

COUNTY OF DINWIDDIE, VIRGINIA

Prepared by:

**Accounting Department
County of Dinwiddie, Virginia**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

June 30, 2020

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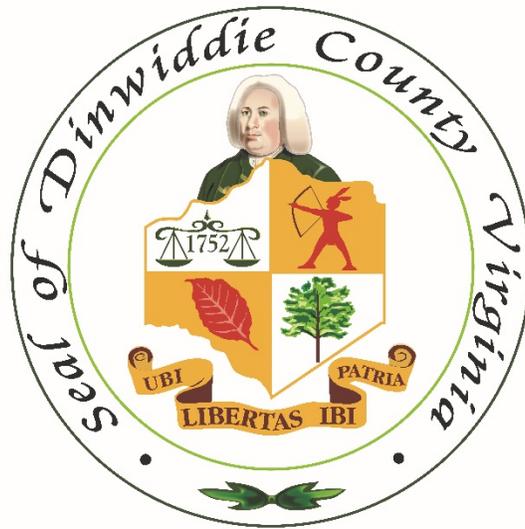
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INTRODUCTORY SECTION (UNAUDITED)

June 30, 2020



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

January 22, 2021

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, 2020. The Code of Virginia (Section 15.2-2511) requires that local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed Certified Public Accountants. This report has been prepared by the County's Accounting Department in accordance with standards of financial reporting as prescribed by the Governmental Accounting Standards Board (GASB), the Financial Accounting Standards Board (FASB), and the Auditor of Public Accounts (APA).

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

To provide the required, independent review and confirmation of management's representations, Brown, Edwards & Company LLP, licensed certified public accountants, has audited the County's financial statements. 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 unmodified opinion that the County's financial statements for the fiscal year ended June 30, 2020 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 to 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 information in support of the basic financial statements that is more detailed and 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.

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. The Nottoway and Appomattox Rivers, the City of Petersburg, and the counties of Chesterfield, Amelia, Nottoway, Brunswick, Greensville, Sussex, and Prince George border it. 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 opportunities for the County. Sports tourism and agritourism 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 28,667 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. Both paid staff and volunteer fire departments, who receive financial and administrative support from the County, provide fire protection services. Emergency medical services are also provided through a combination of paid staff and volunteers.

The Dinwiddie County School Board administers public education in the County. 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 that includes proposed operating, capital, and debt service expenditures and the means of financing such expenditures. Citizen comments on the proposed tax rates and budget are obtained through public hearings. 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

Dinwiddie has maintained population growth, business investment and positive economic activity, despite the COVID19 health crisis affecting the nation in the last four months of FY 2020. 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 2.38% (from 28,001 in 2010 to 28,667 in 2020), with the growth rate slowing since the national recession.

The FY 2020 unemployment rate in the County was 3.5% - 3.8% until unemployment spiked in April, 2020 with a rate of 9.4% due to the COVID19 health crisis. At June 30, 2020, the local unemployment rate had dropped to 8.2%, higher than the prior June's unemployment rate of 3.5%, but less than Virginia's rate of 8.5% and the national rate of 11.2%.

Predominant industries/employers in the County are distribution, government, advanced manufacturing, forestry, and agriculture. With the County located between two military installations, national defense spending in the region is also important to the local economy. One of Dinwiddie's major economic development announcements in FY 2020 was the addition of Kaisa USA, a company in the advanced manufacturing sector that assembles and distributes loose-leaf paper, spiral notebooks and composition books near the Town of McKenney. The County also celebrated ribbon-cutting ceremonies for Browder's Towing and Service Center, Elite Contracting's new headquarters, as well as Dominion Energy's new Dinwiddie-Petersburg local district office and operations center where roughly 100 employees are housed.

The COVID19 health crisis disrupted our small business community with mandated closures and limited occupancy even in later phases. Despite this, County businesses have grown and evolved during this time, all while giving back to their community. The Dinwiddie County Industrial Development Authority created a COVID19 Small Business Grant Program and awarded 38 Dinwiddie Businesses with grants in the amount of \$2,500 and \$5,000. A total of \$132,500 was awarded to local businesses to help reduce unemployment, support retention, and support operational needs essential to sustaining through the pandemic. Our major industries in the County were able to continue operations during the pandemic and many continued to hire additional workforce, especially in the warehouse and distribution sectors. All industries are being effect by delays with getting goods/products but overall our industries have fared well despite the current climate.

Local sales tax revenue, which can also be an indication of the overall condition of the County's economy, increased in FY 2020 with receipts 18.8% higher than FY 2019. Routine sales tax auditing in the Commissioner of the Revenue's office in FY 2020 resulted in the correction of the sales tax allocation between Dinwiddie and other localities. New home construction in FY 2020 yielded 106 homes added to the County's real estate tax book, an increase from last fiscal year which yielded an additional 96 homes. FY 2020 experienced an aggressive real estate market with the sales ratio finishing at approximately 86.5% overall. This is an indication that sales to assessments reflected an aggressive confidence in the market. The County's last general tax reassessment was effective January 1, 2019, and the next general tax reassessment will be effective January 1, 2024. Additionally, 250 new business licenses were issued in FY 2020, which reflects a decrease of 72 licenses from the year before, which can be mainly attributed to the absence of special public events in the County, such as the annual fair and Virginia Motorsports Park events. Overall, Dinwiddie County has demonstrated a steadily increasing real estate market and a relatively stable business base over the course of the last fiscal year considering the COVID19 health crisis.

Long-term Financial Planning

Both County staff and external financial advisors provide guidance in addressing the long-term capital and operating needs of the County. One result of this guidance is the preparation of a Capital Improvements Plan (CIP). Reflecting the County's strategic initiatives, the CIP is adopted annually by the Board of Supervisors, with the first year funding appropriated and the remaining years provided for planning purposes. FY 2019 marked the first year of the adoption of a ten-year CIP, as opposed to the prior years' five-year plans, to better prepare the Board of Supervisors and the public for upcoming projects. The FY 2020-2029 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. The County issued \$10.2 million in debt for a Public Safety Radio System Replacement project and used \$2,267,619 in cash to fund other projects in the FY 2020 CIP. The County also took advantage of low interest rates in FY 2020 to partially refinance 2012 bonds for a savings of \$1.9 million over the remaining life of the debt.

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 a target rate of the unassigned general fund balance of at least 15% of total budgeted expenditures minus 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 to fund ongoing expenditures 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 2020

Responding to the COVID19 health crisis and the threat of financial uncertainty dominated staff's efforts during spring, 2020. However, while some initiatives were postponed, other projects were started and/or completed during FY 2020, without changing the property tax rates.

❖ Public Works:

- Purchased a backhoe and mini excavator for Waste Management.
- Completed an HVAC upgrade project in the Pamplin building.
- Started renovations at the Historic Courthouse with new interior and exterior paint and flooring.
- Redirected staff to focus on building disinfection, social distancing adaptations, and waste management during the COVID19 health crisis.

❖ Public Safety:

- Replaced an ambulance with 50/50 state grant funding and the EMS Captain's vehicle as part of the County's Fire and EMS equipment program.
- Received the Virginia Animal Control Association's 2019 Outstanding Agency Award.
- Continued the multi-year radio system replacement project by signing a contract with Motorola Solutions in March 2020. The project is expected to be completed in March 2023.
- Led the County's emergency management response to the COVID19 health crisis.

❖ Other Capital Purchases:

- Supported infrastructure improvements at the Dinwiddie County Water Authority, Appomattox River Water Authority, South Central Waste Water Authority, and the Dinwiddie County Airport Executive Hangar Project.

❖ Information Technology:

- Continued with the multi-year broadband project support by a grant from the Virginia Tobacco Region Revitalization Commission. A contract with a service provider was signed in September 2019 with internet service anticipated to begin in late 2020 for underserved parts of the County.
- Completed a network overhaul of technology in the Historic Courthouse and Namozine Volunteer Fire Department, and upgraded servers and switches in anticipation of the purchase of a new ERP system, which was put on hold due to COVID19.
- Supported unprecedented teleworking, remote video conferencing, and other phone and technology efforts during the COVID19 health crisis.

❖ Parks, Recreation & Tourism:

- Promoted tourism in the County with the ninth Annual County Fair at Virginia Motorsports Park, which was voted Best 2019 Community Event by the Progress Index newspaper Best of the Best competition.
- Received the 2019 NACo Achievement Award for the Robert & Betty Ragsdale Community Center.
- Redirected staff during the COVID19 health crisis to deliver food through Social Services and support Virtual Learning Centers and COVID19 testing events in County recreation facilities.

- ❖ Community Development:
 - Received the 2019 VACo Achievement Award for the County Government Day program for Dinwiddie high school students.
 - Replaced a 4x4 vehicle in Building Inspections.
 - Received the Friends of the Lower Appomattox River 2019 Community Partner Award.
- ❖ Constitutional Officers:
 - The Commissioner of the Revenue received the Samuel T. Barfield Award of Excellence from the Virginia Commissioners of the Revenue Association.
 - Recognized a Treasurer's Office employee for earning the Master Deputy certification through the State Compensation Board.
 - Replaced nine vehicles and purchased additional computers for the electronic summons program for the Sheriff's Office.
 - Opened the Sheriff's Office new sub-station in the northern end of the County.
- ❖ Human Services:
 - While the County's Live Well Expo was cancelled due to the COVID19 health crisis, the first Lead Well Summit was held through the Dinwiddie Faith Based Initiative, which is a partnership between the County, Schools, and the faith-based community.
- ❖ Human Resources:
 - Recognized as a Champion Employer by Virginia Department of Aging and Rehabilitative Services.
- ❖ Dinwiddie County Public Schools:
 - Provided an additional \$963,380 in local funding for school operations and school capital.
 - Helped secure DCJS grants for School Security Officers at the Middle and High Schools.
- ❖ 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, 2019. This was the fifth 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

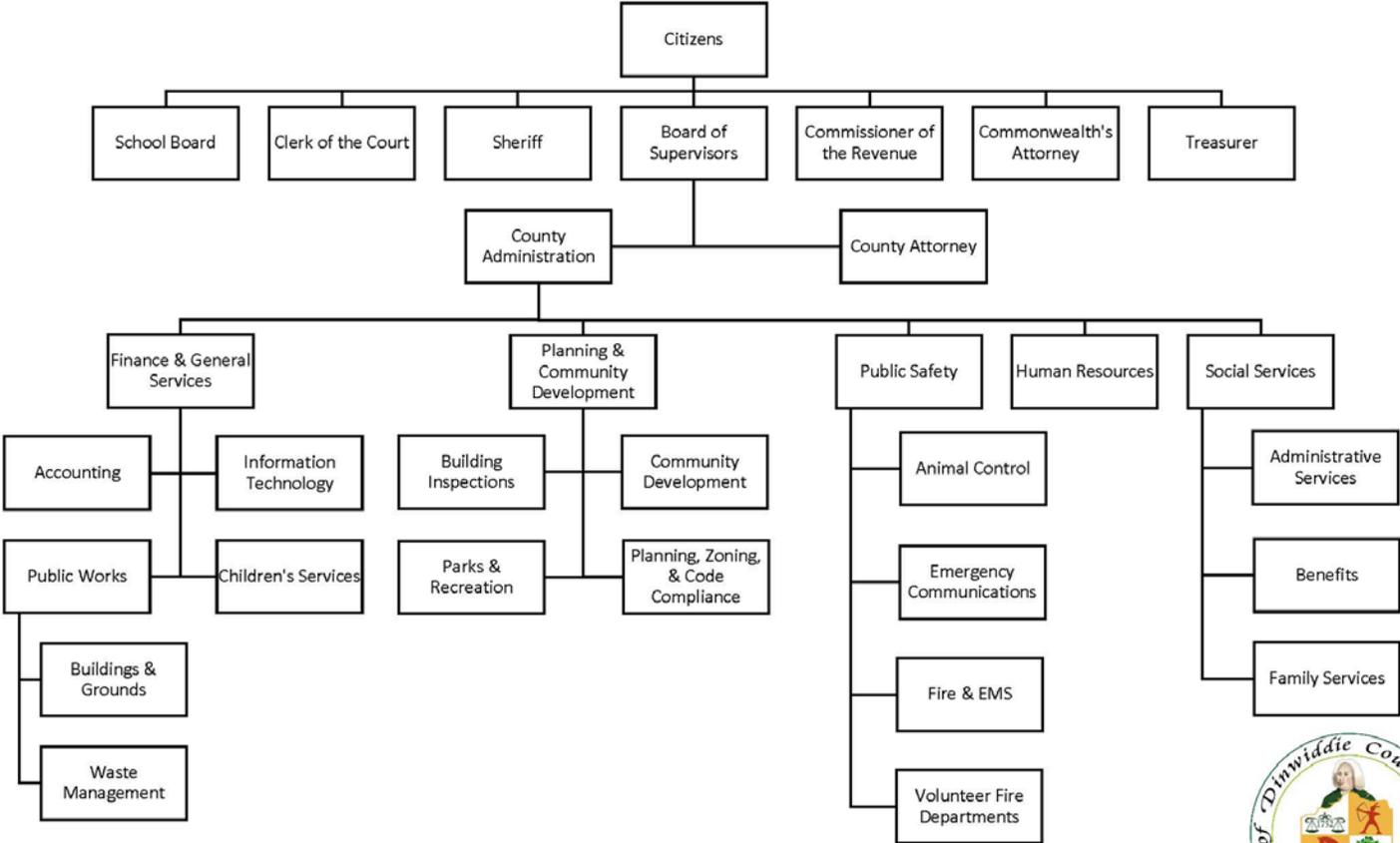
June 30, 2019

Christopher P. Morill

Executive Director/CEO

COUNTY OF DINWIDDIE, VIRGINIA

ORGANIZATIONAL CHART



COUNTY OF DINWIDDIE, VIRGINIA

OFFICIAL DIRECTORY

June 30, 2020

Board of Supervisors

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

William D. Chavis
Dr. Mark E. Moore

Harrison A. Moody

School Board

Barbara T. Pittman, Chairperson
Mary M. Benjamin, Vice-Chairperson

Betty T. Haney
Sherilyn H. Merritt

Jerry W. Schnepf, Jr.

Industrial Development Authority

James Van Landingham, Chairperson
Michelle Olgers, Vice-Chairperson
Robert Spiers, Jr., Secretary - Treasurer

William E. Jones
W. Alan Kissner

Maxwell W. Watkins, Jr.
Sharon B. Yates

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
Ray P. Lupold, III
Phillip T. DiStanislaio

Constitutional Officers

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

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

School Board

Superintendent of Schools

Dr. Kari Weston

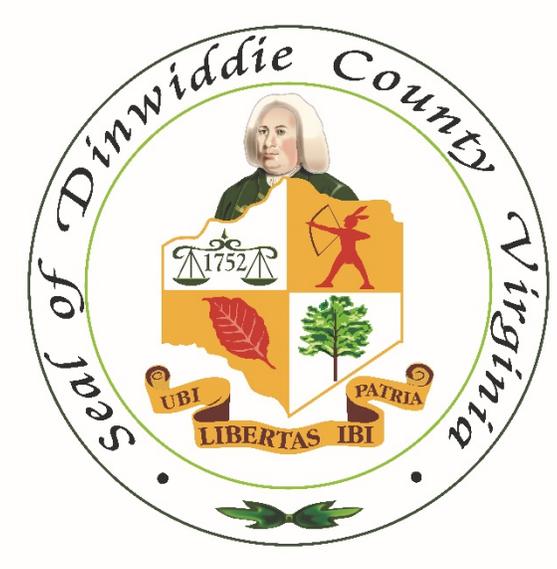
County

County Administrator
County Attorney
Deputy County Administrator - Finance and General Services
Deputy County Administrator - Planning and Community Development
Chief, Fire and EMS Services

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

FINANCIAL SECTION

June 30, 2020





INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Dinwiddie, Virginia, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; 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 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Dinwiddie, Virginia, as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 12 through 19 and budgetary comparison information, pension information and other postemployment benefit (OPEB) liability information, and related notes, on pages 77 through 90 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.

