

County of Dinwiddie, Virginia

Prepared by:

Accounting Department
County of Dinwiddie, Virginia

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2018

County of Dinwiddie, Virginia

Introductory Section (Unaudited)

Year Ended June 30, 2018

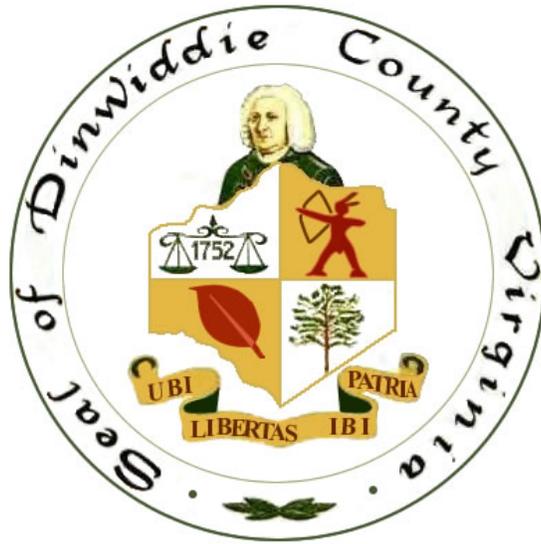


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County of Dinwiddie

BOARD OF SUPERVISORS

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



COUNTY ADMINISTRATOR

W. KEVIN MASSENGILL

FOUNDED 1752

November 27, 2018

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

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) for Dinwiddie County (the County) for the fiscal year ended June 30, 2018. The Code of Virginia (Section 15.2-2511) requires that local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed Certified Public Accountants. This report has been prepared by the County's Accounting Department in accordance with standards of financial reporting as prescribed by the Governmental Accounting Standards Board (GASB) and the Auditor of Public Accounts (APA).

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

To provide the required, independent review and confirmation of management's representations, the County's financial statements have been audited by Brown Edwards & Company LLP, licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements are free of material misstatement. Therefore, the independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon their audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended June 30, 2018 are fairly presented in all material respects and in conformity with GAAP. The auditors' report is presented as the first component of the financial section of the CAFR.

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

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

Dinwiddie County, as a recipient of federal funds, is also required to undergo an annual Single Audit in conformity with the provisions of the Single Audit Act as amended; Title 2 US Code of Federal Regulations Part 200 *Uniform Administrative Requirements, Cost Principles and Audit, Requirements for Federal Awards* ("Uniform Guidance"); and the specifications of *Audits of Counties, Cities and Towns* issued by the Auditor of Public Accounts. The standards governing Single Audit

engagements require the independent auditor to report on the fair presentation of the financial statements as well as on the County's internal controls and compliance with legal requirements, especially those involving the administration of federal awards. Reports on the Single Audit are located in the Compliance Section at the end of the CAFR.

Profile of the Government

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

Part of Virginia's Appomattox Basin, Dinwiddie County occupies 507 square miles in the southeastern section of Virginia, located within several hours of Washington, D.C., the Atlantic Ocean beaches, or the Blue Ridge mountains. It is bordered by the Nottoway and Appomattox Rivers and the counties of Chesterfield, Amelia, Nottoway, Brunswick, Greensville, Sussex, and Prince George. Interstates 85 and 95 provide north-south access, and U.S. Route 460 provides an east-west transportation route. The East Coast's main switching station for two major railroad lines, the Dinwiddie County Airport, and the Dinwiddie County Commerce Park help to promote economic opportunity for the County. Sports tourism and agri-tourism have also become important aspects of the County's economy in recent years.

Dinwiddie County offers a blend of suburban and rural living, with agriculture contributing significantly to the economy and the quality of life that its approximately 28,500 residents enjoy. Lake Chesdin, located along the northern rim of Dinwiddie County, provides numerous recreational opportunities. The Town of McKenney, with a population of approximately 475, is the only incorporated town located within the County.

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

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

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

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

Factors Affecting the Government's Financial Condition

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

Local Economy

Despite challenging national economic conditions, Dinwiddie has maintained population growth, business investment and positive economic activity. When considering the population change from 2000 to 2010 within the overall Tri-Cities/Tri-County Region (Cities of Petersburg, Hopewell, Colonial Heights and Counties of Chesterfield, Dinwiddie, and Prince George), Dinwiddie County was the second fastest growing community with a 14.1% increase. Since 2010, however, the population has only increased 1.8% (from 28,001 in 2010 to 28,500 in 2018), with the growth rate slowing during the national recession.

Based on available economic data at June 30, 2018, the local unemployment rate was 3.6%, lower than the prior June's unemployment rate of 4.6%, but in between Virginia's rate of 3.3% and the national rate of 4.2%. This decline can be attributed in part to the expansion of several existing businesses and the location of several new businesses in the County during FY 2018. Predominant industries/employers in the County are distribution, government, advanced manufacturing, forestry, mining, and agriculture. With the County located between two military installations, national defense spending in the region has somewhat insulated the County from the sharp downturns in the economy over the past several years, but that could change with future Sequestration orders.

Local sales tax revenue, which can also be an indication of the overall condition of the County's economy, shows steady growth in FY 2018 with receipts 11.1% higher than FY 2017. New home construction in FY 2018 yielded 86 homes being added to the County's real estate tax book. That was an increase from last fiscal year which yielded an additional 76 homes. FY 2018 experienced an aggressive real estate market with the sales ratio finishing at approximately 89% overall. This is an indication that sales to assessments reflected confidence in the market. The County's last general tax reassessment was effective January 1, 2013, and the next general tax reassessment will be effective January 1, 2019. Additionally, 284 new business licenses were issued in FY 2018, which reflects a decrease of 24 licenses from the year before. Overall, Dinwiddie County has demonstrated an aggressive real estate market and a stable business base over the course of the last fiscal year.

Long-term Financial Planning

Both County staff and external financial advisors, as needed, provide guidance in addressing the long term capital and operating needs of the County. One result of this guidance is the preparation of a five year Capital Improvements Plan (CIP). The CIP reflects the County's strategic initiatives and is adopted annually by the Board of Supervisors, with the first year funding appropriated and the remaining four years provided for planning purposes. The FY 2018-2022 CIP projects represent the Board of Supervisors' commitment to public safety, education, infrastructure maintenance, and improving the quality of life in the County through recreational opportunities. The County utilizes a balanced approach to capital project funding, using a combination of debt financing, draws on unassigned fund balance, and pay-as-you-go current year appropriation.

Financial Policies

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

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

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

Major Initiatives in FY 2018

Designed to enhance levels of service provided to County residents while maintaining an effective and efficient government, the following projects were initiated and/or completed during FY 2018 without a tax rate increase:

- ❖ County Government Complex Project:
 - Secured \$25 million in funding through the VRA 2016 summer pool for the previously approved County Government Complex project, which consists of a new administration building, to include health and human services; a new public safety building; and renovation of the old administration and public safety buildings. Design began in summer 2016 and site work began in spring 2017. The new public safety building grand opening was held in June 2018, and the renovation of the old public safety building was completed in September 2018. The new administration building will be complete in December 2018, and the old administration building renovation will be complete in spring 2019.
 - This project required a great deal of coordination and commitment from multiple County departments during FY 2018 to ensure that the new and renovated buildings will be functional and representative of both the County's current and future mission.
- ❖ Public Works:
 - Completed a pump house for the County Government Complex.
 - Purchased property and began construction of the ninth manned convenience waste center in the Wilsons area of the County. This center opened in September 2018 and completes the County's waste management plan to eliminate unmanned dumpster sites.
 - Continued with the second phase of the Courthouse HVAC upgrade project.
- ❖ Public Safety:
 - Replaced Tanker 3 as part of the County's Fire and EMS equipment program.
 - Upgraded the E911 phone system with grant funds in conjunction with the move to the new Public Safety building.
 - Received the Virginia Association of Counties (VACo) achievement award for the Emergency Communications department's "Ready to Hire" program.
 - Continued the multi-year radio system replacement project by researching vendor and system options, and also began consideration of regionalizing the project.
- ❖ Other Capital Purchases:
 - Supported infrastructure improvements at the Dinwiddie County Water Authority, Appomattox River Water Authority, and South Central Waste Water Authority.
- ❖ Information Technology:
 - In response to today's citizens, students, and businesses ever increasing dependence on internet service, a broadband assessment was conducted in late FY 2016. During FY 2017 a plan was developed, and the initiative continued in FY 2018 with the County receiving a grant from the Virginia Tobacco Region Revitalization Commission. Service is anticipated to begin in FY 2020 for underserved parts of the County.
- ❖ Parks, Recreation & Tourism:
 - Received the VACo achievement award for the Ragsdale Community Center.
 - Completed the American Battlefield Preservation Plan grant to develop marketing materials in an effort to preserve the County's Civil War heritage and promote tourism in the County.
 - Secured \$20,000 Cameron Foundation Grant to purchase equipment for the Kid's Zone and Fitness room at Ragsdale Community Center.
 - Further promoted tourism with the 7th Annual County Fair.
- ❖ Economic Development:
 - Continued to expand the Community Development Department's VACo and NACo award winning Youth Workforce Development Initiatives.
 - Continued construction of the new ALDI Distribution Center and Division Headquarters and road project; completed infrastructure upgrades to the Route 1, US 460 corridors; and announced Dominion Energy's relocation and commenced construction for a new facility to oversee distribution and transmission offices including a storage yard expansion.
 - Announced several new commercial / retail establishments – including Richlands Creamery, Bojangle's and O'Reilly's.
- ❖ Constitutional Officers:
 - Another employee from the Clerk of Circuit Court's office was certified as Master Deputy by the State Compensation Board.
 - Replaced four vehicles and purchased additional body cameras and additional computers for the electronic summons program for the Sheriff's Office.
- ❖ Social Services:

- Continued with several initiatives to reduce the number of families living in poverty and improve the quality of life in the County.
 - Rural Impact Community Challenge is a partnership between the County, NACo, and the White House Rural Council designed to make a difference in the lives of rural children.
 - Dinwiddie Resource Council is a partnership between the County and numerous community entities born out of a desire to reduce poverty and assist those with needs not covered by Social Services.
- ❖ Dinwiddie County Public Schools:
 - Provided an additional \$393,814 in funding for school operations and level funding for school buses.
- ❖ The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Dinwiddie County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2017. This was the 3rd consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

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

Respectfully submitted,



W. Kevin Massengill
County Administrator



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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**County of Dinwiddie
Virginia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

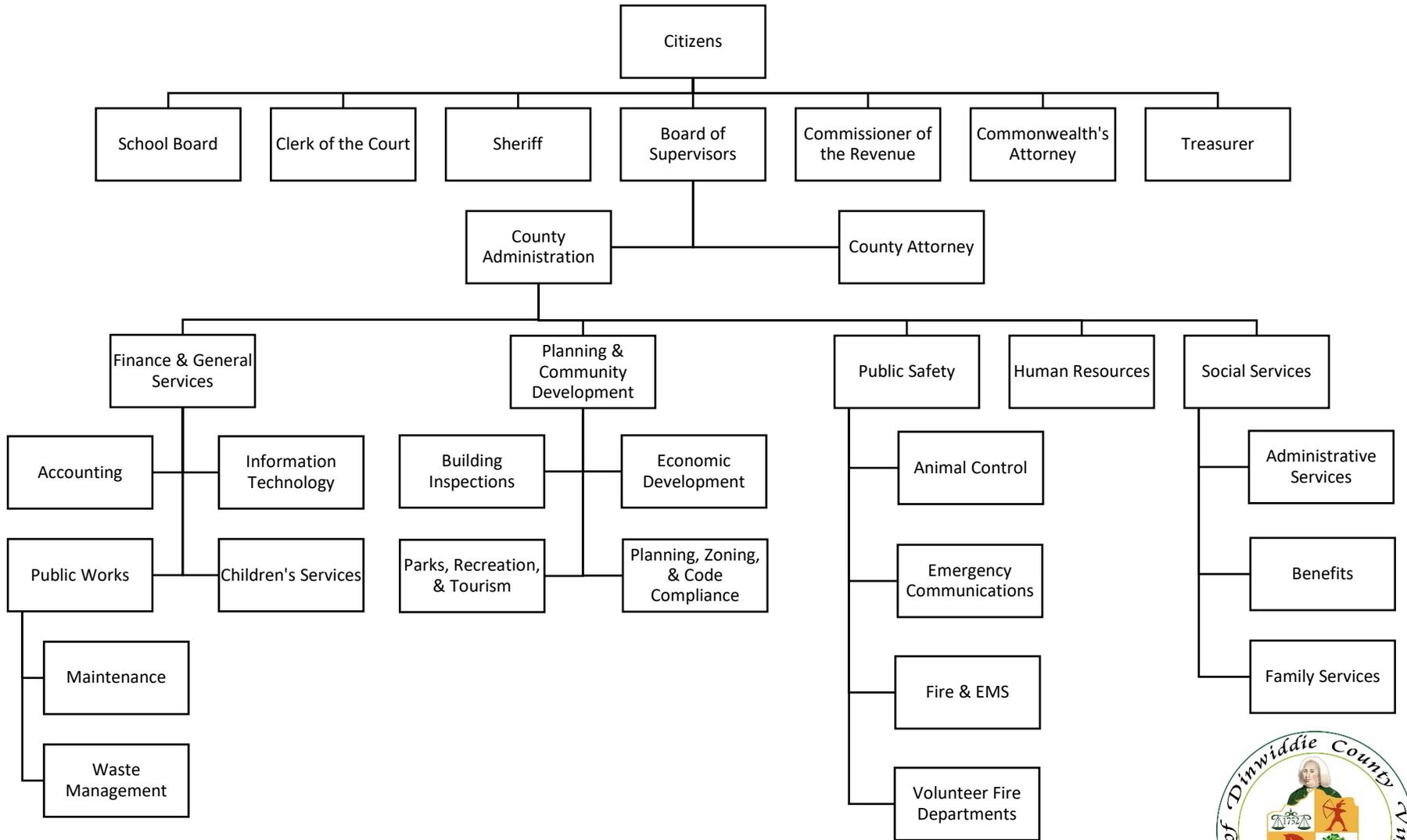
June 30, 2017

Christopher P. Morrill

Executive Director/CEO

**County of Dinwiddie
Organizational Chart**

**County of Dinwiddie
Organizational Chart**



**Official Directory
June 30, 2018**

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

William R. Haney, Chairperson
Sherilyn H. Merritt, Vice-Chairperson

Mary M. Benjamin
Teresa Stump

Barbara T. Pittman

Industrial Development Authority

William Kissner, Chairperson
David Lyle, Vice-Chairperson
James Van Landingham, Secretary - Treasurer

Thomas Hooker
Maxwell Watkins, Jr.

Robert Spiers, Jr.

Other Officials

Courts

Chief Judge of the Circuit Court
Chief Judge of the General District Court
Chief Judge of the Juvenile and Domestic Relations Court

Paul W. Cella
Mayo K. Gravatt
Valentine Southall, Jr.

Constitutional Officers

Commonwealth's Attorney
Treasurer
Sheriff
Clerk of the Circuit Court
Commissioner of the Revenue

Ann Cabell Baskervill
Jennifer C. Perkins
D. T. "Duck" Adams
J. Barrett Chappell, Jr.
Lori K. Stevens

School Board

Superintendent of Schools

Dr. Kari Weston

County

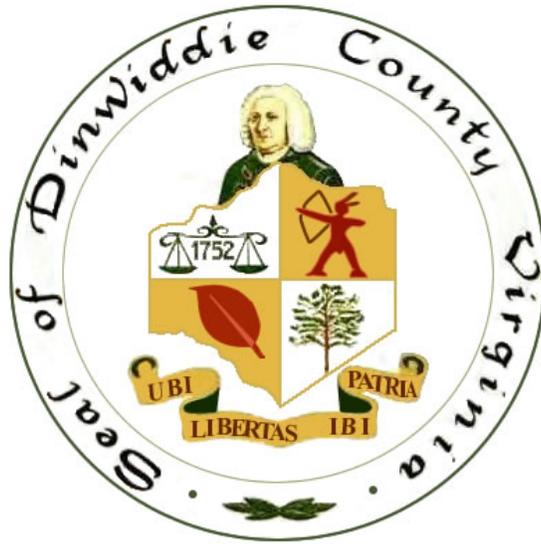
County Administrator
County Attorney
Deputy County Administrator – Finance and General Services
Deputy County Administrator – Planning and Community Development
Chief – Fire and EMS Services
Director of Social Services

W. Kevin Massengill
Tyler Southall
Anne Howerton
Tammie Collins
Dennis Hale
Rose Mastracco

County of Dinwiddie, Virginia

Financial Section

Year Ended June 30, 2018



Independent Auditors' Report

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

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, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Dinwiddie County Water Authority or Dinwiddie County Airport and Industrial Authority, which in total represent 16.22%, 41.39%, and 6.13%, respectively, of the assets, net position and revenues of the County of Dinwiddie, Virginia. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Dinwiddie County Water Authority and Dinwiddie County Airport and Industrial Authority, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the standards applicable to audits contained in *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Dinwiddie, Virginia, as of June 30, 2018, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 3 to the financial statements, beginning balances were restated due to the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which resulted in a cumulative effect adjustment to net position as of the beginning of the year. Our opinion is not modified with respect to these changes.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 12 through 20 and budgetary comparison information, pension information and other postemployment benefit (OPEB) liability information, and related notes, on pages 77 through 87 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 the Uniform Guidance 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.

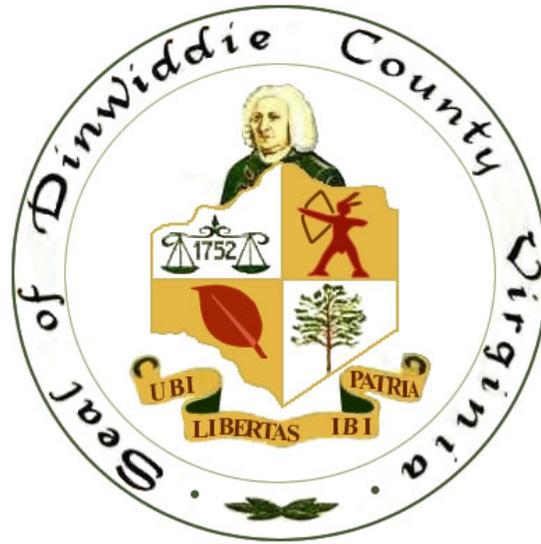
Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2018, 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.

Brown, Edwards & Company, L.L.P.

**Newport News, Virginia
November 27, 2018**

County of Dinwiddie, Virginia
Management's Discussion and Analysis
Year Ended June 30, 2018



Management's Discussion and Analysis

As management of County of Dinwiddie, Virginia, we offer readers of the County's FY 2018 financial statements this narrative overview and analysis for the purpose of assisting them with understanding significant financial issues, providing an overview of the County's financial activity, and identifying changes in the County's financial position. Readers are also encouraged to read the transmittal letter at the front of this report and the County's financial statements which follow this analysis.

Financial highlights

- Dinwiddie County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2018 by \$38,727,945 (net position).
- On a government-wide basis for governmental activities, the County had expenses net of program revenue of \$40,265,968. This amount is \$2,747,586 less than the general revenues of \$43,013,554 (change in net position).

As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$24,188,629, a decrease of \$17,074,449 in comparison with the prior year.

- Of the governmental funds' ending balances, unassigned fund balance for the general fund was \$14,844,765 or 29% of total general fund expenditures and other financing uses. This represents a 1% decrease in unassigned fund balance from FY17.

Using this comprehensive annual financial report

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

Government-Wide Financial Statements

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

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

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

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

County of Dinwiddie, Virginia Management's Discussion and Analysis

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

Fund Financial Statements

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

Governmental Funds

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

Fiduciary Funds

The County is the trustee, or fiduciary, for the County's private purpose trust and custodial fund. 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. The agency fund consists of County funds used to provide accountability of client monies for which the County is custodian. (See Exhibits G-H).

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30 - 76 of this report.

Other Information

Presented as required supplementary information are budgetary comparison schedule for the General Fund and the County and School Board's progress in funding its obligation to provide pension and other post-employment benefits to its employees (See Exhibits K-T).

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

**County of Dinwiddie, Virginia
Management's Discussion and Analysis**

Government-Wide Financial Statement Analysis

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

	Governmental Activities	
	2018	2017
Current and other assets	\$ 46,198,626	\$ 60,767,969
Capital assets	<u>81,155,822</u>	<u>67,476,060</u>
	<u>127,354,448</u>	<u>128,244,029</u>
Deferred pension outflows	903,637	1,641,008
Deferred amount on bond refunding	1,543,386	1,720,132
GLI OPEB deferred outflows	<u>101,674</u>	<u>-</u>
	<u>2,548,698</u>	<u>3,361,140</u>
Current liabilities	4,581,848	2,657,741
Noncurrent liabilities	<u>69,451,908</u>	<u>74,959,573</u>
	<u>69,451,908</u>	<u>77,617,314</u>
Deferred pension inflows	1,416,989	942,163
Deferred revenues	15,637,456	15,006,728
GLI OPEB deferred inflows	<u>87,000</u>	<u>-</u>
	<u>17,141,445</u>	<u>15,948,891</u>
Net position:		
Net investment in capital assets	25,935,309	22,816,079
Unrestricted	<u>12,792,636</u>	<u>15,222,885</u>
	<u>38,727,945</u>	<u>38,038,964</u>

FY 2018 current assets decreased over FY 2017 due to spend down of bond proceeds for the Government Complex Project as the Public Safety building was almost completed and the Administration building was approximately 66% completed by June 2018. FY2018 current liabilities increased over FY 2017 due to primarily due to an increase in year-end expenditures and retainage related to the Government Complex Project.

As noted earlier, net position may serve over time as a useful indicator of the County's financial position. As shown in the table above, the County's net position increased by 1.81% from FY 2017 to FY 2018. This was due to a \$2,058,605 decrease to beginning net position due to the implementation of GASB 75 (see Note 3) and a \$2,747,586 increase to net position which was primarily accomplished through increased investment in capital assets (Public Safety apparatus and Government Complex Project).

Approximately 67% of the County's net position reflects 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 \$12,792,636 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors. This represents a decrease of \$2,430,249 from the unrestricted net position at the end of FY 2017, which was due to a \$2,058,605 decrease due to the implementation of GASB 75 and \$371,644 primarily due to pay-as-you go capital expenditures in FY 2018.

**County of Dinwiddie, Virginia
Management's Discussion and Analysis**

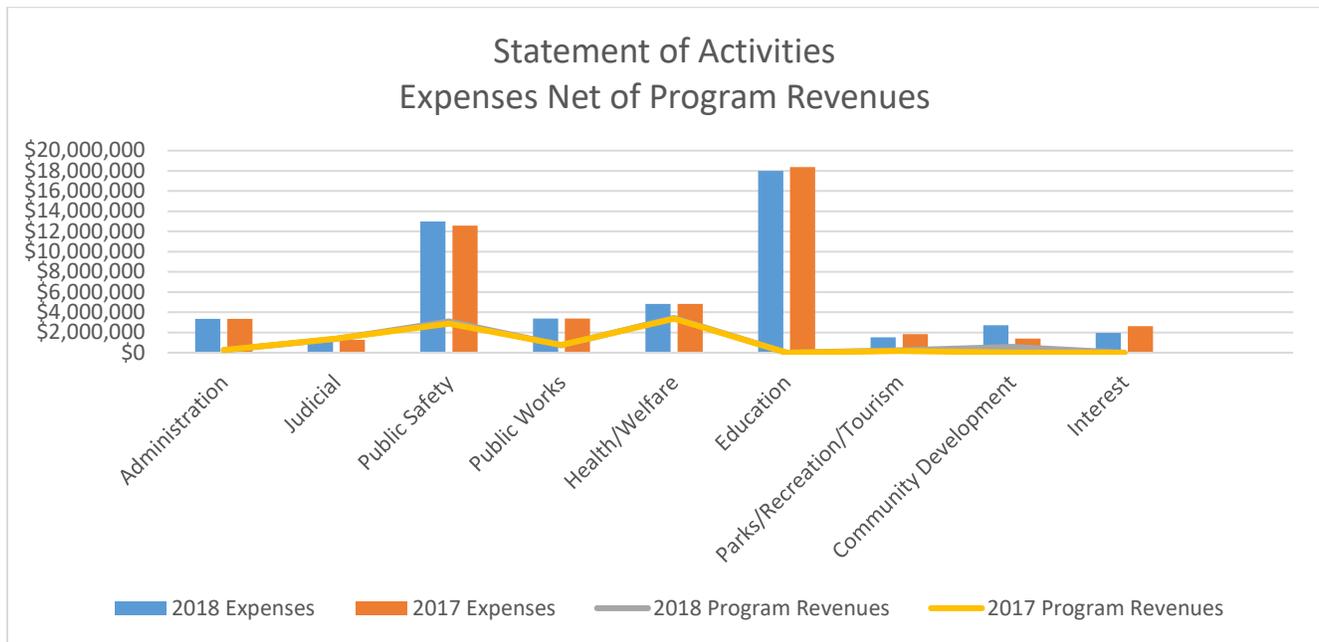
County of Dinwiddie, Virginia's Condensed Statement of Activities

	Governmental Activities	
	2018	2017
Program revenues:		
Charges for services	\$ 2,758,739	\$ 2,682,442
Operating grants and contributions	6,926,113	6,126,998
General revenues:		
General property taxes	31,987,959	30,651,879
Other local taxes	5,639,283	5,122,275
Grants and other contributions not restricted	4,650,410	4,752,797
Other general revenues	<u>735,902</u>	<u>493,387</u>
Total revenues	<u>52,698,406</u>	<u>49,829,778</u>
General government administration	3,347,378	3,339,367
Judicial administration	1,188,412	1,276,589
Public safety	12,971,201	12,581,707
Public works	3,376,378	3,381,206
Health and welfare	4,842,678	4,814,909
Education	18,004,806	18,378,230
Parks, recreation and cultural	1,524,515	1,852,243
Community development	2,727,470	1,396,529
Interest and other fiscal charges	<u>1,967,981</u>	<u>2,626,354</u>
Total expenses	<u>49,950,820</u>	<u>49,647,134</u>
Change in net position	2,747,586	182,644
Net position, beginning of year (FY18 restated)	<u>35,980,359</u>	<u>37,856,320</u>
Net position, end of year	<u>\$ 38,727,945</u>	<u>\$ 38,038,964</u>

Total governmental activities revenues show an increase of \$2,868,628 (5.76%) in FY 2018 from FY 2017. This can be mainly attributed to increase in real estate and personal property tax base and local sales tax due to several new businesses in the County; business license fees due to contractors for Government Complex Project, and interest income from unspent Government Complex Project bond proceeds.

Total governmental activities expenses show an increase of \$303,686 (0.61%) in FY 2018 from FY 2017. This increase can be attributed to the net effect of the following expenses: increase in community development for ALDI project and the transfer of park services from parks, recreation and cultural; increase in public safety for a full fiscal year of paid firefighter/medics; decrease in interest through scheduled debt service payments; and decrease in education from scheduled reduction in transfer of jointly owned assets.

**County of Dinwiddie, Virginia
Management's Discussion and Analysis**



From the government-wide Statement of Activities, the County had total expenses net of program revenue of \$40,265,968, which were \$2,747,586 less than the general revenues of \$43,013,554 (change in net position). As shown in the chart above, each category of expenditure far exceeds the program revenue received for each governmental activity. This is a good indicator of the County's reliance on tax revenues.

Financial Analysis of Governmental Funds

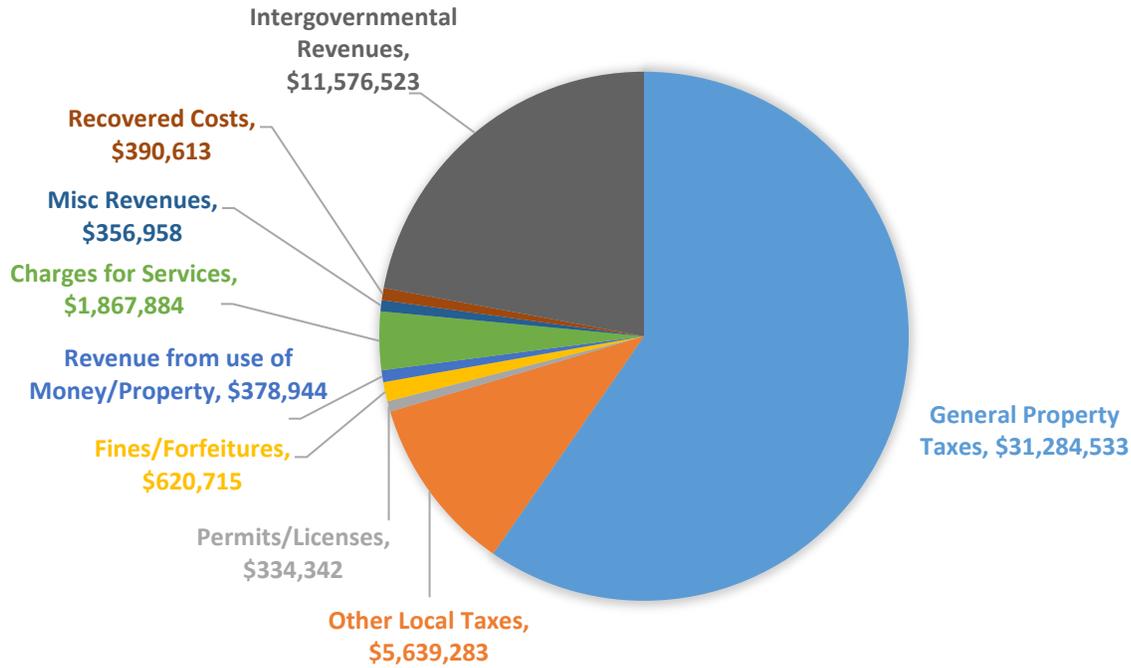
The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of available resources. Such information is useful in assessing the County's financing requirements. Governmental fund information helps determine whether there are more or fewer financial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

As shown on the Balance Sheet, the combined fund balances equal \$24,188,629, which can be further divided into the following components based on liquidity: \$6,334,628 restricted by various contributors and grantors and enabling federal or state legislation; \$3,009,236 committed by the Board of Supervisors for economic development; capital purchases and projects and Children's Services Act expenditures; and \$14,844,795 unassigned fund balance.

