	93.03%	\$ -	\$ 28,427,203	93.03%
2012	\$ 30,428,030	\$ 28,047,282	92.18%	\$ 1,636,443	\$ 29,683,725	97.55%
2011	\$ 28,556,129	\$ 26,961,086	94.41%	\$ 1,223,308	\$ 28,184,394	98.70%
2010	\$ 28,542,406	\$ 26,370,246	92.39%	\$ 1,968,563	\$ 28,338,809	99.29%
2009	\$ 26,724,248	\$ 25,020,017	93.62%	\$ 1,549,444	\$ 26,569,461	99.42%
2008	\$ 25,670,061	\$ 23,993,360	93.47%	\$ 1,590,712	\$ 25,584,072	99.67%
2007	\$ 24,151,170	\$ 22,877,484	94.73%	\$ 1,264,171	\$ 24,141,655	99.96%
2006	\$ 23,304,922	\$ 22,126,560	94.94%	\$ 1,169,965	\$ 23,296,525	99.96%
2005	\$ 20,584,526	\$ 19,345,418	93.98%	\$ 1,234,750	\$ 20,580,168	99.98%
2004	\$ 18,256,226	\$ 16,997,119	93.10%	\$ 1,251,739	\$ 18,248,858	99.96%

Source: Treasurer's Office and Commissioner of the Revenue

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Total Primary Government	Percentage of Personal Income (1)	Per Capita ⁽²⁾
	General Obligation Bonds	Literary Fund Loans	Other Notes / Bonds	Capital Leases			
2013	\$ 13,632,640	\$ -	\$ 42,105,000	\$ -	\$ 55,737,640	1.67%	\$ 1,969
2012	\$ 15,159,097	\$ -	\$ 44,490,000	\$ -	\$ 59,649,097	1.98%	\$ 2,129
2011	\$ 16,643,284	\$ -	\$ 52,136,200	\$ -	\$ 68,779,484	2.44%	\$ 2,456
2010	\$ 18,081,059	\$ -	\$ 57,101,372	\$ -	\$ 75,182,431	2.72%	\$ 2,677
2009	\$ 19,475,316	\$ 8,835	\$ 60,753,625	\$ -	\$ 80,237,776	3.03%	\$ 2,949
2008	\$ 20,801,266	\$ 23,835	\$ 64,379,716	\$ -	\$ 85,204,817	3.36%	\$ 3,150
2007	\$ 10,039,201	\$ 42,965	\$ 81,456,938	\$ -	\$ 91,539,104	3.77%	\$ 3,555
2006	\$ 10,868,126	\$ 62,095	\$ 76,877,700	\$ -	\$ 87,807,921	3.77%	\$ 3,417
2005	\$ 11,671,819	\$ 81,225	\$ 78,313,700	\$ 25,478	\$ 90,092,222	4.09%	\$ 3,548
2004	\$ 12,447,451	\$ 100,355	\$ 23,508,700	\$ 174,886	\$ 36,231,392	1.72%	\$ 1,443

Note:

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

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

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

Fiscal Year	Gross Bonded Debt	Net Bonded Debt (3)	Ratio of Net General Obligation Debt to Net Bonded Assessed Value Debt per Capita	
			(2)	(1)
2013	\$ 13,632,640	\$ 13,632,640	0.53%	\$ 481
2012	\$ 15,159,097	\$ 15,159,097	0.56%	\$ 541
2011	\$ 16,643,284	\$ 16,643,284	0.62%	\$ 594
2010	\$ 18,081,059	\$ 18,081,059	0.69%	\$ 644
2009	\$ 19,484,151	\$ 19,484,151	0.74%	\$ 720
2008	\$ 20,825,101	\$ 20,825,101	1.08%	\$ 770
2007	\$ 10,082,166	\$ 10,082,166	0.54%	\$ 392
2006	\$ 10,930,221	\$ 10,930,221	0.59%	\$ 425
2005	\$ 11,753,044	\$ 11,753,044	0.69%	\$ 463
2004	\$ 12,547,806	\$ 12,547,806	0.77%	\$ 500