Other 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, combining and individual nonmajor fund financial statements, and 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 schedule of expenditures of federal awards and related notes on pages 134 through 137 is presented for purposes of additional analysis, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is not a required part of the basic financial statements of the County of Dinwiddie, Virginia.

The combining and other nonmajor fund financial statements and the schedule of expenditures of federal awards is are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements 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 January 22, 2021, on our consideration of the County'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 solely 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's internal control over financial reporting and compliance.

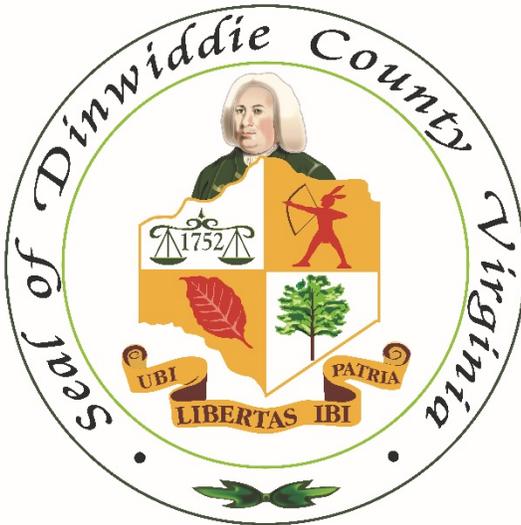
Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Newport News, Virginia
January 22, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2020



COUNTY OF DINWIDDIE, VIRGINIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of County of Dinwiddie, Virginia, we offer readers of the County's FY 2020 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 2020 by \$46,482,118 (net position).
- On a government-wide basis for governmental activities, the County had expenses net of program revenue of \$41,067,765. This amount is \$4,806,971 less than the general revenues of \$45,874,736 (change in net position).
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$32,340,552, an increase of \$10,472,322 in comparison with the prior year.
- Of the governmental funds' ending balances, unassigned fund balance for the general fund was \$17,820,066 or 33% of total general fund expenditures and other financing uses. This represents a 4% increase in unassigned fund balance from FY19.

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 intends 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 four major governmental funds - the General Fund, the Capital Projects Fund, the Debt Service Fund, and the Special Revenue Fund. (See Exhibits C-F).

Fiduciary Funds

The County is the trustee, or fiduciary, for the County's private purpose trust and agency 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 Department of Social Services 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).

(Continued)

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	
	2020	2019
Current and other assets	\$ 56,608,658	\$ 43,766,979
Capital assets	<u>84,304,770</u>	<u>84,124,605</u>
	<u>140,913,428</u>	<u>127,891,584</u>
Deferred pension outflows	1,929,405	1,119,871
Deferred amount on bond refunding	370,991	1,376,917
Deferred OPEB outflows	<u>448,967</u>	<u>426,903</u>
	<u>2,749,363</u>	<u>2,923,691</u>
Current liabilities	2,233,552	2,238,949
Noncurrent liabilities	<u>74,681,355</u>	<u>69,120,338</u>
	<u>76,914,907</u>	<u>71,359,287</u>
Deferred pension inflows	761,683	675,923
Deferred revenues	19,051,156	16,605,564
Gain on bond refunding	27,420	-
Deferred OPEB inflows	<u>425,507</u>	<u>499,354</u>
	<u>20,265,766</u>	<u>17,780,841</u>
Net position:		
Net investment in capital assets	25,011,742	22,598,738
Unrestricted	<u>21,470,376</u>	<u>19,076,409</u>
	<u>\$ 46,482,118</u>	<u>\$ 41,675,147</u>

FY 2020 current assets increased over FY 2019 primarily due to the largely unspent proceeds of a \$10.2 million capital projects related financing in November 2019 and \$2.5 million of Coronavirus Relief Funds received in June 2020. FY 2020 current liabilities decreased over FY 2019 due to limiting fourth quarter purchases due to COVID19 fiscal uncertainty resulting in lower accounts receivable at year-end.

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 11.53% from FY 2019 to FY 2020. Approximately 54% 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.

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

MANAGEMENT’S DISCUSSION AND ANALYSIS

Government-Wide Financial Statement Analysis (Continued)

The remaining net position balance of \$21,470,376 is unrestricted and may be used to meet the government’s ongoing obligations to its citizens and creditors. This represents an increase of \$2,393,967 from the unrestricted net position at the end of FY 2019, which was due to revenues exceeding expenses by \$4,806,971 as shown on the next page and an increase in net investment in capital assets of \$2,413,004 primarily due to the partial advance refunding of 2012 lease revenue bonds in FY 2020.

County of Dinwiddie, Virginia’s Condensed Statement of Activities

	<u>Governmental Activities</u>	
	<u>2020</u>	<u>2019</u>
Program revenues:		
Charges for services	\$ 2,941,168	\$ 2,904,479
Operating grants and contributions	6,749,400	6,362,849
General revenues:		
General property taxes	34,402,396	33,235,022
Other local taxes	6,037,179	5,780,903
Grants and other contributions not restricted	4,676,982	4,752,307
Other general revenues	<u>758,179</u>	<u>854,088</u>
Total revenues	<u>55,565,304</u>	<u>53,889,648</u>
General government administration	3,946,328	4,227,076
Judicial administration	1,232,211	1,268,772
Public safety	14,429,075	13,794,714
Public works	4,584,523	4,245,421
Health and human services	5,291,038	5,158,403
Education	15,982,879	17,033,023
Parks, recreation and cultural	1,371,335	1,361,028
Community development	1,701,143	1,810,129
Interest and other fiscal charges	<u>2,219,801</u>	<u>2,043,880</u>
Total expenses	<u>50,758,334</u>	<u>50,942,446</u>
Change in net position	4,806,971	2,947,202
Net position, beginning of year	<u>41,675,147</u>	<u>38,727,945</u>
Net position, end of year	<u>\$ 46,482,118</u>	<u>\$ 41,675,147</u>

Total governmental activities revenues show an increase of \$1,675,656 (3.11%) in FY 2020 from FY 2019. This can be mainly attributed to an increase in the property tax base from the addition of several new businesses in the County during FY 2020 and an increase in sales tax revenue over FY 2019.

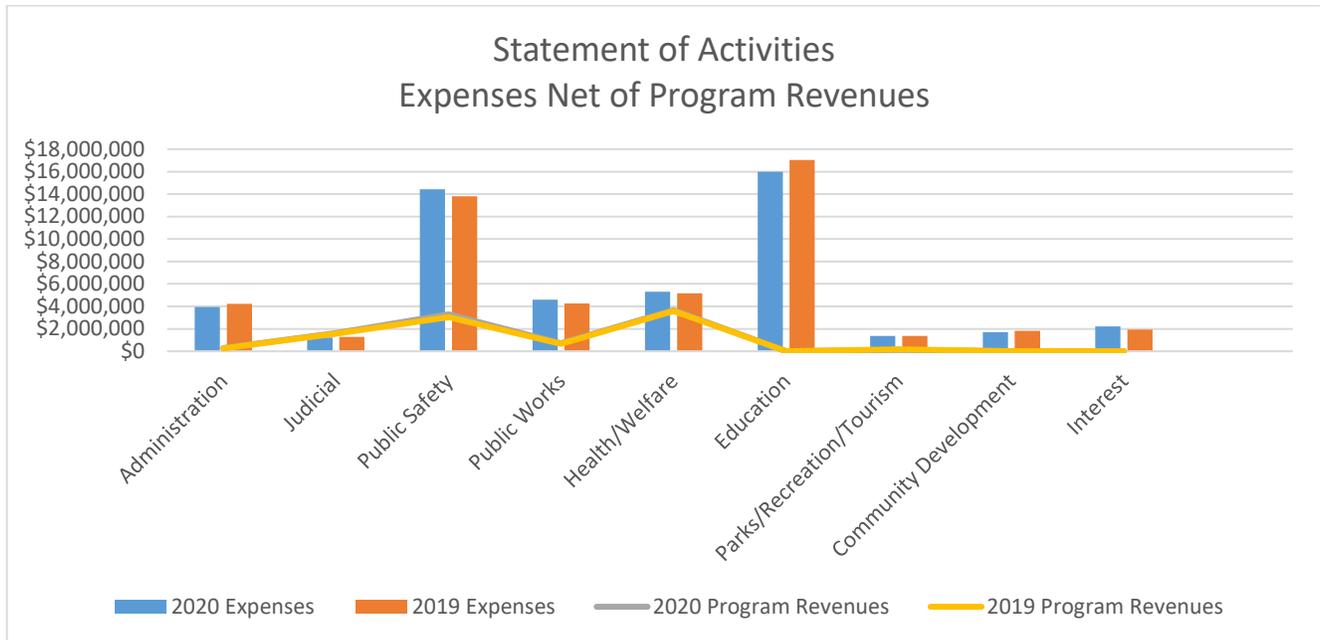
Total governmental activities expenses show a decrease of \$184,112 (0.36%) in FY 2020 from FY 2019. This decrease can be attributed to the net effect of the following expenses: general government administration decrease due to new Government Complex non-capital expenses in FY 2019; public safety increase due to higher personnel and jail bed costs in FY 2020; public works increase due to higher waste disposal and custodial costs in FY 2020; education decrease due to change in transfer amount of jointly owned assets as a result of 2012 bond refunding; and interest and other fiscal charges increased due to bond issuance charges in FY 20.

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

MANAGEMENT’S DISCUSSION AND ANALYSIS

Government-Wide Financial Statement Analysis (Continued)



From the government-wide Statement of Activities, the County had total expenses net of program revenue of \$41,067,766, which were \$4,806,971 less than the general revenues of \$45,874,736 (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 \$32,340,552, which can be further divided into the following components based on liquidity: \$8,928,533 restricted by bond covenants or various contributors and grantors and enabling federal or state legislation; \$5,591,953 committed by the Board of Supervisors for economic development; capital purchases and projects and Children’s Services Act expenditures; and \$17,820,066 unassigned fund balance.

As shown on the Statement of Revenues, Expenditures and Changes in Fund Balances, the General Fund increased by \$700,023, which was primarily due to greater than expected property tax revenue from new businesses. The Debt Service Fund increased by \$842,501, which was the result of continuing the FY 2019 General Fund transfer amount to the Debt Service Fund in an effort to build the fund balance for future capital projects and the 2012 bond refunding which reduced interest costs in FY 2020. The Capital Projects Fund increased by \$8,866,814, which was the result of a largely unspent \$10.2 million borrowing for the Public Safety Radio Replacement Project. The Special Revenue Fund increased by \$62,984, primarily due to Children’s Services expenditures being less than budgeted.

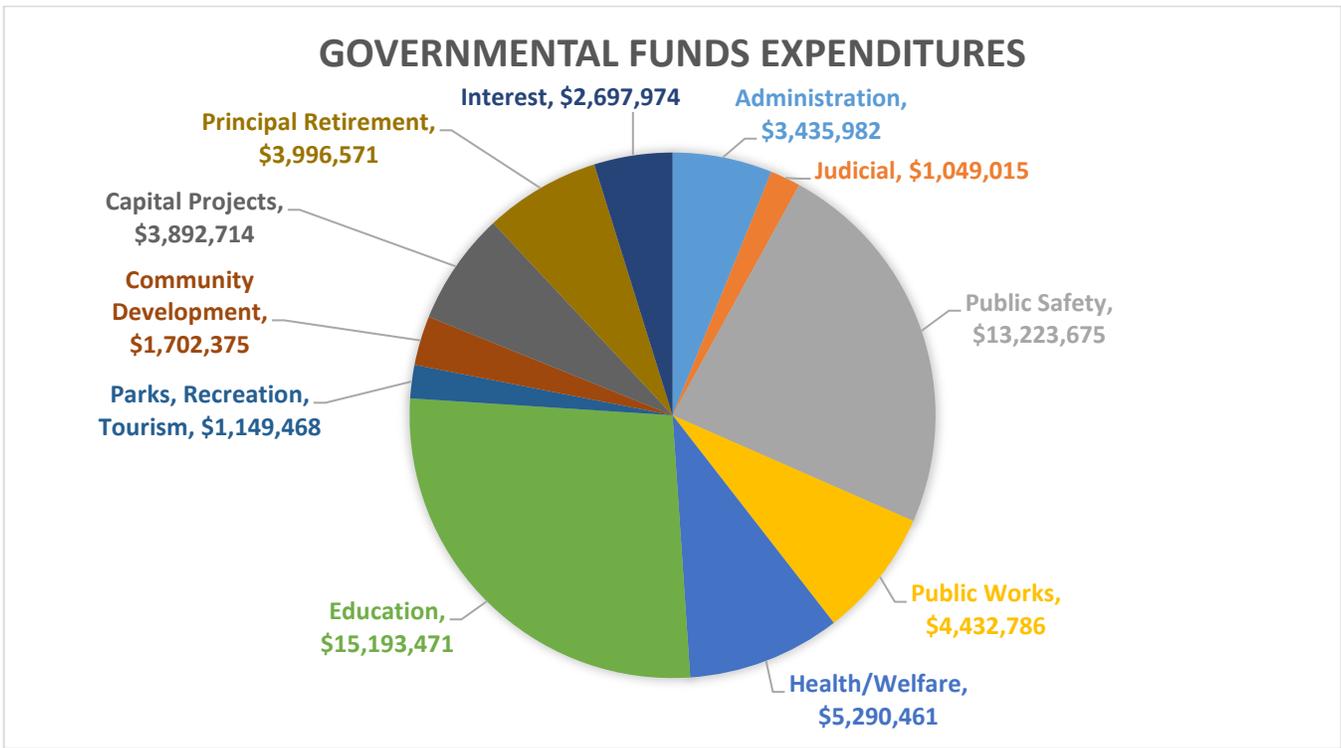
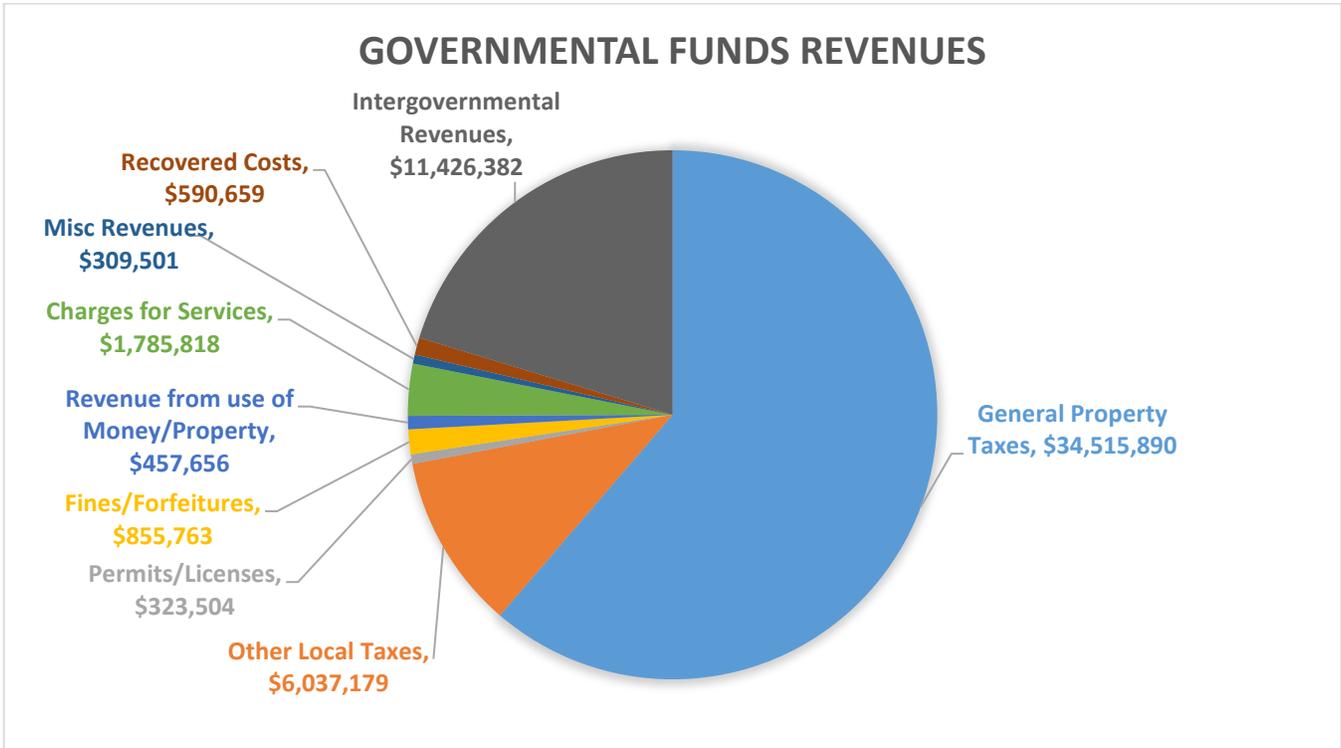
The following graphs illustrate the various revenue streams and expenditure categories in the governmental funds. Education and public safety are the largest expenditure categories, which aligns with the Board of Supervisors’ funding priorities.