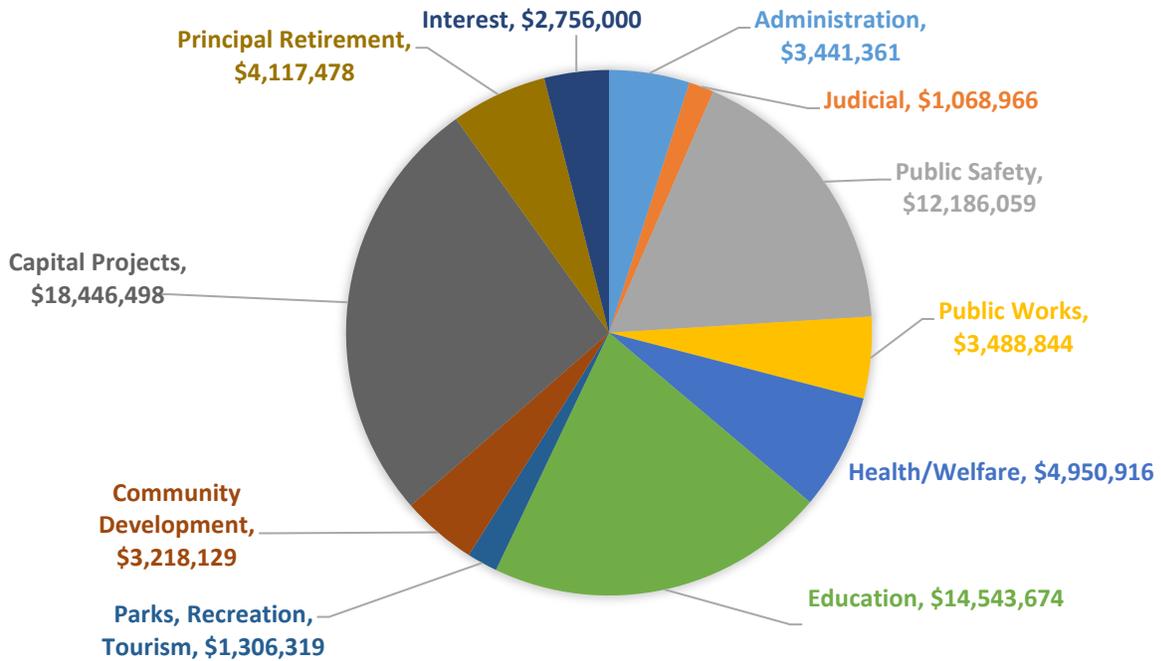
As shown on the Statement of Revenues, Expenditures and Changes in Fund Balances, the General Fund decreased by \$709,141, which was primarily due pay-as-you-go cash transfers to Capital Projects. The Debt Service Fund increased by \$71,789, which was the result of a decrease in County funding required by the Water Authority for their Church Road facility. The Capital Projects Fund decreased by \$16,504,271, which was the result of the Government Complex Project. The Non-Major (Special Revenue) Fund increased by \$67,174, primarily due to not all of the fire and rescue grant funds being spent in FY 2018.

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

GOVERNMENTAL FUNDS REVENUES



GOVERNMENTAL FUNDS EXPENDITURES



**County of Dinwiddie, Virginia
Management's Discussion and Analysis**

General Fund Budgetary Highlights

The general fund is the chief operating fund for the County – the County's basic services are reported in the general fund. The difference between the original expenditure budget and the final amended expenditure budget was an increase of \$623,802 and was due primarily to various grants received and expended during the year.

During the year, revenues and other sources exceeded the budgetary estimates by \$1,698,754. This was primarily due to greater than expected real estate and personal property taxes, local sales tax, and business license taxes. Expenditures were less than budgetary estimates by \$1,132,231 as follows: \$126,554 from unexpended general reassessment contract funding; \$119,331 from savings related to welfare expenditures that were less than expected; \$697,104 from community development, primarily from a grant received near fiscal year end; and \$189,242 from vacancy savings in various departments.

The final budget included an anticipated draw on beginning fund balance of \$3,540,126 for the following items: \$1,741,251 for capital projects; \$411,066 for social services; \$1,337,809 for community development for the ALDI project; and \$50,000 for meals tax transfer to debt service. However, the actual change in the general fund balance for FY 2018 was only a decrease of \$709,141 due to revenues being greater than expected and expenditures being less than expected as explained above.

See Exhibit K for more details.

Capital Assets

The County's investment in capital assets for its governmental activities as of June 30, 2018 amounted to \$81,155,822 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery and equipment. Land increased due to the purchase of property for the Wilsons Manned Waste Convenience Site. Construction in Progress increased primarily due to the Government Complex Project. Machinery and Equipment increased with the purchase of courthouse HVAC equipment; E911 phone upgrade; playground equipment at Ragsdale Community Center; a fire pumper; a front load trash truck; and law enforcement vehicles.

**Governmental Activities
Change in Capital Assets**

	<u>June 30, 2017</u>	<u>Net Increase (Decrease)</u>	<u>June 30, 2018</u>
Land	\$ 2,900,662	\$ 23,172	\$ 2,923,834
Construction in progress	3,344,765	17,133,573	20,478,338
Buildings	26,693,511	14,266	26,707,777
Machinery and equipment	18,979,682	962,988	19,942,670
Jointly owned assets	51,731,256	(2,196,641)	49,534,615
Total accumulated depreciation	<u>(36,173,816)</u>	<u>(2,257,596)</u>	<u>(38,431,412)</u>
 Total Primary Government capital assets, net	 <u>\$ 67,476,060</u>	 <u>\$ 18,073,044</u>	 <u>\$ 81,155,822</u>

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

Long Term Obligations

The County's combined total long-term obligations decreased \$7,680,681 during the current fiscal year, primarily due to scheduled principal payments and decrease in the net pension liability. At the end of the current fiscal year, the County had total bonded debt outstanding of \$56,900,810, which has required debt service payments through 2034. Of this amount, \$7,320,810 comprises debt backed by the full faith and credit of the County. The remainder of the County's bonded debt represents bonds secured solely by specified revenue sources - lease/revenue bonds. The County's credit rating from Standard & Poors remains AA for general obligation bonds and AA- for lease revenue bonds.

**County of Dinwiddie, Virginia
Management's Discussion and Analysis**

	<u>County Obligations</u>		<u>School Board Obligations</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
General obligation bonds	\$ -	\$ -	\$ 7,320,810	\$ 1,778,939
Lease revenue bonds	<u>22,120,000</u>	<u>6,842,337</u>	<u>27,460,000</u>	<u>12,164,416</u>
Total primary government bonded debt	<u>\$ 22,120,000</u>	<u>\$ 6,842,337</u>	<u>\$ 34,780,810</u>	<u>\$ 13,943,355</u>

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

Economic Factors and Next Year's Budgets and Rates

On June 30, 2018, the local unemployment rate was 3.6%, lower than the prior June's unemployment rate of 4.6%, and in between Virginia's rate of 3.3% and the national rate of 4.2%. Inflationary trends in the region compared favorably to national indices. These and other national and state economic factors were considered in preparing the County's budget for FY 2019. The County's population has increased 14.1% from 2000 to 2010, with another 1.8% increase from 2010 to 2018.

County Administration typically takes a very conservative approach to revenue and expenditures projections, and the FY 2019 consolidated budget reflects that approach, showing an overall decrease of 11% from the FY 2018 budget which is primarily due to a decrease in capital expenditures (Government Complex Project in particular). General Fund revenues are budgeted for 2.6% increase over FY 2018 based on some tax base growth. General Fund expenditures are budgeted for a less than 1% decrease over FY 2018, primarily due to decrease in transfers to county capital projects and an offsetting increase in utilities and custodial services related to the Government Complex Project.

Per County financial policy, the unassigned general fund balance is not used to balance the FY 2019 operational budget. The Board of Supervisors has adopted a financial policy that requires maintenance of a 15% general fund balance based on the total expenditure budget, less debt service and bond proceeds. The minimum amount is calculated for FY 2019 at \$12,048,141, and the general fund balance at June 30, 2019 is budgeted to be \$13,555,745.

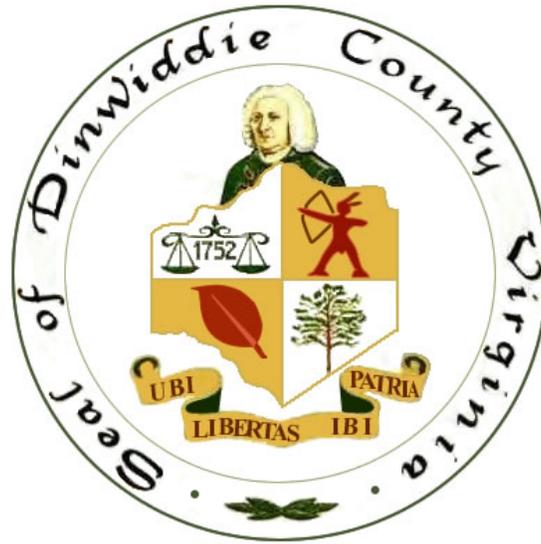
Requests for Information

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

County of Dinwiddie, Virginia

Basic Financial Statements

Year Ended June 30, 2018



County of Dinwiddie, Virginia
Statement of Net Position
June 30, 2018

Exhibit A

	Primary Governmental Activities	Component Units	Total Reporting Entity
ASSETS			
Current assets:			
Cash, cash equivalents, and investments	\$ 1,700,283	\$ 6,837,312	\$ 8,537,595
Receivables, net of allowances for uncollectibles:			
Taxes receivable, including penalties	18,476,021	-	18,476,021
Accounts receivable	474,683	562,040	1,036,723
Due from other governmental units	3,436,032	1,628,937	5,064,969
Due from component units	142,751	-	142,751
Due from primary government	-	54,335	54,335
Other current assets	-	109,697	109,697
Investments	14,885,418	-	14,885,418
Temporarily restricted assets - cash and cash equivalents	7,083,438	1,197,210	8,280,648
Total current assets	<u>46,198,626</u>	<u>10,389,531</u>	<u>56,588,157</u>
Noncurrent assets:			
Other noncurrent assets	-	7,914,902	7,914,902
Capital assets, net of accumulated depreciation:			
Land and improvements	2,923,834	5,025,783	7,949,617
Buildings	52,222,598	44,973,134	97,195,732
Machinery and equipment	5,531,052	3,542,065	9,073,117
Infrastructure	-	16,371,989	16,371,989
Construction in progress	20,478,338	171,998	20,650,336
Total capital assets, net of accumulated depreciation	<u>81,155,822</u>	<u>70,084,969</u>	<u>151,240,791</u>
Total assets	<u>\$ 127,354,448</u>	<u>\$ 88,389,402</u>	<u>\$ 215,743,850</u>
DEFERRED OUTFLOW OF RESOURCES			
Pension deferrals	\$ 903,637	\$ 5,672,485	\$ 6,576,122
Deferred amount on bond refunding	1,543,387	25,108	1,568,495
GLI OPEB deferrals	101,674	174,157	275,831
HIC OPEB Deferrals	-	338,277	338,277
Total deferred outflow of resources	<u>\$ 2,548,698</u>	<u>\$ 6,210,027</u>	<u>\$ 8,758,725</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 3,521,050	\$ 5,066,876	\$ 8,587,926
Due to component units	54,335	-	54,335
Due to primary government	-	142,751	142,751
Accrued interest payable	741,761	17,216	758,977
Other current liabilities	264,702	193,445	458,147
Total current liabilities	<u>4,581,848</u>	<u>5,420,288</u>	<u>10,002,136</u>
Noncurrent liabilities:			
Due within one year	4,422,654	1,042,606	5,465,260
Due in more than one year	65,029,254	52,622,106	117,651,360
Total liabilities	<u>\$ 74,033,756</u>	<u>\$ 59,085,000</u>	<u>\$ 133,118,756</u>
DEFERRED INFLOW OF RESOURCES			
Pension deferrals	\$ 1,416,989	\$ 4,263,250	\$ 5,680,239
Deferred revenue	15,637,456	-	15,637,456
GLI OPEB deferrals	87,000	249,000	336,000
HIC OPEB deferrals	-	45,000	45,000
Total deferred inflow of resources	<u>\$ 17,141,445</u>	<u>\$ 4,557,250</u>	<u>\$ 21,698,695</u>
NET POSITION			
Net investment in capital assets	\$ 25,935,309	\$ 61,452,567	\$ 87,387,876
Restricted for bond covenants	-	342,411	342,411
Unrestricted	12,792,636	(30,837,799)	(18,045,163)
Total net position	<u>\$ 38,727,945</u>	<u>\$ 30,957,179</u>	<u>\$ 69,685,124</u>

See accompanying notes.

County of Dinwiddie, Virginia
Statement of Activities
Year Ended June 30, 2018

Exhibit B

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Units	Total Reporting Entity
Primary government:							
Governmental activities:							
General government administration	\$ 3,347,378	\$ -	\$ 264,311	\$ -	\$ (3,083,067)	\$ -	\$ (3,083,067)
Judicial administration	1,188,412	738,693	626,074	-	176,355	-	176,355
Public safety	12,971,201	1,106,457	1,998,000	-	(9,866,744)	-	(9,866,744)
Public works	3,376,378	712,857	8,238	-	(2,655,283)	-	(2,655,283)
Health and welfare	4,842,678	-	3,434,830	-	(1,407,848)	-	(1,407,848)
Education	18,004,807	-	-	-	(18,004,807)	-	(18,004,807)
Parks, recreation and cultural	1,524,515	200,631	15,840	-	(1,308,044)	-	(1,308,044)
Community development	2,727,470	101	578,820	-	(2,148,549)	-	(2,148,549)
Interest on long-term debt	1,967,981	-	-	-	(1,967,981)	-	(1,967,981)
Total primary government	<u>\$ 49,950,820</u>	<u>\$ 2,758,739</u>	<u>\$ 6,926,113</u>	<u>\$ -</u>	<u>(40,265,968)</u>	<u>-</u>	<u>(40,265,968)</u>
Component units	<u>\$ 55,448,507</u>	<u>\$ 4,688,365</u>	<u>\$ 31,793,684</u>	<u>\$ 2,634,682</u>	<u>-</u>	<u>(16,331,776)</u>	<u>(16,331,776)</u>
General revenues:							
General property taxes					31,987,959	-	31,987,959
Local sales and use tax					1,900,374	-	1,900,374
Consumer utility tax					577,263	-	577,263
Other local taxes					3,161,646	-	3,161,646
Revenues from use of money and property					378,944	444,354	823,298
Miscellaneous					356,958	218,685	575,643
Grants and contributions not restricted to specific programs					4,650,410	-	4,650,410
Payments from Dinwiddie County					-	17,101,186	17,101,186
Total general revenues					<u>43,013,554</u>	<u>17,764,225</u>	<u>60,777,779</u>
Change in net position					2,747,586	1,432,449	4,180,035
Net position, beginning of year, as restated					<u>35,980,359</u>	<u>29,524,730</u>	<u>65,505,089</u>
Net position, end of year					<u>\$ 38,727,945</u>	<u>\$ 30,957,179</u>	<u>\$ 69,685,124</u>

See accompanying notes.

County of Dinwiddie, Virginia
Balance Sheet
Governmental Funds
June 30, 2018

Exhibit C

	Major Funds			Non-Major Fund	Total
	General	Debt Service	Capital Projects		
ASSETS					
Cash, cash equivalents, and investments	\$14,044,557	\$ 553,216	\$ 1,339,007	\$ 648,921	\$16,585,701
Restricted cash and cash equivalents	-	-	7,083,438	-	7,083,438
Receivables, net of allowances for uncollectibles:					
Taxes receivable, including penalties	18,476,021	-	-	-	18,476,021
Accounts receivable	449,583	-	200	719	450,502
Due from other governmental units	2,845,843	-	146,416	443,773	3,436,032
Due from component units	142,751	-	-	-	142,751
Total assets	\$35,958,755	\$ 553,216	\$ 8,569,061	\$ 1,093,413	\$46,174,445
LIABILITIES					
Accounts payable	\$ 899,713	\$ -	\$ 1,432,986	\$ 245,744	\$ 2,578,443
Accrued liabilities	160,863	-	-	-	160,863
Other current liabilities	264,702	-	-	-	264,702
Due to component units	-	54,335	-	-	54,335
Total liabilities	1,325,278	54,335	1,432,986	245,744	3,058,343
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	18,927,473	-	-	-	18,927,473
FUND BALANCES					
Restricted	10,439	-	6,055,904	268,285	6,334,628
Committed	850,800	498,881	1,080,171	579,384	3,009,236
Unassigned	14,844,765	-	-	-	14,844,765
Total fund balances	15,706,004	498,881	7,136,075	847,669	24,188,629
	\$35,958,755	\$ 553,216	\$ 8,569,061	\$ 1,093,413	\$46,174,445

County of Dinwiddie, Virginia
Reconciliation of Balance Sheet to the Statement of Net Position
Governmental Funds
June 30, 2018

Exhibit D

Total fund balances per Exhibit C - Balance Sheet - Governmental Funds	<u>\$ 24,188,629</u>
Amounts reported for governmental activities in the statement of net position (Exhibit A) are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Capital assets, cost	119,587,234
Accumulated depreciation	<u>(38,431,412)</u>
	<u>81,155,822</u>
Deferred outflows of resources are not outflows of resources in the current period and, therefore, are not reported in the funds:	
Deferred pension contributions	882,437
Deferred change in pension assumptions	21,200
Deferred amounts on bond refunding	1,543,387
GLI OPEB deferrals	<u>101,674</u>
	<u>2,548,698</u>
Other long-term assets (i.e. taxes levied) are not available to pay for current period expenditures and, therefore, are not reported in the funds:	
Accounts receivable	<u>24,181</u>
	<u>24,181</u>
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
Retainage due on constructed assets	(781,744)
Lease revenue bonds	(49,580,000)
General obligation bonds	(7,320,810)
Net pension liability	(1,578,843)
Bond issuance premium	(6,946,528)
Landfill postclosure care	(734,042)
Interest payable	(741,761)
Net HIC OPEB Liability	(1,681,501)
Net GLI OPEB Liability	(783,000)
Nonexchange financial guarantees	(268,364)
Compensated absences	<u>(558,820)</u>
	<u>(70,975,413)</u>
Deferred inflows of resources are not inflows of resources for the current period and, therefore, are not reported in the funds:	
Deferred revenue	3,290,017
Deferred pension amounts	(1,416,989)
OPEB GLI deferrals	<u>(87,000)</u>
	<u>1,786,028</u>
Net position of governmental activities	<u>\$ 38,727,945</u>

County of Dinwiddie, Virginia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2018

Exhibit E

	Major Funds			Non-Major Fund	Total
	General	Debt Service	Capital Projects		
Revenues:					
General property taxes	\$ 31,284,533	\$ -	\$ -	\$ -	\$ 31,284,533
Other local taxes	5,639,283	-	-	-	5,639,283
Permits, privilege fees, and regulatory licenses	334,342	-	-	-	334,342
Fines and forfeitures	620,715	-	-	-	620,715
Revenue from use of money and property	141,643	-	237,029	272	378,944
Charges for services	1,864,427	-	-	3,457	1,867,884
Miscellaneous	245,376	-	32,472	79,110	356,958
Recovered costs	202,259	-	188,354	-	390,613
Intergovernmental revenues:					
Commonwealth	8,460,616	-	146,416	1,386,441	9,993,473
Federal	1,574,999	-	-	8,051	1,583,050
Total revenues	<u>50,368,193</u>	<u>-</u>	<u>604,271</u>	<u>1,477,331</u>	<u>52,449,795</u>
Expenditures:					
Current:					
General government administration	3,441,361	-	-	-	3,441,361
Judicial administration	1,067,105	-	-	1,861	1,068,966
Public safety	12,087,878	-	-	98,181	12,186,059
Public works	3,382,048	-	-	106,796	3,488,844
Health and welfare	2,956,174	-	-	1,994,742	4,950,916
Education	14,543,674	-	-	-	14,543,674
Parks, recreation, and cultural	1,306,319	-	-	-	1,306,319
Community development	2,774,120	309,983	134,026	-	3,218,129
Capital outlays and projects	-	-	18,446,498	-	18,446,498
Debt service:					
Principal retirement	-	4,117,478	-	-	4,117,478
Interest and other fiscal charges	-	2,756,000	-	-	2,756,000
Total expenditures	<u>41,558,679</u>	<u>7,183,461</u>	<u>18,580,524</u>	<u>2,201,580</u>	<u>69,524,244</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,809,514</u>	<u>(7,183,461)</u>	<u>(17,976,253)</u>	<u>(724,249)</u>	<u>(17,074,449)</u>
Other financing sources (uses)					
Transfers in	-	7,255,250	1,471,982	791,423	9,518,655
Transfers out	(9,518,655)	-	-	-	(9,518,655)
Total other financing sources (uses)	<u>(9,518,655)</u>	<u>7,255,250</u>	<u>1,471,982</u>	<u>791,423</u>	<u>-</u>
Net change in fund balances	(709,141)	71,789	(16,504,271)	67,174	(17,074,449)
Fund balances, beginning of year	16,415,145	427,092	23,640,346	780,495	41,263,078
Fund balances, end of year	<u>\$ 15,706,004</u>	<u>\$ 498,881</u>	<u>\$ 7,136,075</u>	<u>\$ 847,669</u>	<u>\$ 24,188,629</u>

See accompanying notes.

County of Dinwiddie, Virginia
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances to the Statement of Activities
Governmental Funds
Year Ended June 30, 2018

Exhibit F

Net change in fund balances - total governmental funds \$ (17,074,449)

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

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 the cost of depreciation expense. This is the amount by which the capital outlays exceeded depreciation the current period. Details supporting this adjustment are as follows:

Capital asset additions	17,554,987
Depreciation expense	<u>(3,077,778)</u>
	<u>14,477,209</u>

Transfer of joint tenancy assets from Primary Government to the Component Unit - School Board (1,542,375)

Revenues in the statement of activities that do not provide current financial resources are adjustment are as follows:

Amortization on bond premium and deferred amount on bond refunding	732,044
Revenues not received within sixty days of year end	<u>639,224</u>
	<u>1,371,268</u>

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to debt consumes transaction, however, adjustment is as follows:

Principal retired on revenue bonds	3,305,000
Principal retired on general obligation bonds	812,478
Payments made on nonexchange financial guarantees	542,759
Decrease in landfill postclosure liability	<u>52,572</u>
	<u>4,712,809</u>

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

The following is a summary of items supporting this adjustment:

Change in accrued leave	(10,929)
Change in GLI OPEB and related deferred amounts	33,674
Change in Retiree Health Insurance OPEB and related deferred amounts	(175,238)
Change in net pension liability and related deferred amounts	899,642
Change in interest payable	<u>55,975</u>
	<u>803,124</u>

Change in net position of governmental activities \$ 2,747,586

County of Dinwiddie, Virginia
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

Exhibit G

	<u>Private-Purpose Trust Funds</u>	<u>Agency Fund</u>
ASSETS		
Cash and cash equivalents	\$ 291,654	\$ 65,228
Investments	6,493,401	-
Receivables	-	4,699
	<u>\$ 6,785,055</u>	<u>\$ 69,927</u>
LIABILITIES		
Amounts held for social services clients	<u>\$ -</u>	<u>\$ 69,927</u>
NET POSITION		
Amounts held in trust for scholarships and the disadvantaged	<u>\$ 6,785,055</u>	<u>\$ -</u>

County of Dinwiddie, Virginia
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2018

Exhibit H

	<u>Private-Purpose Trust Funds</u>
Additions:	
Investment earnings	\$ 76,644
Private donations	1,330
Net unrealized gain	<u>230,077</u>
Total additions	<u>308,051</u>
Deductions:	
Investment fees	35,949
Investment losses	5,121
Scholarships	<u>187,125</u>
Total deductions	<u>228,195</u>
Change in net position	79,856
Net position, beginning of year	<u>6,705,199</u>
Net position, end of year	<u>\$ 6,785,055</u>

County of Dinwiddie, Virginia
Statement of Net Position
Component Units
June 30, 2018

Exhibit I

	School Board	Industrial Development Authority	Water Authority	Airport and Industrial Authority	Total Component Units
ASSETS					
Current assets:					
Cash, cash equivalents, and investments	\$ 5,056,372	\$ 483,225	\$ 814,707	\$ 483,008	\$ 6,837,312
Accounts receivables, net allowances for uncollectibles	6,662	-	549,215	6,163	562,040
Due from other governmental units	1,346,635	-	281,623	679	1,628,937
Due from primary government	-	-	54,335	-	54,335
Other current assets	-	-	40,727	68,970	109,697
Temporarily restricted assets:					
Cash and cash equivalents	-	680,000	517,210	-	1,197,210
Total current assets	<u>6,409,669</u>	<u>1,163,225</u>	<u>2,257,817</u>	<u>558,820</u>	<u>10,389,531</u>
Noncurrent assets:					
Other noncurrent assets	-	-	7,914,902	-	7,914,902
Capital assets, net of accumulated depreciation:					
Land and improvements	1,349,053	721,349	321,244	2,634,137	5,025,783
Buildings	41,093,488	-	1,621,839	2,257,807	44,973,134
Machinery and equipment	2,493,485	-	974,954	73,626	3,542,065
Infrastructure	-	-	15,326,494	1,045,495	16,371,989
Construction in progress	171,998	-	-	-	171,998
Total capital assets, net of accumulated depreciation	<u>45,108,024</u>	<u>721,349</u>	<u>18,244,531</u>	<u>6,011,065</u>	<u>70,084,969</u>
Total assets	<u>\$ 51,517,693</u>	<u>\$ 1,884,574</u>	<u>\$ 28,417,250</u>	<u>\$ 6,569,885</u>	<u>\$ 88,389,402</u>
DEFERRED OUTFLOW OF RESOURCES					
Pension deferrals	\$ 5,638,213	\$ -	\$ 34,272	\$ -	\$ 5,672,485
Deferred amount on bond refunding	-	-	25,108	-	25,108
OPEB GLI deferrals	171,324	-	2,833	-	174,157
OPEB HIC deferrals	338,277	-	-	-	338,277
Total deferred outflow of resources	<u>\$ 6,147,814</u>	<u>\$ -</u>	<u>\$ 62,213</u>	<u>\$ -</u>	<u>\$ 6,210,027</u>
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 4,922,090	\$ 34,324	\$ 71,077	\$ 39,385	\$ 5,066,876
Accrued interest payable	-	-	17,216	-	17,216
Due to primary government	-	-	142,751	-	142,751
Other current liabilities	-	-	191,770	1,675	193,445
Total current liabilities	<u>4,922,090</u>	<u>34,324</u>	<u>422,814</u>	<u>41,060</u>	<u>5,420,288</u>
Noncurrent liabilities:					
Due within one year	391,018	-	598,000	53,588	1,042,606
Due in more than one year	47,656,902	-	4,722,000	243,204	52,622,106
Total liabilities	<u>\$ 52,970,010</u>	<u>\$ 34,324</u>	<u>\$ 5,742,814</u>	<u>\$ 337,852</u>	<u>\$ 59,085,000</u>
DEFERRED INFLOW OF RESOURCES					
Pension deferrals	\$ 4,142,760	\$ -	\$ 120,490	\$ -	\$ 4,263,250
OPEB GLI Deferrals	244,000	-	5,000	-	249,000
OPEB HCI deferrals	45,000	-	-	-	45,000
Total deferred inflow of resources	<u>\$ 4,431,760</u>	<u>\$ -</u>	<u>\$ 125,490</u>	<u>\$ -</u>	<u>\$ 4,557,250</u>
NET POSITION					
Net investment in capital assets	\$ 42,025,372	\$ 721,349	\$ 12,992,639	\$ 5,713,207	\$ 61,452,567
Restricted for bond covenants	-	-	342,411	-	342,411
Unrestricted	(41,761,635)	1,128,901	9,276,109	518,826	(30,837,799)
Total net position	<u>\$ 263,737</u>	<u>\$ 1,850,250</u>	<u>\$ 22,611,159</u>	<u>\$ 6,232,033</u>	<u>\$ 30,957,179</u>

See accompanying notes.