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

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

**Demographic and Economic Statistics
Last Ten Years**

Fiscal Year	Population	Personal Income (1)	Per Capita Personal Income (1)	School Enrollment	Unemployment Rate %
2013	28,314	\$ 3,341,443	\$ 43,013	4,439	6.50%
2012	28,018	\$ 3,014,207	\$ 38,428	4,435	6.80%
2011	28,001	\$ 2,818,964	\$ 36,258	4,545	6.90%
2010	28,087	\$ 2,763,691	\$ 35,547	4,679	7.90%
2009	27,209	\$ 2,647,721	\$ 34,291	4,675	8.90%
2008	27,047	\$ 2,536,617	\$ 33,035	4,687	4.20%
2007	25,747	\$ 2,430,176	\$ 31,826	4,623	3.40%
2006	25,695	\$ 2,328,236	\$ 30,652	4,573	3.10%
2005	25,391	\$ 2,200,815	\$ 29,288	4,530	4.00%
2004	25,111	\$ 2,100,822	\$ 27,938	4,469	3.80%

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

Note: (1) Includes Colonial Heights and Petersburg; estimates used for 2012 & 2013

Principal Employers
Current Year and Nine Years Prior

Employer	Fiscal Year 2013		Fiscal Year 2004		Employer
	Range of Employees	Rank	Range of Employees	Rank	
Southside VA Training Center	1000+	1	1000+	1	Southside VA Training Center
WalMart	500-999	2	1000+	2	WalMart
Central State Hospital	500-999	3	500-999	3	Dinwiddie Co School Board
Dinwiddie Co School Board	500-999	4	500-999	4	Central State Hospital
Gerdeau Ameristeel/Chaparral	250-499	5	250-499	5	Chaparral
Amazon	250-499	6	100-249	6	Tindall Concrete Products
County of Dinwiddie	250-499	7	100-249	7	Hiram W. Davis Medical Ctr
Integrity Staffing Solutions	100-249	8	100-249	8	County of Dinwiddie
Hiram W Davis Medical Ctr	100-249	9	100-249	9	Phillip Morris Products
Tindall Concrete Products	100-249	10	100-249	10	Iluka Resources

Source: Virginia Employment Commission

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

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government	21.0	24.0	24.0	24.0	24.2	26.1	24.8	24.5	25.4	25.7
Judicial administration	7.1	7.3	9.5	11.0	11.9	13.4	12.5	12.2	12.4	12.6
Public safety										
Sheriff's Office/Jail	55.0	55.0	57.0	58.0	64.5	65.4	64.6	64.2	63.1	55.5
Communications	10.0	10.0	16.0	16.0	17.0	16.5	16.4	17.4	18.2	16.9
Fire / Rescue / EMS	21.5	20.5	19.5	20.5	22.5	22.4	22.8	23.3	22.9	23.1
Building inspections	4.0	4.0	4.0	5.0	6.0	5.5	4.0	4.0	3.8	3.0
Animal control	3.5	3.5	3.5	3.5	3.6	3.8	3.7	4.0	3.9	4.2
Department of Comprehensive Services	2.3	2.3	2.6	2.5	3.3	3.1	2.3	2.1	2.6	2.7
Public works										
General maintenance	6.0	7.0	6.0	6.0	5.8	6.9	6.0	6.4	6.0	6.0
Waste management	14.0	14.0	12.0	10.0	10.3	13.3	15.2	15.3	15.5	15.1
Health and welfare										
Department of Social Services	29.0	30.0	32.0	29.0	30.0	30.0	30.0	30.0	29.0	28.0
Culture and recreation										
Parks and recreation	5.0	5.0	5.0	5.0	6.5	8.0	7.4	8.9	14.0	14.8
Community development										
Economic development	-	-	-	1.0	0.8	1.2	0.7	1.0	1.0	1.6
Cooperative extension	-	-	-	-	-	0.7	1.0	1.0	0.6	0.6
Planning	4.0	5.0	5.0	6.0	5.5	6.3	5.9	6.0	5.9	5.1
Totals	182.4	187.6	196.1	197.5	211.9	222.6	217.3	220.3	224.3	214.9