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

MANAGEMENT’S DISCUSSION AND ANALYSIS

Financial Analysis of Governmental Funds (Continued)



(Continued)

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 \$159,345. Re-appropriation of remaining FY 2019 funds for economic development (\$49,019); youth workforce development (\$102,114); and the Sheriff’s Office E-Summons program (\$8,212) total to this overall budget increase.

During the year, revenues and other sources exceeded the budgetary estimates by \$1,937,129. This was primarily due to the property taxes from new businesses and sales tax. Expenditures were less than budgetary estimates by \$1,882,244. Savings of \$598,822 came from economic development funds available for potential projects but not needed in FY 2020 and \$151,544 from youth workforce development programs and \$129,224 from parks and recreation programs not implemented due to COVID19. Vacancy savings in various departments and a deliberate attempt of only spending what was necessary during the fourth quarter of FY 2020 due to future financial uncertainty from COVID19 made up the remainder.

The final budget included an anticipated draw on beginning fund balance of \$3,119,350 for the following items: \$2,267,619 for capital projects; \$567,386 for community development; \$125,000 for meals tax transfer to debt service; and \$159,345 as explained above. However, the actual change in the general fund balance for FY 2020 was an increase of \$700,023 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, 2020, amounted to \$84,304,770 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery and equipment. Construction in Progress increased primarily due to the Public Safety Radio Replacement Project. Machinery and Equipment increased with the purchase of public works equipment and law enforcement vehicles. Jointly owned assets increased with the refunding of the 2012 bonds.

**Governmental Activities
Change in Capital Assets**

	<u>June 30, 2019</u>	<u>Net Increase (Decrease)</u>	<u>June 30, 2020</u>
Land	\$ 2,923,834	\$ -	\$ 2,923,834
Construction in progress	104,687	2,066,108	2,170,795
Buildings	53,019,195	-	53,019,195
Machinery and equipment	21,103,546	163,853	21,267,399
Jointly owned assets	48,369,284	2,004,452	50,373,736
Total accumulated depreciation	<u>(41,395,941)</u>	<u>(4,054,248)</u>	<u>(45,450,189)</u>
Total Primary Government capital assets, net	<u>\$ 84,124,605</u>	<u>\$ 180,165</u>	<u>\$ 84,304,770</u>

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

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

MANAGEMENT’S DISCUSSION AND ANALYSIS

Long Term Obligations

The County’s combined total long-term obligations increased \$6,903,429 during the current fiscal year, primarily due to the net effect of scheduled principal payments and issuance of new debt. At the end of the current fiscal year, the County had total bonded debt outstanding of \$64,365,276, which has required debt service payments through 2034. Of this amount, \$5,630,277 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 leasehold interests in real property - lease revenue bonds. The County’s credit rating from Standard & Poor’s remains AA for general obligation bonds and AA- for lease revenue bonds.

	<u>County Obligations</u>		<u>School Board Obligations</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
General obligation bonds	\$ -	\$ -	\$ 5,630,277	\$ 1,127,471
Lease revenue bonds	<u>31,527,481</u>	<u>7,651,513</u>	<u>27,207,519</u>	<u>5,681,524</u>
Total primary government bonded debt	<u>\$ 31,527,481</u>	<u>\$ 7,651,513</u>	<u>\$ 32,837,796</u>	<u>\$ 6,808,995</u>

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

Economic Factors and Next Year’s Budgets and Rates

The FY 2020 unemployment rate in the County was 3.5% - 3.8% until unemployment spiked in April, 2020, with a rate of 9.4% due to the COVID19 health crisis. At June 30, 2020, the local unemployment rate had dropped to 8.2%, higher than the prior June’s unemployment rate of 3.5%, but less than Virginia’s rate of 8.5% and the national rate of 11.2%. 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 2021. The County’s population has increased 14.1% from 2000 to 2010, with another 2.37% increase from 2010 to 2020.

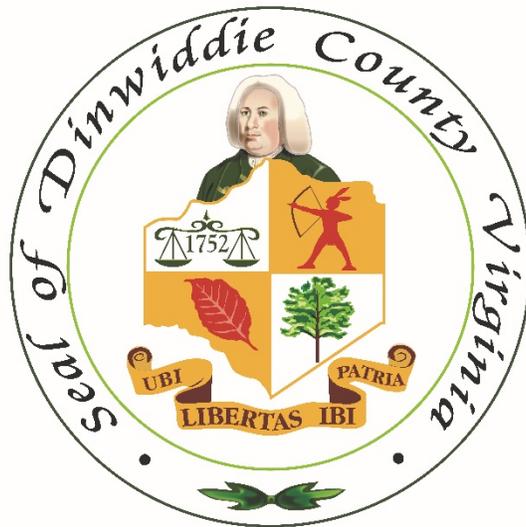
County Administration typically takes a very conservative approach to revenue and expenditures projections, and the FY 2021 consolidated budget reflects that approach, showing an overall decrease of \$91,297 from the FY 2020 budget. This is primarily due to an effort to control expenditures given the financial uncertainty created by the COVID19 health crisis. General Fund revenues are budgeted for .15% decrease over FY 2020 in an effort to avoid overestimating revenues that could be affected by the COVID19 health crisis. General Fund expenditures are budgeted for a 4.41% decrease over FY 2020, primarily due to the elimination of a transfer to the Capital Projects Fund. Per County financial policy, the unassigned general fund balance is not used to balance the FY 2021 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 2021 at \$13,507,441, and the general fund balance at June 30, 2021, is budgeted to be \$15,070,433.

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, 14010 Boydton Plank Road, Dinwiddie, Virginia 23841.

BASIC FINANCIAL STATEMENTS

June 30, 2020



STATEMENT OF NET POSITION

June 30, 2020

	Primary Government Governmental Activities	Discretely Presented Component Units	Total Reporting Entity
ASSETS			
Cash, cash equivalents, and investments (Note 3)	\$ 24,030,948	\$ 7,667,902	\$ 31,698,850
Receivables, net of allowances for uncollectibles:			
Taxes receivable, including penalties	20,050,022	-	20,050,022
Accounts receivable	445,282	609,310	1,054,592
Due from other governmental units (Note 4)	3,267,859	1,542,884	4,810,743
Due from component units	135,254	-	135,254
Due from primary government	-	277,995	277,995
Temporarily restricted assets: (Note 3)			
Cash and cash equivalents	8,174,247	307,593	8,481,840
Investments	505,046	-	505,046
Other noncurrent assets	-	5,066,250	5,066,250
Capital assets, net: (Note 5)			
Nondepreciable capital assets	5,094,629	7,040,427	12,135,056
Capital assets, depreciable, net	79,210,141	64,103,338	143,313,479
	<u>\$ 140,913,428</u>	<u>\$ 86,615,699</u>	<u>\$ 227,529,127</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension deferrals (Note 16)	\$ 1,929,405	\$ 8,422,694	\$ 10,352,099
Deferred amount on bond refunding	370,991	13,370	384,361
OPEB deferrals (Note 18)	448,967	1,113,821	1,562,788
	<u>\$ 2,749,363</u>	<u>\$ 9,549,885</u>	<u>\$ 12,299,248</u>

The Notes to Financial Statements are an integral part of this statement.

COUNTY OF DINWIDDIE, VIRGINIA

**Exhibit A
(Continued)**

**STATEMENT OF NET POSITION
June 30, 2020**

	Primary Government Governmental Activities	Discretely Presented Component Units	Total Reporting Entity
	<u> </u>	<u> </u>	<u> </u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 1,177,387	\$ 5,111,535	\$ 6,288,922
Due to component units	277,995	-	277,995
Due to primary government	-	135,254	135,254
Accrued interest payable	682,309	12,916	695,225
Other liabilities	95,861	210,633	306,494
Long-term liabilities: (Note 6)			
Due within one year	6,034,982	1,210,971	7,245,953
Due in more than one year	68,646,373	53,258,126	121,904,499
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>\$ 76,914,907</u>	<u>\$ 59,939,435</u>	<u>\$ 136,854,342</u>
 DEFERRED INFLOWS OF RESOURCES			
Pension deferrals (Note 16)	\$ 761,683	\$ 4,529,344	\$ 5,291,027
Deferred revenue (Note 10)	19,051,156	-	19,051,156
Deferred amount on bond refunding	27,420	-	27,420
OPEB deferrals (Note 18)	425,507	546,789	972,296
	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources	<u>\$ 20,265,766</u>	<u>\$ 5,076,133</u>	<u>\$ 25,341,899</u>
 NET POSITION			
Net investment in capital assets	\$ 25,011,742	\$ 63,066,099	\$ 88,077,841
Restricted for bond covenants	-	241,076	241,076
Unrestricted	21,470,376	(32,157,159)	(10,686,783)
	<u> </u>	<u> </u>	<u> </u>
Total net position	<u>\$ 46,482,118</u>	<u>\$ 31,150,016</u>	<u>\$ 77,632,134</u>

The Notes to Financial Statements are an integral part of this statement.

COUNTY OF DINWIDDIE, VIRGINIA

Exhibit B

STATEMENT OF ACTIVITIES
Year Ended June 30, 2020

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 Government Governmental Activities	Discretely Presented Component Units	Total Reporting Entity
Primary Government -							
Governmental activities:							
General government administration	\$ 3,946,328	\$ -	\$ 275,871	\$ -	\$ (3,670,457)	\$ -	\$ (3,670,457)
Judicial administration	1,232,211	977,447	651,569	-	396,805	-	396,805
Public safety	14,429,075	1,144,617	2,156,177	-	(11,128,281)	-	(11,128,281)
Public works	4,584,523	703,080	6,930	-	(3,874,513)	-	(3,874,513)
Health and human services	5,291,038	-	3,658,853	-	(1,632,185)	-	(1,632,185)
Education	15,982,879	-	-	-	(15,982,879)	-	(15,982,879)
Parks, recreation and cultural	1,371,335	115,970	-	-	(1,255,365)	-	(1,255,365)
Community development	1,701,143	54	-	-	(1,701,089)	-	(1,701,089)
Interest on long-term debt	2,219,801	-	-	-	(2,219,801)	-	(2,219,801)
Total primary government	<u>\$ 50,758,333</u>	<u>\$ 2,941,168</u>	<u>\$ 6,749,400</u>	<u>\$ -</u>	<u>(41,067,765)</u>	<u>-</u>	<u>(41,067,765)</u>
Discretely Presented Component Units	<u>\$ 56,961,164</u>	<u>\$ 4,777,299</u>	<u>\$ 34,516,416</u>	<u>\$ 698,925</u>	<u>-</u>	<u>(16,968,524)</u>	<u>(16,968,524)</u>
General revenues:							
General property taxes					34,402,396	-	34,402,396
Local sales and use tax					2,243,771	-	2,243,771
Consumer utility tax					563,833	-	563,833
Other local taxes					3,229,575	-	3,229,575
Revenues from use of money and property					457,656	396,846	854,502
Miscellaneous					300,523	550,492	851,015
Gain on the sale of land					-	50,724	50,724
Grants and contributions not restricted to specific programs					4,676,982	-	4,676,982
Payments from Dinwiddie County					-	14,311,935	14,311,935
Total general revenues					<u>45,874,736</u>	<u>15,309,997</u>	<u>61,184,733</u>
Change in net position					<u>4,806,971</u>	<u>(1,658,527)</u>	<u>3,148,444</u>
Net position, beginning of year					<u>41,675,147</u>	<u>32,808,543</u>	<u>74,483,690</u>
Net position, end of year					<u>\$ 46,482,118</u>	<u>\$ 31,150,016</u>	<u>\$ 77,632,134</u>

The Notes to Financial Statements are an integral part of this statement.

**BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2020

	Major Funds				Total
	General	Debt Service	Capital Projects	Special Revenue Fund	
ASSETS					
Cash, cash equivalents, and investments (Note 3)	\$16,789,962	\$ 2,449,228	\$ 2,192,964	\$ 2,598,794	\$24,030,948
Restricted cash and cash equivalents	-	-	8,174,247	-	8,174,247
Restricted investments	-	-	505,046	-	505,046
Receivables, net of allowances for uncollectibles:					
Taxes receivable, including penalties	20,050,022	-	-	-	20,050,022
Accounts receivable	408,185	-	12,446	7,752	428,383
Due from other governmental units (Note 4)	2,860,575	-	-	407,284	3,267,859
Due from component units	135,254	-	-	-	135,254
Total assets	\$40,243,998	\$ 2,449,228	\$ 10,884,703	\$ 3,013,830	\$56,591,759
LIABILITIES					
Accounts payable	\$ 697,939	\$ -	\$ 66,861	\$ 264,198	\$ 1,028,998
Accrued liabilities	138,464	-	-	9,925	148,389
Other current liabilities	95,861	-	-	-	95,861
Due to component units	24,698	-	120,797	132,500	277,995
Total liabilities	956,962	-	187,658	406,623	1,551,243
DEFERRED INFLOWS OF RESOURCES					
Unavailable and deferred revenue - property taxes (Note 10)	20,539,195	-	-	-	20,539,195
Deferred grant revenue (Note 10)	-	-	-	2,160,769	2,160,769
	20,539,195	-	-	2,160,769	22,699,964
FUND BALANCES (Note 11)					
Restricted	8,244	-	8,679,293	240,996	8,928,533
Committed	919,531	2,449,228	2,017,752	205,442	5,591,953
Unassigned	17,820,066	-	-	-	17,820,066
Total fund balances	18,747,841	2,449,228	10,697,045	446,438	32,340,552
	\$40,243,998	\$ 2,449,228	\$ 10,884,703	\$ 3,013,830	\$56,591,759

The Notes to Financial Statements are an integral part of this statement.