County of Dinwiddie, Virginia
Statement of Activities
Component Units
Year Ended June 30, 2018

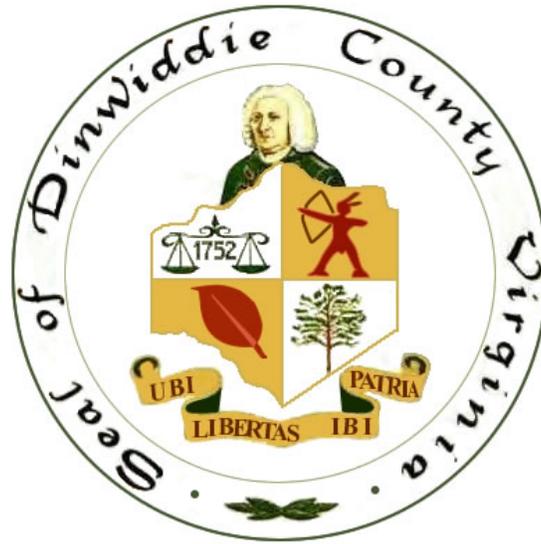
Exhibit J

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position				
		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	\$ 47,271,275	\$ 429,370	\$ 31,793,684	\$ -	\$ (15,048,221)	\$ -	\$ -	\$ -	\$ (15,048,221)
Industrial Development Authority	3,145,889	3,049	-	-	-	(3,142,840)	-	-	(3,142,840)
Water Authority	3,919,327	3,710,335	-	1,855,492	-	-	1,646,500	-	1,646,500
Airport and Industrial Authority	1,112,016	545,611	-	779,190	-	-	-	212,785	212,785
	<u>\$ 55,448,507</u>	<u>\$ 4,688,365</u>	<u>\$ 31,793,684</u>	<u>\$ 2,634,682</u>	<u>(15,048,221)</u>	<u>(3,142,840)</u>	<u>1,646,500</u>	<u>212,785</u>	<u>(16,331,776)</u>
General revenues:									
Revenues from use of money and property					205,924	521	49,163	188,746	444,354
Miscellaneous					163,229	-	51,177	4,279	218,685
Payments from Dinwiddie County					16,074,863	725,000	200,508	100,815	17,101,186
Total general revenues					<u>16,444,016</u>	<u>725,521</u>	<u>300,848</u>	<u>293,840</u>	<u>17,764,225</u>
Change in net position					1,395,795	(2,417,319)	1,947,348	506,625	1,432,449
Net position, beginning of year, as restated*					<u>(1,132,058) *</u>	<u>4,267,569</u>	<u>20,663,811 *</u>	<u>5,725,408</u>	<u>29,524,730</u>
Net position, end of year					<u>\$ 263,737</u>	<u>\$ 1,850,250</u>	<u>\$ 22,611,159</u>	<u>\$ 6,232,033</u>	<u>\$ 30,957,179</u>

Amounts indicated with an asterisk (*) have been restated due to the implementation of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

County of Dinwiddie, Virginia

Notes to Financial Statements



Notes to Financial Statements

1. Summary of Significant Accounting Policies

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

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

Financial statement presentation

Management's Discussion and Analysis

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

Government-wide Financial Statements

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

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund 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, 2018.

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, 2018. 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 the County has the ability to impose its will on the IDA by significantly influencing its programs and activities; therefore, it is included in the County's financial statements as a discrete presentation for the year ended June 30, 2018. 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 2016 Water and Sewer Revenue Bonds and Series 1999 Water System Revenue Bonds, for operation and maintenance of the Courthouse System and Church Road System, and for deficiencies in the operating revenues of the Authority's main water and sewer system. The Support Agreements also require the Director of the Water Authority to notify the County Administrator if in any month the Authority is unable to make its required debt service payment, and to request an appropriation from the Board of Directors to make up any deficiency. The existence of these Support Agreements makes the Water Authority financially dependent on the County, and therefore, it is discretely presented in the County's financial statements for the year ended June 30, 2018. The Water Authority issues a separate audited financial report which may be obtained at 23008 Airport Drive, North Dinwiddie, VA 23803.

The Dinwiddie Airport and Industrial Authority (Airport Authority) is a public body organized by the General Assembly of Virginia to construct, operate, and maintain a regional airport and to promote industry in Dinwiddie, Virginia. The Airport Authority is governed by seven directors. The Board of Supervisors of Dinwiddie County appoints all seven of the Airport Authority's Board members. 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, 2018. The Airport Authority also issues a separate audited financial report which may be obtained at 6775 Beck-Chappell Drive, North Dinwiddie, VA 23803.

C. Other related organizations excluded from 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 the 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 2018 was \$273,595.

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 2018 was \$171,262.

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 2018 was \$255,299.

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 cities of Colonial Heights, Emporia, Hopewell, and Petersburg, and the Counties of Dinwiddie, Greensville, Prince George, Surry, and Sussex. Annual appropriations are made in proportion to the service needs of each locality. The County's contribution for fiscal year 2018 was \$78,226.

Meherrin River Regional Jail Authority

The Meherrin River Regional Jail Authority is a regional jail system that, beginning July 1, 2012, serves the localities of Brunswick County, Dinwiddie County, and Mecklenburg County. The Authority is jointly governed by a Board consisting of three representatives from each of the member jurisdictions. Annually, the Jail Authority establishes a per diem charge (including the operating and debt service components) for the care, maintenance, and subsistence of prisoners from member jurisdictions during the next fiscal year. Based on proportionate prisoner populations, Dinwiddie County's per diem percentage for fiscal year 2018 is 22%. The County's charges for fiscal year 2018 were \$1,887,799.

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 2018 was \$592,990.

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 2018 was \$111,904.

D. Measurement focus, basis of accounting and financial statement presentation

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

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

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

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

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

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

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

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

1. Governmental funds - Major

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

a. General fund

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

b. Debt service fund

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

c. 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.

2. Governmental funds – Non-Major

a. Special revenue fund

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

3. Fiduciary funds

The Fiduciary Funds (Trust and Agency Funds) account for assets held by the County unit in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. Agency Funds are held by the County Treasurer as custodian of funds for certain children in foster care. Private Purpose Trust Funds are held for the purpose of awarding scholarships to Dinwiddie students and for helping needy citizens in the County. 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. Investments are valued using fair value measurements in accordance with GASB Statement No. 72, *Fair Value Measurements and Application* (GASB 72) which provides guidance for determining a fair value measurement for financial reporting purposes and also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. See Note 4 for additional information on the County's investments measured at fair value.

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 inter-fund 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 uncollectible accounts. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to \$389,170 at June 30, 2018 and is comprised of personal property taxes in the amount of \$372,721 and real estate taxes in the amount of \$16,449.

Real and personal property tax data

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

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

The County bills and collects its own property taxes.

H. Capital assets

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

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

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

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

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

I. Compensated absences

Vested or accumulated vacation and sick leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation and sick leave that are not expected to be liquidated with expendable available financial resources are reported as an expense in the Statement of Activities and a long-term obligation in the Statement of Net Position. In accordance with the provisions of Governmental Accounting Standards No. 16, Accounting for Compensated Absences, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits. Compensated absences are reported in the governmental funds only if they have matured.

J. Long-term obligations

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

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

K. Uses of estimates

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

L. Pensions

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

M. Other Post-Employment Benefits

Group Life Insurance Program

The Virginia Retirement System (VRS) Group Life Insurance Program is a multiple employer, cost-sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The Group Life Insurance Program was established pursuant to §51.1-500 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. The Group Life Insurance Program is a defined benefit plan that provides a basic group life insurance benefit for employees or participating employers. For purposes of measuring the net Group Life Insurance Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the Group Life Insurance Program OPEB, and Group Life Insurance Program OPEB expense, information about the fiduciary net position of the Virginia Retirement System (VRS) Group Life Insurance program OPEB and the additions to/deductions from the VRS Group Life Insurance Program OPEB's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Teacher Employee Health Insurance Credit Program

The Virginia Retirement System (VRS) Teacher Employee Health Insurance Credit Program is a multiple-employer, cost-sharing plan. The Teacher Employee Health Insurance Credit Program was established pursuant to §51.1-1400 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. The Teacher Employee Health Insurance Credit Program is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired teachers. For purposes of measuring the net Teacher Employee Health Insurance Credit Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the Teacher Employee Health Insurance Credit Program OPEB, and the Teacher Employee Health Insurance Credit Program OPEB expense, information about the fiduciary net position of the Virginia Retirement System (VRS) Teacher Employee Health Insurance Credit Program; and the additions to/deductions from the VRS Teacher Employee Health Insurance Credit Program's net fiduciary position have been determined on the same basis as they were

reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Retiree Health Insurance Program

The County and School Board allow pre-medicare retirees to participate in their health insurance program. These programs are single-employer defined benefit plans that provide health insurance coverage for retired employees. The County and School Board insurance programs were established by their respective Boards who have the authority to establish or amend benefit terms.

N. Net position

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

O. 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:

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, less debt service.

County of Dinwiddie, Virginia
Notes to Financial Statements

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Non-Major</u>	<u>Total</u>
Fund balances:					
Restricted for:					
Grant purposes	\$ 10,439	\$ -	\$ -	\$ -	\$ 10,439
Forfeited assets	-	-	-	37,000	37,000
Fire programs	-	-	-	216,630	216,630
Community service	-	-	-	5,745	5,745
Law library	-	-	-	8,910	8,910
Capital projects	-	-	6,055,904	-	6,055,904
Total restricted fund balance	<u>10,439</u>	<u>-</u>	<u>6,055,904</u>	<u>268,285</u>	<u>6,334,628</u>
Committed to:					
Annual debt service	118,538	498,880	-	-	617,418
Community development	732,262	-	-	-	732,262
Comprehensive services	-	-	-	469,042	469,042
Litter grant	-	-	-	110,342	110,342
School debt service	-	1	-	-	1
School capital projects	-	-	343,675	-	343,675
County capital projects	-	-	736,496	-	736,496
Total committed fund balance	<u>850,800</u>	<u>498,881</u>	<u>1,080,171</u>	<u>579,384</u>	<u>3,009,236</u>
Unassigned fund balance	<u>14,844,765</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,844,765</u>
Total fund balances	<u>\$ 15,706,004</u>	<u>\$ 498,881</u>	<u>\$ 7,136,075</u>	<u>\$ 847,669</u>	<u>\$ 24,188,629</u>

P. Subsequent events

In preparing these financial statements, the County has evaluated events and transactions for potential recognition or disclosure through November 27, 2018, 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 fund or category level. The appropriation for each fund or category can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments.
- 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, 2018.

3. Change in Accounting Principle/Restatement

The County and School Board implemented Governmental Accounting Standards Board (GASB) Statement 75, "Accounting and Financial Reporting for Post-employment Benefits Other than Pensions", in the fiscal year ended June 30, 2018. The implementation of the statement required the County and School Board to record beginning net OPEB liability and the effects on net position of contributions made by the County and School Board. The period-specific details of the change on all prior periods presented could not be practically determined; therefore, the cumulative effect of the change was applied to the beginning balances of the current year as follows:

	(As Previously Reported) June 30, 2017	Record Effects of GASB 75	(As Restated) June 30, 2017
Primary government			
Deferred outflows of resources:			
Contributions subsequent to measurement date:			
Group life insurance program	\$ -	\$ 50,000	\$ 50,000
Retiree health insurance	-	64,411	64,411
Liabilities:			
OPEB liabilities:			
Group life insurance program	-	852,000	852,000
Retiree health insurance	249,658	1,321,016	1,570,674
Net position	\$ 38,038,964	\$ (2,058,605)	\$ 35,980,359
Component unit – School Board			
Deferred outflows of resources:			
Contributions subsequent to measurement date:			
Group life insurance program	\$ -	\$ 129,000	\$ 129,000
Health insurance credit program, teachers	-	258,000	258,000
Retiree health insurance	-	59,599	59,599
Liabilities:			
OPEB liabilities:			
Group life insurance program	-	2,355,000	2,355,000
Health insurance credit program, teachers	-	3,686,000	3,686,000
Retiree health insurance	709,003	643,759	1,352,762
Net position	\$ 5,106,102	\$ (6,238,160)	\$ (1,132,058)

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"

County of Dinwiddie, Virginia
Notes to Financial Statements

commercial paper and certain corporate notes, banker's acceptances, repurchase agreements and the State Treasurer's Local Government Investment Pool (LGIP).

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The County has the following recurring fair value measurements as of June 30, 2018:

- Corporate equity stocks and mutual funds of \$3,479,980 are valued using quoted market prices (Level 1 inputs)
- Corporate and government agency bonds of \$5,219,695 are valued using a matrix pricing model (Level 2 inputs)

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. The County does not have a formal policy regarding interest rate risk.

Investment Type	Fair Value	Investment Maturities (in years)			
		Less Than 1 Year	1-5 Years	6-10 Years	Than 10 years
Corporate Debt	\$ 912,027	\$ 54,723	\$ 80,742	\$ -	\$ 776,562
Municipal/Public Bonds	4,307,668	2,013,700	2,022,385	53,692	217,891
Total	\$ 5,219,695	\$ 2,068,423	\$ 2,103,127	\$ 53,692	\$ 994,453

Credit risk of debt securities

The County's rated debt investments as of June 30, 2018 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 at least two of the following: *Standards and Poor's* A-1, *Moody's* Investor Service P-1, *Fitch Investor's Services, Inc.* F-1, or *Duff and Phelps, Inc.* D-1.

	AAAm	AAA	AA+	A-	Unrate	Totals
Local Government Investment Pool	\$ 12,309,833	\$ -	\$ -	\$ -	\$ -	\$ 12,309,833
Corporate Debt	-	-	54,723	80,742	776,562	912,027
Municipal/Public Bonds	-	274,745	2,520,863	-	1,512,060	4,307,668
Total	\$ 12,309,833	\$ 274,745	\$ 2,575,586	\$ 80,742	\$ 2,288,622	\$ 17,529,528

Concentration of credit risk

Concentration of credit risk is the risk of a loss attributed to the magnitude of a government's investment in a single issuer. Almost half, approximately 59% of the County's investments at June 30, 2018, were with the Local Government Investment Pool and therefore, are not categorized as to concentration of credit risk. More than 5 percent of the County's investments are in Nationwide Core Plus Bond Investment, Fannie Mae, Federal Home Loan Bank, Freddie Mac, and US Government Notes and Bonds. These investments are 12%, 13%, 16%, 20%, 34%, respectively, of the County's total investments in debt securities.

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.

County of Dinwiddie, Virginia
Notes to Financial Statements

Total cash, cash equivalents and investments

Following is a summary, as of June 30, 2018, of the Primary Government and Fiduciary Funds' cash, cash equivalents, and investments by asset type:

	<u>Balance</u>
Government-wide accounts	
Cash and cash equivalents:	
Governmental activities, unrestricted	\$ 1,700,283
Governmental activities, restricted	7,083,438
Component unit, School Board	5,056,372
Component unit, Industrial Development Authority, unrestricted	483,225
Component unit, Industrial Development Authority, restricted	680,000
Fiduciary funds:	
Private-purpose trust funds	291,654
Agency funds	65,228
Investments:	
Governmental activities	14,885,418
Fiduciary funds:	
Private-purpose trust funds	<u>6,493,401</u>
Total cash, cash equivalents and investments	<u>\$ 36,739,019</u>
 Asset Type	
Petty cash	\$ 1,550
Deposit accounts	15,047,961
Deposit account held in trust by third-party	680,000
Investments:	
Local Government Investment Pool	12,309,833
Corporate debt	912,027
Municipal / public bonds	4,307,668
Corporate equity stocks and mutual funds	<u>3,479,980</u>
Total cash, cash equivalents and investments	<u>\$ 36,739,019</u>

Information on cash, cash equivalents, and investments held by the Water Authority and the Airport and Industrial Authority are not disclosed here. That information can be found in their separately issued audited financial statements.

County of Dinwiddie, Virginia
Notes to Financial Statements

5. Due from Other Governmental Units

At June 30, 2018, the County and School Board have amounts due from other governments as follows:

	<u>Primary Government</u>	<u>Component Unit School Board</u>
Commonwealth of Virginia:		
Local sales tax	\$ 342,997	\$ -
Public assistance and welfare administration	63,117	-
Mobile home titling tax	28,463	-
State sales tax	-	548,147
School fund grants	-	328,815
Constitutional officer reimbursements	179,785	-
Personal property tax relief act	1,875,641	-
Communications tax	135,373	-
Wireless grant	13,814	-
PSAP Grant	146,416	-
Children's services	413,741	-
Other state funds	60,974	-
Federal Government:		
School fund grants	-	469,673
Public assistance and welfare administration	110,168	-
Victim witness assistance	32,512	-
Other federal funds	33,031	-
Total due from other governmental units	<u>\$ 3,436,032</u>	<u>\$ 1,346,635</u>

County of Dinwiddie, Virginia
Notes to Financial Statements

6. Capital Assets

The following is a summary of changes in capital assets for the year ended June 30, 2018:

	<u>Balance at July 1, 2017</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance at June 30, 2018</u>
Primary Government				
Capital assets not subject to depreciation:				
Land	\$ 2,900,662	\$ 23,172	\$ -	\$ 2,923,834
Construction in process	<u>3,344,765</u>	<u>17,188,581</u>	<u>(55,008)</u>	<u>20,478,338</u>
Total capital assets not subject to depreciation	<u>6,245,427</u>	<u>17,211,753</u>	<u>(55,008)</u>	<u>23,402,172</u>
Capital assets subject to depreciation:				
Buildings	26,693,511	14,266	-	26,707,777
Machinery and equipment	18,979,682	1,128,904	(165,916)	19,942,670
Jointly owned assets	<u>51,731,256</u>	<u>-</u>	<u>(2,196,641)</u>	<u>49,534,615</u>
Total capital assets subject to depreciation	<u>97,404,449</u>	<u>1,143,170</u>	<u>(2,362,557)</u>	<u>96,185,062</u>
Accumulated depreciation:				
Buildings	(8,577,088)	(688,902)	-	(9,265,990)
Machinery and equipment	(13,488,881)	(1,088,653)	165,916	(14,411,618)
Jointly owned assets	<u>(14,107,847)</u>	<u>(1,300,223)</u>	<u>654,266</u>	<u>(14,753,804)</u>
Total accumulated depreciation	<u>(36,173,816)</u>	<u>(3,077,778)</u>	<u>820,182</u>	<u>(38,431,412)</u>
Total capital assets subject to depreciation, net	<u>61,230,633</u>	<u>(1,934,608)</u>	<u>(1,542,375)</u>	<u>57,753,650</u>
Primary government capital assets, net	<u>\$ 67,476,060</u>	<u>\$ 15,277,145</u>	<u>\$ (1,597,383)</u>	<u>\$ 81,155,822</u>
Component Unit – School Board				
Capital assets not subject to depreciation:				
Land	\$ 1,349,053	\$ -	\$ -	\$ 1,349,053
Construction in process	<u>-</u>	<u>171,998</u>	<u>-</u>	<u>171,998</u>
Total capital assets not subject to depreciation	<u>1,349,053</u>	<u>171,998</u>	<u>-</u>	<u>1,521,051</u>
Capital assets subject to depreciation:				
Buildings	7,021,188	179,793	-	7,200,981
Machinery and equipment	8,657,617	532,543	(359,216)	8,830,944
Jointly owned assets	<u>48,975,020</u>	<u>2,196,641</u>	<u>-</u>	<u>51,171,661</u>
Total capital assets subject to depreciation	<u>64,653,825</u>	<u>2,908,977</u>	<u>(359,216)</u>	<u>67,203,586</u>
Accumulated depreciation:				
Buildings	(1,607,450)	(430,305)	-	(2,037,755)
Machinery and equipment	(6,168,724)	(527,951)	359,216	(6,337,459)
Jointly owned assets	<u>(13,356,186)</u>	<u>(1,885,213)</u>	<u>-</u>	<u>(15,241,399)</u>
Total accumulated depreciation	<u>(21,132,360)</u>	<u>(2,843,469)</u>	<u>359,216</u>	<u>(23,616,613)</u>
Total capital assets subject to depreciation, net	<u>43,521,465</u>	<u>65,508</u>	<u>-</u>	<u>43,586,973</u>
Component unit – School Board capital assets, net	<u>\$ 44,870,518</u>	<u>\$ 237,506</u>	<u>\$ -</u>	<u>\$ 45,108,024</u>

County of Dinwiddie, Virginia
Notes to Financial Statements

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

Government activities:		
General government administration		\$ 124,789
Judicial administration		176,715
Public safety		1,054,345
Public works		92,274
Health and welfare		10,534
Education		1,300,223
Parks, recreation and cultural		219,812
Community development		<u>99,086</u>
Total governmental activities		<u>\$ 3,077,778</u>
Component Unit School Board:		
Education		\$ 2,189,203
Accumulated depreciation on jointly owned assets transferred to School Board during the year		<u>654,266</u>
Total Component Unit School Board		<u>\$ 2,843,469</u>
	<u>Incurred through</u>	<u>Committed at</u>
	<u>June 30, 2018</u>	<u>June 30, 2018</u>
Construction in process is composed of the following:		
Primary Government:		
Government Facilities	\$ 20,226,289	\$ 5,827,526
Wilsons Manned Site	75,034	-
Radio System Replacement Project	52,147	-
2019 International KME Elliptical Tanker	<u>124,868</u>	<u>237,979</u>
Total primary government	<u>\$ 20,478,338</u>	<u>\$ 6,065,505</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. Inter-fund Transfers

Inter-fund transfers for the year ended June 30, 2018, consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
Governmental Funds:		
General fund	\$ -	\$ 9,518,655
Debt service fund	7,255,250	-
Capital projects fund	1,471,982	-
Non-major funds	<u>791,423</u>	<u>-</u>
Total Primary Government	<u>\$ 9,518,655</u>	<u>\$ 9,518,655</u>
Component Unit – School Board:		
Operating fund	\$ -	\$ 130,785
Special revenue fund	<u>130,785</u>	<u>-</u>
Total Component Unit – School Board	<u>\$ 130,785</u>	<u>\$ 130,785</u>

County of Dinwiddie, Virginia
Notes to Financial Statements

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

8. Long-Term Obligations

Primary government

The following is a summary of changes in long-term obligations for the fiscal year ended June 30, 2018:

	<u>Amount Payable July 1, 2017 (As Restated)</u>	<u>Increase</u>	<u>Decrease</u>	<u>Amount Payable June 30, 2018</u>	<u>Amounts Due Within One Year</u>
Governmental obligations:					
Incurred by County:					
Compensated absences payable	\$ 547,891	\$ 595,941	\$ (585,012)	\$ 558,820	\$ 55,882
Lease revenue bond	23,394,881	-	(1,274,881)	22,120,000	1,315,000
Net GLI OPEB liability	852,000	68,000	(137,000)	783,000	-
Retiree Health Insurance OPEB liability	1,570,674	175,238	(64,411)	1,681,501	-
Net pension liability	3,690,682	3,508,341	(5,620,180)	1,578,843	-
Nonexchange financial guarantees	811,123	-	(542,759)	268,364	93,070
Landfill post-closure care	786,614	-	(52,572)	734,042	66,731
Add deferred amounts:					
Issuance premiums	<u>3,691,654</u>	<u>-</u>	<u>(468,234)</u>	<u>3,223,420</u>	<u>443,968</u>
Total incurred by County	<u>35,345,519</u>	<u>4,347,520</u>	<u>(8,745,049)</u>	<u>30,947,990</u>	<u>1,974,651</u>
Incurred by School Board:					
General obligation bonds	8,133,288	-	(812,478)	7,320,810	833,962
Lease revenue bond	29,490,119	-	(2,030,119)	27,460,000	1,200,000
Add deferred amounts:					
Issuance premiums	<u>4,163,663</u>	<u>-</u>	<u>(440,555)</u>	<u>3,723,108</u>	<u>414,041</u>
Total incurred by School Board	<u>41,787,070</u>	<u>-</u>	<u>(3,283,152)</u>	<u>38,503,913</u>	<u>2,448,003</u>
Total government obligations	<u>\$ 77,132,589</u>	<u>\$ 4,347,520</u>	<u>\$ (12,028,201)</u>	<u>\$ 69,451,908</u>	<u>\$ 4,422,654</u>

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

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

<u>Year Ending June 30,</u>	<u>County Obligations</u>		<u>School Board Obligations</u>			
	<u>Lease Revenue Bond</u>		<u>General Obligation Bonds</u>		<u>Lease Revenue Bond</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 1,315,000	\$ 924,966	\$ 833,962	\$ 347,288	\$ 1,200,000	\$ 1,312,050
2020	1,365,000	872,265	856,571	304,180	1,265,000	1,250,659
2021	1,430,000	812,269	880,361	259,888	1,280,000	1,189,044
2022	1,495,000	746,691	626,024	221,475	1,340,000	1,131,506
2023	1,565,000	674,078	640,928	191,571	1,400,000	1,069,369
2024 - 2028	7,735,000	2,264,209	3,482,964	454,537	8,175,000	4,192,122
2029 - 2033	7,215,000	547,859	-	-	10,390,000	1,961,506
2034	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,410,000</u>	<u>58,156</u>
Total	<u>\$ 22,120,000</u>	<u>\$ 6,842,337</u>	<u>\$ 7,320,810</u>	<u>\$ 1,778,939</u>	<u>\$ 27,460,000</u>	<u>\$ 12,164,412</u>

County of Dinwiddie, Virginia
Notes to Financial Statements

Incurred by County

Lease revenue bonds:

\$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. \$ 1,555,000

\$21,615,000 VRA Series 2016B bonds, dated August 10, 2016, maturing annually in installments of varying amounts and at various interest rates through October 1, 2031; interest payable semi-annually. 20,565,000

Total lease revenue bonds: \$ 22,120,000

Incurred by School Board

General obligation bonds:

\$5,810,323 2007A Series School Bonds, maturing annually in installments of varying amounts through July 15, 2027; interest at 5.10%. \$ 3,266,098

\$5,810,323 2007B Series School Bonds, maturing annually in installments of varying amounts through July 15, 2027; interest at 5.10%. 3,266,098

\$4,209,598 School VPSA Loan payable, maturing on July 15, 2020, interest payable at various rates semi-annually. 788,614

Total general obligation bonds \$ 7,320,810

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. \$ 27,460,000

Component Unit – School Board

The following is a summary of long-term obligations of the component unit - School Board for the year ended June 30, 2018:

	<u>Amount Payable July 1, 2017 (As Restated)</u>	<u>Increase</u>	<u>Decrease</u>	<u>Amount Payable June 30, 2018</u>	<u>Amounts Due Within One Year</u>
Component Unit-School Board:					
Compensated absences	\$ 926,462	\$ 611,771	\$ (608,641)	\$ 929,592	\$ 92,959
Capital lease	3,355,760	-	(273,108)	3,082,652	298,059
Net GLI OPEB liability	2,355,000	71,000	(374,000)	2,052,000	-
Net HIC OPEB liability	3,686,000	65,000	-	3,751,000	-
Retiree Health Insurance OPEB liability	1,352,762	69,496	-	1,422,258	-
Net pension liability	<u>41,622,534</u>	<u>735,829</u>	<u>(5,547,945)</u>	<u>36,810,418</u>	<u>-</u>
Total incurred by School Board	<u>\$ 53,298,518</u>	<u>\$ 1,553,096</u>	<u>\$ (6,803,694)</u>	<u>\$ 48,047,920</u>	<u>\$ 391,018</u>

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

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

9. Guarantee of Component Unit Debt

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

In 2016, the County guaranteed the Water Authority's \$962,000, 2.27% interest, 5-year Water and Sewer System Revenue Refunding Bond, which refunded the previously issued Series 2005 and Series 2006 revenue bonds. The bonds mature annually through 2021 with semiannual interest payments. At June 30, 2018, the outstanding principal amount of the guaranteed debt is \$582,000. In the event the Water Authority's Courthouse Road System revenues are unable to make a required payment on the bonds, the County would be required to make that payment. The Water Authority is not required to repay the County for any payments the County makes pursuant to the support agreement.

In 2012, the County guaranteed the Water Authority's \$2,640,000, variable interest, 12-year water and sewer system revenue bonds. The bonds mature annually through 2025 with semiannual interest payments. At June 30, 2018, the outstanding principal amount of the guaranteed debt is \$1,590,000. In the event the Water Authority's Church Road System revenues are unable to make a required payment on the bonds, the County would be required to make that payment. The Water Authority is not required to repay the County for any payments the County makes pursuant to the support agreement. During 2018, the Water Authority gained a financial position in which it did not require the County to subsidize the bond payments on these bonds. Management believes this financial position will continue until the bonds' maturity. As such, the financial obligation related to this debt issuance has been reduced to zero. Should such a time come in which the Water Authority is no longer in this financial position, the County may be re-obligated under this guarantee arrangement.

In 2011, the County guaranteed the Airport Authority's \$504,400, 3.18%, 11-year airport revolving fund revenue bonds. Payments are due in monthly installments of \$4,595 through 2022. At June 30, 2018, the outstanding principal amount of the guaranteed debt is \$198,762. In the event the Airport Authority is unable to make a required payment on the bonds, the County would be required to make that payment. The Airport Authority is not required to repay the county for any payments the County makes pursuant to the support agreement.

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

A liability and expense have been recognized for an amount that is the County's best estimate of the discounted present value of the future outflows the County expects to incur as a result of the support agreements noted above. In determining its liability for such guarantees, the County considered its historic experience and various other qualitative factors. The liability recognized for non-exchange financial guarantees at June 30, 2018, is as follows:

	<u>July 1, 2017</u>	<u>Increase</u>	<u>Decreases</u>	<u>June 30, 2018</u>	<u>Due Within One Year</u>
Airport Authority	\$ 32,359	\$ -	\$ (6,952)	\$ 25,407	\$ 6,941
Water Authority:					
Courthouse - 2016	328,335	-	(85,378)	242,957	86,129
Church Road	450,429	-	(450,429)	-	-
Total Water Authority	778,764	-	(535,807)	242,957	86,129
Total	\$ 811,123	\$ -	\$ (542,759)	\$ 268,364	\$ 93,070

10. Conduit Debt Obligations

To provide for the construction and equipping of student housing facilities and related parking facilities at Richard Bland College, the Industrial Development Authority of Dinwiddie County, VA, issued \$3,000,000 in Series 2006 Revenue Bonds on December 1, 2006. These bonds are special limited obligations of the Industrial Development Authority, payable solely from and secured by a Promissory Note between the Richard Bland College Foundation, Inc. and a Support and Operating Agreement between the Richard Bland College Foundation, Inc. and Richard Bland College. The bonds do not constitute a debt or pledge of the faith and credit of the Authority, the County, or the State, and accordingly have not been reported in the accompanying financial statements. At June 30, 2018, Revenue Bonds outstanding totaled \$2,401,659.