Source: County Payroll

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

Table 14

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public safety										
Sheriff's department										
Physical arrests	1,464	1,288	1,445	1,371	1,501	1,965	2,331	1,828	1,657	1,658
Traffic violations	3,005	2,055	1,853	1,513	6,833	15,125	14,211	16,974	11,478	8,368
Civil papers	13,293	12,524	10,524	11,071	11,627	11,654	12,225	10,456	11,471	11,020
Department on Comprehensive Services										
Caseload	256	249	189	193	227	277	229	206	207	179
Fire and rescue										
Number of EMS calls answered	1,329	1,743	3,135	3,244	3,186	3,337	3,039	2,982	3,226	3,184
Building inspections										
Permits issued	1,739	1,486	1,550	1,776	1,610	1,151	994	1,004	939	873
Number of calls answered	3,067	3,742	4,113	3,947	2,398	2,367	2,629	3,409	6,465	5,298
Public works										
Landfill										
Refuse collection (tons/day)	65	59	58	51	56	48	53	49	53	51
Health and welfare										
Department of Social Services caseload	4,344	4,373	4,505	4,557	4,597	5,284	6,170	6,485	6,844	6,926
Culture and recreation										
Parks and recreation										
Program participants: avg/mo	1,675	1,696	1,700	1,874	3,784	3,996	3,712	3,958	7,585	7,005
Community development										
Planning										
Zoning permits issued	187	184	102	216	127	75	82	44	41	47
Component Unit - School Board										
Education										
School age population	4,741	4,741	4,925	4,925	4,925	4,925	5,629*	5,629*	5,629*	5,629*
Number of teachers	350	355	356	358	364	370	365	351	342	333
Local expenditures per pupil	2,509	2,680	2,274	2,708	2,669	2,457	2,487	2,775	2,840	2,947

Source: Individual county departments

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

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

Table 15

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government										
Buildings	15	15	15	15	15	16	16	16	16	16
Public safety										
Sheriff's department										
Patrol units	57	50	56	56	54	54	54	54	49	46
Building inspections										
Vehicles	3	3	3	3	4	4	4	4	3	3
Animal control										
Vehicles	2	3	3	3	3	3	3	3	3	3
Public works										
General maintenance										
Trucks / vehicles	2	3	3	3	3	3	3	6	6	7
Landfill										
Vehicles	5	6	6	4	7	7	7	9	11	14
Health and welfare										
Department of Social Services										
Vehicles	7	7	7	7	7	7	7	7	7	7
Culture and recreation										
Parks and recreation										
Community centers	1	1	1	1	1	1	1	2	2	2
Vehicles	1	1	1	1	2	2	2	5	5	7
Community development										
Planning										
Vehicles	1	2	2	2	3	3	3	3	3	2
Component unit - School Board										
Education										
Schools	7	7	7	7	8	8	8	8	8	8
School buses	107	107	107	110	113	113	113	113	113	111

Source: Individual County departments

County of Dinwiddie, Virginia

Compliance Section

Year Ended June 30, 2013

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the ***County of Dinwiddie, Virginia***, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the ***County of Dinwiddie, Virginia's*** basic financial statements, and have issued our report thereon dated November xx, 2013.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

We noted certain other matters that we reported to the management of the ***County of Dinwiddie, Virginia*** in a separate letter dated November 15, 2013.

Purpose of this Report

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

Dixon Hughes Goodman LLP

Chester, Virginia
November 15, 2013

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

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

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the *County of Dinwiddie, Virginia* complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

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

that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the *County of Dinwiddie, Virginia's* internal control over compliance.

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

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

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

Dixon Hughes Goodman LLP

Chester, Virginia
November 15, 2013

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

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

We have audited the financial statements of the ***County of Dinwiddie, Virginia***, as of and for the year ended June 30, 2013, and have issued our report thereon dated November 15, 2013.

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

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

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

Code of Virginia

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

State Agency Requirements

- Education
- Comprehensive Services Act Funds
- Social Services

The results of our tests disclosed no instances of noncompliance with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the ***County of Dinwiddie, Virginia*** had not complied, in all material respects, with those provisions.

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

Dixon Hughes Goodman LLP

Chester, Virginia
November 15, 2013

County of Dinwiddie, Virginia

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

Year Ended June 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Expenditures
Primary Government:		
Department of Agriculture pass-through programs:		
Virginia Department of Social Services:		
State administrative matching grants for the supplemental nutrition assistance program	10.561	\$ 418,170
Department of Health and Human Services pass-through programs:		
Virginia Department of Social Services:		
Promoting safe and stable families	93.556	14,749
Temporary Assistance for Needy Families	93.558	281,031
Refugee and entrant assistance - state administered programs	93.566	810
Low-income Home Energy Assistance	93.568	23,806
Child care mandatory and matching funds of the child care development fund	93.596	58,832
Chafee education and training vouchers program	93.599	300
Stephanie Tubbs Jones child welfare services program	93.645	1,546
Foster Care - Title IV-E	93.658	392,634
Adoption assistance	93.659	125,901
Social services block grant	93.667	270,892
Chafee foster care independence program	93.674	3,448
Children's health insurance program	93.767	8,275
Medical assistance program	93.778	250,914
Total Department of Health and Human Services		1,433,138
Department of Transportation pass-through programs:		
Department of Motor Vehicles:		
State and community highway safety	20.600	12,424