**RECONCILIATION OF BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUND
June 30, 2020**

TOTAL FUND BALANCES PER EXHIBIT C - BALANCE SHEET - GOVERNMENTAL FUNDS	\$ 32,340,552
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	129,754,959
Accumulated depreciation	(45,450,189)
	<u>84,304,770</u>
Financial statement elements related to pensions are applicable to future periods and, therefore, are not reported in the funds:	
Net pension liability	(2,304,433)
Deferred outflows of resources related to pensions	1,929,405
Deferred inflows of resources related to pensions	(761,683)
	<u>(1,136,711)</u>
Financial statement elements related to other postemployment benefits (OPEB) are applicable to future periods and, therefore, are not reported in the funds:	
Retiree Healthcare OPEB Liability	(1,881,801)
Net GLI OPEB Liability	(844,877)
Deferred outflows of resources related to retiree healthcare OPEB	247,352
Deferred outflows of resources related to net GLI OPEB	201,615
Deferred inflows of resources related to retiree healthcare OPEB	(365,446)
Deferred inflows of resources related to net GLI OPEB	(60,061)
	<u>(2,703,218)</u>
Certain other assets and deferred outflows of resources are also not available to pay for current period expenditures and, therefore, are not reported in the funds	
Accounts receivable	16,899
Deferred amounts on bond refunding	370,991
	<u>387,890</u>
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
Lease revenue bonds	(58,735,000)
General obligation bonds	(5,630,276)
Bond issuance premium	(3,978,036)
Landfill postclosure care	(624,838)
Interest payable	(682,309)
Nonexchange financial guarantees	(90,722)
Compensated absences	(591,372)
	<u>(70,332,553)</u>
Certain other liabilities and deferred inflows of resources are also not due and payable in the current period and, therefore, are not reported in the funds:	
Deferred revenue	3,648,808
Gain on bond refunding	(27,420)
	<u>3,621,388</u>
Net position of governmental activities	<u>\$ 46,482,118</u>

The Notes to Financial Statements are an integral part of this statement.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 Year Ended June 30, 2020

	Major Funds				Total
	General	Debt Service	Capital Projects	Special Revenue Fund	
REVENUES					
General property taxes	\$ 34,515,890	\$ -	\$ -	\$ -	\$ 34,515,890
Other local taxes	6,037,179	-	-	-	6,037,179
Permits, privilege fees, and regulatory licenses	323,504	-	-	-	323,504
Fines and forfeitures	855,763	-	-	-	855,763
Revenue from use of money and property	370,247	-	87,325	84	457,656
Charges for services	1,781,996	-	-	3,822	1,785,818
Miscellaneous	233,622	-	20,218	55,661	309,501
Recovered costs	190,188	-	400,471	-	590,659
Intergovernmental revenues:					
Commonwealth	8,050,532	-	-	1,470,518	9,521,050
Federal	1,535,585	-	-	369,747	1,905,332
Total revenues	53,894,506	-	508,014	1,899,832	56,302,352
EXPENDITURES					
Current:					
General government administration	3,435,982	-	-	-	3,435,982
Judicial administration	1,047,603	-	-	1,412	1,049,015
Public safety	12,857,108	-	-	366,567	13,223,675
Public works	4,347,807	-	-	84,979	4,432,786
Health and human services	3,153,629	-	-	2,136,832	5,290,461
Education	15,193,471	-	-	-	15,193,471
Parks, recreation, and cultural	1,149,468	-	-	-	1,149,468
Community development	1,241,138	160,140	168,597	132,500	1,702,375
Capital outlays and projects	-	-	3,892,714	-	3,892,714
Debt service:					
Principal retirement	-	3,996,571	-	-	3,996,571
Interest and other fiscal charges	-	2,466,004	-	-	2,466,004
Bond issuance costs	-	-	231,970	-	231,970
Total expenditures	42,426,206	6,622,715	4,293,281	2,722,290	56,064,492
Excess (deficiency) of revenues over (under) expenditures	11,468,300	(6,622,715)	(3,785,267)	(822,458)	237,860
OTHER FINANCING SOURCES (USES)					
Transfers in (Note 12)	-	7,465,216	2,417,619	885,442	10,768,277
Transfers out (Note 12)	(10,768,277)	-	-	-	(10,768,277)
Issuance of bonds	-	-	8,675,000	-	8,675,000
Premium on bond issuance	-	-	1,564,270	-	1,564,270
Refunding bonds issued	-	-	23,490,000	-	23,490,000
Payment to refunded bond escrow agent	-	-	(23,494,808)	-	(23,494,808)
Total other financing sources (uses)	(10,768,277)	7,465,216	12,652,081	885,442	10,234,462
Net change in fund balances	700,023	842,501	8,866,814	62,984	10,472,322
Fund balances, beginning of year	18,047,818	1,606,727	1,830,231	383,454	21,868,230
Fund balances, end of year	\$ 18,747,841	\$ 2,449,228	\$ 10,697,045	\$ 446,438	\$ 32,340,552

The Notes to Financial Statements are an integral part of this statement.

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDIURES AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
Year Ended June 30, 2020**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 10,472,322

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	2,445,452
Depreciation expense	(3,562,977)
Loss on disposal of assets	(8,978)
	<u>(1,126,503)</u>

Transfer of joint tenancy assets between the Primary Government and the Component Unit - School Board 1,306,668

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

Amortization on bond premium and deferred amount on bond refunding	646,383
Revenues not received within sixty days of year end	(137,411)
	<u>508,972</u>

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

Issuance of bonds	(8,675,000)
Premium on bonds issued	(1,564,270)
Refunding bonds issued	(23,490,000)
Payment to refunded bond escrow agent - principal repayments	24,181,039
Deferred charge on refunding	(921,015)
Principal retired on revenue bonds	3,140,000
Principal retired on general obligation bonds	856,572
Payments made on nonexchange financial guarantees	90,177
Decrease in landfill postclosure liability	57,821
	<u>(6,324,676)</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	(50,585)
Change in GLI OPEB liability and related deferred amounts	26,352
Change in Retiree Health Insurance OPEB liability and related deferred amounts	(157,319)
Change in net pension liability and related deferred amounts	85,167
Change in interest payable	66,573
	<u>(29,812)</u>

Change in net position of governmental activities \$ 4,806,971

The Notes to Financial Statements are an integral part of this statement.

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 June 30, 2020

	<u>Private-Purpose Trust Funds</u>	<u>Agency Fund</u>
ASSETS		
Cash and cash equivalents (Note 3)	\$ 889,152	\$ 28,215
Investments (Note 3)	<u>5,952,150</u>	<u>-</u>
	<u>\$ 6,841,302</u>	<u>\$ 28,215</u>
LIABILITIES		
Amounts held for social services clients	<u>\$ -</u>	<u>\$ 28,215</u>
NET POSITION		
Amounts held in trust for scholarships and the disadvantaged	<u>\$ 6,841,302</u>	<u>\$ -</u>

The Notes to Financial Statements are an integral part of this statement.

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 Year Ended June 30, 2020

	<u>Private-Purpose Trust Funds</u>
ADDITIONS	
Investment earnings	\$ 529,141
Private donations	84,078
Net unrealized gain	4,578
	<hr/>
Total additions	617,797
	<hr/>
DEDUCTIONS	
Investment fees	117,194
Investment losses	392,129
Scholarships	224,046
	<hr/>
Total deductions	733,369
	<hr/>
Change in net position	(115,572)
Net position, beginning of year	6,956,874
	<hr/>
Net position, end of year	<u>\$ 6,841,302</u>

STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
June 30, 2020

	<u>School Board</u>	<u>Industrial Development Authority</u>	<u>Water Authority</u>	<u>Airport and Industrial Authority</u>	<u>Total</u>
ASSETS					
Cash, cash equivalents, and investments	\$ 5,369,847	\$ 399,037	\$ 1,395,253	\$ 503,765	\$ 7,667,902
Accounts receivable, net allowances for uncollectibles	4,263	-	599,253	5,794	609,310
Due from other governmental units (Note 4)	1,538,999	-	-	3,885	1,542,884
Due from primary government	-	132,500	145,495	-	277,995
Temporarily restricted assets:					
Cash and cash equivalents	-	-	307,593	-	307,593
Other assets	-	-	5,021,172	45,078	5,066,250
Nondepreciable capital assets (Note 5)	1,349,053	661,673	405,092	4,624,609	7,040,427
Depreciable capital assets, net (Note 5)	40,298,506	-	20,650,505	3,154,327	64,103,338
	<u>\$ 48,560,668</u>	<u>\$ 1,193,210</u>	<u>\$ 28,524,363</u>	<u>\$ 8,337,458</u>	<u>\$ 86,615,699</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension deferrals (Note 16)	\$ 8,364,981	\$ -	\$ 57,713	\$ -	\$ 8,422,694
Deferred amount on bond refunding	-	-	13,370	-	13,370
OPEB deferrals (Note 18)	1,105,417	-	8,404	-	1,113,821
	<u>\$ 9,470,398</u>	<u>\$ -</u>	<u>\$ 79,487</u>	<u>\$ -</u>	<u>\$ 9,549,885</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 5,012,452	\$ 376	\$ 81,770	\$ 16,937	\$ 5,111,535
Accrued interest payable	-	-	12,916	-	12,916
Due to primary government	-	-	135,254	-	135,254
Other liabilities	-	-	209,373	1,260	210,633
Long-term liabilities: (Note 6)					
Due within one year	472,279	-	618,000	120,692	1,210,971
Due in more than one year	48,320,982	-	3,498,913	1,438,231	53,258,126
	<u>\$ 53,805,713</u>	<u>\$ 376</u>	<u>\$ 4,556,226</u>	<u>\$ 1,577,120</u>	<u>\$ 59,939,435</u>
DEFERRED INFLOWS OF RESOURCES					
Pension deferrals (Note 16)	\$ 4,507,405	\$ -	\$ 21,939	\$ -	\$ 4,529,344
OPEB deferrals (Note 18)	542,594	-	4,195	-	546,789
	<u>\$ 5,049,999</u>	<u>\$ -</u>	<u>\$ 26,134</u>	<u>\$ -</u>	<u>\$ 5,076,133</u>
NET POSITION					
Net investment in capital assets	\$ 39,187,446	\$ 661,673	\$ 16,996,967	\$ 6,220,013	\$ 63,066,099
Restricted	-	-	241,076	-	241,076
Unrestricted	(40,012,092)	531,161	6,783,447	540,325	(32,157,159)
	<u>\$ (824,646)</u>	<u>\$ 1,192,834</u>	<u>\$ 24,021,490</u>	<u>\$ 6,760,338</u>	<u>\$ 31,150,016</u>

The Notes to Financial Statements are an integral part of this statement.

COUNTY OF DINWIDDIE, VIRGINIA

Exhibit J

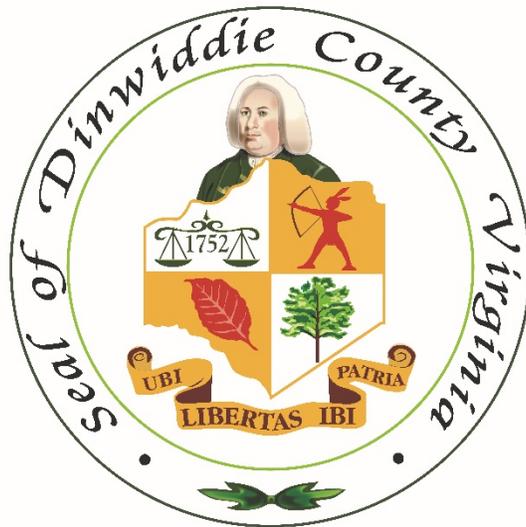
STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position				Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	School Board	Industrial Development Authority	Water Authority	Airport and Industrial Authority	
School Board	\$ 51,117,186	\$ 314,655	\$ 34,516,416	\$ -	\$(16,286,115)	\$ -	\$ -	\$ -	\$(16,286,115)
Industrial Development Authority	861,450	5,149	-	-	-	(856,301)	-	-	(856,301)
Water Authority	4,069,297	4,041,186	-	-	-	-	(28,111)	-	(28,111)
Airport and Industrial Authority	913,231	416,309	-	698,925	-	-	-	202,003	202,003
	<u>\$ 56,961,164</u>	<u>\$ 4,777,299</u>	<u>\$ 34,516,416</u>	<u>\$ 698,925</u>	<u>(16,286,115)</u>	<u>(856,301)</u>	<u>(28,111)</u>	<u>202,003</u>	<u>(16,968,524)</u>
General revenues:									
					140,060	2,813	73,305	180,668	396,846
					418,087	-	124,689	7,716	550,492
					-	50,724	-	-	50,724
					13,875,820	182,500	105,000	148,615	14,311,935
					<u>14,433,967</u>	<u>236,037</u>	<u>302,994</u>	<u>336,999</u>	<u>15,309,997</u>
					(1,852,148)	(620,264)	274,883	539,002	(1,658,527)
					<u>1,027,502</u>	<u>1,813,098</u>	<u>23,746,607</u>	<u>6,221,336</u>	<u>32,808,543</u>
					<u>\$ (824,646)</u>	<u>\$ 1,192,834</u>	<u>\$ 24,021,490</u>	<u>\$ 6,760,338</u>	<u>\$ 31,150,016</u>

The Notes to Financial Statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

June 30, 2020



COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

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

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.

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

1. Summary of Significant Accounting Policies (Continued)

Financial Statement Presentation (Continued)

Statement of Activities (Continued)

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.

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 that 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, 2020.

Discretely presented component units

The five 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 and the primary funding is from the General Fund of the County. The County has the ability to approve its budget and any amendments. 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, 2020. 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, 2020. 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.

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

1. Summary of Significant Accounting Policies (Continued)

B. Individual Component Unit Disclosures (Continued)

Discretely presented component units (Continued)

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, 2020. 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 Support Agreements, 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 and the Series 2019 Airport Revenue Bond, 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, 2020. 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 2020 was \$287,395.

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

1. Summary of Significant Accounting Policies (Continued)

C. Other Related Organizations Excluded from the County's Financial Report (Continued)

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 2020 was \$220,922.

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 2020 was \$303,275.

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 2020 was \$80,573.

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 2020 is 22%. The County's charges for fiscal year 2020 were \$2,061,844.

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 2020 was \$581,249.

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

1. Summary of Significant Accounting Policies (Continued)

C. Other Related Organizations Excluded from the County's Financial Report (Continued)

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 2020 was \$113,700.

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.

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

1. Summary of Significant Accounting Policies (Continued)

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

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, Debt Service, and Capital Projects 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 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.

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

1. Summary of Significant Accounting Policies (Continued)

1. Governmental Funds - Major (Continued)

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.

d. 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.

2. 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. 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

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 3 for additional information on the County's investments measured at fair value.

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

1. Summary of Significant Accounting Policies (Continued)

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 \$388,542 at June 30, 2020 and is comprised of personal property taxes in the amount of \$368,205 and real estate taxes in the amount of \$20,337.

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 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

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

1. Summary of Significant Accounting Policies (Continued)

I. Compensated Absences

Vested or accumulated vacation and sick leave that has matured and 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 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.