To provide for the refinancing of debt at the Faison School for Autism, the Industrial Development authority of Dinwiddie County, VA, issued \$6,170,000 in Series 2015 Revenue Bonds on December 18, 2015. These bonds are special limited obligations of the Industrial Development Authority, payable solely from and secured by a Promissory Note with the Faison School for Autism, Inc. 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, 2018, Revenue Bonds outstanding totaled \$5,337,447.

11. Closure and Post-closure Costs

The County closed its landfill and is liable for post-closure monitoring for a period of thirty years. The amount reported as landfill post-closure liability at June 30, 2018, represents the estimated liability for post-closure monitoring, of \$734,042 over a period of twelve years. These amounts are based on what it would cost to perform all post-closure care in 2018. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

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

12. Deferred Revenue

Deferred revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Deferred revenue totaling 18,927,473 is comprised of uncollected tax billings not available for funding of current expenditures of \$17,843,687 and prepaid taxes of \$1,083,786 at June 30, 2018. Under the full accrual basis of accounting, deferred revenue totaling \$15,637,456 is comprised of taxes paid in advance of their due date of \$1,083,786 and thus deferred to FY19 and unearned revenue totaling \$14,553,670 is comprised of uncollected amounts billed but not yet due as of June 30, 2018.

13. Commitments and Contingent Liabilities

Federal programs

Federal programs in which the County and discretely presented component unit participate were audited in accordance with the provisions of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Pursuant to the provisions of this guidance all major programs and certain other programs were tested for compliance with applicable grant requirements.

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

Economic development incentives

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

Operating leases

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

14. Litigation

The County is subject to certain claims that arise in the ordinary course of operations. Many of these claims are in the early stages of the evaluation process. Accordingly, it is not possible at the present time to estimate the ultimate legal and financial liability, if any, with respect to certain lawsuits or other proceedings. In the opinion of management, after consultation with counsel, the eventual outcome of such claims has not yet been determined probable to have a material adverse effect on the County's operations or financial position.

15. Risk Management

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

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

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

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

16. Defined Benefit Pension Plan

Plan description

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

purchased includes prior public service, active military service, certain periods of leave and previously refunded service.

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

VRS PLAN 1

About VRS Plan 1

VRS Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula.

Eligible members

Employees are in VRS Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013, and they have not taken a refund.

Hybrid opt-in election

VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible VRS Plan 1 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan. Members who were eligible for an optional retirement plan (ORP) and had prior service under VRS Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as VRS Plan 1 or ORP.

Retirement contributions

Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.

Creditable service

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

Vesting

Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of creditable service. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund. Members are always 100% vested in the contributions that they make.

Calculating the benefit

The Basic Benefit is calculated based on a formula using the member's average final compensation, a retirement multiplier and total service credit at retirement. It is one of the benefit payout options available to a member at retirement. An early retirement reduction factor is applied to the Basic Benefit if the member retires with a reduced retirement benefit or selects a benefit payout option other than the Basic Benefit.

Average final compensation

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

Service retirement multiplier

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

Normal retirement age

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

Earliest unreduced retirement eligibility

Members who are not in hazardous duty positions are eligible for an unreduced retirement benefit at age 65 with at least five years (60 months) of creditable service or at age 50 with at least 30 years of creditable service. Hazardous duty members are eligible for an unreduced retirement benefit at age 60 with at least five years of creditable service or age 50 with at least 25 years of creditable service.

Earliest reduced retirement eligibility

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

Cost-of-living adjustment (COLA) in retirement

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

Eligibility

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

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

Exceptions to COLA effective dates

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

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

Disability coverage

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

Purchase of prior service

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

VRS PLAN 2

About VRS Plan 2

VRS Plan 2 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula.

Eligible members

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

Hybrid opt-in election

VRS Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible VRS Plan 2 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan. Members who were eligible for an optional retirement plan (ORP) and have prior service under VRS Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as VRS Plan 2 or ORP.

Retirement contributions

Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction.

Creditable service

Same as VRS Plan 1.

Vesting

Same as VRS Plan 1.

Calculating the benefit

See definition under VRS Plan 1.

Average final compensation

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

Service retirement multiplier

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

Normal retirement age

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

Earliest unreduced retirement eligibility

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

Earliest reduced retirement eligibility

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

Cost-of-living adjustment (COLA) in retirement

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

Eligibility

Same as VRS Plan 1

Exceptions to COLA effective dates

Same as VRS Plan 1

Disability coverage

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

Purchase of prior service

Same as VRS Plan 1.

HYBRID RETIREMENT PLAN

About the hybrid retirement plan

The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan.

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

Eligible members

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

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

*Non-Eligible Members: Some employees are not eligible to participate in the Hybrid Retirement Plan. They include political subdivision employees who are covered by enhanced benefits for hazardous duty employees.

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

Retirement contributions

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

Creditable service

Defined benefit component

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

Defined contributions component

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

Vesting

Defined benefit component

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

Defined contribution component

Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan. Members are always 100% vested in the contributions that they make. Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.

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

Distribution is not required by law until age 70½.

Calculating the benefit

Defined benefit component

See definition under VRS Plan 1

Defined contribution component

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

Average final compensation

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

Service retirement multiplier

Defined benefit component

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

Defined contribution component

Not applicable.

Normal retirement age

Defined benefit component

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

Defined contribution component

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

Earliest unreduced retirement eligibility

Defined benefit component

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

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equal 90. Political subdivision hazardous duty employees: not applicable.

Defined contribution component

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

Earliest reduced retirement eligibility

Defined benefit component

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

Defined contribution component

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

Cost-of-living adjustment (COLA) in retirement

Defined benefit component

Same as VRS Plan 2.

Defined contribution component

Not applicable.

Eligibility

Same as VRS Plan 1 and VRS Plan 2.

Exceptions to COLA effective dates

Same as VRS Plan 1 and VRS Plan 2.

Disability coverage

Eligible political subdivision and school division members (including VRS Plan 1 and VRS Plan2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides and employer-paid comparable program for its members. Hybrid members (including VRS Plan 1 and VRS Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.

Purchase of prior service

Defined benefit component

Same as VRS Plan 1, with the following exceptions:

- Hybrid Retirement Plan members are ineligible for ported service.

Defined contribution component

Not applicable.

Employees covered by benefit terms

As of the June 30, 2016, actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<u>County</u>	<u>School Board Non- Professional</u>
Inactive members or their beneficiaries currently receiving benefits	124	77
Inactive members:		
Vested	29	6
Non-vested	51	26
Active elsewhere in VRS	95	20
Total inactive members	<u>175</u>	<u>52</u>
Active members	<u>188</u>	<u>92</u>
Total	<u><u>487</u></u>	<u><u>221</u></u>

Contributions

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

Political Subdivision Plan – County and School Board Non-Professional

The County and School Board’s non-professional contractually required contribution rates for the year ended June 30, 2018, were 8.88% and 7.37%, respectively, of covered employee compensation. These rates were based on actuarially determined rates from actuarial valuations as of June 30, 2015. This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County and School Board were \$882,437 and \$134,897, respectively, for the year ended June 30, 2018.

Teacher Plan – School Board Professional

Each school division’s contractually required contribution rate for the year ended June 30, 2018, was 16.32% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2015 and reflects the transfer in June 2015 of \$192,884,000 as an accelerated payback of the deferred contribution in the 2010-12 biennium. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School Board were \$3,758,315 for the year ended June 30, 2018.

Net pension liability

Political Subdivision Plan – County and School Board Non-Professional

The County and School Board’s non-professional net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2016, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2017.

Teacher Plan – School Board Professional

The net pension liability (NPL) is calculated separately for each system and represents that particular system’s total pension liability determined in accordance with GASB Statement No. 67, less that system’s fiduciary net position. As of June 30, 2017, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

	<u>Teacher Employee Retirement Plan</u>
Total Pension Liability	\$ 45,417,520
Plan Fiduciary Net Position	<u>33,119,545</u>
Employer’s Net Pension Liability	<u>\$ 12,297,975</u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 72.92%

The total pension liability is calculated by the System’s actuary, and each plan’s fiduciary net position is reported in the System’s financial statements. The net pension liability is disclosed in accordance with the requirements of GASB Statement No. 67 in the System’s notes to the financial statements and required supplementary information.

Actuarial assumptions – County and School Board general employees

The total pension liability for General Employees in the Political Subdivision’s Retirement Plan was based on an actuarial valuation as of June 30, 2016, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2017.

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

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

Mortality rates:

Largest 10 – Non-Hazardous Duty: 20% of deaths are assumed to be service related

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

All Others (Non 10 Largest) – Non-Hazardous Duty: 15% of deaths are assumed to be service related

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at age 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

PR-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Largest 10 – Non-Hazardous Duty:

- Mortality rates (pre-retirement, post-retirement healthy, and disabled): Updated to a more current mortality table – RP-2014 projected to 2020
- Retirement rates: Lowered rates at older ages and changed final retirement from 70 to 75
- Withdrawal rates: Adjusted rates to better fit experience at each year age and service through 9 years of service
- Disability rates: Lowered rates
- Salary scale: No change
- Line of duty disability: Increase rate from 14% to 20%

All Others (Non 10 Largest) – Non-Hazardous Duty:

- Mortality rates (Pre-retirement, post-retirement healthy, and disabled): Update to a more current mortality table – RP-2014 projected to 2020
- Retirement rates: Lowered rates at older ages and changed final retirement from 70 to 75
- Withdrawal rates: Adjusted rates to better fit experience at each year age and service through 9 years of service
- Disability rates: Lowered rates
- Salary scale: No change
- Line of duty disability: Increase rate from 14% to 15%

Actuarial assumptions – County public safety employees with Hazardous Duty Benefits

The total pension liability for public safety employees in the Political Subdivision’s Retirement Plan was based on an actuarial valuation as of June 30, 2016, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2017.

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

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

Mortality rates:

Largest 10 – Hazardous Duty: 70% of deaths are assumed to be service related

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at age 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at age 50 and older projected with scale BB to 2020; males set forward 1 year, 10.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male

All Others (Non 10 Largest) – Hazardous Duty: 45% of deaths are assumed to be service related

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at age 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at age 50 and older projected with scale BB to 2020; males set forward 1 year, 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Largest 10 – Hazardous Duty:

- Mortality rates (Pre-retirement, post-retirement healthy, and disabled): Update to a more current mortality table – RP-2014 projected to 2020
- Retirement rates: Lowered rates at older ages
- Withdrawal rates: Adjusted rates to better fit experience
- Disability rates: Increased rates
- Salary scale: No change
- Line of duty disability: Increase rate from 60% to 70%

All Others (Non 10 Largest) – Hazardous Duty:

- Mortality rates (Pre-retirement, post-retirement healthy, and disabled): Updated to a more currently mortality table – RP-2014 projected to 2020
- Retirement rates: Increased age 50 rates, and lowered rates at older ages
- Withdrawal rates: Adjusted rates to better fit experience at each year age and service through 9 years of service
- Disability rates: Adjusted rates to better fit experience
- Salary scale: No change
- Line of duty disability: Decrease rate from 60% to 45%

Actuarial assumptions – School Board professional employees

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2016, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2017.

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

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

Mortality rates

Pre-Retirement:

RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020.

Post-Retirement:

RP-2014 white Collar Employee Rates to age 49, White Collar healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back 3 years with 1.5% increased compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with Scale BB to 2020; 115% of rates for males and females.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

- Mortality rates (Pre-retirement, post-retirement healthy, and disabled): Update to a more current mortality table – RP-2014 projected to 2020
- Retirement rates: Lowered rates at older ages and changed final retirement from 70 to 75
- Withdrawal rates: Adjusted rates to better fit experience at each year age and service through 9 years of service
- Disability rates: Adjusted rates to better match experience
- Salary scale: No change

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Long-term expected rate of return

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

<u>Asset Class (Strategy)</u>	<u>Target Allocation</u>	<u>Arithmetic Long-Term Expected Rate of Return</u>	<u>Weighted Average Long Term Expected Rate of Return</u>
Public Equity	40.00%	4.54%	1.82%
Fixed Income	15.00%	0.69%	0.10%
Credit Strategies	15.00%	3.96%	0.59%
Real Assets	15.00%	5.76%	0.86%
Private Equity	15.00%	9.53%	1.43%
Total	100.00%		4.80%
		Inflation	2.50%
		*Expected arithmetic nominal return	7.30%

*The above allocation provides a one-year return of 7.30%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.83%, including expected inflation of 2.50%.

Discount rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2019, the rates contributed by the employer for the Political Subdivision Retirement Plan and by the school division for the VRS Teacher Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2019 on, participating employers and school divisions are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the Long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in net pension liability – County

	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)-</u>	<u>Net Pension Liability (a) - (b)</u>
Balances at June 30, 2016	\$ 34,173,728	\$ 30,483,046	\$ 3,690,682
Changes for the year:			
Service cost	1,118,970	-	1,118,970
Interest	2,334,043	-	2,334,043
Change in assumptions	30,664	-	30,664
Difference between expected and actual experience	(595,086)	-	(595,086)
Contributions – employer	-	837,735	(837,735)
Contributions – employee	-	475,344	(475,344)
Net investment income	-	3,712,015	(3,712,015)
Benefit payments, including refunds of employee contributions	(1,660,512)	(1,660,512)	-
Administrative expense	-	(21,359)	21,359
Other changes	-	(3,305)	3,305
Net changes	1,228,079	3,339,918	(2,111,839)
Balances at June 30, 2017	\$ 35,401,807	\$ 33,822,964	\$ 1,578,843

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Changes in net pension liability – School Board Non-Professional

	Total Pension Liability (a)	Plan Fiduciary Position (b)	Net Pension Liability (a) – (b)
Balances at June 30, 2016	\$ 7,888,538	\$ 6,999,004	\$ 889,534
Changes for the year:			
Service cost	197,565	-	197,565
Interest	532,511	-	532,511
Changes of assumptions	(77,333)	-	(77,333)
Difference between expected and actual experience	(101,758)	-	(101,758)
Contributions – employer	-	129,537	(129,537)
Contributions – employee	-	89,080	(89,080)
Net investment income	-	830,237	(830,237)
Benefit payments, including refunds of employee contributions	(562,466)	(562,466)	-
Administrative expense	-	(5,022)	5,022
Other changes	-	(731)	731
Net changes	(11,481)	480,635	(492,116)
Balances at June 30, 2017	\$ 7,877,057	\$ 7,479,639	\$ 397,418

Changes in net pension liability – School Board Professional

At June 30, 2018, the School Board reported a liability of \$36,413,000 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2017, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The School Board's proportion of the Net Pension Liability was based on the School Board's actuarially determined employer contributions to the pension plan for the year ended June 30, 2017, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2017, the School Board's proportion was 0.29609% as compared to 0.29066% at June 30, 2016.

Sensitivity of the net pension liability to changes in the discount rate

The following represents the net pension liability using the discount rate of 7.00%, as well as what the net position liability would be if it were calculated using a stated discount rate that is one-percentage-point lower (6.00%) or one-percentage-point higher (8.00%) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
County Plan's Net Pension Liability	\$ 6,159,612	\$ 1,578,843	\$ (2,224,126)
School Board Non-Professional Plan's Net Pension Liability	\$ 1,222,947	\$ 397,418	\$ (307,307)
School Board Professional Plan's Proportionate Share of the Net Pension Liability	\$ 54,377,000	\$ 36,413,000	\$ 21,553,000

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions

For the year ending June 30, 2018, the County and School Board recognized pension expense (recovery) of \$(17,205) and \$3,051,464, respectively. Since there was a change in proportionate share of the School Board's Professional Plan net pension liability between measurement dates, a portion of the School Board pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions. At June 30, 2018, the County and School Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
County		
Employer contributions subsequent to the measurement date	\$ 882,437	\$ -
Differences between expected and actual experience	-	922,824
Changes of assumptions	21,200	-
Net difference between projected and actual earnings on plan investments	<u>-</u>	<u>494,165</u>
	<u>\$ 903,637</u>	<u>\$ 1,416,989</u>
School Board		
Employer contributions subsequent to the measurement date	\$ 3,893,212	\$ -
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,214,000	-
Differences between expected and actual experience	-	2,674,825
Changes of assumptions	531,001	45,639
Net difference between projected and actual earnings on plan investments	<u>-</u>	<u>1,422,296</u>
	<u>\$ 5,638,213</u>	<u>\$ 4,142,760</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions as of June 30, 2018, will be recognized in pension expense as follows:

<u>Year ended June 30</u>	<u>County</u>	<u>School Board</u>
2019	\$ (850,126)	\$ (1,251,921)
2020	(181,571)	217,911
2021	(45,847)	(195,243)
2022	(318,245)	(1,112,506)
2022	<u>-</u>	<u>(56,000)</u>
Total	<u>\$ (1,395,789)</u>	<u>\$ (2,397,759)</u>

Pension Plan Data

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2017 Comprehensive Annual Financial Report (CAFR). A copy of the 2017 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2017-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500. Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2017 Comprehensive Annual Financial Report (CAFR).

Pension 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.

17. Surety bonds

	<u>Amount</u>
Division of Risk Management Surety Bond:	
Commonwealth Funds:	
J. Barrett Chappell, Jr., Clerk of the Circuit Court	\$ 103,000
Jennifer C. Perkins, Treasurer	\$ 400,000
Lori K. Stevens, Commissioner of the Revenue	\$ 3,000
D T "Duck" Adams, Sheriff	\$ 30,000

United States Fidelity and Guaranty-Surety:

All Social Services employees - blanket bond	\$	100,000
School Board Clerk and Deputy Clerk	\$	10,000

18. Postemployment Benefits Other Than Pensions (OPEB)

A. Group Life Insurance Program

Plan description

All full-time, salaried permanent employees of the County and School Board are automatically covered by the VRS Group Life Insurance Program upon employment. This plan is administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia. The Virginia Retirement System (VRS) Group Life Insurance Program is a multiple employer, cost-sharing plan.

In addition to the Basic Group Life Insurance benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional Group Life Insurance Program. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the Group Life Insurance Program OPEB.

The specific information for Group Life Insurance Program OPEB, including eligibility, coverage, and benefits is set out below:

Eligible members

The Group Life Insurance Program was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program, including the following employers that do not participate in VRS for retirement:

- City of Richmond
- City of Portsmouth
- City of Roanoke
- City of Norfolk
- Roanoke City Schools Board

Basic group life insurance coverage is automatic upon employment. Coverage end for employees who leave their position before retirement eligibility or who take a refund of their member contributions and accrued interest.

Benefit amounts

The benefits payable under the Group Life Insurance Program have several components.

- Natural death benefit – The natural death benefit is equal to the employee's covered compensation round to the next highest thousand and then doubled.
- Accidental death benefit – The accidental death benefit is double the natural death benefit.
- Other benefit provisions – In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include:
 - Accidental dismemberment benefit
 - Safety belt benefit
 - Repatriation benefit
 - Accelerated death benefit option

Reduction in benefit amounts

The benefit amounts provided to members covered under the Group Life Insurance Program are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.

Minimum benefit amount and cost-of-living adjustment (COLA)

For covered members with at least 30 years of creditable service, there is a minimum benefit payable under the Group Life Insurance Program. The minimum benefit was set at \$8,000 by statute. This amount is increased annually based on the VRS Plan 2 cost-of-living adjustment and is currently \$8,111.

Contributions

The contribution requirements for the Group Life Insurance Program are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the Group Life Insurance Program was 1.31% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.79% (1.31% X 60%) and the employer component was 0.52% (1.31% X 40%). Employers may elect to pay all or part of the employee contribution, however the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2018 was 0.52% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2015. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Program from the County and School Board were \$51,674 and \$129,324 for the year ended June 30, 2018.

GLI OPEB liabilities, GLI OPEB expense, and deferred outflows of resources and deferred inflows of resources related to the Group Life Insurance Program OPEB

At June 30, 2018, the County and Schools reported a liabilities of \$783,000 and \$2,052,000, respectively, for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2017 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation as of that date. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the Group Life Insurance Program for the year ended June 30, 2017 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2017, the County's proportion was 0.05207% as compared to 0.04870% at June 30, 2016. At June 30, 2017, the School Board's non-professional employees' proportion was 0.00985% as compared to 0.01091% at June 30, 2016. At June 30, 2017, the School Board's professional employees' proportion was 0.12635% as compared to 0.12367% at June 30, 2016.

For the year ended June 30, 2018, the County and School Board recognized GLI OPEB expense of \$18,000 and \$28,000, respectively. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2018, the County and School Board reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
County		
Differences between expected and actual experience	\$ -	\$ 18,000
Net difference between projected and actual earnings on GLI OPEB program investments	-	29,000
Changes in assumptions	-	40,000
Changes in proportion	50,000	-
Employer contributions subsequent to the measurement date	<u>51,674</u>	<u>-</u>
	<u>\$ 101,674</u>	<u>\$ 87,000</u>
School Board		
Difference between expected and actual experience	\$ -	\$ 44,000
Net difference between projected and actual earnings on GLI OPEB program investments	-	78,000
Changes in assumptions	-	106,000
Changes in proportion	42,000	16,000
Employer contributions subsequent to the measurement date	<u>129,324</u>	<u>-</u>
	<u>\$ 171,324</u>	<u>\$ 244,000</u>

Amounts reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability

County of Dinwiddie, Virginia
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in the Fiscal Year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	<u>County</u>	<u>School Board</u>
2019	\$ (9,000)	\$ (42,000)
2020	(9,000)	(42,000)
2021	(9,000)	(42,000)
2022	(9,000)	(42,000)
2023	(1,000)	(23,000)
Thereafter	-	(11,000)
	<u>\$ (37,000)</u>	<u>\$ (202,000)</u>

Actuarial assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2016, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2017.

Inflation	2.5%
Salary increases, including inflation-	
Teachers	3.5% - 5.95%
Locality – General employees	3.5% - 5.35%
Locality – Hazardous duty employees	3.5% - 4.75%
Investment rate of return	7.0%, net of pension plan investment expenses, including inflation*

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

Teachers

Mortality rates:

Pre-Retirement:

RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020.

Post-Retirement:

RP-2014 white Collar Employee Rates to age 49, White Collar healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back 3 years with 1.5% increased compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with Scale BB to 2020; 115% of rates for males and females.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of the actuarial experience study for the four-year period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

- Mortality rates (Pre-retirement, post-retirement healthy, and disabled): Update to a more current mortality table – RP-2014 projected to 2020
- Retirement rates: Lowered rates at older ages and changed final retirement from 70 to 75
- Withdrawal rates: Adjusted rates to better fit experience at each year age and service through 9 years of service
- Disability rates: Adjusted rates to better match experience
- Salary scale: No change

County and School board general employees

Mortality rates: Non-Largest 10 Locality Employers – General Employees:

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at age 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Mortality Tables projected with scale BB to 2020; males set forward 2 years; 110% of rates; females 125% of rates

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

- Mortality rates (Pre-retirement, post-retirement healthy, and disabled): Update to a more current mortality table – RP-2014 projected to 2020
- Retirement rates: Lowered retirement rates at older ages and extended final retirement from 70 to 75
- Withdrawal rates: Adjusted termination rates to better fit experience at each year age and service year
- Disability rates: Lowered disability rates
- Salary scale: No change
- Line of duty: Increased rates from 14% to 15%

Mortality rates: Non-Largest 10 Locality Employees – Hazardous Duty Employees:

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at age 50 and older projected with scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

- Mortality rates (Pre-retirement, post-retirement healthy, and disabled): Update to a more current mortality table – RP-2014 projected to 2020
- Retirement rates: Increased age 50 rates and lowered rates at older ages
- Withdrawal rates: Adjusted termination rates to better fit experience at each year age and service year
- Disability rates: Adjusted rates to better match experience
- Salary scale: No change
- Line of duty: Increased rates from 60% to 45%

Net GLI OPEB Liability

The net OPEB liability (NOL) for the Group Life Insurance Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2017, NOL amounts for the Group Life Insurance Program is as follows (amounts expressed in thousands):

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	Group Life Insurance OPEB Program
Total GLI OPEB Liability	\$ 2,942,426
Plan fiduciary net position	(1,437,586)
Employer's net GLI OPEB liability	<u>\$ 1,504,840</u>
Plan fiduciary net position as a percentage of the Total GLI OPEB Liability	48.86%

The total GLI OPEB liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net GLI OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

Long-term expected rate of return

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

<u>Asset Class (Strategy)</u>	<u>Target Allocation</u>	<u>Arithmetic Long-Term Expected Rate of Return</u>	<u>Weighted Average Long Term Expected Rate of Return</u>
Public Equity	40.00%	4.54%	1.82%
Fixed Income	15.00%	0.69%	0.10%
Credit Strategies	15.00%	3.96%	0.59%
Real Assets	15.00%	5.76%	0.86%
Private Equity	<u>15.00%</u>	<u>9.53%</u>	<u>1.43%</u>
Total	<u>100.00%</u>		<u>4.80%</u>
	Inflation		<u>2.50%</u>
			<u>7.30%</u>

*Expected arithmetic nominal return

* The above allocation provides a one-year return of 7.30%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.83%, including expected inflation of 2.50%.

Discount rate

The discount rate used to measure the total GLI OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2019, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2019 on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

Sensitivity of the employer's proportionate share of the net GLI OPEB liability to changes in the discount rate

The following represents the County and School Board's proportionate share of the net GLI OPEB liability using the discount rate of 7.00%, as well as what the County and School Board's proportionate share of the net GLI OPEB liability would be if it were calculated using a stated discount rate that is one-percentage-point lower (6.00%) or one-percentage-point higher (8.00%) than the current rate:

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	<u>1% Decrease</u> <u>6.00%</u>	<u>Current Discount Rate</u> <u>7.00%</u>	<u>1% Increase</u> <u>8.00%</u>
County's proportionate share of the Group Life Insurance Program Net OPEB Liability	\$ <u>1,013,000</u>	\$ <u>783,000</u>	\$ <u>597,000</u>
School Board Non-Professional Plan's proportionate share of the Group Life Insurance Program Net OPEB Liability	\$ <u>191,000</u>	\$ <u>148,000</u>	\$ <u>113,000</u>
School Board Professional Plan's proportionate share of the Group Life Insurance Program Net OPEB Liability	\$ <u>2,463,000</u>	\$ <u>1,904,000</u>	\$ <u>1,451,000</u>

Group life insurance program fiduciary net position

Detailed information about the Group Life Insurance Program's Fiduciary Net Position is available in the separately issued VRS 2017 Comprehensive Annual Financial Report (CAFR). A copy of the 2017 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2017-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

B. Retiree Health Insurance Program

Plan description

The County and School Board allow retirees to participate their health insurance plans until they become Medicare Eligible. A Dinwiddie County or Dinwiddie County School Board retiree, eligible for post-retirement medical coverage, is defined as a full-time employee who retires directly from the County or School Board with at least 15 years of service with the County or School Board, and is eligible to receive an early or regular retirement (pension) benefit from the County or School Board (see Note 15). In addition, retirees must meet the minimum VRS requirements:

- VRS Plan 1 - Member before July 1, 2010: Employees with membership prior to July 1, 2010 in the VRS must attain at least the age of 50 with 30 years of service, or attain age 65 with 5 years of service. For reduced pension benefits, members must have attained age 50 with at least 10 years of service or age 55 with 5 years of service.
- VRS Plan 2 - Member after July 1, 2010 and before January 1, 2014: Employees with membership after July 1, 2010, and before January 1, 2014, must have age plus service equal to 90 points, or attain Social Security Normal Retirement age with at least 5 years of service. For reduced pension benefits, members must have attained age 60 with at least 5 years of service.
- VRS Plan 3 - Hybrid plan: Employees with membership after January 1, 2014 in the VRS have the same eligibility requirements as those in Plan 2 (above).
- LEOS Public Safety: Employees with membership dates before July 1, 2010, in the VRS have the same eligibility requirements as those in Plan 1 (above). Employees with membership dates on/before July 1, 2010, in the VRS have the same eligibility requirements as those in Plan 2 (above). LEOs are not eligible to participate in the Hybrid plan.

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

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

County of Dinwiddie, Virginia
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Employees Covered by Benefit Terms

Participant data as of the June 30, 2017 measurement date is as follows:

	<u>County</u>	<u>School Board</u>
Active participants:		
With medical coverage	183	413
With dental coverage	-	45
Without coverage	<u>29</u>	<u>107</u>
Total active participants	<u>212</u>	<u>565</u>
Retiree participants	<u>7</u>	<u>17</u>
Total	<u><u>219</u></u>	<u><u>582</u></u>

Contributions

The County and School Board's retirees pay 100% of the premiums directly to the insurance company. The benefits of the plans are funded on a pay-as-you-go basis. The County and School Boards fund on a cash basis as benefits are paid. No assets have been segregated or restricted to provide for and restricted to provide for postretirement benefits.

Total Retiree Health Insurance OPEB Liability

The Count and School Board's total retiree health insurance OPEB liability was measured as of June 30, 2017 and are based on an actuarial valuation performed on July 1, 2017.