County of Dinwiddie, Virginia

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

Year Ended June 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Expenditures
Primary Government (continued):		
Department of Justice:		
Direct programs:		
Bulletproof vest partnership program	16.607	854
Equitable sharing program	16.922	8,514
		<u>9,368</u>
Pass-through programs:		
Department of Criminal Justice Services:		
Crime victim assistance	16.575	53,582
Edward Byrne memorial justice assistance grant program	16.738	2,632
		<u>56,214</u>
Total Department of Justice		<u>65,582</u>
Department of Homeland Security pass-through programs:		
Department of Emergency Assistance:		
State homeland security program	97.073	15,146
Disaster grants - public assistance	97.036	930
Emergency Management Performance Grants	97.042	3,445
Total Department of Emergency Assistance		<u>19,521</u>
Department of the Interior:		
Direct payments:		
Bureau of Land Management:		
Payments in lieu of taxes	15.226	821
Environmental Protection Agency pass-through program:		
Department of Conservation and Recreation:		
Nonpoint Source Implementation Grants	66.460	1,612
Total Primary Government		<u>\$ 1,951,268</u>
Component Unit - School Board:		
Department of Agriculture pass-through programs:		
Child Nutrition Cluster:		
Virginia Department of Agriculture and Consumer Services:		
Food distribution - noncash assistance	10.555	\$ 110,480
Virginia Department of Education:		
National school breakfast program	10.553	283,886
National school lunch program	10.555	784,556
Total Child Nutrition Cluster		<u>1,178,922</u>
The Improvement Association:		
Child and adult care food program	10.558	51,989
Total Department of Agriculture		<u>1,230,911</u>

County of Dinwiddie, Virginia

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

Year Ended June 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Expenditures
Department of Defense direct program:		
JROTC Instruction	12.000	<u>55,221</u>
Department of Education pass-through programs:		
Virginia Department of Education:		
Special Education Cluster (IDEA):		
Special education - grants to states	84.027	934,846
Special education - preschool grants	84.173	<u>28,836</u>
Total Special Education Cluster (IDEA)		<u>963,682</u>
Component Unit - School Board (continued):		
Department of Education pass-through programs (continued):		
Virginia Department of Education (continued):		
Title I grants to local educational agencies	84.010	685,177
Career and technical education - basic grants to states	84.048	67,544
21st century community learning centers	84.287	10,814
Improving teacher quality state grants	84.367	<u>210,458</u>
		<u>973,993</u>
Total Department of Education		<u>1,937,675</u>
Total Component Unit School Board		<u>\$ 3,223,807</u>
Total Reporting Entity		<u>\$ 5,175,075</u>

County of Dinwiddie, Virginia

Notes to Schedule of Expenditures of Federal Awards

June 30, 2013

1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards is presented on an accrual basis of accounting consistent with the basis of accounting used by County of Dinwiddie, Virginia. The schedule includes all known federal funds expended by the County for the year ended June 30, 2013. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audit of States, Local Governments, and Non-profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of the basic financial statements.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

County of Dinwiddie, Virginia

Schedule of Findings and Responses

Year Ended June 30, 2013

1. Summary of Auditors' Results

- A. An unqualified opinion was issued on the financial statements.
- B. There were no material weaknesses or significant deficiencies in internal control over financial reporting disclosed by the audit of the financial statements.
- C. The audit did not disclose any instances of noncompliance material to the financial statements.
- D. There were no significant deficiencies in internal control over major federal programs disclosed by the audit.
- E. An unqualified opinion was issued on compliance for the major programs.
- F. The audit disclosed no compliance findings required to be reported under Section 510(a) of OMB Circular A-133.
- G. The major programs were:
 - Child Nutrition Cluster – CFDA Numbers 10.553 and 10.555
 - Special Education – CFDA Numbers 84.027 and 84.173
- H. The dollar threshold used to distinguish between Type A and Type B programs is \$300,000.
- I. The auditee qualified as a low-risk auditee under Section 530 of OMB Circular A-133.

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

None noted

3. Findings and Questioned Costs for Federal Awards

None noted

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

None noted

5. Results of Prior Year Findings

None