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

1. Summary of Significant Accounting Policies (Continued)

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. Deferred Outflows/Inflows of Resources

In addition to assets, the statements that present net position report a separate section for deferred outflows/inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. Deferred inflows of resources represent an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The County has the following items that qualify for reporting in these categories:

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

1. Summary of Significant Accounting Policies (Continued)

N. Deferred Outflows/Inflows of Resources (Continued)

- Deferred gain/loss on refunding. A deferred amount on refunding is a deferred outflow/inflow which results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Contributions subsequent to the measurement date for pensions and OPEB are always a deferred outflow; this will be applied to the net pension or OPEB liability in the next fiscal year.
- Differences between expected and actual experience for economic/demographic factors in the measurement of the total pension or OPEB liability. This difference will be recognized in pension or OPEB expense over the expected average remaining service life of all employees provided with benefits in the plan and may be reported as a deferred inflow or outflow as appropriate.
- Differences resulting from a changes in proportion of the collective net pension and OPEB liabilities. This difference will be recognized in pension and OPEB expense over the expected average remaining service life of all employees provided with benefits in the plan and may be reported as a deferred inflow or outflow as appropriate.
- Difference between projected and actual earnings on pension and OPEB plan investments. This difference will be recognized in pension or OPEB expense over the closed five year period and may be reported as a deferred outflow or inflow as appropriate.
- Differences resulting from changes in assumptions on pension plan or OPEB investments. These differences will be recognized in pension or OPEB expense over the estimated remaining service life of employees subject to the plan.
- Revenues deferred as asset recognition criteria have not yet been met (see Note 10).

O. 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.

P. 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;

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

1. Summary of Significant Accounting Policies (Continued)

P. Fund Equity (Continued)

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).

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 May 1st, 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 ended June 30, 2020.

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

3. Deposits and Investments

Deposits

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

Investments

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

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, 2020:

- Corporate equity stocks and mutual funds of \$3,510,710 held in the fiduciary funds are valued using quoted market prices (Level 1 inputs)
- Corporate and government agency bonds of \$2,440,438 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.

<u>Investment Type</u>	<u>Investment Maturities (in years)</u>				
	<u>Fair Value</u>	<u>Less Than 1 Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>10 years</u>
Corporate Bonds	\$ 709,102	\$ -	\$ -	\$ -	\$ 709,102
Municipal/Public Bonds	<u>1,731,336</u>	<u>-</u>	<u>734,147</u>	<u>614,987</u>	<u>382,202</u>
	<u>\$ 2,440,438</u>	<u>\$ -</u>	<u>\$ 734,147</u>	<u>\$ 614,987</u>	<u>\$ 1,091,304</u>

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

3. Deposits and Investments (Continued)

Credit risk of debt securities

The County's rated debt investments as of June 30, 2020 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.

	<u>AAAm</u>	<u>AAA</u>	<u>AA+</u>	<u>AA</u>	<u>Unrated</u>	<u>Totals</u>
Local Government						
Investment Pool	\$23,835,530	\$ -	\$ -	\$ -	\$ -	\$23,835,530
Corporate Bonds	-	-	-	-	709,102	709,102
Municipal/Public						
Bonds	-	431,860	261,244	-	1,038,232	1,731,336
	<u>\$23,835,530</u>	<u>\$ 431,860</u>	<u>\$ 261,244</u>	<u>\$ -</u>	<u>\$ 1,747,334</u>	<u>\$26,275,968</u>

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. Approximately 91% of the County's investments at June 30, 2020, were with the Local Government Investment Pool and therefore, are not categorized as to concentration of credit risk. More than five percent of the County's investments are in Nationwide Core Plus Bond Investment and US Government Notes and Bonds. These investments are 29% and 60%, 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.

Total cash, cash equivalents and investments

Following is a summary, as of June 30, 2020, of the Primary Government and Fiduciary Funds' cash, cash equivalents, and investments by asset type:

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

3. Deposits and Investments (Continued)

Government-wide accounts

Cash and cash equivalents:

Governmental activities, unrestricted	\$ 4,549,628
Governmental activities, restricted	8,174,247
Component unit, School Board	1,016,639
Component unit, Industrial Development Authority	399,037

Investments:

Governmental activities, unrestricted	19,481,320
Governmental activities, restricted	505,046
Component unit, School Board	<u>4,353,208</u>

Total cash, cash equivalents and investments - government-wide accounts \$ 38,479,125

Asset Type

Petty cash	\$ 3,027
Deposit accounts	14,641,570
Investments:	
Local Government Investment Pool	<u>23,834,528</u>
	<u>\$ 38,479,125</u>

Fiduciary fund accounts

Cash and cash equivalents:

Private-purpose trust funds	\$ 889,152
Agency funds	28,215

Investments:

Fiduciary funds:	
Private-purpose trust funds	<u>5,952,150</u>

Total cash, cash equivalents and investments - fiduciary fund accounts \$ 6,869,517

Asset Type

Deposit accounts	\$ 917,367
Investments:	
LGIP	1,002
Corporate bonds	709,102
Municipal / public bonds	1,731,336
Corporate equity stocks and mutual funds	<u>3,510,710</u>
	<u>\$ 6,869,517</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.

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

4. Due from Other Governmental Units

At June 30, 2020, the County and School Board have amounts due from other governments as follows:

	Primary Government	Component Unit School Board
Commonwealth of Virginia:		
Local sales tax	\$ 416,847	\$ -
Public assistance and welfare administration	64,791	-
State sales tax	-	609,962
School fund grants	-	244,322
Constitutional officer reimbursements	196,230	-
Personal property tax relief act	1,875,641	-
Communications tax	125,390	-
Wireless grant	17,692	-
DCJS grant	9,318	-
Victim witness grant	5,018	-
Children's services	407,284	-
Other state funds	14,754	-
Federal government:		
School fund grants	-	684,715
Public assistance and welfare administration	114,168	-
Victim witness assistance	15,054	-
Other federal funds	<u>5,672</u>	<u>-</u>
Total due from other governmental units	<u>\$ 3,267,859</u>	<u>\$ 1,538,999</u>

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

5. Capital Assets

The following is a summary of changes in capital assets for the year ended June 30, 2020:

	<u>Balance at July 1, 2019</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance at June 30, 2020</u>
Primary Government				
Capital assets not subject to depreciation:				
Land	\$ 2,923,834	\$ -	\$ -	\$ 2,923,834
Construction in process	<u>104,687</u>	<u>2,097,708</u>	<u>(31,600)</u>	<u>2,170,795</u>
Total capital assets not subject to depreciation	<u>3,028,521</u>	<u>2,097,708</u>	<u>(31,600)</u>	<u>5,094,629</u>
Capital assets subject to depreciation:				
Buildings	53,019,195	-	-	53,019,195
Machinery and equipment	21,103,546	379,344	(215,491)	21,267,399
Jointly owned assets	<u>48,369,284</u>	<u>2,004,452</u>	<u>-</u>	<u>50,373,736</u>
Total capital assets subject to depreciation	<u>122,492,025</u>	<u>2,383,796</u>	<u>(215,491)</u>	<u>124,660,330</u>
Accumulated depreciation:				
Buildings	(10,385,794)	(1,332,476)	-	(11,718,270)
Machinery and equipment	(15,387,713)	(1,014,779)	206,513	(16,195,979)
Jointly owned assets	<u>(15,622,434)</u>	<u>(1,913,506)</u>	<u>-</u>	<u>(17,535,940)</u>
Total accumulated depreciation	<u>(41,395,941)</u>	<u>(4,260,761)</u>	<u>206,513</u>	<u>(45,450,189)</u>
Total capital assets subject to depreciation, net	<u>81,096,084</u>	<u>(1,876,965)</u>	<u>(8,978)</u>	<u>79,210,141</u>
Primary government capital assets, net	<u>\$ 84,124,605</u>	<u>\$ 220,743</u>	<u>\$ (40,578)</u>	<u>\$ 84,304,770</u>
Component Unit - School Board				
Capital assets not subject to depreciation:				
Land	\$ 1,349,053	\$ -	\$ -	\$ 1,349,053
Construction in process	<u>-</u>	<u>453,783</u>	<u>(453,783)</u>	<u>-</u>
Total capital assets not subject to depreciation	<u>1,349,053</u>	<u>453,783</u>	<u>(453,783)</u>	<u>1,349,053</u>
Capital assets subject to depreciation:				
Buildings	7,426,045	187,594	-	7,613,639
Machinery and equipment	9,049,151	772,729	(281,776)	9,540,104
Jointly owned assets	<u>52,336,992</u>	<u>-</u>	<u>(2,004,452)</u>	<u>50,332,540</u>
Total capital assets subject to depreciation	<u>68,812,188</u>	<u>960,323</u>	<u>(2,286,228)</u>	<u>67,486,283</u>
Accumulated depreciation:				
Buildings	(2,484,785)	(456,894)	-	(2,941,679)
Machinery and equipment	(6,454,583)	(551,689)	281,776	(6,724,496)
Jointly owned assets	<u>(16,903,939)</u>	<u>(1,315,447)</u>	<u>697,784</u>	<u>(17,521,602)</u>
Total accumulated depreciation	<u>(25,843,307)</u>	<u>(2,324,030)</u>	<u>979,560</u>	<u>(27,187,777)</u>
Total capital assets subject to depreciation, net	<u>42,968,881</u>	<u>(457,857)</u>	<u>(1,306,668)</u>	<u>40,298,506</u>
Component unit - School Board capital assets, net	<u>\$ 44,317,934</u>	<u>\$ (909,924)</u>	<u>\$ (1,760,451)</u>	<u>\$ 41,647,559</u>

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

5. Capital Assets (Continued)

Depreciation expense was charged to functions/programs of the primary government and discretely presented component unit School Board as follows:

Governmental activities:

General government administration	\$ 432,413
Judicial administration	176,488
Public safety	1,130,509
Public works	253,378
Health and welfare	10,534
Education	1,252,516
Parks, recreation and cultural	219,311
Community development	87,828
Accumulated depreciation on jointly owned assets transferred between School Board and County during the year	<u>697,784</u>

Total governmental activities \$ 4,260,761

Component Unit School Board:

Education \$ 2,324,030

Construction in process is composed of the following:

Primary government:

	<u>Incurred through June 30, 2020</u>	<u>Committed at June 30, 2020</u>
EDM 911 Software	\$ 18,000	\$ 19,817
McKenney Volunteer Fire Department	12,595	6,344
Fire & EMS Vehicle	86,253	202,437
Radio System Replacement Project	2,038,278	7,639,229
Regional Broadband Initiative	<u>15,669</u>	<u>1,708,090</u>

Total Primary government \$ 2,170,795 \$ 9,575,917

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.

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

6. Long-Term Obligations

Primary government

The following is a summary of changes in long-term obligations for the fiscal year ended June 30, 2020:

	<u>Amount Payable July 1, 2019</u>	<u>Increase</u>	<u>Decrease</u>	<u>Amount Payable June 30, 2020</u>	<u>Amounts Due Within One Year</u>
Governmental obligations:					
Incurred by County:					
Compensated absences payable	\$ 540,787	\$ 629,250	\$ (578,665)	\$ 591,372	\$ 59,137
Lease revenue bond	24,715,000	8,977,481	(2,165,000)	31,527,481	2,675,000
Net GLI OPEB liability	795,000	49,877	-	844,877	-
Retiree Health Insurance					
OPEB liability	1,704,800	177,001	-	1,881,801	-
Net pension liability	1,665,826	638,607	-	2,304,433	-
Nonexchange financial guarantees	180,899	-	(90,177)	90,722	84,232
Landfill post-closure care	682,659	-	(57,821)	624,838	69,426
Issuance premiums	<u>2,779,451</u>	<u>1,564,270</u>	<u>(557,421)</u>	<u>3,786,300</u>	<u>607,351</u>
Total incurred by County	<u>33,064,422</u>	<u>12,036,486</u>	<u>(3,449,084)</u>	<u>41,651,824</u>	<u>3,495,146</u>
Incurred for benefit of School Board:					
General obligation bonds	6,486,848	-	(856,572)	5,630,276	880,361
Lease revenue bond	26,260,000	23,187,519	(22,240,000)	27,207,519	1,590,000
Add deferred amounts:					
Issuance premiums	<u>3,309,068</u>	<u>-</u>	<u>(3,117,332)</u>	<u>191,736</u>	<u>69,475</u>
Total incurred for benefit of School Board	<u>36,055,916</u>	<u>23,187,519</u>	<u>(26,213,904)</u>	<u>33,029,531</u>	<u>2,539,836</u>
Total governmental obligations	<u>\$ 69,120,338</u>	<u>\$ 35,224,005</u>	<u>\$ (29,662,988)</u>	<u>\$ 74,681,355</u>	<u>\$ 6,034,982</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>
2021	\$ 2,675,000	\$ 1,283,930	\$ 880,361	\$ 259,888	\$ 1,590,000	\$ 759,514
2022	2,775,999	1,181,150	626,024	221,475	1,655,001	695,791
2023	2,881,998	1,069,934	640,928	191,571	1,725,002	627,145
2024	3,007,484	943,932	656,612	160,888	1,787,516	570,912
2025	2,847,000	812,869	675,584	126,917	1,820,000	531,483
2026 - 2030	13,595,000	2,225,008	2,150,767	166,732	9,780,000	1,957,858
2031 - 2034	<u>3,745,000</u>	<u>134,691</u>	<u>-</u>	<u>-</u>	<u>8,850,000</u>	<u>538,820</u>
	<u>\$ 31,527,481</u>	<u>\$ 7,651,514</u>	<u>\$ 5,630,276</u>	<u>\$ 1,127,471</u>	<u>\$ 27,207,519</u>	<u>\$ 5,681,523</u>

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

6. Long-Term Obligations (Continued)

Incurred for County

Lease revenue bonds:

\$5,832,266 VRA Series 2012A refunded 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.	\$ 795,000
\$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.	18,355,000
\$3,395,000 Zions Bank Series 2018A bonds, dated September 6, 2018, maturing annually in installments of varying amounts and at various interest rates through July 15, 2025; interest payable semi-annually.	2,951,000
\$515,000 Zions Bank Series 2018A bonds, dated September 6, 2018, maturing annually in installments of varying amounts and at various interest rates through July 15, 2025; interest payable semi-annually.	449,000
\$7,125,000 VRA Series 2019C bonds, dated November 11, 2019, maturing annually in installments at 5.125% interest through October 1, 2029; interest payable semi-annually.	7,125,000
\$1,550,000 VRA Series 2019C bonds dated November 11, 2019, maturing annually in installments of varying amounts and at various interest rates through October 1, 2022; interest payable semi-annually.	1,550,000
\$302,480 VRA Series 2019C refunding VRA 2012A bonds, dated November 11, 2019, maturing annually in installments of varying amounts and at various interest rates through October 1, 2023; interest payable semi-annually.	<u>302,481</u>
	<u>\$ 31,527,481</u>

Incurred for 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%.	\$ 2,679,717
\$5,810,323 2007B Series School bonds, maturing annually in installments of varying amounts through July 15, 2027; interest at 5.10%.	2,679,717
\$4,209,598 School VPSA Loan payable, maturing on July 15, 2020, interest payable at various rates semi-annually.	<u>270,843</u>
	<u>\$ 5,630,277</u>

Lease revenue bond:

\$38,657,734 VRA Series 2012A refunded bonds, dated June 13, 2012, maturing annually in installments of varying amounts and at various interest rates through October 1, 2022; interest payable semi-annually.	\$ 4,020,000
\$23,187,519 VRA Series 2019C bonds, dated November 20, 2019, maturing annually in installments of varying amounts and at various interest rates through October 1, 2033; interest payable semi-annually.	<u>23,187,519</u>
	<u>\$ 27,207,519</u>

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

6. Long-Term Obligations (Continued)

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, 2020:

	<u>Amount Payable July 1, 2019</u>	<u>Increase</u>	<u>Decrease</u>	<u>Amount Payable June 30, 2020</u>	<u>Amounts Due Within One Year</u>
Component Unit -					
School Board:					
Compensated absences \$	975,214	\$ 774,490	\$ (551,332)	\$ 1,198,372	\$ 119,837
Capital lease	2,784,592	-	(324,479)	2,460,113	352,442
Net GLI OPEB liability	1,986,000	147,021	-	2,133,021	-
Net HIC OPEB liability	3,616,000	74,868	-	3,690,868	-
Retiree Health Insurance					
OPEB liability	1,596,628	51,340	-	1,647,968	-
Net pension liability	<u>33,941,871</u>	<u>3,721,048</u>	<u>-</u>	<u>37,662,919</u>	<u>-</u>
	<u>\$ 44,900,305</u>	<u>\$ 4,768,767</u>	<u>\$ (875,811)</u>	<u>\$ 48,793,261</u>	<u>\$ 472,279</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.