Actuarial Assumptions

The total retiree health insurance OPEB liability was based on an actuarial valuation as of July 1, 2017, using the Entry Age Normal actuarial cost method and the following assumptions:

- Salary increase: None
- Plan participation: Assumed that 30% of employees will elected coverage at retirement. Assumed that 30% of retirees who elect coverage at retirement will also cover their spouse at retirement.
- Marital status: 100% of active members are assumed to be married, with husbands 3 years older than wives.
- Medical claims cost (County): \$13,105. These rates are at age 65. Each rate decreases 3% per year until age 55 and increases 3% per year until age 55 and increases 3% per year until age 75. Administration expenses have been included in the claims cost assumptions. Retirees do not receive benefits upon attaining Medicare eligibility.
- Medical claims cost (School Board): \$10,037. These rates are at age 65. Each rate decreases 3% per year until age 55 and increases 3% per year until age 75. Administration expenses have been included in the claims cost assumptions. Retirees do not receive benefits upon attaining Medicare eligibility.
- Healthcare cost trend rate: Medical – 8.0% to grand uniformly to 5.0% over a 6 year period

Mortality rates:

Pre-Retirement:

- County Employees: RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set forward 2 years, females set back 3 years
- LEOS Public Safety: RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set forward 2 years, females set back 2 years
- School Board Professionals: RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set back 3 years, females set back 5 years
- School Board Non-Professionals: RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set back 2 years, females set back 3 years

Post-Retirement:

- County Employees: RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with females set back 1 year
- LEOS Public Safety: RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with

- males set back 1 year
- School Board Professionals: RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set back 2 years, and females set back 3 years.
- School Board Non-Professionals: RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with females set back 1 year

Disability

- County Employees: RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set back 3 years and no provide for further mortality improvement
- LEOS Public Safety: RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set back 3 years and no provision for further mortality improvement.
- School Board Professionals: RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set back 1 year and no provision for further mortality improvement
- School Board Non-Professionals: RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set back e tears and no provision for further mortality improvement

Disability rates

- County Employees: The VRS State Employee Disability Rate table as was used in the 2016 VRS OPEB Plans actuarial valuation.
- LEOS Public Safety: The VRS Political Subdivisions Group B Disability Rate table as was used in the 2016 VRS OPEB plans actuarial valuation.
- School Board Professionals: The VRS Teachers Disability Rate table as was used in the 2016 VRS OPEB Plans actuarial valuation.
- School Board Non-Professionals: The VRS State Employee Disability Rate table as was used in the 2016 VRS OPEB plans actuarial valuation.

Withdrawal rates

- County Employees: The VRS State Employee Termination Rate table as was used in the 2016 VRS OPEB Plans actuarial valuation.
- LEOS Public Safety: The VRS Political Subdivisions Group B Termination Rate table as was used in the 2016 VRS OPEB plans actuarial valuation.
- School Board Professionals: The VRS Teachers Termination Rate table as was used in the 2016 VRS OPEB Plans actuarial valuation.
- School Board Non-Professionals: The VRS State Employee Termination Rate table as was used in the 2016 VRS OPEB plans actuarial valuation.

Retirement rates

- County Employees: The VRS State Employee Retirement Rate table as was used in the 2016 VRS OPEB Plans actuarial valuation.
- LEOS Public Safety: The VRS Political Subdivisions Group B Retirement Rate table as was used in the 2016 VRS OPEB plans actuarial valuation.
- School Board Professionals: The VRS Teachers Retirement Rate table as was used in the 2016 VRS OPEB Plans actuarial valuation.
- School Board Non-Professionals: The VRS State Employee Retirement Rate table as was used in the 2016 VRS OPEB plans actuarial valuation.

Discount rate

The discount rate used to measure the total retiree health insurance OPEB liability was 3.13%. This was based on the S&P Municipal Bond 20-Year High Grade Index as of June 30, 2017.

County of Dinwiddie, Virginia
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Change in total retiree health insurance OPEB liability

	<u>Total OPEB Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net OPEB Liability (a) - (b)</u>
Primary government			
Balances at June 30, 2016	\$ 1,570,674	\$ -	\$ 1,570,674
Changes for the year:			
Service cost	124,204	-	124,204
Interest	51,034	-	51,034
Contributions – employer subsidy	-	64,411	(64,411)
Benefit payments	<u>(64,411)</u>	<u>(64,411)</u>	<u>-</u>
Net changes	<u>110,827</u>	<u>-</u>	<u>110,827</u>
Balances at June 30, 2017	<u>\$ 1,681,501</u>	<u>\$ -</u>	<u>\$ 1,681,501</u>
Component unit – School Board			
Balances at June 30, 2016	\$ 1,352,762	\$ -	\$ 1,352,762
Changes for the year:			
Service cost	85,929	-	85,929
Interest	43,166	-	43,166
Contributions – employer subsidy	-	59,599	(59,599)
Benefit payments	<u>(59,599)</u>	<u>(59,599)</u>	<u>-</u>
Net changes	<u>69,496</u>	<u>-</u>	<u>69,496</u>
Balances at June 30, 2017	<u>\$ 1,422,258</u>	<u>\$ -</u>	<u>\$ 1,422,258</u>

Sensitivity of the retiree health insurance OPEB liability to changes in the discount rate

The following presents the County's and School Board's total retiree health insurance OPEB liability using the discount rate of 3.13%, as well as what the County and School Board's total retiree health insurance OPEB liability would be if it were calculated using a discount rate that is one percentage lower (2.13%) or one percentage higher (4.13%) than the current rate:

	<u>1% Decrease 2.13%</u>	<u>Discount Rate 3.13%</u>	<u>1% Increase 4.13%</u>
County's total retiree health insurance OPEB liability	\$ 1,900,637	\$ 1,681,501	\$ 1,499,078
School Board's total retiree health insurance OPEB liability	\$ 1,591,236	\$ 1,422,258	\$ 1,278,128

Sensitivity of the retiree health insurance OPEB liability to changes in the healthcare cost trend rate

The following represents the County's and School Board's total retiree health insurance OPEB liability using the discount rate of 8% decreasing to 5% over 6 years, as well as what the County and School Board's total retiree health insurance OPEB liability would be if it were calculated using a healthcare trend rate that is one percentage lower (7% decreasing to 4% over 6 years) or one percentage higher (9% decreasing to 6% over 6 years) than the current rate:

	<u>1% Decrease 7% Decreasing to 4% Over 6 years</u>	<u>8% Decreasing to 5% Over 6 Years</u>	<u>1% Increase 9% Decreasing to 6% Over 6 Years</u>
County's total retiree health insurance OPEB liability	\$ 1,494,574	\$ 1,681,501	\$ 1,901,634
School Board's total retiree health insurance OPEB liability	\$ 1,274,217	\$ 1,422,258	\$ 1,592,560

Retiree health insurance OPEB expense

For the year ended June 30, 2018, the County and School Board recognized retiree health insurance OPEB expense of \$175,238 and \$129,095, respectively.

C. Teacher Employee Health Insurance Credit Program

Plan description

All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Employee Health Insurance Credit Program. This program is a cost sharing, multiple-employer defined benefit plan. This plan is administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

The specific information for the Teacher Health Insurance Credit Program OPEB, including eligibility, coverage, and benefits is set out in the table below:

Eligible employees

The Teacher Employee Retiree Health Insurance Credit Program was established July 1, 1993 for retired teacher employees covered under VRS who retire with at least 15 years of service credit. Eligible employees are enrolled automatically upon employment. They include:

- Full-time permanent (professional) salaried employees of public school divisions covered under VRS.

Benefit amounts

The Teacher Employee Retiree Health Insurance Credit Program provides the following benefits for eligible employees:

- At retirement – For teacher and other professional school employees who retire, the monthly benefit is \$4.00 per year of service per month with no cap on the benefit amount.
- Disability retirement – for teacher and other professional school employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is either:
 - \$4.00 per month, multiplied by twice the amount of service credit, or
 - \$4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, which is lower

Health insurance credit program notes

- The monthly health insurance credit benefit cannot exceed the individual premium
- Employees who retire after being on long-term disability under VLDP must have at least 15 year of service credit to qualify for the health insurance credit as a retiree.

Contributions

The contribution requirement for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2018 was 1.23% of covered employee compensation for employees in the VRS Teacher Employee Health Insurance Credit Program. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2015. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee Health Insurance Credit Program were \$283,277 and \$258,000 for the years ended June 30, 2018 and June 30, 2017, respectively.

Teacher employee health insurance credit program OPEB liabilities, teacher employee health insurance credit program OPEB expense, and deferred outflows of resources and deferred inflows of resources related to teacher employee health insurance credit program OPEB

County of Dinwiddie, Virginia
Notes to Financial Statements

At June 30, 2018, the school division reported a liability of \$3,751,000 for its proportionate share of the VRS Teacher Employee Health Insurance Credit Program Net OPEB Liability. The Net VRS Teacher Employee Health Insurance Credit Program OPEB Liability was measured as of June 30, 2017 and the total VRS Teacher Employee Health Insurance Credit Program OPEB liability used to calculate the Net VRS Teacher Employee Health Insurance Credit Program OPEB Liability was determined by an actuarial valuation as of that date. The school division's proportion of the Net VRS Teacher Employee Health Insurance Credit Program OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee Health Insurance Credit Program OPEB plan for the year ended June 30, 2017 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2017, the school division's proportion of the VRS Teacher Employee Health Insurance Credit Program was 0.29564% as compared to 0.29064% at June 30, 2016.

For the year ended June 30, 2018, the school division recognized VRS Teacher Employee Health Insurance Credit Program OPEB expense of \$313,000. Since there was change in proportionate share between June 30, 2016 and June 30, 2017 a portion of the VRS Teacher Employee Health Insurance Credit Program Net OPEB expense as related to deferred amounts from changes in proportion.

At June 30, 2018, the school division reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee Health Insurance Credit Program OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	\$ -	\$ 7,000
Changes in assumptions	-	38,000
Changes in proportionate share	55,000	-
Employer contributions subsequent to the measurement date	<u>283,277</u>	<u>-</u>
	<u>\$ 338,277</u>	<u>\$ 45,000</u>

Amounts reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

<u>Year ended June 30</u>	
2019	\$ <u>10,000</u>

Actuarial assumptions

The total Teacher Employee HIC OPEB liability for the VRS Teacher Employee Health Insurance Credit Program was based on an actuarial valuation as of June 30, 2016, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2017.

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

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

Mortality rates:

Pre-Retirement:

RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020.

County of Dinwiddie, Virginia
Notes to Financial Statements

Post-Retirement:

RP-2014 white Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back 3 years with 1.5% increased compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with Scale BB to 2020; 115% of rates for males and females.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of the actuarial experience study for the four-year period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

- Mortality rates (Pre-retirement, post-retirement healthy, and disabled): Update to a more current mortality table – RP-2014 projected to 2020
- Retirement rates: Lowered rates at older ages and changed final retirement from 70 to 75
- Withdrawal rates: Adjusted rates to better fit experience at each year age and service through 9 years of service
- Disability rates: Adjusted rates to better match experience
- Salary scale: No change

Net teacher employee HIC OPEB liability

The net OPEB liability (NOL) for the Teacher Employee Health Insurance Credit Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2017, NOL amounts for the VRS Teacher Employee Health Insurance Credit Program is as follows (amounts expressed in thousands):

	Teacher Employee HIC OPEB Plan
Total Teacher Employee HIC OPEB liability	\$ 1,364,702
Plan fiduciary net position	(96,091)
Teacher Employee net HIC OPEB liability	<u>\$ 1,268,611</u>
Plan fiduciary net position as a percentage of the Total Teacher Employee HIC OPEB Liability	7.04%

The total Teacher Employee HIC OPEB liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net Teacher Employee HIC OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

Long-term expected rate of return

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

<u>Asset Class (Strategy)</u>	<u>Target Allocation</u>	<u>Arithmetic Long-Term Expected Rate of Return</u>	<u>Weighted Average Long Term Expected Rate of Return</u>
Public Equity	40.00%	4.54%	1.82%
Fixed Income	15.00%	0.69%	0.10%
Credit Strategies	15.00%	3.96%	0.59%
Real Assets	15.00%	5.76%	0.86%
Private Equity	15.00%	9.53%	1.43%
Total	<u>100.00%</u>		<u>4.80%</u>
	Inflation		<u>2.50%</u>
			<u>7.30%</u>

*Expected arithmetic nominal return

County of Dinwiddie, Virginia
Notes to Financial Statements

* The above allocation provides a one-year return of 7.30%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.83%, including expected inflation of 2.50%.

Discount rate

The discount rate used to measure the total Teacher Employee HIC OPEB was 7.00%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2019, the rate contributed by each school division for the VRS Teacher Employee Health Insurance Credit Program will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2019 on, all agencies are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Teacher Employee HIC OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total Teacher Employee HIC OPEB liability.

Sensitivity of the School’s proportionate share of the teacher employee HIC net OPEB liability to changes in the discount rate

The following presents the school division’s proportionate share of the VRS Teacher Employee Health Insurance Credit Program net HIC OPEB liability using the discount rate of 7.00%, as well as what the school division’s proportionate share of the net HIC OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	<u>1% Decrease</u> <u>6.00%</u>	<u>Discount</u> <u>Rate</u> <u>7.00%</u>	<u>1% Increase</u> <u>8.00%</u>
School division’s proportionate share of the VRS Teacher Employee HIC OPEB Plan Net OPEB liability	\$ <u>4,186,000</u>	\$ <u>3,751,000</u>	\$ <u>3,381,000</u>

Teacher employee HIC OPEB fiduciary net position

Detailed information about the VRS Teacher Employee Health Insurance Credit Program’s Fiduciary Net Position is available in the separately issued VRS 2017 Comprehensive Annual Financial Report (CAFR). A copy of the 2017 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2017-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA , 23218-2500.

19. Subsequent Event

On September 6, 2018, the County issued \$3,395,000 in Series 2018A Federally Tax-Exempt and \$515,000 in Series 2018B Federally Taxable Lease Revenue Bonds. The purpose of the 2018A Bond is to finance the future costs of various capital projects. The 2018A Bond bears interest at 2.90% and is payable in semi-annual interest payments and annual principal payments through July 2025. The purpose of 2018B Bond is to finance the future costs of acquiring, installing, and equipping a portion of a broadband telecommunications system, including towers, equipment, and related expenses. The 2018B Bond bears interest at 3.67% and is payable in semi-annual interest payments and annual principal payments through July 2025. Total issuance costs associate with these new bonds is \$110,000, which was paid for by proceeds from the Bonds.

County of Dinwiddie, Virginia
Required Supplementary Information
Year Ended June 30, 2018



County of Dinwiddie, Virginia
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - General Fund
Year Ended June 30, 2018

Exhibit K

	General Fund			Variance From Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
General property taxes	\$ 30,468,993	\$ 30,468,993	\$ 31,284,533	\$ 815,540
Other local taxes	4,845,759	4,845,759	5,639,283	793,524
Permits, privilege fees and regulatory licenses	248,900	248,900	334,342	85,442
Fines and forfeitures	611,200	611,200	620,715	9,515
Revenue from use of money and property	93,600	93,600	141,643	48,043
Charges for services	1,853,768	1,853,768	1,864,427	10,659
Miscellaneous	164,025	185,050	245,376	60,326
Recovered costs	178,500	181,643	202,259	20,616
Intergovernmental revenues:				
Commonwealth	8,019,633	8,638,068	8,460,616	(177,452)
Federal	1,526,618	1,542,458	1,574,999	32,541
Total revenues	48,010,996	48,669,439	50,368,193	1,698,754
Expenditures:				
General government administration	3,548,613	3,579,013	3,441,361	137,652
Judicial administration	1,204,352	1,138,620	1,067,105	71,515
Public safety	12,104,658	12,102,315	12,087,878	14,437
Public works	3,330,615	3,383,594	3,382,048	1,546
Health and welfare	3,075,505	3,075,505	2,956,174	119,331
Education	14,543,674	14,543,674	14,543,674	-
Parks, recreation, and cultural	1,787,206	1,387,948	1,306,319	81,629
Community development	2,472,485	3,480,241	2,774,120	706,121
Total expenditures	42,067,108	42,690,910	41,558,679	1,132,231
Excess of revenues over expenditures	5,943,888	5,978,529	8,809,514	2,830,985
Other financing uses:				
Transfers out	(9,380,655)	(9,518,655)	(9,518,655)	-
Net change in fund balances	(3,436,767)	(3,540,126)	(709,141)	2,830,985
Fund balance, beginning of year	16,415,145	16,415,145	16,415,145	-
Fund balance, end of year	\$ 12,978,378	\$ 12,875,019	\$ 15,706,004	\$ 2,830,985

Notes to required supplementary information:

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

County of Dinwiddie, Virginia
Schedule of Employer's Share of Net OPEB Liabilities

Exhibit L

For the years ended June 30,*	Employer's Proportion of the Net OPEB Liability	Employer's Proportionate Share of the Net OPEB Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
PRIMARY GOVERNMENT					
Group Life Insurance Program					
2017	0.05207%	\$ 783,000	\$ 9,580,709	8.17%	48.86%
COMPONENT UNIT - SCHOOL BOARD					
Group Life Insurance Program, Non-Professional Plan					
2017	0.00985%	\$ 148,000	\$ 1,817,449	8.14%	48.86%
Group Life Insurance Program, Professional Plan					
2017	0.12653%	\$ 1,904,000	\$ 23,342,183	8.16%	48.86%
Health Insurance Credit Program					
2017	0.29564%	\$ 3,751,000	\$ 23,342,183	16.07%	7.04%

*Note: Schedule is intended to show information for 10 years. Since FY18 is the first year for this presentation, only one year of data is available. However, additional years will be included as they become available.

County of Dinwiddie, Virginia
Schedule of Employer OPEB Contributions

Exhibit M

For the years ended June 30,*	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
PRIMARY GOVERNMENT					
Group Life Insurance Program					
2018	\$ 51,674	\$ 51,674	\$ -	\$ 9,937,349	0.52%
COMPONENT UNIT - SCHOOL BOARD					
Group Life Insurance Program, Non-Professional Plan					
2018	\$ 9,520	\$ 9,520	\$ -	\$ 1,830,349	0.52%
Group Life Insurance Program, Professional Plan					
2018	\$ 119,804	\$ 119,804	\$ -	\$ 23,028,893	0.52%
Health Insurance Credit Program					
2018	\$ 283,277	\$ 283,277	\$ -	\$ 23,028,893	1.23%

*Note: Schedule is intended to show information for 10 years. Since FY18 is the first year for this presentation, only one year of data is available. However, additional years will be included as they become available.

**Schedule of Employer's Total Retiree Health Insurance OPEB Liability and Related Ratios
Primary Government**

	<u>2017</u>
Total RHI OPEB liability:	
Service cost	\$ 124,204
Interest	51,034
Benefit payments	<u>(64,411)</u>
Net change in total pension liability	110,827
Total RHI OPEB liability - beginning	<u>1,570,674</u>
Total RHI OPEB liability - ending (a)	<u><u>\$ 1,681,501</u></u>

Note: Schedule is intended to show information for 10 years. Since FY18 is the first year for this presentation, only one year of data is available. However, additional years will be included as they become available.

Schedule of Employer's Total Retiree Health Insurance OPEB Liability and Related Ratios

Component Unit - School Board

	<u>2017</u>
Total RHI OPEB liability:	
Service cost	\$ 85,929
Interest	43,166
Benefit payments	<u>(59,599)</u>
Net change in total pension liability	69,496
Total RHI OPEB liability - beginning	<u>1,352,762</u>
Total RHI OPEB liability - ending (a)	<u><u>\$ 1,422,258</u></u>

Note: Schedule is intended to show information for 10 years. Since FY18 is the first year for this presentation, only one year of data is available. However, additional years will be included as they become available.

County of Dinwiddie, Virginia
Schedule of Employer Retiree Health Insurance OPEB Contributions

Exhibit P

For the years ended June 30,*	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
PRIMARY GOVERNMENT					
2017	\$ 239,992	\$ 64,411	\$ 175,581	N/A	N/A
COMPONENT UNIT - SCHOOL BOARD					
2017	\$ 185,236	\$ 59,599	\$ 125,637	N/A	N/A

*Note: Schedule is intended to show information for 10 years. Since FY18 is the first year for this presentation, only one year of data is available. However, additional years will be included as they become available.

County of Dinwiddie, Virginia
Schedule of Changes in Net Pension Liability and Related Ratios -
Primary Government

Exhibit Q

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:				
Service cost	\$ 1,118,970	\$ 1,041,334	\$ 997,720	\$ 967,375
Interest	2,334,043	2,280,925	2,209,011	2,104,161
Changes of assumptions	30,664	-	-	-
Difference between expected and actual experience	(595,086)	(947,822)	(587,348)	-
Benefit payments, including refunds of employee contributions	<u>(1,660,512)</u>	<u>(1,570,704)</u>	<u>(1,613,371)</u>	<u>(1,533,995)</u>
Net change in total pension liability	1,228,079	803,733	1,006,012	1,537,541
Total pension liability, beginning	<u>34,173,728</u>	<u>33,369,995</u>	<u>32,363,983</u>	<u>30,826,442</u>
Total pension liability, ending (a)	<u>\$ 35,401,807</u>	<u>\$ 34,173,728</u>	<u>\$ 33,369,995</u>	<u>\$ 32,363,983</u>
Plan fiduciary net position:				
Contributions - employer	\$ 837,735	\$ 1,040,134	\$ 983,274	\$ 1,094,374
Contributions - employee	475,344	431,968	419,596	396,746
Net investment income	3,712,015	529,812	1,325,286	3,961,896
Benefit payments, including refunds of employee contributions	(1,660,512)	(1,570,704)	(1,613,371)	(1,533,995)
Administrative expenses	(21,359)	(18,615)	(18,079)	(21,172)
Other changes	<u>(3,305)</u>	<u>(223)</u>	<u>(280)</u>	<u>209</u>
Net change in plan fiduciary net position	3,339,918	412,372	1,096,426	3,898,058
Plan fiduciary net position, beginning	<u>30,483,046</u>	<u>30,070,674</u>	<u>28,974,248</u>	<u>25,076,190</u>
Plan fiduciary net position, ending (b)	<u>\$ 33,822,964</u>	<u>\$ 30,483,046</u>	<u>\$ 30,070,674</u>	<u>\$ 28,974,248</u>
Net pension liability, ending (a) - (b)	<u>\$ 1,578,843</u>	<u>\$ 3,690,682</u>	<u>\$ 3,299,321</u>	<u>\$ 3,389,735</u>
Plan fiduciary net position as a percentage of the total pension liability	95.5%	89.2%	90.1%	89.5%
Employer's covered payroll*	\$ 9,580,709	\$ 8,731,839	\$ 8,217,087	\$ 7,925,648
Net pension liability as a percentage of covered payroll	16.5%	42.3%	40.2%	42.8%

*Covered payroll represents the total pensionable payroll for employees covered under the pension plan, in accordance with GASB Statement No. 82.

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

County of Dinwiddie, Virginia
Schedule of Changes in Net Pension Liability and Related Ratios
Component Unit - School Board - Non-Professional Plan

Exhibit R

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:				
Service cost	\$ 197,565	\$ 212,159	\$ 212,912	\$ 220,298
Interest	532,511	529,520	520,030	500,348
Changes of assumptions	(77,333)	-	-	-
Difference between expected and actual experience	(101,758)	(141,831)	(97,869)	-
Benefit payments, including refunds of employee contributions	<u>(562,466)</u>	<u>(551,759)</u>	<u>(447,258)</u>	<u>(431,694)</u>
Net change in total pension liability	(11,481)	48,089	187,815	288,952
Total pension liability, beginning	<u>7,888,538</u>	<u>7,840,449</u>	<u>7,652,634</u>	<u>7,363,682</u>
Total pension liability, ending (a)	<u><u>\$7,877,057</u></u>	<u><u>\$7,888,538</u></u>	<u><u>\$7,840,449</u></u>	<u><u>\$7,652,634</u></u>
Plan fiduciary net position:				
Contributions, employer	\$ 129,537	\$ 181,929	\$ 182,256	\$ 227,601
Contributions, employee	89,080	99,425	97,964	104,640
Net investment income	830,237	119,831	317,343	961,713
Benefit payments, including refunds of employee contributions	(562,466)	(551,759)	(447,258)	(431,694)
Administrative expenses	(5,022)	(4,484)	(4,448)	(5,223)
Other changes	<u>(731)</u>	<u>(51)</u>	<u>(67)</u>	<u>51</u>
Net change in plan fiduciary net position	480,635	(155,109)	145,790	857,088
Plan fiduciary net position, beginning	<u>6,999,004</u>	<u>7,154,113</u>	<u>7,008,323</u>	<u>6,151,235</u>
Plan fiduciary net position, ending (b)	<u><u>\$7,479,639</u></u>	<u><u>\$6,999,004</u></u>	<u><u>\$7,154,113</u></u>	<u><u>\$7,008,323</u></u>
Net pension liability, ending (a) - (b)	<u><u>\$ 397,418</u></u>	<u><u>\$ 889,534</u></u>	<u><u>\$ 686,336</u></u>	<u><u>\$ 644,311</u></u>
Plan fiduciary net position as a percentage of the total pension liability	95.0%	88.7%	91.2%	91.6%
Employer's covered payroll*	\$1,817,449	\$2,183,222	\$1,863,958	\$1,988,146
Net pension liability as a percentage of covered payroll	21.9%	40.7%	36.8%	32.4%

*Covered payroll represents the total pensionable payroll for employees covered under the pension plan, in accordance with GASB Statement No. 82.

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

County of Dinwiddie, Virginia
Schedule of Employer's Share of Net Pension Liability
Component Unit - School Board - Professional Plan

Exhibit S

For the years ended June 30,*	2018	2017	2016	2015
Employer's proportion of the net pension liability	0.29609%	0.29066%	0.28527%	0.28514%
Employer's proportionate share of the net pension liability	\$ 36,413,000	\$ 40,733,000	\$ 35,905,000	\$ 34,458,000
Employer's covered payroll**	\$ 23,028,893	\$ 23,342,183	\$ 21,551,979	\$ 21,673,789
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	158.12%	174.50%	166.60%	158.98%
Plan fiduciary net position as a percentage of the total pension liability	72.92%	68.28%	70.68%	70.88%

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

**Covered payroll represents the total pensionable payroll for employees covered under the pension plan, in accordance with GASB Statement No. 82.

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

County of Dinwiddie, Virginia
Schedule of Employer Pension Contributions

Exhibit T

For the years ended June 30,*	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
PRIMARY GOVERNMENT					
2018	\$ 882,437	\$ 882,437	\$ -	\$ 9,937,349	8.88%
2017	850,767	850,767	-	9,580,709	8.88%
2016	1,048,694	1,048,694	-	8,731,839	12.01%
2015	986,872	986,872	-	8,217,087	12.01%
2014	1,094,374	1,094,374	-	7,925,648	13.81%
COMPONENT UNIT - SCHOOL BOARD					
Non-Professional Plan					
2018	\$ 134,897	\$ 134,897	\$ -	\$ 1,830,349	7.37%
2017	133,946	133,946	-	1,817,449	7.37%
2016	183,609	183,609	-	2,183,222	8.41%
2015	175,398	175,398	-	1,863,958	9.41%
2014	227,601	227,601	-	1,988,146	11.45%
Professional Plan					
2018	\$ 3,758,315	\$ 3,758,315	\$ -	\$ 23,028,893	16.32%
2017	3,421,964	3,421,964	-	23,342,183	14.66%
2016	3,125,037	3,125,037	-	21,551,979	14.50%
2015	3,047,335	3,047,335	-	21,673,789	14.06%
2014	2,431,355	2,431,355	-	20,836,105	11.67%

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

Notes to Required Supplementary Information

1. Pension Plans

Changes of benefit terms

Primary Government

There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation. The 2014 valuation includes Hybrid Retirement Plan members for the first time. The hybrid plan applies to most new employees hired on or after January 1, 2014 and not covered by enhanced hazardous duty benefits. Because this was a new benefit and the number of participants was relatively small, the impact on the liabilities as of the measurement date of June 30, 2017, are not material.