7. 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, 2020, the outstanding principal amount of the guaranteed debt is \$198,000. 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 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, 2020, the outstanding principal amount of the guaranteed debt is \$101,942. 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.

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

7. Guarantee of Component Unit Debt (Continued)

The County makes monthly payments as necessary to the Water Authority to supplement the Courthouse Road System fund revenues. The County makes an annual payment 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, 2020, is as follows:

	<u>July 1, 2019</u>	<u>Increase</u>	<u>Decreases</u>	<u>June 30, 2020</u>	<u>Due Within One Year</u>
Airport Authority	\$ 19,928	\$ -	\$ (6,433)	\$ 13,495	\$ 7,005
Water Authority	160,971	-	(83,744)	77,227	77,227
	<u>\$ 180,899</u>	<u>\$ -</u>	<u>\$ (90,177)</u>	<u>\$ 90,722</u>	<u>\$ 84,232</u>

8. 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, 2020, Revenue Bonds outstanding were \$2,242,347.

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, 2020, Revenue Bonds outstanding were \$4,605,964.

9. Closure and Post-Closure Costs

The County closed its landfill in 2007 and is liable for post-closure monitoring for a period of thirty years. The amount reported as landfill post-closure liability at June 30, 2020, represents the estimated liability for post-closure monitoring, of \$624,838 over a period of twelve years. These amounts are based on what it would cost to perform all post-closure care in 2020. 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.

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

10. Deferred and Unearned Revenue

Deferred and unearned 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 and unearned revenue totaling \$22,699,964 is comprised of uncollected tax billings not available for funding of current expenditures of \$19,397,980, prepaid taxes of \$1,141,215, and deferred grant revenues for the CARES funds of \$2,160,769 at June 30, 2020. Under the full accrual basis of accounting, deferred and unearned revenue totaling \$19,051,156 is comprised of taxes paid in advance of their due date of \$1,141,215 and thus deferred to FY20, unearned revenue totaling \$15,749,172 is comprised of uncollected amounts billed but not yet due, and deferred CARES grant funds of \$2,160,769 as of June 30, 2020.

11. Fund Balance

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

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Special Revenue Fund</u>	<u>Total</u>
Fund balances:					
Restricted for:					
Grant purposes	\$ 8,244	\$ -	\$ -	\$ -	\$ 8,244
Forfeited assets	-	-	-	20,790	20,790
Fire programs	-	-	-	193,284	193,284
Community service	-	-	-	12,693	12,693
Law library	-	-	-	14,229	14,229
Capital projects	-	-	8,679,295	-	8,679,295
Total restricted fund balance	<u>8,244</u>	<u>-</u>	<u>8,679,295</u>	<u>240,996</u>	<u>8,928,533</u>
Committed to:					
Annual debt service	108,465	-	-	-	108,465
Community development	811,066	-	-	-	811,066
Comprehensive services	-	-	-	114,084	114,084
Litter grant	-	-	-	91,358	91,358
School debt service	-	387,142	-	-	387,142
County debt service	-	2,062,086	-	-	2,062,086
School capital projects	-	-	449,380	-	449,380
County capital projects	-	-	1,568,372	-	1,568,372
Total committed fund balance	<u>919,531</u>	<u>2,449,228</u>	<u>2,017,752</u>	<u>205,442</u>	<u>5,591,953</u>
Unassigned fund balance	<u>17,820,066</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,820,066</u>
Total fund balances	<u>\$ 18,747,841</u>	<u>\$ 2,449,228</u>	<u>\$ 10,697,045</u>	<u>\$ 446,438</u>	<u>\$ 32,340,552</u>

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

12. Inter-fund Transfers

Inter-fund transfers for the year ended June 30, 2020, consisted of the following:

	Transfers In	Transfers Out
Primary Government:		
Governmental Funds:		
General fund	\$ -	\$ 10,768,277
Debt service fund	7,465,216	-
Capital projects fund	2,417,619	-
Special revenue fund	885,442	-
Total Primary Government	<u>\$ 10,768,277</u>	<u>\$ 10,768,277</u>
Component Unit - School Board:		
Operating fund	\$ -	\$ 312,021
Special revenue fund	312,021	-
Total Component Unit - School Board	<u>\$ 312,021</u>	<u>\$ 312,021</u>

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

13. Commitments and Contingent Liabilities

Federal programs

Federal programs in which the County and discretely presented component units 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.

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

13. Commitments and Contingent Liabilities (Continued)

Operating leases

The County has an operating lease for a public safety communications tower. The lease was renewed effective July 2015 for a period of twenty years. Total future minimum lease payments are as follows:

Year Ending June 30,		
2021	\$	35,068
2022		35,068
2023		37,172
2024		37,172
2025		39,402
2026 - 2030		211,480
2031 - 2035		246,076
2036		<u>52,729</u>
	<u>\$</u>	<u>694,167</u>

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.

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

16. Defined Benefit Pension Plans

Plan descriptions

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 a multiple-employer, agent plan. The VRS Teacher 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 available at

- <https://www.varetire.org/members/benefits/defined-benefit/plan1.asp>,
- <https://www.varetire.org/members/benefits/defined-benefit/plan2.asp>,
- <https://www.varetirement.org/hybrid.html>.

Employees covered by benefit terms - Political Subdivision Plan

As of the June 30, 2018, actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	County	School Board Non- Professional
Inactive members or their beneficiaries currently receiving benefits	141	86
Inactive members:		
Vested	22	6
Non-vested	45	29
Active elsewhere in VRS	89	17
Total inactive members	156	52
Active members	209	85
	506	223

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.

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

16. Defined Benefit Pension Plan (Continued)

Contributions (Continued)

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, 2020, were 9.38% and 6.86%, respectively, of covered employee compensation. Contributions to the pension plan from the County and School Board were \$1,005,213 and \$138,699, respectively, for the year ended June 30, 2020.

Teacher Plan - School Board Professional

Each school division's contractually required contribution rate for the year ended June 30, 2020, was 15.68% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. Contributions to the pension plan from the School Board were \$3,891,514 and \$3,704,536 for the years ended June 30, 2020 and 2019, respectively.

These rates were based on actuarially determined rates from actuarial valuations as of June 30, 2017. These rates, when combined with employee contributions, were expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Net pension liability

Political Subdivision Plan - County and School Board Non-Professional

The Political Subdivision Plan net pension liability is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For political subdivisions, the net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2018, rolled forward to the measurement date of June 30, 2019.

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, 2019, 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	\$ 46,683,336
Plan fiduciary net position	<u>36,522,769</u>
Employer's net pension liability	<u>\$ 13,160,567</u>
Plan fiduciary net position as a percentage of the total pension liability	73.51%

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.

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

16. Defined Benefit Pension Plan (Continued)

Actuarial assumptions - Political Subdivision Plan - County and School Board Non-Professional

The total pension liability for General Employees in the Political Subdivision's Retirement Plan was based on an actuarial valuation as of June 30, 2018, 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, 2019.

Inflation	2.50%
General Employees - Salary increases, including inflation	3.50% - 5.35%
Public Safety Employees with hazardous duty benefits - Salary increases, including inflation	3.50% - 4.75%
Investment rate of return	6.75%, 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 6.75%. However, since the difference was minimal, and a more conservative 6.75% 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 6.75% to simplify preparation of pension liabilities.

Mortality rates: General employees - 15 to 20% of deaths are assumed to be service related. Public Safety Employees - 45% to 70% of deaths are assumed to be service related. Mortality is projected using the applicable RP-2014 Mortality Table Projected to 2020 with various setbacks or set forwards for both males and females.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study are as follows:

General Employees - Largest 10 - Non-Hazardous Duty and All Others (Non 10 Largest): Update mortality table; lowered retirement rates at older ages, changed final retirement from 70 to 75; adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service; lowered disability rates, no change to salary scale, increased rate of line of duty disability from 14% to 20% Largest 10) or 15% (All Others), and decreased discount rate from 7.00% to 6.75%.

Public Safety Employees - Largest 10 - Hazardous Duty and All Others (Non 10 Largest): Update mortality table; lowered retirement rate at older ages; adjusted rates of withdrawal and disability to better fit experience; changes to line of duty rates, no changes to salary scale, and decreased discount rate from 7.00% to 6.75%.

Actuarial assumptions - Teacher Plan - School Board Professional employees

The actuarial assumptions of the Teacher Retirement Plan are substantially the same as those for the Political Subdivision Plans above.

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

16. Defined Benefit Pension Plan (Continued)

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 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 Return</u>	<u>Weighted Average Long-Term Expected Rate Return</u>
Public Equity	34.00%	5.61%	1.91%
Fixed Income	15.00%	0.88%	0.13%
Credit Strategies	14.00%	5.13%	0.72%
Real Assets	14.00%	5.27%	0.74%
Private Equity	14.00%	8.77%	1.23%
MAPS - Multi-Asset Public Strategies	6.00%	3.52%	0.21%
PIP - Private Investment Partnership	<u>3.00%</u>	<u>6.29%</u>	<u>0.19%</u>
Total	<u>100.00%</u>		5.13%
		Inflation	<u>2.50%</u>
		*Expected arithmetic nominal return	<u>7.63%</u>

*The above allocation provides a one-year return of 7.63%. 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 7.11%, including expected inflation of 2.50%. The VRS Board elected a long-term rate of 6.75%, which is roughly at the 40th percentile of expected long-term results of the VRS fund allocation.

Discount rate

The discount rate used to measure the total pension liability was 6.75%. 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. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions, political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2019, the alternate rate was the employer contribution rate used in the FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017 actuarial valuations, whichever is greater. From July 1, 2019 on, participating employers are assumed to continue 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.

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

16. Defined Benefit Pension Plan (Continued)

Changes in net pension liability - Primary Government

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)-	Net Pension Liability (a) - (b)
	<u> </u>	<u> </u>	<u> </u>
Balances at June 30, 2018	\$ 37,629,750	\$ 35,963,924	\$ 1,665,826
Changes for the year:			
Service cost	1,274,950	-	1,274,950
Interest	2,570,094	-	2,570,094
Changes of assumptions	1,163,797	-	1,163,797
Difference between expected and actual experience	(543,998)	-	(543,998)
Contributions - employer	-	928,477	(928,477)
Contributions - employee	-	520,505	(520,505)
Net investment income	-	2,402,322	(2,402,322)
Benefit payments, including refunds of employee contributions	(1,828,248)	(1,828,248)	-
Administrative expense	-	(23,553)	23,553
Other changes	-	(1,515)	1,515
	<u>2,636,595</u>	<u>1,997,988</u>	<u>638,607</u>
Net changes			
Balances at June 30, 2019	\$ 40,266,345	\$ 37,961,912	\$ 2,304,433

Changes in net pension liability - Discretely Presented Component Unit School Board Non-Professional

	Total Pension Liability (a)	Plan Fiduciary Position (b)	Net Pension Liability (a) - (b)
	<u> </u>	<u> </u>	<u> </u>
Balances at June 30, 2018	\$ 8,074,387	\$ 7,745,516	\$ 328,871
Changes for the year:			
Service cost	182,616	-	182,616
Interest	545,599	-	535,599
Change in assumptions	195,597	-	
Difference between expected and actual experience	(127,585)	-	(127,585)
Contributions - employer	-	132,727	(132,727)
Contributions - employee	-	96,201	(96,201)
Net investment income	-	501,568	(501,568)
Benefit payments, including refunds of employee contributions	(560,230)	(560,230)	-
Administrative expense	-	(5,168)	5,168
Other changes	-	(316)	316
	<u>235,997</u>	<u>164,782</u>	<u>71,215</u>
Net changes			
Balances at June 30, 2019	\$ 8,310,384	\$ 7,910,298	\$ 400,086

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

16. Defined Benefit Pension Plan (Continued)

Changes in net pension liability - Discretely Presented Component Unit School Board Professional

At June 30, 2020, the School Board reported a liability of \$37,262,833 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2019, 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, 2019, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2019, the School Board's proportion was 0.28314% as compared 0.28583% at June 30, 2018.

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

The following represents the net pension liability using the discount rate of 6.75%, 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 (5.75%) or one-percentage-point higher (7.75%) than the current rate:

	<u>1% Decrease 5.75%</u>	Current Discount Rate 6.75%	<u>1% Increase 7.75%</u>
Primary Government Plan's Net Pension Liability (Asset)	\$ 7,505,258	\$ 2,304,433	\$ (1,836,827)
Discretely Presented Component Unit School Board Non-Professional Plan's Net Pension Liability (Asset)	\$ 1,250,161	\$ 400,086	\$ (289,582)
Discretely Presented Component Unit School Board Professional Plan's Proportionate Share of the Net Pension Liability	\$ 56,096,751	\$ 37,262,833	\$ 21,690,670

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

For the year ending June 30, 2020, the County and School Board recognized pension expense (recovery) of \$897,512 and \$4,086,608, 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, 2020, the County and School Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>Primary Government</u>		
Employer contributions subsequent to the measurement date	\$ 1,005,213	\$ -
Differences between expected and actual experience	93,511	431,308
Changes of assumptions	830,681	-
Net difference between projected and actual earnings on plan investments	-	330,375
	<u>\$ 1,929,405</u>	<u>\$ 761,683</u>

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

16. Defined Benefit Pension Plan (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>Discretely Presented Component Unit School Board</u>		
Employer contributions subsequent to the measurement date	\$ 4,030,213	\$ -
Changes in proportion and differences between employer contributions and proportionate share of contributions	535,443	1,163,765
Differences between expected and actual experience	-	2,462,396
Changes of assumptions	3,799,325	-
Net difference between projected and actual earnings on plan investments	<u>-</u>	<u>881,244</u>
	<u>\$ 8,364,981</u>	<u>\$ 4,507,405</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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an (increase) reduction to pension expense as follows:

Year Ending June 30,	Primary Government	Discretely Presented Component Unit School Board
2021	\$ 186,949	\$ (23,838)
2022	(119,161)	(920,792)
2023	74,520	79,635
2024	20,201	423,153
2025	-	269,205

Pension plan data

Information about the VRS Political Subdivision Retirement Plans is also available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2019-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2018=9 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2019-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

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.

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COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

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. Virginia Retirement System Plans

In addition to their participation in the pension plans offered through the Virginia Retirement System (VRS), the County and School Board also participate in various cost-sharing and agent multi-employer other postemployment benefit plans, described as follows.

Plan descriptions

Group Life Insurance Program

All full-time teachers and employees of political subdivisions are automatically covered by the VRS Group Life Insurance (GLI) Program upon employment.

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 GLI Program OPEB.

Specific information for the GLI is available at <https://www.varetire.org/members/benefits/life-insurance/basic-group-life-insurance.asp>

Teacher Employee Health Insurance Credit Program

All full time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Employee Health Insurance Credit (HIC) Program. 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.

Specific information about the Teacher HIC is available at <https://www.varetire.org/retirees/insurance/healthinscredit/index.asp>

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

18. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

The GLI and Teacher HIC are administered by the VRS along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Both of these plans are considered multiple employer, cost sharing plans.