School Board – Non-Professional Plan

Same as Primary Government

School Board – Professional Plan

Same as Primary Government

Changes of assumptions

Primary Government

The following changes in actuarial assumptions were made effective June 30, 2016 based on the most recent experience study of the System for the four-year period ending June 30, 2016:

(Non 10 Largest) - Non-Hazardous Duty:

- Mortality rates: Update to a more current mortality table - RP-2014 projected to 2020
- Retirement rates: Lowered rates at older ages and changed final retirement from 70 to 75
- Withdrawal rates: Adjusted rates to better fit experience at each year age and service through 9 years of service
- Disability rates: Lowered rates
- Salary scale: No change
- Line of duty disability: Increase rates from 14% to 15%

(Non 10 Largest) - Hazardous Duty:

- Mortality rates: Update to a more current mortality table - RP-2014 projected to 2020
- Retirement rates: Increased age 50 rates, and lowered rates at older ages
- Withdrawal rates: Adjusted rates to better fit experience at each year age and service through 9 years of service
- Disability rates: Adjusted rates to better fit experience
- Salary scale: No change
- Line of duty disability: Increase rates from 60% to 45%

School Board – Non-Professional Plan

Same as Primary Government

School Board – Professional Plan

The following changes in actuarial assumptions were made effective June 30, 2016 based on the most recent experience study of the System for the four-year period ending June 30, 2016:

- Mortality rates: Update to a more current mortality table - RP-2014 projected to 2020
- Retirement rates: Lowered rates at older ages and changed final retirement from 70 to 75
- Withdrawal rates: Adjusted rates to better fit experience at each year age and service through 9 years of service
- Disability rates: Adjusted rates to better match experience
- Salary scale: No change

2. Group Life Insurance (GLI) OPEB Programs

Changes of benefit terms

There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions

Primary Government

The following changes in actuarial assumptions were made effective June 30, 2016 based on the most recent experience study of the System for the four-year period ending June 30, 2016:

(Non 10 Largest) - Non-Hazardous Duty:

- Mortality rates: Update to a more current mortality table - RP-2014 projected to 2020
- Retirement rates: Lowered rates at older ages and changed final retirement from 70 to 75
- Withdrawal rates: Adjusted rates to better fit experience at each year age and service through 9 years of service
- Disability rates: Lowered rates
- Salary scale: No change
- Line of duty disability: Increase rates from 14% to 15%

(Non 10 Largest) - Hazardous Duty:

- Mortality rates: Update to a more current mortality table - RP-2014 projected to 2020
- Retirement rates: Increased age 50 rates, and lowered rates at older ages
- Withdrawal rates: Adjusted rates to better fit experience at each year age and service through 9 years of service
- Disability rates: Adjusted rates to better fit experience
- Salary scale: No change
- Line of duty disability: Increase rates from 60% to 45%

School Board – Non-Professional Plan

Same as Primary Government

School Board – Professional Plan

Same as Pension Plan above

3. Health Insurance Credit (HIC) OPEB Program

Changes of benefit terms

There have been no actuarially material changes to the benefit provisions since the prior actuarial valuation.

Changes of assumptions

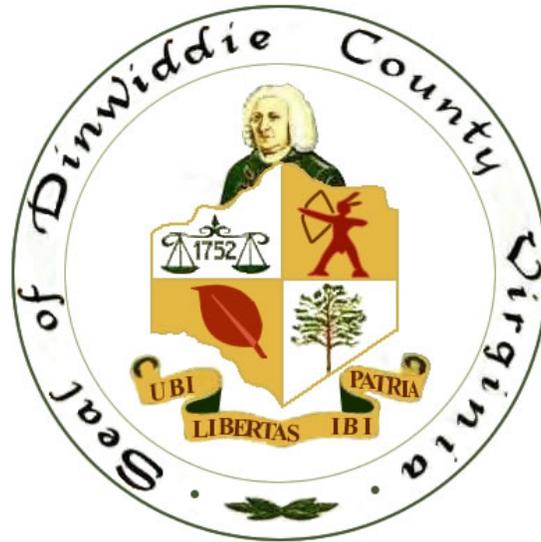
Primary Government – n/a

School Board – Non-Professional Plan – n/a

School Board – Professional Plan

Same as Pension Plan above

County of Dinwiddie, Virginia
Other Supplementary Information
Year Ended June 30, 2018



County of Dinwiddie, Virginia
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - Debt Service Fund
Year Ended June 30, 2018

Exhibit U

	Debt Service Fund			Variance From Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Expenditures:				
Community development	\$ 448,800	\$ 448,800	\$ 309,983	\$ 138,817
Debt service:				
Principal retirement	4,117,478	4,117,478	4,117,478	-
Interest and other fiscal charges	2,756,001	2,756,001	2,756,000	1
Total expenditures	<u>7,322,279</u>	<u>7,322,279</u>	<u>7,183,461</u>	<u>138,818</u>
Deficiency of revenues under expenditures	(7,322,279)	(7,322,279)	(7,183,461)	138,818
Other financing sources:				
Transfers in	<u>7,255,250</u>	<u>7,255,250</u>	<u>7,255,250</u>	<u>-</u>
Net change in fund balances	(67,029)	(67,029)	71,789	138,818
Fund balance, beginning of year	<u>427,092</u>	<u>427,092</u>	<u>427,092</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 360,063</u></u>	<u><u>\$ 360,063</u></u>	<u><u>\$ 498,881</u></u>	<u><u>\$ 138,818</u></u>

County of Dinwiddie, Virginia
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - Capital Projects Fund
Year Ended June 30, 2018

Exhibit V

	Capital Projects Fund			Variance From Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Revenue from the use of money	\$ 77,938	\$ 77,938	\$ 237,029	\$ 159,091
Miscellaneous revenues	-	22,600	32,472	9,872
Recovered costs	67,000	153,172	188,354	35,182
Intergovernmental revenues:				
Commonwealth	150,000	150,000	146,416	(3,584)
Total revenues	<u>294,938</u>	<u>403,710</u>	<u>604,271</u>	<u>200,561</u>
Expenditures:				
Community development	278,982	278,982	134,026	144,956
Capital outlays and projects	<u>25,235,774</u>	<u>25,237,054</u>	<u>18,446,498</u>	<u>6,790,556</u>
Total expenditures	<u>25,514,756</u>	<u>25,516,036</u>	<u>18,580,524</u>	<u>6,935,512</u>
Deficiency of revenues under expenditures	<u>(25,219,818)</u>	<u>(25,112,326)</u>	<u>(17,976,253)</u>	<u>7,136,073</u>
Other financing sources:				
Transfers	<u>1,333,982</u>	<u>1,471,982</u>	<u>1,471,982</u>	<u>-</u>
Net change in fund balances	(23,885,836)	(23,640,344)	(16,504,271)	7,136,073
Fund balance, beginning of year	<u>23,640,346</u>	<u>23,640,346</u>	<u>23,640,346</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ (245,490)</u></u>	<u><u>\$ 2</u></u>	<u><u>\$ 7,136,075</u></u>	<u><u>\$ 7,136,073</u></u>

County of Dinwiddie, Virginia
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - Special Revenue Fund
Year Ended June 30, 2018

Exhibit W

	Special Revenue Fund			Variance From Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Revenues from use of money and property	\$ -	\$ -	\$ 272	\$ 272
Charges for services	2,900	2,900	3,457	557
Miscellaneous	55,000	55,715	79,110	23,395
Intergovernmental revenues:				
Commonwealth	1,051,800	1,054,297	1,386,441	332,144
Federal	7,500	7,500	8,051	551
Total revenues	1,117,200	1,120,412	1,477,331	356,919
Expenditures:				
Judicial administration	12,386	13,307	1,861	11,446
Public safety	349,092	339,934	98,181	241,753
Public works	187,727	200,779	106,796	93,983
Health and welfare	1,850,000	2,138,306	1,994,742	143,564
Total expenditures	2,399,205	2,692,326	2,201,580	490,746
Deficiency of revenues under expenditures	(1,282,005)	(1,571,914)	(724,249)	847,665
Other financing sources:				
Transfers in	791,423	791,423	791,423	-
Net change in fund balances	(490,582)	(780,491)	67,174	847,665
Fund balance, beginning of year	780,495	780,495	780,495	-
Fund balance, end of year	\$ 289,913	\$ 4	\$ 847,669	\$ 847,665

County of Dinwiddie, Virginia
Statement of Changes in Assets and Liabilities
Agency Fund
Year Ended June 30, 2018

Exhibit X

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance End of Year</u>
SPECIAL WELFARE FUND				
ASSETS				
Cash and cash equivalents	\$ 49,156	\$ 28,678	\$ (12,606)	\$ 65,228
Other receivables	-	4,699	-	4,699
	<u>\$ 49,156</u>	<u>\$ 33,377</u>	<u>\$ (12,606)</u>	<u>\$ 69,927</u>
LIABILITIES				
Amounts held for social services clients	<u>\$ 49,156</u>	<u>\$ 33,403</u>	<u>\$ (12,632)</u>	<u>\$ 69,927</u>

County of Dinwiddie, Virginia
Combining Statement of Private Purpose Trust Funds
Fiduciary Funds
June 30, 2018

Exhibit Y

	<u>Butterworth Scholarship</u>	<u>Retired Teachers Scholarships</u>	<u>Williamson Scholarship</u>	<u>Doyle Scholarship</u>	<u>Pamplin Endowment</u>	<u>Abrahams Scholarship</u>	<u>Total</u>
ASSETS							
Cash and cash equivalents	\$ 12,315	\$ 34,936	\$ 859	\$ 25,843	\$ 66,941	\$ 150,760	\$ 291,654
Investments	-	-	-	369,312	2,409,922	3,714,167	6,493,401
	<u>\$ 12,315</u>	<u>\$ 34,936</u>	<u>\$ 859</u>	<u>\$ 395,155</u>	<u>\$ 2,476,863</u>	<u>\$ 3,864,927</u>	<u>\$ 6,785,055</u>
NET POSITION							
Amounts held in trust for scholarships and the disadvantaged	<u>\$ 12,315</u>	<u>\$ 34,936</u>	<u>\$ 859</u>	<u>\$ 395,155</u>	<u>\$ 2,476,863</u>	<u>\$ 3,864,927</u>	<u>\$ 6,785,055</u>

County of Dinwiddie, Virginia
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2018

Exhibit Z

	Private Purpose Trust Funds						Total
	Butterworth Scholarship	Retired Teachers Scholarships	Williamson Scholarship	Doyle Scholarship	Pamplin Endowment	Abrahams Scholarship	
Additions:							
Investment earnings	\$ 90	\$ 244	\$ 3	\$ 5,007	\$ 71,300	\$ -	\$ 76,644
Private donations	-	1,330	-	-	-	-	1,330
Net unrealized gain	-	(896)	-	(1,196)	56,786	175,383	230,077
	<u>90</u>	<u>678</u>	<u>3</u>	<u>3,811</u>	<u>128,086</u>	<u>175,383</u>	<u>308,051</u>
Deductions:							
Investment fees	-	-	-	1,249	7,848	26,852	35,949
Investment losses	-	-	-	-	-	5,121	5,121
Scholarships	-	1,000	-	8,125	85,000	93,000	187,125
	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>9,374</u>	<u>92,848</u>	<u>124,973</u>	<u>228,195</u>
Change in net position	90	(322)	3	(5,563)	35,238	50,410	79,856
Net position, beginning of year	<u>12,225</u>	<u>35,258</u>	<u>856</u>	<u>400,718</u>	<u>2,441,625</u>	<u>3,814,517</u>	<u>6,705,199</u>
Net position, end of year	<u>\$ 12,315</u>	<u>\$ 34,936</u>	<u>\$ 859</u>	<u>\$ 395,155</u>	<u>\$ 2,476,863</u>	<u>\$ 3,864,927</u>	<u>\$ 6,785,055</u>

See independent auditors' report.

County of Dinwiddie, Virginia
Combining Balance Sheet
Discretely Presented Component Unit - School Board
June 30, 2018

Exhibit AA

	Operating Fund	Special Revenue Fund	Total Component Unit School Board
ASSETS			
Cash and cash equivalents	\$ 3,889,064	\$ 1,167,308	\$ 5,056,372
Accounts receivable	6,662	-	6,662
Due from other governmental units	1,333,514	13,121	1,346,635
Total assets	<u>\$ 5,229,240</u>	<u>\$ 1,180,429</u>	<u>\$ 6,409,669</u>
LIABILITIES			
Accounts payable	\$ 613,769	\$ 1,533	\$ 615,302
Accrued liabilities	4,181,235	125,553	4,306,788
Total liabilities	<u>4,795,004</u>	<u>127,086</u>	<u>4,922,090</u>
FUND BALANCES			
Committed to:			
School capital projects	242,625	-	242,625
Textbook purchases	-	792,948	792,948
School food	-	260,395	260,395
School grants	191,611	-	191,611
Total committed fund balances	<u>434,236</u>	<u>1,053,343</u>	<u>1,487,579</u>
	<u>\$ 5,229,240</u>	<u>\$ 1,180,429</u>	<u>\$ 6,409,669</u>

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

Total fund balances per above	\$ 1,487,579
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds	45,108,024
Long-term liabilities, including compensated absences payable, are not due and payable in the current period and, therefore, are not reported in the funds	(48,047,920)
Deferred outflows of resources are not outflows of resources in the current period and, therefore, are not reported in the funds:	
Deferred pension amounts	\$ 5,638,213
OPEB GLI deferrals	171,324
OPEB HIC deferrals	<u>338,277</u>
	6,147,814
Deferred inflows of resources are not inflows of resources for the current period and, therefore, are not reported in the funds:	
Pension deferrals	(4,142,760)
OPEB GLI deferrals	(244,000)
OPEB HIC deferrals	<u>(45,000)</u>
	(4,431,760)
Net position of governmental activities	<u>\$ 263,737</u>

County of Dinwiddie, Virginia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Discretely Presented Component Unit - School Board
Year Ended June 30, 2018

Exhibit BB

	<u>Operating Fund</u>	<u>Special Revenue Fund</u>	<u>Total Component Unit School Board</u>
Revenues:			
Revenue from use of money and property	\$ 205,826	\$ 98	\$ 205,924
Charges for services	13,305	416,065	429,370
Miscellaneous	15,190	610	15,800
Recovered costs	146,194	1,235	147,429
Intergovernmental revenues:			
Local government	14,532,488	-	14,532,488
Commonwealth	27,966,616	365,807	28,332,423
Federal	2,130,913	1,330,348	3,461,261
Total revenues	<u>45,010,532</u>	<u>2,114,163</u>	<u>47,124,695</u>
Expenditures:			
Education	44,500,880	2,366,586	46,867,466
Capital projects	153,172	-	153,172
Total expenditures	<u>44,654,052</u>	<u>2,366,586</u>	<u>47,020,638</u>
Excess (deficiency) of revenues over (under) expenditures	<u>356,480</u>	<u>(252,423)</u>	<u>104,057</u>
Other financing sources (uses):			
Transfers in (out)	<u>(130,785)</u>	<u>130,785</u>	<u>-</u>
Changes in fund balances	225,695	(121,638)	104,057
Fund balances, beginning of year	<u>208,541</u>	<u>1,174,981</u>	<u>1,383,522</u>
Fund balances, end of year	<u>\$ 434,236</u>	<u>\$ 1,053,343</u>	<u>\$ 1,487,579</u>

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

Net change in fund balances - total governmental funds - per above \$ 104,057

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	\$ 884,334	
Depreciation expense	(2,189,203)	
Allocation of jointly owned assets - original cost depreciation	<u>1,542,375</u>	237,506

The repayment of capital leases consumes the current financial resources of governmental funds; however, they do not have an affect on net position. 273,108

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Increase in compensated absences	\$ (3,130)	
Change in net pension liability and related deferred amounts	841,748	
Change in net GLI OPEB liability and related deferred amounts	101,324	
Change in net Retiree Health Insurance OPEB liability and related deferred amounts	(129,095)	
Change in net HIC OPEB liability and related deferred amounts	<u>(29,723)</u>	781,124
Change in net position of governmental activities		<u>\$ 1,395,795</u>

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

Operating Fund

Discretely Presented Component Unit - School Board

Year Ended June 30, 2018

	Operating Fund			Variance From Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Revenue from use of money and property	\$ 174,344	\$ 174,344	\$ 205,826	\$ 31,482
Charges for services	20,000	20,000	13,305	(6,695)
Miscellaneous	11,759	11,759	15,190	3,431
Recovered costs	70,000	70,000	146,194	76,194
Intergovernmental revenues:				
Local government	14,532,488	14,532,488	14,532,488	-
Commonwealth	28,320,932	28,320,932	27,966,616	(354,316)
Federal	2,342,763	2,342,763	2,130,913	(211,850)
Total revenues	<u>45,472,286</u>	<u>45,472,286</u>	<u>45,010,532</u>	<u>(461,754)</u>
Expenditures:				
Education	45,346,501	45,396,871	44,500,880	895,991
Capital outlays and projects	67,000	153,172	153,172	-
Total expenditures	<u>45,413,501</u>	<u>45,550,043</u>	<u>44,654,052</u>	<u>895,991</u>
Excess (deficiency) of revenues over (under) expenditures	58,785	(77,757)	356,480	434,237
Other financing uses:				
Transfers out	<u>(130,785)</u>	<u>(130,785)</u>	<u>(130,785)</u>	<u>-</u>
Changes in fund balances	(72,000)	(208,542)	225,695	434,237
Fund balances, beginning of year	<u>208,541</u>	<u>208,541</u>	<u>208,541</u>	<u>-</u>
Fund balances, end of year	<u>\$ 136,541</u>	<u>\$ (1)</u>	<u>\$ 434,236</u>	<u>\$ 434,237</u>

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

Special Revenue Fund

Discretely Presented Component Unit - School Board

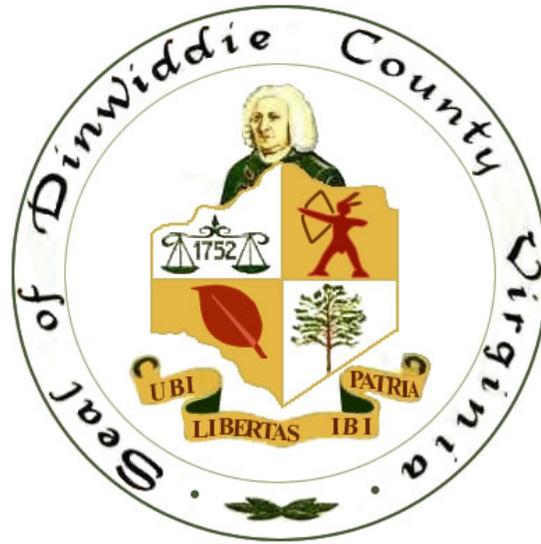
Year Ended June 30, 2018

	Special Revenue Fund			Variance From Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Revenue from use of money and property	\$ 150	\$ 150	\$ 98	\$ (52)
Charges for services	450,000	450,000	416,065	(33,935)
Miscellaneous	-	-	610	610
Recovered costs	1,000	1,000	1,235	235
Intergovernmental revenues:				
Commonwealth	375,172	375,172	365,807	(9,365)
Federal	1,182,000	1,182,000	1,330,348	148,348
Total revenues	<u>2,008,322</u>	<u>2,008,322</u>	<u>2,114,163</u>	105,841
Expenditures:				
Education	<u>2,184,108</u>	<u>2,578,191</u>	<u>2,366,586</u>	211,605
Deficiency of revenues under expenditures	<u>(175,786)</u>	<u>(569,869)</u>	<u>(252,423)</u>	317,446
Other financing sources:				
Transfers in	<u>130,785</u>	<u>130,785</u>	<u>130,785</u>	-
Changes in fund balances	(45,001)	(439,084)	(121,638)	317,446
Fund balances, beginning of year	<u>1,174,981</u>	<u>1,174,981</u>	<u>1,174,981</u>	-
Fund balances, end of year	<u>\$ 1,129,980</u>	<u>\$ 735,897</u>	<u>\$ 1,053,343</u>	<u>\$ 317,446</u>

County of Dinwiddie, Virginia

Supporting Schedules

Year Ended June 30, 2018



County of Dinwiddie, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
Year Ended June 30, 2018

Schedule 1

Entity, Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
PRIMARY GOVERNMENT				
GENERAL FUND				
Revenue from local sources:				
General property taxes:				
Real property tax	\$ 16,976,794	\$ 16,976,794	\$ 17,137,403	\$ 160,609
Real and personal PSC tax	1,619,720	1,619,720	1,806,384	186,664
Personal property tax	8,484,281	8,484,281	8,904,357	420,076
Mobile home tax	61,798	61,798	65,762	3,964
Machinery and tools tax	1,742,329	2,819,400	2,821,021	1,621
Pollution and recycling control	1,077,071	-	-	-
Penalties	287,000	287,000	320,167	33,167
Interest	220,000	220,000	229,439	9,439
Total general property taxes	<u>30,468,993</u>	<u>30,468,993</u>	<u>31,284,533</u>	<u>815,540</u>
Other local taxes:				
Local sales and use tax	1,632,000	1,632,000	1,900,374	268,374
Bank stock tax	170,759	170,759	168,194	(2,565)
Consumption tax	178,000	178,000	197,790	19,790
Consumer utility tax	571,000	571,000	577,263	6,263
Business license tax	725,000	725,000	1,083,983	358,983
Admission tax	14,000	14,000	32,566	18,566
Motor vehicle licenses	538,000	538,000	548,438	10,438
Taxes on recordation and wills	160,000	160,000	176,860	16,860
Meals tax	775,000	775,000	856,450	81,450
Transient occupancy tax	82,000	82,000	97,365	15,365
Total other local taxes	<u>4,845,759</u>	<u>4,845,759</u>	<u>5,639,283</u>	<u>793,524</u>
Permits, privilege fees and regulatory licenses:				
Building, electrical, and plumbing permits	141,000	141,000	203,311	62,311
Animal licenses	15,000	15,000	14,989	(11)
Transfer fees	750	750	882	132
Other permits and licenses	92,150	92,150	115,160	23,010
Total permits, privilege fees and regulatory licenses	<u>248,900</u>	<u>248,900</u>	<u>334,342</u>	<u>85,442</u>
Fines and forfeitures:				
Court fines and forfeitures	<u>611,200</u>	<u>611,200</u>	<u>620,715</u>	<u>9,515</u>
Revenue from use of money and property:				
Revenue from use of money	67,800	67,800	111,558	43,758
Revenue from use of property	25,800	25,800	30,085	4,285
Total revenue from use of money and property	<u>93,600</u>	<u>93,600</u>	<u>141,643</u>	<u>48,043</u>

See independent auditors' report.

County of Dinwiddie, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
Year Ended June 30, 2018

Schedule 1

(Continued)

Entity, Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
PRIMARY GOVERNMENT (Continued)				
GENERAL FUND (Continued)				
Charges for services:				
Ambulance and EMS services	\$ 746,000	\$ 746,000	\$ 776,870	\$ 30,870
Law enforcement and traffic control	46,386	46,386	45,168	(1,218)
Courthouse security	114,000	114,000	90,492	(23,508)
Other court services	25,325	25,325	20,856	(4,469)
Commonwealth's Attorney	3,000	3,000	3,173	173
Correction and detention	3,000	3,000	3,433	433
Other protection	16,780	16,780	10,846	(5,934)
Community development	50	50	101	51
Sanitation and waste removal	72,000	72,000	76,546	4,546
Water and sewer services	639,577	639,577	636,311	(3,266)
Parks and recreation	187,650	187,650	200,631	12,981
Total charges for services	<u>1,853,768</u>	<u>1,853,768</u>	<u>1,864,427</u>	<u>10,659</u>
Miscellaneous:				
Miscellaneous revenues	<u>164,025</u>	<u>185,050</u>	<u>245,376</u>	<u>60,326</u>
Recovered costs:				
Security deputies	100,000	100,000	63,631	(36,369)
Other recovered costs	69,500	72,643	128,186	55,543
Prisoner extradition reimbursement	1,000	1,000	2,367	1,367
Social services insurance	8,000	8,000	8,075	75
Total recovered costs	<u>178,500</u>	<u>181,643</u>	<u>202,259</u>	<u>20,616</u>
Total revenue from local sources	<u>38,464,745</u>	<u>38,488,913</u>	<u>40,332,578</u>	<u>1,843,665</u>
Revenue from the Commonwealth:				
Noncategorical aid:				
Rolling stock tax	117,000	117,000	2,471	(114,529)
Mobile home titling tax	27,000	27,000	60,446	33,446
Taxes on deeds	33,000	33,000	44,491	11,491
Motor vehicle rental tax	250	250	1,454	1,204
Communications tax	879,000	879,000	842,997	(36,003)
State recordation tax	51,000	51,000	55,859	4,859
Personal property tax relief funds	3,642,692	3,642,692	3,642,692	-
Total noncategorical aid	<u>4,749,942</u>	<u>4,749,942</u>	<u>4,650,410</u>	<u>(99,532)</u>

County of Dinwiddie, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
Year Ended June 30, 2018

Schedule 1

(Continued)

Entity, Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
PRIMARY GOVERNMENT (Continued)				
GENERAL FUND (Continued)				
Revenue from the Commonwealth (Continued):				
Categorical aid:				
Shared expenses:				
Commonwealth's Attorney	\$ 364,294	\$ 364,294	\$ 320,259	\$ (44,035)
Sheriff	1,389,538	1,389,538	1,412,290	22,752
Commissioner of revenue	126,102	126,102	126,051	(51)
Treasurer	94,614	94,614	95,939	1,325
Registrar/electoral board	41,000	41,000	42,321	1,321
Clerk of the Circuit Court	266,294	266,294	304,720	38,426
Total shared expenses	<u>2,281,842</u>	<u>2,281,842</u>	<u>2,301,580</u>	<u>19,738</u>
Other categorical aid:				
Public assistance and welfare administration	800,500	800,500	793,835	(6,665)
E-911 wireless grants	71,000	71,000	74,665	3,665
VJCCCA grant	19,549	19,549	19,549	-
Pesticide recycling	1,800	1,800	-	(1,800)
Other state funds	95,000	713,435	620,577	(92,858)
Total other categorical aid	<u>987,849</u>	<u>1,606,284</u>	<u>1,508,626</u>	<u>(97,658)</u>
Total categorical aid	<u>3,269,691</u>	<u>3,888,126</u>	<u>3,810,206</u>	<u>(77,920)</u>
Total revenue from the Commonwealth	<u>8,019,633</u>	<u>8,638,068</u>	<u>8,460,616</u>	<u>(177,452)</u>
Revenue from the federal government:				
Payments in lieu of taxes	<u>950</u>	<u>950</u>	<u>923</u>	<u>(27)</u>
Categorical aid:				
Public assistance and welfare administration	1,359,500	1,359,500	1,390,518	31,018
American battlefield protection grant	-	15,840	15,840	-
Bulletproof vest grant	-	-	1,843	1,843
Highway safety grant	10,000	10,000	5,267	(4,733)
Victim witness assistance grant	109,242	109,242	105,601	(3,641)
Other federal funds	46,926	46,926	55,007	8,081
Total categorical aid	<u>1,525,668</u>	<u>1,541,508</u>	<u>1,574,076</u>	<u>32,568</u>
Total revenue from the federal government	<u>1,526,618</u>	<u>1,542,458</u>	<u>1,574,999</u>	<u>32,541</u>
TOTAL GENERAL FUND	<u>48,010,996</u>	<u>48,669,439</u>	<u>50,368,193</u>	<u>1,698,754</u>

County of Dinwiddie, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
Year Ended June 30, 2018

Schedule 1

(Continued)

Entity, Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
PRIMARY GOVERNMENT (Continued)				
CAPITAL PROJECT FUND				
Revenue from local sources:				
Revenue from the use of money and property				
Revenue from the use of money	\$ 77,938	\$ 77,938	\$ 237,029	\$ 159,091
Miscellaneous:				
Miscellaneous revenues	-	22,600	32,472	9,872
Recovered costs:				
Other recovered costs	67,000	153,172	153,172	-
Insurance proceeds	-	-	35,182	35,182
Total recovered costs	67,000	153,172	188,354	35,182
Total revenue from local sources	144,938	253,710	457,855	204,145
Revenue from the Commonwealth:				
Other Categorical aid:				
Other state funds	150,000	150,000	146,416	(3,584)
TOTAL CAPITAL PROJECT FUND	294,938	403,710	604,271	200,561
SPECIAL REVENUE FUND				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from use of money	-	-	272	272
Charges for services:				
Law library fees	2,900	2,900	3,457	557
Miscellaneous:				
Miscellaneous revenues	55,000	55,715	79,110	23,395
Total revenue from local sources	57,900	58,615	82,839	24,224
Revenue from the Commonwealth:				
Categorical aid:				
Fire programs	89,500	91,997	91,998	1
Children's Services Act	925,000	925,000	1,250,477	325,477
Four for life	28,800	28,800	30,032	1,232
Asset forfeitures	-	-	5,696	5,696
Litter control grant	8,500	8,500	8,238	(262)
Total revenue from the Commonwealth	1,051,800	1,054,297	1,386,441	332,144

See independent auditors' report.

County of Dinwiddie, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
Year Ended June 30, 2018

Schedule 1

(Continued)

Entity, 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:				
Emergency management performance grant	\$ 7,500	\$ 7,500	\$ 7,500	\$ -
Asset forfeitures	-	-	551	551
Total revenue from the federal government	<u>7,500</u>	<u>7,500</u>	<u>8,051</u>	<u>551</u>
TOTAL SPECIAL REVENUE FUND	<u>1,117,200</u>	<u>1,120,412</u>	<u>1,477,331</u>	<u>356,919</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 49,423,134</u>	<u>\$ 50,193,561</u>	<u>\$ 52,449,795</u>	<u>\$ 2,256,234</u>
DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD				
OPERATING FUND				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from use of property	<u>\$ 174,344</u>	<u>\$ 174,344</u>	<u>\$ 205,826</u>	<u>\$ 31,482</u>
Charges for services:				
Charges for education	<u>20,000</u>	<u>20,000</u>	<u>13,305</u>	<u>(6,695)</u>
Miscellaneous:				
Miscellaneous revenues	<u>11,759</u>	<u>11,759</u>	<u>15,190</u>	<u>3,431</u>
Recovered costs:				
Medicare admin services	70,000	70,000	145,194	75,194
Other recovered costs	-	-	1,000	1,000
Total recovered costs	<u>70,000</u>	<u>70,000</u>	<u>146,194</u>	<u>76,194</u>
Total revenue from local sources	<u>276,103</u>	<u>276,103</u>	<u>380,515</u>	<u>104,412</u>
Revenue from local governments:				
Contributions from County of Dinwiddie, VA	<u>14,532,488</u>	<u>14,532,488</u>	<u>14,532,488</u>	<u>-</u>
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	4,611,795	4,611,795	4,353,115	(258,680)
Basic school aid	14,560,604	14,560,604	14,415,045	(145,559)
Remedial summer education	108,561	108,561	63,690	(44,871)
Regular foster care	7,666	7,666	10,997	3,331
Gifted and talented	148,736	148,736	147,643	(1,093)
Remedial education	635,227	635,227	630,557	(4,670)
English as a second language	44,495	44,495	43,548	(947)

See independent auditors' report.