Contributions

Contributions to the VRS OPEB programs were based on actuarially determined rates from actuarial valuations as of June 30, 2017. The actuarially determined rates were expected to finance the cost of benefits earned by employees during the year, with an additional amount to fund any unfunded accrued liability. Specific details related to the contributions for the VRS OPEB programs are as follows:

Group Life Insurance Program

Governed by: *Code of Virginia 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly.*

Total rate: 1.31% of covered employee compensation. Rate allocated 60/40; 0.79% employee and 0.52% employer. Employers may elect to pay all or part of the employee contribution.

Contributions:

Year ended June 30, 2020

Primary Government	\$ 56,227
Discretely Presented Component Unit School Board	\$ 139,673

Year Ended June 30, 2019

Primary Government	\$ 53,325
Discretely Presented Component Unit School Board	\$ 133,555

Teacher Health Insurance Credit Program

Governed by: *Code of Virginia 51.1-1401(E) and may be impacted as a result of funding provided to school divisions by the Virginia General Assembly.*

Total rate: 1.20% of covered employee compensation.

June 30, 2020 Contribution \$ 297,823

June 30, 2019 Contribution \$ 283,722

OPEB liabilities, OPEB expense and deferred inflows and outflows of resources related to OPEB

The net OPEB liabilities were measured as of June 30, 2019, and the total OPEB liabilities used to calculate the net OPEB liabilities were determined by actuarial valuations as of that date. The covered employer's proportion of the net OPEB liabilities, were based on the covered employer's actuarially determined employer contributions for the year ended June 30, 2019, relative to the total of the actuarially determined employer contributions for all participating employers.

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COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

18. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

Group Life Insurance Program - Primary Government

June 30, 2020 proportionate share of liability	\$	844,877
June 30, 2019 proportion		0.05192%
June 30, 2018 proportion		0.05239%
June 30, 2020 expense	\$	28,528

Group Life Insurance Program - Discretely Presented Component Unit School Board

June 30, 2020 proportionate share of liability	\$	2,133,021
June 30, 2019 proportion		0.13108%
June 30, 2018 proportion		0.13082%
June 30, 2020 expense	\$	40,814

Teacher Health Insurance Credit Program - Discretely Presented Component Unit School Board

June 30, 2020 proportionate share of liability	\$	3,690,868
June 30, 2019 proportion		0.28194%
June 30, 2018 proportion		0.28481%
June 30, 2020 expense	\$	288,688

Since there was a change in proportionate share between measurement dates, a portion of the OPEB expense above was related to deferred amount from changes in proportion.

At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Group Life Insurance Program - Primary Government

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 56,189	\$ 10,959
Change in assumptions	53,341	25,477
Net difference between projected and actual earnings on OPEB plan investments	-	17,354
Changes in proportion	35,858	6,271
Employer contributions subsequent to the measurement date	<u>56,227</u>	<u>-</u>
	<u>\$ 201,615</u>	<u>\$ 60,061</u>

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

18. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

Group Life Insurance Program - Discretely Presented Component Unit School Board

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 141,859	\$ 27,669
Change in assumptions	134,667	64,319
Net difference between projected and actual earnings on OPEB plan investments	-	43,814
Changes in proportion	36,233	77,542
Employer contributions subsequent to the measurement date	<u>139,673</u>	<u>-</u>
	<u>\$ 452,432</u>	<u>\$ 213,344</u>

Teacher Health Insurance Credit Program - Discretely Presented Component Unit School Board

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 20,906
Change in assumptions	85,904	25,646
Net difference between projected and actual earnings on OPEB plan investments	233	-
Changes in proportion	38,637	134,599
Employer contributions subsequent to the measurement date	<u>297,823</u>	<u>-</u>
	<u>\$ 422,597</u>	<u>\$ 181,151</u>

The deferred outflows of resources related to OPEB resulting from the County and School Board's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Increase (Reduction) to OPEB Expense</u>		
	<u>Primary Government Group Life Insurance Program</u>	<u>School Board Group Life Insurance Program</u>	<u>School Board Teacher Health Insurance Credit Program</u>
2021	\$ 11,993	\$ (930)	\$ (11,578)
2022	11,993	(928)	(11,581)
2023	19,344	17,628	(9,964)
2024	20,987	31,969	(10,505)
2025	16,563	39,244	(12,035)
Thereafter	4,447	12,432	(714)

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

18. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

Actuarial assumptions and other inputs

The total OPEB liability was determined using the following assumptions based on an actuarial valuation date of June 30, 2018, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019:

Inflation	2.50%
Salary increases, including inflation:	
Locality- general employees	3.50 - 5.35%
Locality - hazardous duty employees	3.50 - 4.75%
Teachers	3.50 - 5.95%
Healthcare cost trend rates:	
Under age 65	7.25 - 4.75%
Ages 65 and older	5.50 - 4.75%
Investment rate of return, net of expenses, including inflation	6.75%

*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 rate for GASB purposes of slightly more than the assumed percent above. However, since the difference was minimal, and a more conservative 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 the percent noted above to simplify preparation of OPEB liabilities.

Mortality rates used for the various VRS OPEB plans are the same as those used for the actuarial valuations of the VRS pension plans. The mortality rates are discussed in detail at Note 16.

Net OPEB liabilities

The net OPEB liabilities represent each program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2019, net OPEB liability amounts for the various VRS OPEB programs are as follows (amounts expressed in thousands):

	<u>Group Life Insurance Program</u>	<u>Teacher Health Insurance Credit Program</u>
Total OPEB Liability	\$ 3,390,238	\$ 1,438,114
Plan fiduciary net position	\$ 1,762,972	\$ 129,016
Employers' net OPEB liability	\$ 1,627,266	\$ 1,309,098
Plan fiduciary net position as a percentage of total OPEB liability	52.00%	8.97%

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

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

18. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

Long-term expected rate of return

Group Life Insurance and Health Insurance Credit Programs

The long-term expected rate of return on VRS 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 OPEB 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	34.00%	5.61%	1.91%
Fixed Income	15.00%	0.88%	0.13%
Credit Strategies	14.00%	5.13%	0.72%
Real Assets	14.00%	5.27%	0.74%
Private Equity	14.00%	8.77%	1.23%
MAPS - Multi-Asset Public Strategies	6.00%	3.52%	0.21%
PIP - Private Investment Partnership	3.00%	6.29%	0.19 %
	<u>100.00%</u>		5.13%
	Inflation		<u>2.50%</u>
			<u><u>7.63%</u></u>

*Expected arithmetic nominal return

*The above allocation provides for a one-year return of 7.63%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected rate of 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 7.11%, including expected inflation of 2.50%. The VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation.

Discount rate

The discount rate used to measure the GLI and HIC OPEB liabilities was 6.75%. The projection of cash flows used to determine the discount rate assumed that System 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 employer for the OPEB liabilities 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 are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the OPEB plans' 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 OPEB liability.

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

18. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

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

The following presents the net OPEB liabilities of the County and School Board, as well as what the net OPEB liabilities would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current discount rate:

	<u>1% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
Primary Government			
GLI Net OPEB liability	\$ 1,109,934	\$ 844,877	\$ 629,923
Discretely Presented Component Unit School Board			
GLI Net OPEB liability	\$ 2,802,199	\$ 2,133,021	\$ 1,590,336
Teacher HIC Net OPEB liability	\$ 4,130,709	\$ 3,690,868	\$ 3,317,224

OPEB plan fiduciary net position

Information about the various VRS OPEB plan fiduciary net position is available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2019-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 16). 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.

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

18. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

Benefits provided

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.

Employees covered by benefit terms

Participant data as of the July 1, 2019, valuation date is as follows:

	<u>Primary Government</u>	<u>Discretely Presented Component Unit School Board</u>
Active participants:		
With medical coverage	183	401
With dental coverage only	-	54
Without coverage	35	229
Total active participants	218	684
Retiree participants	2	21
	220	705

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 County and School Board's total retiree health insurance OPEB liabilities of \$1,881,801 and \$1,647,968, respectively, were measured as of June 30, 2020, and are based on actuarial valuations performed on July 1, 2019.

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

18. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

Actuarial assumptions and other inputs

The total retiree health insurance OPEB liability was based on an actuarial valuation as of July 1, 2019, 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

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

18. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

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.

Changes in plan provisions, actuarial assumptions, and actuarial methods

1. The discount rate is 2.79% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2019, compared to the prior Statement No. 75 discount rate of 3.13%.
2. The medical claims aging table was updated to be based on the aging factors in the Dale Yamamoto study released by the Society of Actuaries in June 2013.
3. The assumed trend rate for the medical claims was changed from 8.00% grading uniformly to an ultimate rate of 5.00% over 6 years to 7.0% grading uniformly to 5.5% over 3 years, and following the Getzen model thereafter until reaching an ultimate rate of 3.94% in the year 2075.
4. The following assumptions were updated to remain consistent with the 2018 VRS OPEB Plans Actuarial Valuation:
 - a. Mortality Rates - Updated from the 2016 VRS Mortality Rates to the 2018 VRS Mortality Rates
 - b. Disability Rates - Updated from the 2016 VRS Disability Rates to the 2018 VRS Disability Rates
 - c. Withdrawal Rates - Updated from the 2016 VRS Withdrawal Rates to the 2018 VRS Withdrawal Rates
 - d. Retirement Rates - Updated from the 2016 VRS Retirement Rates to the 2018 VRS Retirement Rates

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

18. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

Discount rate

The discount rate used to measure the total retiree health insurance OPEB liability was 2.79%. This was based on the S&P Municipal Bond 20-Year High Grade Index as of June 30, 2019.

Change in total retiree health insurance OPEB liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
<u>Primary government</u>			
Balances at June 30, 2019	\$ 1,704,800	\$ -	\$ 1,704,800
Changes for the year:			
Service cost	153,150	-	153,150
Interest	51,077	-	51,077
Experience gains	-	-	-
Changes of assumptions	-	-	-
Contributions - employer subsidy	-	27,226	(27,226)
Benefit payments	<u>(27,226)</u>	<u>(27,226)</u>	<u>-</u>
Net changes	<u>177,001</u>	<u>-</u>	<u>177,001</u>
Balances at June 30, 2020	<u>\$ 1,881,801</u>	<u>\$ -</u>	<u>\$ 1,881,801</u>
<u>Discretely Presented Component Unit - School Board</u>			
Balances at June 30, 2019	\$ 1,596,628	\$ -	\$ 1,596,628
Changes for the year:			
Service cost	86,529	-	86,529
Interest	44,730	-	44,730
Experience gains	-	-	-
Changes of assumptions	-	-	-
Contributions - employer subsidy	-	79,919	(79,919)
Benefit payments	<u>(79,919)</u>	<u>(79,919)</u>	<u>-</u>
Net changes	<u>51,340</u>	<u>-</u>	<u>51,340</u>
Balances at June 30, 2020	<u>\$ 1,647,968</u>	<u>\$ -</u>	<u>\$ 1,647,968</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 2.79%, 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 (1.79%) or one percentage higher (3.79%) than the current rate:

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

18. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

	1% Decrease <u>1.79%</u>	Discount Rate <u>2.79%</u>	1% Increase <u>3.79%</u>
Primary government's total retiree health insurance OPEB liability	\$ <u>2,101,027</u>	\$ <u>1,881,801</u>	\$ <u>1,687,610</u>
Discretely Presented Component Unit School Board's total retiree health insurance OPEB liability	\$ <u>1,811,932</u>	\$ <u>1,647,968</u>	\$ <u>1,499,863</u>

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 healthcare trend rate of 7% decreasing to 5.5% over 3 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 (6% decreasing to 4.5% over 3 years) or one percentage higher (8% decreasing to 6.5% over 3 years) than the current rate:

	6% Decrease 7% Decreasing to 4.5% <u>Over 3 years</u>	7% Decreasing to 5.5% <u>Over 3 Years</u>	8% Increase 9% Decreasing to 6.5% <u>Over 3 Years</u>
Primary government's total retiree health insurance OPEB liability	\$ <u>1,618,184</u>	\$ <u>1,881,801</u>	\$ <u>2,201,040</u>
Discretely Presented Component Unit School Board's total retiree health insurance OPEB liability	\$ <u>1,446,198</u>	\$ <u>1,647,968</u>	\$ <u>1,888,257</u>

Retiree health insurance OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2020, the County and School Board recognized retiree health insurance OPEB expense of \$184,545 and \$147,716, respectively. At June 30, 2020, the County and School Board reported deferred outflows of resources and deferred inflows of resources related to the retiree health insurance OPEB program from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>Primary Government</u>		
Differences between expected and actual experience	\$ -	\$ 365,446
Change in assumptions	<u>247,352</u>	<u>-</u>
	<u>\$ 247,352</u>	<u>\$ 365,446</u>
<u>Discretely Presented Component Unit - School Board</u>		
Differences between expected and actual experience	\$ -	\$ 148,099
Change in assumptions	<u>230,388</u>	<u>-</u>
	<u>\$ 230,388</u>	<u>\$ 148,099</u>

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

18. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as an increase (reduction) to OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Primary Government</u>	<u>Component Unit - School Board</u>
2021	\$ (19,682)	\$ 16,457
2022	(19,682)	16,457
2023	(19,682)	16,457
2024	(19,682)	16,457
2025	(19,682)	14,461
Thereafter	(19,684)	-

A summary of the other post-employment benefits-related financial statement elements is as follows:

	<u>Primary Government Governmental Activities</u>	<u>School Board</u>	<u>Water Authority</u>	<u>Total Component Units</u>
Net other post-employment benefits liability:				
Local Sponsored Health Insurance	\$ 1,881,801	\$ 1,647,968	\$ -	\$ 1,647,968
VRS - Group Life Insurance	844,877	2,133,021	44,913	2,177,934
VRS - HIC	-	3,690,868	-	3,690,868
Total net other post-employment benefit liability	<u>\$ 2,726,678</u>	<u>\$ 7,471,857</u>	<u>\$ 44,913</u>	<u>\$ 7,516,770</u>
Deferred outflows of resources:				
Change in proportion:				
VRS - Group Life Insurance	\$ 35,858	\$ 36,233	\$ -	\$ 36,233
VRS - HIC	-	38,637	-	38,637
Contributions subsequent to measurement date:				
VRS - Group Life Insurance	56,227	139,673	2,581	142,254
VRS - HIC	-	297,823	-	297,823
Difference between expected and actual experience:				
VRS - Group Life Insurance	56,189	141,859	2,987	144,846
Difference between projected and actual investment earnings:				
VRS - HIC	-	233	-	233
Changes in actuarial assumptions:				
Local Sponsored Health Insurance	247,352	230,388	-	230,388
VRS - Group Life Insurance	53,341	134,667	2,836	137,503
VRS - HIC	-	85,904	-	85,904
Total deferred outflows of resources	<u>\$ 448,967</u>	<u>\$ 1,105,417</u>	<u>\$ 8,404</u>	<u>\$ 1,113,821</u>