County of Dinwiddie, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
Year Ended June 30, 2018

Schedule 1

(Continued)

Entity, Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD (Continued)				
OPERATING FUND (Continued)				
Revenue from the Commonwealth (Continued):				
Categorical aid (Continued):				
Special education	\$ 1,853,003	\$ 1,853,003	\$ 1,846,322	\$ (6,681)
Vocational education	263,416	263,416	256,514	(6,902)
School fringes	2,940,635	2,940,635	2,919,016	(21,619)
Technology	360,400	360,400	304,543	(55,857)
Early reading intervention	115,564	115,564	132,073	16,509
Homebound education	72,395	72,395	83,042	10,647
Other state funds	1,108,051	1,108,051	1,234,868	126,817
GED funding	7,859	7,859	8,294	435
Mentor teacher program	3,159	3,159	3,102	(57)
At risk four year olds	141,571	141,571	159,267	17,696
At risk payments	570,370	570,370	574,106	3,736
Algebra readiness	70,188	70,188	69,362	(826)
Primary class size	697,237	697,237	711,512	14,275
Total categorical aid	<u>28,320,932</u>	<u>28,320,932</u>	<u>27,966,616</u>	<u>(354,316)</u>
Revenue from the federal government:				
Categorical aid:				
Title I	958,000	958,000	661,414	(296,586)
Title VI-B, special education flow-through	932,022	932,022	913,149	(18,873)
Vocational education	60,725	60,725	63,027	2,302
Title VI-B, special education preschool	27,016	27,016	28,818	1,802
Title II, Part A	250,000	250,000	159,927	(90,073)
Title III	-	-	6,188	6,188
Jr ROTC	65,000	65,000	66,812	1,812
Other federal funds	50,000	50,000	231,578	181,578
Total categorical aid	<u>2,342,763</u>	<u>2,342,763</u>	<u>2,130,913</u>	<u>(211,850)</u>
TOTAL OPERATING FUND	<u>45,472,286</u>	<u>45,472,286</u>	<u>45,010,532</u>	<u>(461,754)</u>
SPECIAL REVENUE FUND				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from use of money	150	150	98	(52)
Charges for services:				
Cafeteria sales	450,000	450,000	416,065	(33,935)

See independent auditors' report.

County of Dinwiddie, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
Year Ended June 30, 2018

Schedule 1

(Continued)

Entity, Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD (Continued)				
SPECIAL REVENUE FUND (Continued)				
Revenue from local sources: (Continued)				
Miscellaneous:				
Miscellaneous revenues	\$ -	\$ -	\$ 610	\$ 610
Recovered costs:				
Other recovered costs	1,000	1,000	1,235	235
Total revenue from local sources	<u>451,150</u>	<u>451,150</u>	<u>418,008</u>	<u>(33,142)</u>
Revenue from the Commonwealth:				
Categorical aid				
Textbook payment	340,172	340,172	337,671	(2,501)
School food program grant	35,000	35,000	28,136	(6,864)
Total categorical aid	<u>375,172</u>	<u>375,172</u>	<u>365,807</u>	<u>(9,365)</u>
Revenue from the federal government:				
Categorical aid:				
School food program grant	1,182,000	1,182,000	1,223,095	41,095
Commodities	-	-	107,253	107,253
Total categorical aid	<u>1,182,000</u>	<u>1,182,000</u>	<u>1,330,348</u>	<u>148,348</u>
TOTAL SPECIAL REVENUE FUND	<u>2,008,322</u>	<u>2,008,322</u>	<u>2,114,163</u>	<u>105,841</u>
TOTAL DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD	<u>\$ 47,480,608</u>	<u>\$ 47,480,608</u>	<u>\$ 47,124,695</u>	<u>\$ (355,913)</u>

County of Dinwiddie, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
Year Ended June 30, 2018

Schedule 2

Entity, Fund, Major and Minor Expenditure Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
PRIMARY GOVERNMENT				
GENERAL FUND				
General government administration:				
Legislative:				
Board of supervisors	\$ 117,171	\$ 128,271	\$ 127,632	\$ 639
General and financial administration:				
County administrator	362,750	369,550	369,100	450
Legal services	246,546	232,646	231,348	1,298
Human resources	424,648	438,648	438,524	124
Independent auditor	69,050	72,750	72,750	-
Commissioner of revenue	783,099	783,099	656,545	126,554
Treasurer	488,683	519,883	519,764	119
Accounting	270,912	270,912	267,831	3,081
Information systems	617,703	606,203	605,114	1,089
Total general and financial administration	<u>3,263,391</u>	<u>3,293,691</u>	<u>3,160,976</u>	<u>132,715</u>
Board of elections:				
Electoral board and officials	168,051	157,051	152,753	4,298
Total general governmental administration	<u>3,548,613</u>	<u>3,579,013</u>	<u>3,441,361</u>	<u>137,652</u>
Judicial administration:				
Courts:				
Circuit court	18,200	18,200	10,367	7,833
General district court	22,675	30,575	30,572	3
Special magistrates	675	900	898	2
Clerk of the circuit court	525,088	451,231	449,481	1,750
Victim and witness assistance	120,850	120,850	107,296	13,554
Total courts	<u>687,488</u>	<u>621,756</u>	<u>598,614</u>	<u>23,142</u>
Commonwealth's attorney:				
Commonwealth's attorney	516,864	516,864	468,491	48,373
Total judicial administration	<u>1,204,352</u>	<u>1,138,620</u>	<u>1,067,105</u>	<u>71,515</u>

See independent auditors' report.

County of Dinwiddie, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
Year Ended June 30, 2018

Schedule 2

(Continued)

Entity, Fund, Major and Minor Expenditure Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
PRIMARY GOVERNMENT (Continued)				
GENERAL FUND (Continued)				
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 4,729,084	\$ 4,729,084	\$ 4,728,999	\$ 85
Fire and rescue services:				
Volunteer fire department	500,030	561,230	561,150	80
Fire and emergency medical services	2,591,956	2,595,456	2,595,218	238
Total fire and rescue services	3,091,986	3,156,686	3,156,368	318
Correction and detention:				
Confinement and care of adult and juvenile prisoners	1,885,236	1,888,268	1,888,184	84
Juvenile probation and detention	214,847	186,847	186,146	701
VJCCCA	211,147	211,147	206,592	4,555
Total correction and detention	2,311,230	2,286,262	2,280,922	5,340
Inspections:				
Building inspections	274,511	267,811	263,063	4,748
Other protection:				
Animal control	329,448	322,948	320,667	2,281
Communications	1,366,899	1,337,899	1,336,234	1,665
Medical examiner	1,500	1,625	1,625	-
Total other protection	1,697,847	1,662,472	1,658,526	3,946
Total public safety	12,104,658	12,102,315	12,087,878	14,437
Public works:				
Maintenance of highways, streets, bridges, and sidewalks:				
Streetlights	44,000	44,275	44,200	75
Sanitation and waste removal:				
Refuse disposal	1,277,151	1,260,151	1,259,054	1,097
Maintenance of general buildings and grounds:				
General properties	2,009,464	2,079,168	2,078,794	374
Total public works	3,330,615	3,383,594	3,382,048	1,546

See independent auditors' report.

County of Dinwiddie, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
Year Ended June 30, 2018

Schedule 2

(Continued)

Entity, Fund, Major and Minor Expenditure Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
PRIMARY GOVERNMENT (Continued)				
GENERAL FUND (Continued)				
Health and welfare:				
Health:				
Supplement of local health department	\$ 255,299	\$ 255,299	\$ 255,299	\$ -
Mental health and mental retardation:				
District 19 - Community services board	78,226	78,226	78,226	-
Welfare:				
Public assistance and welfare administration	2,700,000	2,700,000	2,577,307	122,693
Area agency on aging	10,767	10,767	10,767	-
Other social services	31,213	31,213	34,575	(3,362)
Total welfare	<u>2,741,980</u>	<u>2,741,980</u>	<u>2,622,649</u>	<u>119,331</u>
Total health and welfare	<u>3,075,505</u>	<u>3,075,505</u>	<u>2,956,174</u>	<u>119,331</u>
Education:				
Other instructional costs:				
Contributions to community colleges	11,186	11,186	11,186	-
Contribution to Dinwiddie County School Board	14,532,488	14,532,488	14,532,488	-
Total education	<u>14,543,674</u>	<u>14,543,674</u>	<u>14,543,674</u>	<u>-</u>
Parks, recreation and cultural:				
Parks, recreation, and tourism:				
Parks, recreation, and tourism	1,513,611	1,114,353	1,032,724	81,629
Library:				
Contribution to regional library	273,595	273,595	273,595	-
Total parks, recreation and cultural	<u>1,787,206</u>	<u>1,387,948</u>	<u>1,306,319</u>	<u>81,629</u>
Community development:				
Planning and community development:				
Community development	-	592,639	580,043	12,596
Planning and zoning	600,998	486,094	486,066	28
Economic development	733,811	1,217,478	616,932	600,546
Contribution to Industrial Development Authority	725,000	725,000	725,000	-
Other community development	278,515	324,869	240,935	83,934
Total planning and community development	<u>2,338,324</u>	<u>3,346,080</u>	<u>2,648,976</u>	<u>697,104</u>

See independent auditors' report.

County of Dinwiddie, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
Year Ended June 30, 2018

Schedule 2

(Continued)

Entity, Fund, Major and Minor Expenditure Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
PRIMARY GOVERNMENT (Continued)				
GENERAL FUND (Continued)				
Community development (Continued):				
Environmental management:				
Contribution to soil and water conservation district	\$ 12,500	\$ 12,500	\$ 12,500	\$ -
Cooperative extension program:				
Extension office	121,661	121,661	112,644	9,017
Total community development	2,472,485	3,480,241	2,774,120	706,121
TOTAL GENERAL FUND	42,067,108	42,690,910	41,558,679	1,132,231
SPECIAL REVENUE FUND				
Judicial administrative:				
Courts:				
Law library	10,184	10,213	1,861	8,352
Commonwealth's attorney:				
Forfeited assets	2,202	3,094	-	3,094
Total judicial administration	12,386	13,307	1,861	11,446
Public safety:				
Law enforcement and traffic control:				
Sheriff	5,817	37,645	8,216	29,429
Forfeited assets	30,433	247	-	247
Total law enforcement and traffic control	36,250	37,892	8,216	29,676
Fire and rescue services:				
Volunteer fire department	220,600	214,434	57,728	156,706
Fire/rescue grant	7,500	7,500	7,500	-
Fire and emergency medical services	84,742	80,108	24,737	55,371
Total fire and rescue services	312,842	302,042	89,965	212,077
Total public safety	349,092	339,934	98,181	241,753

County of Dinwiddie, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
Year Ended June 30, 2018

Schedule 2

(Continued)

Entity, Fund, Major and Minor Expenditure Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
PRIMARY GOVERNMENT (Continued)				
SPECIAL REVENUE FUND (Continued)				
Public works:				
Maintenance of general buildings and grounds:				
Litter control grant and recycling	\$ 187,727	\$ 200,779	\$ 106,796	\$ 93,983
Health and welfare:				
Welfare:				
Children's services act	1,850,000	2,138,306	1,994,742	143,564
TOTAL SPECIAL REVENUE FUND	2,399,205	2,692,326	2,201,580	490,746
DEBT SERVICE FUND				
Community development:				
Planning and community development:				
Dinwiddie County Airport and Industrial Authority	55,140	55,140	55,140	-
Dinwiddie County Water Authority	393,660	393,660	254,843	138,817
Total community development	448,800	448,800	309,983	138,817
Debt service:				
Principal retirement	4,117,478	4,117,478	4,117,478	-
Interest and other fiscal charges	2,756,001	2,756,001	2,756,000	1
Total debt service	6,873,479	6,873,479	6,873,478	1
TOTAL DEBT SERVICE FUND	7,322,279	7,322,279	7,183,461	138,818
CAPITAL PROJECTS FUND				
Community development				
Dinwiddie County Water Authority	\$ 278,982	\$ 278,982	\$ 134,026	\$ 144,956
Capital outlays and projects:				
County building improvements	23,863,774	23,065,546	16,828,822	6,236,724
County schools	867,000	1,070,528	771,707	298,821
Equipment purchases	505,000	1,100,980	845,969	255,011
Total capital outlays and projects	25,235,774	25,237,054	18,446,498	6,790,556
TOTAL CAPITAL PROJECTS FUND	25,514,756	25,516,036	18,580,524	6,935,512
TOTAL PRIMARY GOVERNMENT	\$ 77,303,348	\$ 78,221,551	\$ 69,524,244	\$ 8,697,307

See independent auditors' report.

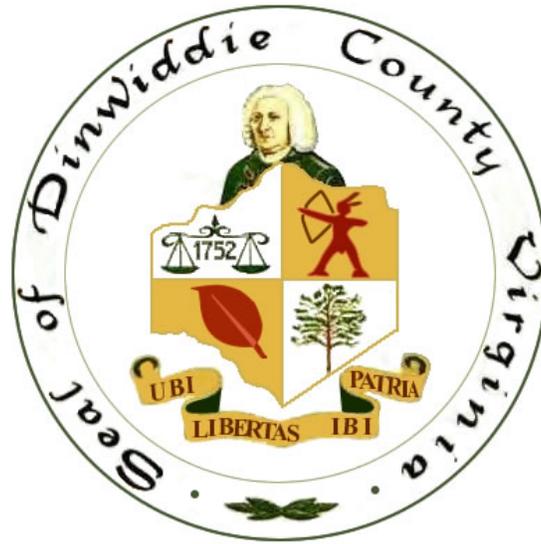
County of Dinwiddie, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
Year Ended June 30, 2018

Schedule 2

(Continued)

Entity, Fund, Major and Minor Expenditure Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD				
OPERATING FUND				
Education:				
Administration, health, and attendance	\$ 2,303,097	\$ 2,303,097	\$ 2,193,666	\$ 109,431
Instruction costs	34,585,407	34,635,777	33,962,841	672,936
Pupil transportation	2,657,025	2,657,025	2,639,152	17,873
Operation and maintenance of school plant	5,800,972	5,800,972	5,705,221	95,751
Total education	<u>45,346,501</u>	<u>45,396,871</u>	<u>44,500,880</u>	<u>895,991</u>
Capital outlays and projects				
County schools	<u>67,000</u>	<u>153,172</u>	<u>153,172</u>	<u>-</u>
TOTAL OPERATING FUND	<u>45,413,501</u>	<u>45,550,043</u>	<u>44,654,052</u>	<u>895,991</u>
SPECIAL REVENUE FUND				
Education:				
Instruction costs	600,000	800,000	657,015	142,985
School food services	1,584,108	1,778,191	1,602,318	175,873
Commodities	<u>-</u>	<u>-</u>	<u>107,253</u>	<u>(107,253)</u>
TOTAL SPECIAL REVENUE FUND	<u>2,184,108</u>	<u>2,578,191</u>	<u>2,366,586</u>	<u>211,605</u>
TOTAL DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD	<u>\$ 47,597,609</u>	<u>\$ 48,128,234</u>	<u>\$ 47,020,638</u>	<u>\$ 1,107,596</u>

County of Dinwiddie, Virginia
Statistical Section (unaudited)
Year Ended June 30, 2018



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

Table 1

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governmental activities:										
Net investment in capital assets	\$ 6,484,665	\$ 12,183,433	\$ 15,144,598	\$ 12,357,012	\$ 13,780,816	\$ 16,780,320	\$ 17,554,195	\$ 19,903,572	\$ 22,816,079	\$ 25,935,309
Restricted	300,303	-	-	7,411	-	-	-	-	-	-
Unrestricted	<u>28,949,723</u>	<u>26,967,288</u>	<u>24,062,305</u>	<u>26,432,185</u>	<u>24,996,338</u>	<u>16,596,108</u>	<u>18,017,882</u>	<u>17,952,748</u>	<u>15,222,885</u>	<u>12,792,636</u>
Total governmental activities net position	<u>\$ 35,734,691</u>	<u>\$ 39,150,721</u>	<u>\$ 39,206,903</u>	<u>\$ 38,796,608</u>	<u>\$ 38,777,154</u>	<u>\$ 33,376,428</u>	<u>\$ 35,572,077</u>	<u>\$ 37,856,320</u>	<u>\$ 38,038,964</u>	<u>\$ 38,727,945</u>
Primary government:										
Net investment in capital assets	\$ 6,484,665	\$ 12,183,433	\$ 15,144,598	\$ 12,357,012	\$ 13,780,816	\$ 16,780,320	\$ 17,554,195	\$ 19,903,572	\$ 22,816,079	\$ 25,935,309
Restricted	300,303	-	-	7,411	-	-	-	-	-	-
Unrestricted	<u>28,949,723</u>	<u>26,967,288</u>	<u>24,062,305</u>	<u>26,432,185</u>	<u>24,996,338</u>	<u>16,596,108</u>	<u>18,017,882</u>	<u>17,952,748</u>	<u>15,222,885</u>	<u>12,792,636</u>
Total primary government net position	<u>\$ 35,734,691</u>	<u>\$ 39,150,721</u>	<u>\$ 39,206,903</u>	<u>\$ 38,796,608</u>	<u>\$ 38,777,154</u>	<u>\$ 33,376,428</u>	<u>\$ 35,572,077</u>	<u>\$ 37,856,320</u>	<u>\$ 38,038,964</u>	<u>\$ 38,727,945</u>

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

Table 2

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Expenses:										
Governmental activities:										
General government administration	\$ 2,911,274	\$ 2,412,955	\$ 2,491,383	\$ 2,647,617	\$ 2,737,123	\$ 2,503,060	\$ 2,761,437	\$ 3,069,950	\$ 3,339,367	\$ 3,347,378
Judicial administration	1,094,384	1,233,507	1,101,074	1,121,095	1,204,496	1,163,642	1,182,308	1,155,707	1,276,589	1,188,412
Public safety	10,933,257	10,424,635	10,538,356	10,702,298	10,830,573	10,765,393	11,055,175	10,725,317	12,581,707	12,971,201
Public works	3,045,668	3,217,083	2,954,657	3,134,643	4,152,120	3,003,165	2,861,601	3,291,703	3,381,206	3,376,378
Health and welfare	3,383,742	3,514,474	3,615,528	3,804,266	3,910,976	4,235,239	4,243,201	4,769,268	4,814,909	4,842,678
Education	13,084,765	13,602,573	18,555,995	18,782,146	16,511,110	15,943,324	16,826,706	18,313,557	18,378,230	18,004,807
Parks, recreation, and cultural	933,556	890,544	450,650	1,296,375	1,378,098	1,463,533	1,486,972	1,612,546	1,852,243	1,524,515
Community development	1,870,325	2,020,023	1,714,759	2,046,538	1,898,953	2,090,549	1,681,973	1,461,725	1,396,529	2,727,470
Interest and other fiscal charges	3,722,439	3,510,601	3,267,513	2,379,842	2,473,351	2,105,020	1,958,572	1,783,489	2,626,354	1,967,981
Total governmental activities expense:	<u>40,979,410</u>	<u>40,826,395</u>	<u>44,689,915</u>	<u>45,914,820</u>	<u>45,096,800</u>	<u>43,272,925</u>	<u>44,057,945</u>	<u>46,183,262</u>	<u>49,647,134</u>	<u>49,950,820</u>
Total primary government expenses	<u>\$ 40,979,410</u>	<u>\$ 40,826,395</u>	<u>\$ 44,689,915</u>	<u>\$ 45,914,820</u>	<u>\$ 45,096,800</u>	<u>\$ 43,272,925</u>	<u>\$ 44,057,945</u>	<u>\$ 46,183,262</u>	<u>\$ 49,647,134</u>	<u>\$ 49,950,820</u>
Program revenues:										
Governmental activities:										
Charges for services:										
Judicial administration	1,305,499	1,384,720	1,339,915	1,138,112	764,553	757,859	660,545	490,026	736,270	738,693
Public safety	856,280	1,031,217	1,018,918	1,015,426	1,137,315	487,342	952,948	883,388	1,046,998	1,106,457
Public works	653,109	637,392	627,203	644,216	698,753	616,209	558,306	698,944	724,010	712,857
Parks, recreation, and cultural	92,409	110,846	145,027	165,857	182,042	189,355	185,346	175,546	175,005	200,631
Community development	1,390	681	712	376	1,287	449	2,150	724	159	101
Operating grants and contributions	6,003,643	6,175,872	5,697,075	7,235,060	6,620,851	6,586,412	5,480,256	5,777,784	6,126,998	6,926,113
Capital grants and contributions	616,088	929,973	699,323	748,964	295,603	-	-	-	-	-
Total governmental activities program revenues	<u>9,528,418</u>	<u>10,270,701</u>	<u>9,528,173</u>	<u>10,948,011</u>	<u>9,700,404</u>	<u>8,637,626</u>	<u>7,839,551</u>	<u>8,026,412</u>	<u>8,809,440</u>	<u>9,684,852</u>
Total primary government program revenues	<u>9,528,418</u>	<u>10,270,701</u>	<u>9,528,173</u>	<u>10,948,011</u>	<u>9,700,404</u>	<u>8,637,626</u>	<u>7,839,551</u>	<u>8,026,412</u>	<u>8,809,440</u>	<u>9,684,852</u>
Total governmental activities	<u>(31,450,992)</u>	<u>(30,555,694)</u>	<u>(35,161,742)</u>	<u>(34,966,809)</u>	<u>(35,396,396)</u>	<u>(34,635,299)</u>	<u>(36,218,394)</u>	<u>(38,156,850)</u>	<u>(40,837,694)</u>	<u>(40,265,968)</u>
Total primary government net expense	<u>\$ (31,450,992)</u>	<u>\$ (30,555,694)</u>	<u>\$ (35,161,742)</u>	<u>\$ (34,966,809)</u>	<u>\$ (35,396,396)</u>	<u>\$ (34,635,299)</u>	<u>\$ (36,218,394)</u>	<u>\$ (38,156,850)</u>	<u>\$ (40,837,694)</u>	<u>\$ (40,265,968)</u>

See independent auditors' report.

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

Table 2

(Continued)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Property taxes	\$ 22,549,583	\$ 24,743,254	\$ 25,156,908	\$ 26,805,696	\$ 26,664,129	\$ 26,701,104	\$ 28,569,530	\$ 30,541,846	\$ 30,651,879	\$ 31,987,959
Local sales and use taxes	1,065,681	1,096,278	1,203,733	1,363,905	1,423,691	1,503,579	1,572,641	1,646,878	1,709,871	1,900,374
Taxes on recordation and wills	183,743	160,647	120,939	158,345	150,205	119,494	200,439	144,479	162,243	176,860
Motor vehicle licenses taxes	494,872	617,821	545,740	540,211	534,395	547,572	548,898	537,038	541,225	548,438
Consumer utility taxes	582,840	709,229	532,818	581,790	585,574	570,681	539,173	597,275	565,419	577,263
Communication taxes	961,296	965,609	-	-	-	-	-	-	-	-
Business licenses taxes	691,566	598,129	627,762	639,686	756,995	737,025	694,323	692,586	881,130	1,083,983
Other local taxes	939,573	771,758	950,403	1,001,612	1,051,407	1,066,955	1,160,065	1,165,756	1,262,387	1,352,365
Unrestricted grants and contributions	3,806,489	3,665,342	4,731,621	3,691,120	3,861,191	4,821,770	4,805,481	4,767,428	4,752,797	4,650,410
Unrestricted revenues from use of money and property	566,711	202,165	148,742	252,722	92,727	80,256	67,262	100,228	232,330	378,944
Miscellaneous	364,712	166,484	873,653	305,634	309,289	1,370,772	256,231	247,579	261,057	356,958
Gain (loss) on sale of capital assets	-	-	-	(941,808)	(52,661)	-	-	-	-	-
Payment from Dinwiddie County School Board	-	275,008	402,508	-	-	-	-	-	-	-
Total governmental activities	<u>32,207,066</u>	<u>33,971,724</u>	<u>35,294,827</u>	<u>34,398,913</u>	<u>35,376,942</u>	<u>37,519,208</u>	<u>38,414,043</u>	<u>40,441,093</u>	<u>41,020,338</u>	<u>43,013,554</u>
Total primary government	<u>\$ 32,207,066</u>	<u>\$ 33,971,724</u>	<u>\$ 35,294,827</u>	<u>\$ 34,398,913</u>	<u>\$ 35,376,942</u>	<u>\$ 37,519,208</u>	<u>\$ 38,414,043</u>	<u>\$ 40,441,093</u>	<u>\$ 41,020,338</u>	<u>\$ 43,013,554</u>
Change in net position:										
Governmental activities	\$ 756,074	\$ 3,416,030	\$ 133,085	\$ (567,896)	\$ (19,454)	\$ 2,883,909	\$ 2,195,649	\$ 2,284,243	\$ 182,644	\$ 2,747,586
Total primary government	<u>\$ 756,074</u>	<u>\$ 3,416,030</u>	<u>\$ 133,085</u>	<u>\$ (567,896)</u>	<u>\$ (19,454)</u>	<u>\$ 2,883,909</u>	<u>\$ 2,195,649</u>	<u>\$ 2,284,243</u>	<u>\$ 182,644</u>	<u>\$ 2,747,586</u>

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

Table 3

	<u>2009</u>	<u>2010</u>	<u>2011 ⁽¹⁾</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General fund:										
Reserved	\$ 192,984	\$ 192,984	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	19,216,083	20,349,735	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	199,877	22,053	3,182	17,260	-	-	-
Restricted	-	-	226,025	28,746	27,282	25,909	20,335	16,716	13,121	10,439
Committed	-	-	792,632	600,876	604,394	1,478,423	1,233,993	1,287,373	1,424,896	850,800
Unassigned	-	-	19,576,705	20,676,360	18,994,949	19,631,444	20,199,566	17,615,683	14,977,128	14,844,765
Total general fund	<u>19,409,067</u>	<u>20,542,719</u>	<u>20,595,362</u>	<u>21,505,859</u>	<u>19,648,678</u>	<u>21,138,958</u>	<u>21,471,154</u>	<u>18,919,772</u>	<u>16,415,145</u>	<u>15,706,004</u>
All other governmental funds:										
Unreserved, reported in:										
Special revenue funds	466,301	382,200	-	-	-	-	-	-	-	-
Capital projects funds	4,761,094	2,789,047	-	-	-	-	-	-	-	-
Debt service funds	5,315,444	3,543,049	-	-	-	-	-	-	-	-
Restricted, reported in:										
Special revenue funds	-	-	332,570	343,882	357,953	299,947	340,279	322,107	221,331	268,285
Capital projects funds	-	-	121,817	-	-	-	-	-	21,938,059	6,055,904
Debt service funds	-	-	299,364	7,411	-	-	-	-	-	-
Committed, reported in:										
Special revenue funds	-	-	159,814	170,619	85,823	225,323	370,461	259,362	559,164	579,384
Capital projects funds	-	-	1,070,766	2,016,237	2,481,998	1,141,763	1,581,611	2,811,295	1,702,287	1,080,171
Debt service funds	-	-	1,570,371	-	772,413	104,220	721	57,047	427,092	498,881
Unassigned, reported in:										
Debt service funds	-	-	-	(2,881)	-	-	-	-	-	-
Total all other governmental funds	<u>10,542,839</u>	<u>6,714,296</u>	<u>3,554,702</u>	<u>2,535,268</u>	<u>3,698,187</u>	<u>1,771,253</u>	<u>2,293,072</u>	<u>3,449,811</u>	<u>24,847,933</u>	<u>8,482,625</u>
Total fund balances	<u>\$ 29,951,906</u>	<u>\$ 27,257,015</u>	<u>\$ 24,150,064</u>	<u>\$ 24,041,127</u>	<u>\$ 23,346,865</u>	<u>\$ 22,910,211</u>	<u>\$ 23,764,226</u>	<u>\$ 22,369,583</u>	<u>\$ 41,263,078</u>	<u>\$ 24,188,629</u>

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

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

Table 4

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues:										
General property taxes	22,387,028	24,350,213	25,198,581	25,844,662	27,337,402	27,377,476	28,778,834	30,141,709	30,643,951	31,284,533
Other local taxes	4,919,571	4,919,471	3,981,395	4,285,549	4,502,267	4,545,306	4,715,539	4,784,012	5,122,275	5,639,283
Permits, privilege fees and regulatory licenses	289,909	241,966	219,773	183,116	218,819	230,379	220,312	235,414	253,839	334,342
Fines and forfeitures	1,069,519	1,381,372	1,335,399	912,324	611,709	611,900	536,407	381,083	613,840	620,715
Revenue from use of money and property	566,711	202,165	148,742	126,044	92,727	80,256	67,262	100,228	232,330	378,944
Charges for services	1,549,259	1,541,518	1,576,603	1,691,435	1,717,724	1,580,187	1,579,605	1,617,093	1,805,947	1,867,884
Miscellaneous	364,712	166,484	873,653	305,634	309,289	1,370,772	256,231	247,579	276,604	356,958
Recovered costs	72,354	147,323	141,444	558,360	211,642	282,675	366,037	973,687	425,060	390,613
Intergovernmental:										
Local	-	275,008	402,508	-	-	-	-	-	-	-
Commonwealth	8,578,024	8,855,646	9,158,447	9,548,625	9,261,440	9,721,617	8,892,515	9,072,409	9,271,793	9,993,473
Federal	1,848,196	1,915,541	1,969,572	1,638,603	1,333,825	1,686,565	1,393,222	1,472,803	1,608,002	1,583,050
Total revenues	41,645,283	43,996,707	45,006,117	45,094,352	45,596,844	47,487,133	46,805,964	49,026,017	50,253,641	52,449,795
Expenditures:										
Current:										
General government administration	2,756,161	2,281,210	2,317,414	2,639,998	2,628,659	2,679,015	3,091,868	3,126,145	3,269,057	3,441,361
Judicial administration	1,003,583	1,035,794	932,176	949,880	1,026,855	1,092,076	1,052,989	1,071,068	1,146,538	1,068,966
Public safety	9,937,558	9,348,959	9,940,361	9,878,659	9,897,248	10,620,701	10,329,855	10,906,318	12,006,275	12,186,059
Public works	3,120,224	3,214,198	3,034,564	3,185,400	3,099,456	3,017,870	3,109,128	3,247,269	3,397,228	3,488,844
Health and welfare	3,338,376	3,489,223	3,619,191	3,774,424	3,975,895	4,395,503	4,320,877	4,798,476	4,655,305	4,950,916
Education	11,125,804	9,992,801	13,218,360	10,532,122	12,204,287	12,177,415	12,853,966	14,149,437	14,150,268	14,543,674
Parks, recreation and cultural	943,879	841,349	953,983	1,244,371	1,332,954	1,380,267	1,369,060	1,500,796	1,619,412	1,306,319
Community development	1,857,951	1,991,454	2,473,718	1,914,620	1,820,304	2,245,621	1,826,635	1,579,729	2,175,347	3,218,129
Capital projects	8,017,859	5,869,156	3,047,106	1,885,107	3,870,818	3,842,471	1,565,152	3,632,976	6,910,309	18,446,498
Debt service:										
Principal	4,908,688	4,996,992	5,163,875	5,367,282	3,911,457	3,854,758	3,985,209	4,162,538	4,331,847	4,117,478
Interest and other fiscal charges	3,959,001	3,630,462	3,412,320	3,181,280	2,523,173	2,618,090	2,447,210	2,245,908	2,699,191	2,756,000
Total expenditures	50,969,084	46,691,598	48,113,068	44,553,143	46,291,106	47,923,787	45,951,949	50,420,660	56,360,777	69,524,244
Excess (deficiency) of revenues over expenditures	(9,323,801)	(2,694,891)	(3,106,951)	541,209	(694,262)	(436,654)	854,015	(1,394,643)	(6,107,136)	(17,074,449)
Other financing sources (uses):										
Operating transfers in	10,489,849	10,370,440	8,785,037	19,321,137	13,250,134	10,057,949	9,651,526	11,936,410	11,293,300	9,518,655
Operating transfers out	(10,489,849)	(10,370,440)	(8,785,037)	(19,321,137)	(13,250,134)	(10,057,949)	(9,651,526)	11,936,410	(11,293,300)	(9,518,655)
Redemption of refunding bonds issued	-	-	-	(48,253,105)	-	-	-	-	-	-
Bonds issued	-	-	-	44,490,000	-	-	-	-	21,615,000	-
Premium on bonds issued	-	-	-	7,117,378	-	-	-	-	3,780,640	-
Bond issuance costs	-	-	-	(533,713)	-	-	-	-	(395,009)	-
Deferred amounts on refunding	-	-	-	(2,825,293)	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	(4,733)	-	-	-	23,872,820	25,000,631	-
Net change in fund balances	\$ (9,323,801)	\$ (2,694,891)	\$ (3,106,951)	\$ 536,476	\$ (694,262)	\$ (436,654)	\$ 854,015	\$ 22,478,177	\$ 18,893,495	\$ (17,074,449)
Debt service as a percentage of noncapital expenditures	26.02%	26.80%	23.50%	19.75%	14.46%	14.77%	14.37%	13.50%	13.96%	13.23%

County of Dinwiddie, Virginia
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Table 5

<u>Fiscal Year</u>	<u>Real Estate</u>	<u>Personal Property</u>	<u>Mobile Homes</u>	<u>Machinery and Tools</u>	<u>Public Service</u>	<u>Total Taxable Assessed Value</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value as a Percentage of Actual Value</u>
2018	\$ 2,225,151,487	\$ 281,205,988	\$ 9,461,986	\$ 85,886,753	\$ 219,290,804	\$ 2,820,997,018	\$ 2,820,997,018	100.00%
2017	\$ 2,203,962,660	\$ 332,998,009	\$ 9,071,475	\$ 20,723,182	\$ 203,457,167	\$ 2,770,212,493	\$ 2,770,212,493	100.00%
2016	\$ 2,186,900,979	\$ 331,006,007	\$ 8,759,030	\$ 19,233,483	\$ 183,649,625	\$ 2,729,549,124	\$ 2,729,549,124	100.00%
2015	\$ 2,177,246,848	\$ 311,327,929	\$ 8,774,611	\$ 20,702,654	\$ 162,890,147	\$ 2,680,942,189	\$ 2,680,942,189	100.00%
2014	\$ 2,115,140,397	\$ 270,014,052	\$ 8,016,891	\$ 18,853,409	\$ 148,482,804	\$ 2,560,507,553	\$ 2,560,507,553	100.00%
2013	\$ 2,103,004,800	\$ 268,979,238	\$ 7,835,200	\$ 19,115,504	\$ 153,809,681	\$ 2,552,744,423	\$ 2,552,744,423	100.00%
2012	\$ 2,309,384,088	\$ 217,568,311	\$ 10,105,858	\$ 17,873,920	\$ 144,290,152	\$ 2,699,222,329	\$ 2,699,222,329	100.00%
2011	\$ 2,293,243,398	\$ 221,451,302	\$ 9,121,178	\$ 17,998,701	\$ 129,154,426	\$ 2,670,969,005	\$ 2,670,969,005	100.00%
2010	\$ 2,275,904,269	\$ 183,394,803	\$ 7,834,404	\$ 19,740,366	\$ 121,448,841	\$ 2,608,322,683	\$ 2,608,322,683	100.00%
2009	\$ 2,246,727,030	\$ 239,032,639	\$ 7,392,197	\$ 23,206,263	\$ 121,569,471	\$ 2,637,927,600	\$ 2,637,927,600	100.00%

Source: Commissioner of Revenue

County of Dinwiddie, Virginia
Direct Property Tax Rates
Last Ten Fiscal Years

Table 6

Fiscal Year	Real Estate	Personal Property	Mobile Homes	Machinery and Tools
2018	\$ 0.79	\$ 4.90	\$ 0.79	\$ 3.30
2017	\$ 0.79	\$ 4.90	\$ 0.79	\$ 3.30
2016	\$ 0.79	\$ 4.90	\$ 0.79	\$ 3.30
2015	\$ 0.79	\$ 4.90	\$ 0.79	\$ 3.30
2014	\$ 0.79	\$ 4.90	\$ 0.79	\$ 3.30
2013	\$ 0.72 / 0.79	\$ 4.90	\$ 0.72 / 0.79	\$ 3.30
2012	\$ 0.72	\$ 4.90	\$ 0.72	\$ 3.30
2011	\$ 0.72	\$ 4.90	\$ 0.72	\$ 3.30
2010	\$ 0.68 / 0.72	\$ 4.90	\$ 0.68 / 0.72	\$ 3.30
2009	\$ 0.87 / 0.68	\$ 4.90	\$ 0.87 / 0.68	\$ 3.30

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

**County of Dinwiddie, Virginia
Principal Property Taxpayers
Current Year and the Period Nine Years Prior**

Table 7

<u>Taxpayer</u>	<u>Industry</u>	<u>Fiscal Year 2018</u>		<u>Fiscal Year 2009</u>		<u>Taxpayer</u>	<u>Industry</u>
		<u>Taxable Assessed Valuation</u>	<u>Percentage of Total Taxable Assessed Valuation</u>	<u>Taxable Assessed Valuation</u>	<u>Percentage of Total Taxable Assessed Valuation</u>		
Gerdeau Ameristeel/Chaparral	Manufacturing	\$ 198,837,254	8.94%	\$ 163,785,401	7.29%	Gerdeau Ameristeel/Chaparral	Manufacturing
Walmart	Distribution	58,500,975	2.63%	45,716,330	2.03%	Walmart	Distribution
ARCP - Amazon	Lease Property	57,720,395	2.59%	29,551,800	1.32%	TIAA Timberlands 1 LLC	Timber
TIAA Timberlands 1 LLC	Timber	23,238,600	1.04%	20,690,700	0.92%	American Timberland LLC	Timber
American Timberland LLC	Timber	15,735,200	0.71%	13,679,800	0.61%	Bain Properties LLC	Agricultural
Rohoic Woods	Rental Property	14,442,248	0.65%	12,421,800	0.55%	Rohoic Woods	Rental Property
Tindall Concrete	Manufacturing	13,326,787	0.60%	11,635,160	0.52%	Eastern Timberlands LLC	Timber
Bain Properties LLC	Agricultural	13,191,500	0.59%	9,594,600	0.43%	Tindall Concrete	Manufacturing
Eastside Properties	Rental Property	10,309,394	0.46%	7,268,400	0.32%	FIATP Timber LLC	Timber
Vulcan	Mining	10,296,872	0.46%	5,499,200	0.24%	Virginia Motorsports	Race Track
		<u>\$415,599,225</u>	<u>18.68%</u>	<u>\$319,843,191</u>	<u>14.24%</u>		

Source: Commissioner of Revenue

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

Table 8

<u>Fiscal Year</u>	<u>Total Tax Levy for Fiscal Year</u>	<u>Collected Within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Original Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2018	\$ 35,695,559	\$ 33,117,883	92.78%	\$ -	\$ 33,117,883	92.78%
2017	\$ 34,951,657	\$ 32,610,431	93.30%	\$ 1,501,078	\$ 34,111,509	97.60%
2016	\$ 34,068,926	\$ 32,004,636	93.94%	\$ 1,653,722	\$ 33,658,358	98.79%
2015	\$ 32,309,790	\$ 28,792,802	89.11%	\$ 3,294,578	\$ 32,087,380	99.31%
2014	\$ 30,885,403	\$ 28,912,246	93.61%	\$ 1,854,802	\$ 30,767,048	99.62%
2013	\$ 30,462,935	\$ 28,427,203	93.32%	\$ 1,969,477	\$ 30,396,680	99.78%
2012	\$ 30,348,155	\$ 28,047,282	92.42%	\$ 2,244,962	\$ 30,292,244	99.82%
2011	\$ 28,499,270	\$ 26,961,086	94.60%	\$ 1,447,122	\$ 28,408,208	99.68%
2010	\$ 28,520,436	\$ 26,370,246	92.46%	\$ 2,096,260	\$ 28,466,506	99.81%
2009	\$ 26,844,498	\$ 25,020,017	93.20%	\$ 1,815,349	\$ 26,835,366	99.97%

Source: Treasurer's Office and Commissioner of the Revenue

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

Table 9

Fiscal Year	Governmental Activities				Total Primary Government	Percentage of Personal Income ⁽¹⁾	Per Capita ⁽²⁾
	General Obligation Bonds	Literary Fund Loans	Other Notes / Bonds	Capital Leases			
2018	\$ 7,487,751	\$ -	\$ 56,359,607	\$ -	\$ 63,847,358	2.08%	\$ 2,240
2017	\$ 8,333,537	\$ -	\$ 60,540,067	\$ -	\$ 68,873,604	2.27%	\$ 2,428
2016	\$ 9,801,457	\$ -	\$ 38,855,930	\$ -	\$ 48,657,387	1.63%	\$ 1,692
2015	\$ 11,232,771	\$ -	\$ 42,186,509	\$ -	\$ 53,419,280	1.82%	\$ 1,844
2014	\$ 12,629,393	\$ -	\$ 45,430,625	\$ -	\$ 58,060,018	2.03%	\$ 2,012
2013	\$ 13,993,145	\$ -	\$ 48,620,796	\$ -	\$ 62,613,941	2.20%	\$ 2,129
2012	\$ 15,159,097	\$ -	\$ 44,490,000	\$ -	\$ 59,649,097	2.10%	\$ 2,456
2011	\$ 16,643,284	\$ -	\$ 52,136,200	\$ -	\$ 68,779,484	2.46%	\$ 2,677
2010	\$ 18,081,059	\$ -	\$ 57,101,372	\$ -	\$ 75,182,431	2.83%	\$ 2,949
2009	\$ 19,475,316	\$ 8,835	\$ 60,753,625	\$ -	\$ 80,237,776	3.06%	\$ 3,150

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

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

Table 10

<u>Fiscal Year</u>	<u>Gross Bonded Debt</u>	<u>Net Bonded Debt (3)</u>	<u>Ratio of Net General Obligation Debt to Assessed Value (2)</u>	<u>Net Bonded per Capita (1)</u>
2018	\$ 7,487,751	\$ 7,487,751	0.27%	\$ 263
2017	\$ 8,333,537	\$ 8,333,537	0.30%	\$ 294
2016	\$ 9,801,457	\$ 9,801,457	0.36%	\$ 341
2015	\$11,232,771	\$ 11,232,771	0.42%	\$ 388
2014	\$12,629,393	\$ 12,629,393	0.49%	\$ 438
2013	\$13,993,145	\$ 13,993,145	0.53%	\$ 494
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%	\$ 716

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

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

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

Table 11

Fiscal Year	Population	Personal Income (1)	Per Capita Personal Income (1)	School Enrollment	Unemployment Rate %
2018	28,500	\$ 3,074,203	\$ 39,127	4,258	3.60%
2017	28,363	\$ 3,028,772	\$ 38,740	4,277	4.60%
2016	28,753	\$ 2,984,012	\$ 38,356	4,362	4.80%
2015	28,971	\$ 2,939,137	\$ 37,847	4,380	5.30%
2014	28,864	\$ 2,854,229	\$ 36,727	4,389	6.40%
2013	28,314	\$ 2,845,947	\$ 36,565	4,439	7.30%
2012	28,018	\$ 2,837,173	\$ 36,596	4,435	7.60%
2011	28,001	\$ 2,792,624	\$ 36,067	4,545	7.90%
2010	28,087	\$ 2,660,982	\$ 34,158	4,679	8.80%
2009	27,209	\$ 2,624,897	\$ 33,834	4,675	8.00%

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

Note: (1) Includes Colonial Heights and Petersburg; estimates used for 2017 & 2018

**County of Dinwiddie, Virginia
Principal Employers
Current Year and Nine Years Prior**

Table 12

Employer	Fiscal Year 2018		Fiscal Year 2009		Employer
	Range of Employee	Rank	Range of Employee	Rank	
Amazon	1000+	1	1000+	1	Southside VA Training Center
WalMart	1000+	2	1000+	2	WalMart
Central State Hospital	500-999	3	500-999	3	Central State Hospital
Dinwiddie County School Board	500-999	4	500-999	4	Dinwiddie Co School Board
Gerdeau Ameristeel/Chaparral	250-499	5	250-499	5	Gerdeau Ameristeel/Chaparral
County of Dinwiddie	250-499	6	250-499	6	Tindall Concrete Products
Tindall Concrete Products	100-248	7	100-249	7	County of Dinwiddie
Integrity Staffing Solutions	100-249	8	100-249	8	Va Center for Behavioral Rehabilitation
Hiram W Davis Medical Center	100-249	9	100-249	9	Hiram W. Davis Medical Ctr
Richard Bland College	100-249	10	100-249	10	Iluka Resources

Source: Virginia Employment Commission

County of Dinwiddie, Virginia
Full-Time Equivalent County Government Employees by Function
Last Ten Fiscal Years

Table 13

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government	26.1	24.8	24.5	25.4	25.7	27.0	28.3	28.0	29.2	29.1
Judicial administration	13.4	12.5	12.2	12.4	12.6	13.2	13.7	12.5	12.4	12.3
Public safety:										
Sheriff's Office/Jail	65.4	64.6	64.2	63.1	55.5	55.6	57.8	58.3	58.1	58.8
Communications	16.5	16.4	17.4	18.2	16.9	17.0	18.6	18.6	18.8	19.2
Fire / Rescue / EMS	22.4	22.8	23.3	22.9	23.1	23.4	25.7	27.0	31.4	36.4
Building inspections	5.5	4.0	4.0	3.8	3.0	3.0	3.0	3.4	3.6	3.7
Animal control	3.8	3.7	4.0	3.9	4.2	4.9	4.9	5.0	5.4	5.3
Department of Comprehensive Services	3.1	2.3	2.1	2.6	2.7	2.8	2.5	3.0	3.1	3.2
Public works:										
General maintenance	6.9	6.0	6.4	6.0	6.0	6.1	4.9	4.2	6.1	7.4
Waste management	13.3	15.2	15.3	15.5	15.1	15.6	16.9	17.2	18.4	18.6
Health and welfare:										
Department of Social Services	30.0	30.0	30.0	29.0	28.0	28.0	28.0	28.0	29.0	30.0
Culture and recreation:										
Parks and recreation	8.0	7.4	8.9	14.0	14.8	15.5	16.3	18.7	19.6	15.1
Community development:										
Economic development	1.2	0.7	1.0	1.0	1.6	1.9	2.0	1.9	1.9	9.8
Cooperative extension	0.7	1.0	1.0	0.6	0.6	0.7	0.9	0.7	0.6	0.6
Planning	6.3	5.9	6.0	5.9	5.1	5.7	5.6	6.1	5.8	5.0
Totals	<u>222.6</u>	<u>217.3</u>	<u>220.3</u>	<u>224.3</u>	<u>214.9</u>	<u>220.4</u>	<u>229.1</u>	<u>232.6</u>	<u>243.4</u>	<u>254.2</u>

Source: County Payroll

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

Table 14

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public safety:										
Sheriff's department:										
Physical arrests	1,965	2,331	1,828	1,657	1,658	1,643	1,399	1,247	1,572	1,556
Traffic violations	15,125	14,211	16,974	11,478	8,368	7,633	5,741	5,225	8,002	7,910
Civil papers	11,654	12,225	10,456	11,471	11,020	10,881	8,837	7,745	9,812	11,139
Childrens' Services:										
Caseload	277	229	206	207	179	158	164	169	214	232
Fire and rescue:										
Number of EMS calls answered	3,337	3,039	2,982	3,226	3,184	3,028	3,442	3,557	3,835	3,928
Building inspections:										
Permits issued	1,151	994	1,004	939	873	877	816	922	968	1,008
Animal control:										
Number of calls answered	2,367	2,629	3,409	6,465	5,298	4,872	4,598	4,197	4,210	4,317
Public works:										
Landfill:										
Refuse collection (tons/day)	48	53	49	53	51	47	51	47	47	47
Health and welfare:										
Department of Social Services caseload	5,284	6,170	6,485	6,844	6,926	6,793	6,968	6,599	5,628	5,541
Culture and recreation:										
Parks and recreation:										
Program participants: avg/mo	3,996	3,712	3,958	7,585	7,005	7,612	6,891	6,092	7,972	10,363
Community development:										
Planning:										
Zoning permits issued	75	82	44	41	47	45	32	28	32	59
Component Unit - School Board:										
Education:										
School age population	4,925	5,629*	5,629*	5,629*	5,629*	5,491	5,364	5,274	5,074	5,073
Number of teachers	370	365	351	342	333	336	341	344	346	342
Local expenditures per pupil	2,457	2,487	2,775	2,840	2,947	3,074	3,144	3,401	3,420	3,475

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

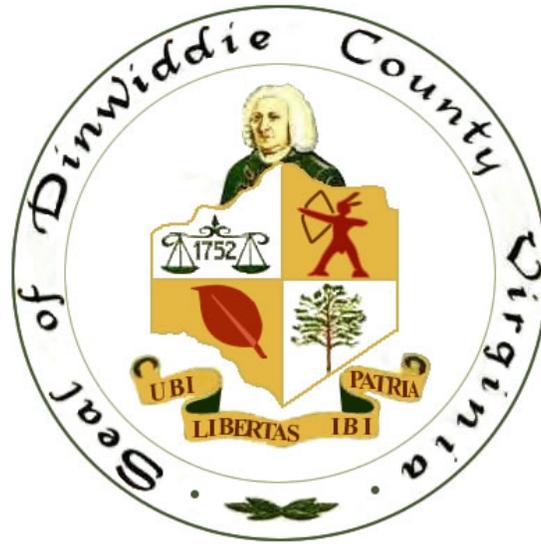
Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government:										
Buildings	16	16	16	16	16	16	16	15	15	15
Public safety:										
Sheriff's department:										
Patrol units	54	54	54	49	46	51	51	54	54	54
Building inspections:										
Vehicles	4	4	4	3	3	3	3	3	3	3
Animal control:										
Vehicles	3	3	3	3	3	4	4	4	4	4
Public works:										
General maintenance:										
Trucks / vehicles	3	3	6	6	7	7	7	5	8	8
Landfill:										
Vehicles	7	7	9	11	14	14	14	10	9	9
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	2	2	2	2	3	3	4	4
Vehicles	2	2	5	5	7	8	8	10	11	13
Community development:										
Planning:										
Vehicles	3	3	3	3	2	3	3	3	3	3
Component unit - School Board:										
Education:										
Schools	8	8	8	8	8	8	8	8	8	8
School buses	113	113	113	113	111	102	103	90	90	89

Source: Individual County departments

County of Dinwiddie, Virginia

Compliance Section

Year Ended June 30, 2018



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Dinwiddie, Virginia, as of and for the year ended June 30, 2018, 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 27, 2018.

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*.

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.

Brown, Edwards & Company, L.L.P.

**Newport News, Virginia
November 27, 2018**

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 the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

We have audited the County of Dinwiddie, Virginia's compliance with the types of compliance requirements described in the *OMB 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, 2018. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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, 2018.

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 the Uniform Guidance, 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Brown, Edwards & Company, L.L.P.

**Newport News, Virginia
November 27, 2018**

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

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

We have audited the financial statements of the County of Dinwiddie, Virginia, as of and for the year ended June 30, 2018, and have issued our report thereon dated November 27, 2018.

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
- Children's Services Act Funds
- Social Services



The results of our tests disclosed two types of noncompliance with the provisions referred to in the preceding paragraph which are described in the accompanying schedule of findings and questioned costs (Findings 2018-001 and 2018-002).

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.

Brown, Edwards & Company, L.L.P.

**Newport News, Virginia
November 27, 2018**

County of Dinwiddie, Virginia
Schedule of Expenditures of Federal Awards
Primary Government and Discretely Presented Component Unit - School Board
Year Ended June 30, 2018

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Entity Identifying Pass-through Number</u>	<u>Expenditures</u>
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	10111	\$ 280,228
Department of Health and Human Services pass-through programs:			
Virginia Department of Social Services:			
Promoting safe and stable families	93.556	0950109/0950110	15,904
Temporary Assistance for Needy Families	93.558	0400109/0400110	230,157
Refugee and entrant assistance - state administered programs	93.566	0500109/0500110	347
Low-income Home Energy Assistance	93.568	0600409/0600410	32,775
Child care mandatory and matching funds of the child care and development fund	93.596	0760109/0760110	38,312
Stephanie Tubbs Jones child welfare services program	93.645	0900109/090110	800
Foster Care - Title IV-E	93.658	1100109/1100110	179,494
Adoption assistance	93.659	1120109/1120110	126,570
Social services block grant	93.667	1000109/1000110	185,266
Chafee foster care independence program	93.674	9150109/9150110	2,796
Children's health insurance program	93.767	0540109/0540110	11,194
Medical assistance program	93.778	1200109/1200110	286,675
Total Department of Health and Human Services			<u>1,110,290</u>
Department of Transportation pass-through programs:			
Department of Motor Vehicles:			
State and community highway safety	20.600	60507-53150	5,267
Department of Treasury:			
Direct programs:			
Equitable sharing program	21.016	n/a	551
Department of Justice:			
Direct programs:			
Bulletproof vest partnership program	16.607	n/a	1,843
Pass-through programs:			
Department of Criminal Justice Services:			
Crime victim assistance	16.575	undetermined	105,601
Edward Byrne memorial justice assistance grant program	16.738	39001-51100	18,006
Violence against women formula grants	16.588	undetermined	37,001
Total Department of Justice			<u>162,451</u>
Department of Homeland Security pass-through programs:			
Department of Emergency Management:			
Emergency management performance grant	97.042	77501-52743	7,500
Department of the Interior:			
Direct payments:			
Bureau of Land Management:			
American Battlefield Protection	15.926	n/a	15,840
Payments in lieu of taxes	15.226	n/a	923
Total Department of the Interior			<u>16,763</u>
Total Primary Government			<u>\$ 1,583,050</u>

County of Dinwiddie, Virginia
Schedule of Expenditures of Federal Awards
Primary Government and Discretely Presented Component Unit - School Board
Year Ended June 30, 2018

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Entity Identifying Pass-through Number	Expenditures
Component Unit - School Board:			
Department of Agriculture pass-through programs:			
Child Nutrition Cluster:			
Virginia Department of Agriculture and Consumer Services: Food distribution - noncash assistance	10.555	17901-45707	\$ 107,253
Virginia Department of Education: National school breakfast program	10.553	17901-40591	330,491
National school lunch program	10.555	17901-40623	<u>806,456</u>
Total Child Nutrition Cluster			<u>1,244,200</u>
The Improvement Association: Child and adult care food program	10.558	undetermined	<u>86,148</u>
Total Department of Agriculture			<u>1,330,348</u>
Department of Defense direct program:			
JROTC Instruction	12.000	16-1205-13	<u>66,812</u>
Department of Education pass-through programs:			
Virginia Department of Education: Special Education Cluster (IDEA):			
Special education - grants to states	84.027	17901-43071	913,149
Special education - preschool grants	84.173	17901-62521	<u>28,818</u>
Total Special Education Cluster (IDEA)			<u>941,967</u>
Title I grants to local educational agencies	84.010	17901-42901	661,414
Title III grants to local educational agencies	84.031	S365A150046	6,188
Career and technical education - basic grants to states	84.048	17901-61095	63,027
Title IV student support and academic enrichment	84.424	undetermined	10,745
Improving teacher quality state grants	84.367	17901-61480	<u>159,927</u>
			<u>901,301</u>
State Council for Higher Education for Virginia Gaining early awareness and readiness for undergraduate programs	84.334	undetermined	<u>75,362</u>
Total Department of Education			<u>1,918,630</u>
Total Component Unit School Board			<u>\$ 3,315,790</u>
Total Reporting Entity			<u>\$ 4,898,840</u>

Notes to Schedule of Expenditures of Federal Awards

4. 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, 2018. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of the basic financial statements.

5. 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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available. The County has not elected to use the 10% de minimis indirect cost rate as allowed in the Uniform Guidance.

6. Subrecipient Payments

None of the expenditures reported on the schedule were passed through to subrecipients.

Schedule of Findings and Responses

1. Summary of Auditors' Results

- A. An unmodified opinion was issued on the financial statements.
- B. There were no material weaknesses or significant deficiencies in internal control over financial reporting disclosed by the audit of the financial statements.
- C. The audit did not disclose any instances of noncompliance material to the financial statements.
- D. There were no material weaknesses or significant deficiencies in internal control over major federal programs disclosed by the audit.
- E. An unmodified opinion was issued on compliance for the major programs.
- F. The audit disclosed no compliance findings required to be reported under Subpart F Section 200.516 of the Uniform Guidance.
- G. The major programs were:
 - Title I Grants to Local Educational Agencies – CFDA Number 84.010
 - Special Education Cluster – CFDA Numbers 84.027 and 84.173
- H. The dollar threshold used to distinguish between Type A and Type B programs is \$750,000.
- I. The auditee qualified as a low-risk auditee under Subpart F Section 200.520 of the Uniform Guidance.

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

None noted

3. Findings and Questioned Costs for Federal Awards

None noted

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

Finding 2018-001

Condition: One Conflict of Interest Act disclosure statement was filed late and one was filed without having been completed appropriately.

Criteria: The State and Local Government Conflict of Interest Act contained in Chapter 31 of Title 2.2 of the Code of Virginia stipulates that certain local government employees and officials are required to file disclosure statements

County of Dinwiddie, Virginia
Schedule of Findings and Responses

of their personal interests prior to assuming office or taking employment and thereafter on an annual basis by February 1 of each year.

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

Cause: A member of the Airport and Industrial Authority filed a Financial Disclosure Statement in February, subsequent to the due date. A member of the Planning Commission did not sign the Disclosure of Real Estate Holdings; however, it was filed timely.

Recommendation: The County should continue to take measures to ensure that all officials file the appropriate forms before assuming office and thereafter by February 1 of each year.

Management's response: Management will continue to take active steps to encourage officials to comply with the State and Local Government Conflict of Interests Act, including setting an internal deadline that is at least two weeks before the statutorily required deadline, and contacting officials who fail to submit required forms by the internal deadline.

Finding 2018-002

Condition: Department of Social Services required forms were not maintained with appropriate signatures.

Criteria: Each local department is responsible for having employees read and acknowledge their understanding of the VDSS Acceptable Use Policy.

Effect: The local department of social services was not in compliance with the VDSS Acceptable Use Policy.

Cause: The employee transferred from another jurisdiction in the middle of the year.

Recommendation: The local department should ensure that appropriate records are maintained in cases where a social services employee transfers from another jurisdiction.

Management's response: Management will include the VDSS Acceptable Use Policy as part of the department's new employee orientation.

5. Results of Prior Year Findings - Commonwealth of Virginia Laws, Regulations, Contracts, and Grants

None noted