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

18. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

	<u>Primary Governmental Activities</u>	<u>School Board</u>	<u>Water Authority</u>	<u>Total Component Units</u>
Deferred inflows of resources:				
Differences between expected and actual experience:				
Local Sponsored Health Insurance	\$ 365,446	\$ 148,099	\$ -	\$ 148,099
VRS - Group Life Insurance	10,959	27,669	583	28,252
VRS - HIC	-	20,906	-	20,906
Net difference between projected and actual investment earnings:				
VRS - Group Life Insurance	17,354	43,814	923	44,737
Change in actuarial assumptions:				
VRS - Group Life Insurance	25,477	64,319	1,354	65,673
VRS - HIC	-	25,646	-	25,646
Change in proportion:				
VRS - Group Life Insurance	6,271	77,542	1,335	78,877
VRS - HIC	<u>-</u>	<u>134,599</u>	<u>-</u>	<u>134,599</u>
Total deferred inflows of resources	<u>\$ 425,507</u>	<u>\$ 542,594</u>	<u>\$ 4,195</u>	<u>\$ 546,789</u>
Net other post-employment benefits expense:				
Local Sponsored Health Insurance	\$ 184,545	\$ 147,716	\$ -	\$ 147,716
VRS - Group Life Insurance	28,528	40,814	790	41,604
VRS - HIC	<u>-</u>	<u>288,688</u>	<u>-</u>	<u>288,688</u>
Total net other post-employment benefit expense	<u>\$ 213,073</u>	<u>\$ 477,218</u>	<u>\$ 790</u>	<u>\$ 478,008</u>

19. COVID-19 Uncertainty

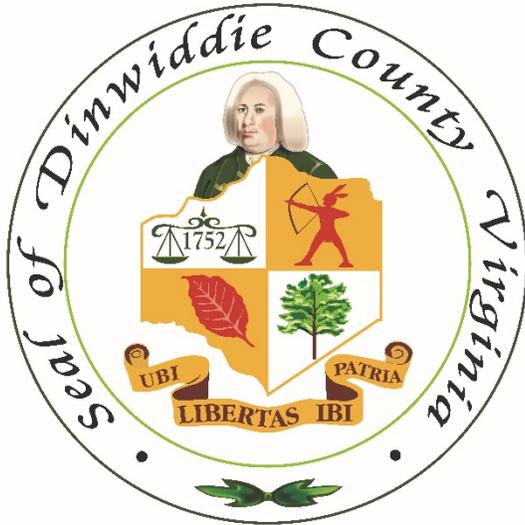
On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus (the “COVID-19 outbreak”) and the risks to the international community as the virus spread globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The County’s operations are heavily dependent on the ability to raise taxes, assess fees, and access the capital markets. Additionally, access to grants and contracts from federal and state governments may decrease or may not be available depending on appropriations. The outbreak will have a continued material adverse impact on economic and market conditions, triggering a period of global economic slowdown. This situation has depressed the tax bases and other areas in which the County received revenue during fiscal year 2020. As such, the County’s financial condition and liquidity will be negatively impacted for the fiscal year 2021.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude the pandemic will have on the County’s financial condition, liquidity, and future results of operations. Management is actively monitoring the impact of the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the County is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2021.

**REQUIRED SUPPLEMENTARY INFORMATION, OTHER THAN
MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2020



**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2020**

	General Fund			Variance From Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
General property taxes	\$ 33,280,137	\$33,280,137	\$34,515,890	\$ 1,235,753
Other local taxes	5,512,852	5,512,852	6,037,179	524,327
Permits, privilege fees and regulatory license	332,370	332,370	323,504	(8,866)
Fines and forfeitures	638,225	638,225	855,763	217,538
Revenue from use of money and property	343,657	343,657	370,247	26,590
Charges for services	1,828,393	1,828,393	1,781,996	(46,397)
Miscellaneous	205,550	205,550	233,622	28,072
Recovered costs	185,600	185,600	190,188	4,588
Intergovernmental revenues:				
Commonwealth	8,123,728	8,123,728	8,050,532	(73,196)
Federal	1,506,865	1,506,865	1,535,585	28,720
Total revenues	51,957,377	51,957,377	53,894,506	1,937,129
EXPENDITURES				
General government administration	3,483,933	3,500,033	3,435,982	64,051
Judicial administration	1,215,638	1,178,538	1,047,603	130,935
Public safety	13,280,881	13,310,093	12,857,108	452,985
Public works	4,380,520	4,380,520	4,347,807	32,713
Health and human services	3,246,808	3,246,808	3,153,629	93,179
Education	15,193,471	15,193,471	15,193,471	-
Parks, recreation, and cultural	1,335,544	1,335,544	1,149,468	186,076
Community development	2,012,310	2,163,443	1,241,138	922,305
Total expenditures	44,149,105	44,308,450	42,426,206	1,882,244
Excess of revenues over expenditures	7,808,272	7,648,927	11,468,300	3,819,373
OTHER FINANCING USES				
Transfers out	(10,768,277)	(10,768,277)	(10,768,277)	-
Net change in fund balances	(2,960,005)	(3,119,350)	700,023	3,819,373
Fund balance, beginning of year	18,047,818	18,047,818	18,047,818	-
Fund balance, end of year	\$ 15,087,813	\$14,928,468	\$18,747,841	\$ 3,819,373

Notes to required supplementary information:

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

See Independent Auditor's Report.

SCHEDULE OF EMPLOYER'S SHARE OF NET OPEB LIABILITIES

<u>Plan Year*</u>	<u>Employer's Proportionate of the Net OPEB Liability</u>	<u>Employer's Proportionate Share of the Net OPEB Liability</u>	<u>Employer's Covered Payroll</u>	<u>Employer's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</u>
PRIMARY GOVERNMENT					
Group Life Insurance Program					
2019	0.05192%	\$ 844,877	\$ 10,138,715	8.33%	52.00%
2018	0.05239%	\$ 795,000	\$ 9,937,349	8.00%	51.22%
2017	0.05207%	\$ 783,000	\$ 9,580,709	8.17%	48.86%
COMPONENT UNIT - SCHOOL BOARD					
Group Life Insurance Program, Non-Professional Plan					
2019	0.01037%	\$ 168,748	\$ 2,031,297	8.31%	52.00%
2018	0.00963%	\$ 146,000	\$ 1,830,349	7.98%	51.22%
2017	0.00985%	\$ 148,000	\$ 1,817,449	8.14%	48.86%
Group Life Insurance Program, Professional Plan					
2019	0.12071%	\$ 1,964,273	\$ 23,625,867	8.31%	52.00%
2018	0.12119%	\$ 1,840,000	\$ 23,028,893	7.99%	51.22%
2017	0.12653%	\$ 1,904,000	\$ 23,342,183	8.16%	48.86%
Health Insurance Credit Program					
2019	0.28194%	\$ 3,690,868	\$ 23,625,867	15.62%	8.97%
2018	0.28481%	\$ 3,616,000	\$ 23,028,893	15.70%	8.08%
2017	0.29564%	\$ 3,751,000	\$ 23,342,183	16.07%	7.04%

*The plan years above are reported in the entity's financial statements in the fiscal year following the plan year - i.e., plan year 2017 information was presented in the entity's fiscal year 2018 financial report.

This schedule is intended to show information for 10 years. Since fiscal year 2018 (plan year 2017) is the first year for this presentation, no earlier data is available. Additional years will be included as they become available.

See Independent Auditor's Report.

SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS

<u>For the Years Ended June 30,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
PRIMARY GOVERNMENT					
Group Life Insurance Program					
2020	\$ 56,227	\$ 56,227	\$ -	\$ 10,717,565	0.52%
2019	53,325	53,325	-	10,138,715	0.53%
2018	51,674	51,674	-	9,937,349	0.52%
COMPONENT UNIT - SCHOOL BOARD					
Group Life Insurance Program, Non-Professional Plan					
2020	\$ 10,524	\$ 10,524	\$ -	\$ 2,021,851	0.52%
2019	10,563	10,563	-	2,031,297	0.52%
2018	9,520	9,520	-	1,830,349	0.52%
Group Life Insurance Program, Professional Plan					
2020	\$ 129,149	\$ 129,149	\$ -	\$ 24,818,329	0.52%
2019	122,992	122,992	-	23,625,867	0.52%
2018	119,804	119,804	-	23,028,893	0.52%
Health Insurance Credit Program					
2020	\$ 297,823	\$ 297,823	\$ -	\$ 24,818,329	1.20%
2019	283,722	283,722	-	23,625,867	1.20%
2018	283,277	283,277	-	23,028,893	1.23%

Schedule is intended to show information for 10 years. Fiscal year 2018 was the first year for this presentation. Additional years will be included as they become available.

The covered payroll amounts above are for the entity's fiscal year - i.e. the covered payroll on which required contributions were based for the same year.

See Independent Auditor's Report.

**SCHEDULE OF EMPLOYER'S TOTAL RETIREE HEALTH INSURANCE (RHI)
OPEB LIABILITY AND RELATED RATIOS
PRIMARY GOVERNMENT**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
TOTAL RHI OPEB LIABILITY			
Service cost	\$ 153,150	\$ 145,857	\$ 124,204
Interest	51,077	59,499	51,034
Experience losses (gains)	-	(487,262)	-
Changes of assumptions	-	329,804	-
Employer contributions	<u>(27,226)</u>	<u>(24,599)</u>	<u>(64,411)</u>
Net change in total pension liability	177,001	23,299	110,827
TOTAL RHI OPEB LIABILITY			
Beginning	<u>1,704,800</u>	<u>1,681,501</u>	<u>1,570,674</u>
Ending	<u>\$ 1,881,801</u>	<u>\$ 1,704,800</u>	<u>\$ 1,681,501</u>

Schedule is intended to show information for 10 years. Fiscal year 2018 was the first year for this presentation. Additional years will be included as they become available.

See Independent Auditor's Report.

**SCHEDULE OF EMPLOYER'S TOTAL RETIREE HEALTH INSURANCE (RHI)
OPEB LIABILITY AND RELATED RATIOS
COMPONENT UNIT - SCHOOL BOARD**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
TOTAL RHI OPEB LIABILITY			
Service cost	\$ 86,529	\$ 82,409	\$ 85,929
Interest	44,730	48,965	43,166
Experience losses (gains)	-	(207,339)	-
Changes of assumptions	-	322,542	-
Employer contributions	<u>(79,919)</u>	<u>(72,207)</u>	<u>(59,599)</u>
Net change in total pension liability	51,340	174,370	69,496
TOTAL RHI OPEB LIABILITY			
Beginning	<u>1,596,628</u>	<u>1,422,258</u>	<u>1,352,762</u>
Ending	<u><u>\$ 1,647,968</u></u>	<u><u>\$ 1,596,628</u></u>	<u><u>\$ 1,422,258</u></u>

Schedule is intended to show information for 10 years. Fiscal year 2018 was the first year for this presentation. Additional years will be included as they become available.

See Independent Auditor's Report.

SCHEDULE OF EMPLOYER RETIREE HEALTH INSURANCE (RHI) OPEB CONTRIBUTIONS

<u>For the Years Ended June 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in Relation to Actuarially Determined Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
PRIMARY GOVERNMENT					
2020	\$ 301,638	\$ 27,226	\$ 274,412	N/A	N/A
2019	\$ 275,372	\$ 24,599	\$ 250,773	N/A	N/A
2018	\$ 239,992	\$ 64,411	\$ 175,581	N/A	N/A
COMPONENT UNIT - SCHOOL BOARD					
2020	\$ 213,492	\$ 79,919	\$ 133,573	N/A	N/A
2019	\$ 200,207	\$ 72,207	\$ 128,000	N/A	N/A
2018	\$ 185,236	\$ 59,599	\$ 125,637	N/A	N/A

Schedule is intended to show information for 10 years. Fiscal year 2018 was the first year for this presentation. Additional years will be included as they become available.

See Independent Auditor's Report.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
PRIMARY GOVERNMENT

	Plan Year					
	2019	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY						
Service cost	\$ 1,274,950	\$ 1,280,796	\$ 1,118,970	\$ 1,041,334	\$ 997,720	\$ 967,375
Interest	2,570,094	2,418,890	2,334,043	2,280,925	2,209,011	2,104,161
Changes of assumptions	1,163,797	-	30,664	-	-	-
Difference between expected and actual experience	(543,998)	220,737	(595,086)	(947,822)	(587,348)	-
Benefit payments, including refunds of employee contributions	(1,828,248)	(1,692,480)	(1,660,512)	(1,570,704)	(1,613,371)	(1,533,995)
Net change in total pension liability	2,636,595	2,227,943	1,228,079	803,733	1,006,012	1,537,541
Total pension liability, beginning	37,629,750	35,401,807	34,173,728	33,369,995	32,363,983	30,826,442
Total pension liability, ending (a)	<u>\$40,266,345</u>	<u>\$37,629,750</u>	<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	\$ 928,477	\$ 864,249	\$ 837,735	\$ 1,040,134	\$ 983,274	\$ 1,094,374
Contributions - employee	520,505	489,818	475,344	431,968	419,596	396,746
Net investment income	2,402,322	2,503,084	3,712,015	529,812	1,325,286	3,961,896
Benefit payments, including refunds of employee contributions	(1,828,248)	(1,692,480)	(1,660,512)	(1,570,704)	(1,613,371)	(1,533,995)
Administrative expenses	(23,553)	(21,479)	(21,359)	(18,615)	(18,079)	(21,172)
Other changes	(1,515)	(2,232)	(3,305)	(223)	(280)	209
Net change in plan fiduciary net position	1,997,988	2,140,960	3,339,918	412,372	1,096,426	3,898,058
Plan fiduciary net position, beginning	35,963,924	33,822,964	30,483,046	30,070,674	28,974,248	25,076,190
Plan fiduciary net position, ending (b)	<u>\$37,961,912</u>	<u>\$35,963,924</u>	<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>\$ 2,304,433</u>	<u>\$ 1,665,826</u>	<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	94.3%	95.6%	95.5%	89.2%	90.1%	89.5%
Employer's covered payroll	\$10,138,715	\$ 9,937,349	\$ 9,580,709	\$ 8,731,839	\$ 8,217,087	\$ 7,925,648
Net pension liability as a percentage of covered payroll	22.7%	16.8%	16.5%	42.3%	40.2%	42.8%

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year - i.e., plan year 2014 information was presented in the entity's fiscal year 2015 financial report.

This schedule is intended to show information for 10 years. Since fiscal year 2015 (plan year 2014) was the first year for this presentation, no earlier data is available. Additional years will be included as they become available.

See Independent Auditor's Report.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
 COMPONENT UNIT - SCHOOL BOARD - NON-PROFESSIONAL PLAN

	Plan Year					
	2019	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY						
Service cost	\$ 182,616	\$ 182,359	\$ 197,565	\$ 212,159	\$ 212,912	\$ 220,298
Interest	545,599	534,144	532,511	529,520	520,030	500,348
Changes of assumptions	195,597	-	(77,333)	-	-	-
Difference between expected and actual experience	(127,585)	(26,305)	(101,758)	(141,831)	(97,869)	-
Benefit payments, including refunds of employee contributions	(560,230)	(492,868)	(562,466)	(551,759)	(447,258)	(431,694)
Net change in total pension liability	235,997	197,330	(11,481)	48,089	187,815	288,952
Total pension liability, beginning	8,074,387	7,877,057	7,888,538	7,840,449	7,652,634	7,363,682
Total pension liability, ending (a)	<u>\$ 8,310,384</u>	<u>\$ 8,074,387</u>	<u>\$ 7,877,057</u>	<u>\$ 7,888,538</u>	<u>\$ 7,840,449</u>	<u>\$ 7,652,634</u>
PLAN FIDUCIARY NET POSITION						
Contributions, employer	\$ 132,727	\$ 129,874	\$ 129,537	\$ 181,929	\$ 182,256	\$ 227,601
Contributions, employee	96,201	88,173	89,080	99,425	97,964	104,640
Net investment income	501,568	546,029	830,237	119,831	317,343	961,713
Benefit payments, including refunds of employee contributions	(560,230)	(492,868)	(562,466)	(551,759)	(447,258)	(431,694)
Administrative expenses	(5,168)	(4,850)	(5,022)	(4,484)	(4,448)	(5,223)
Other changes	(316)	(481)	(731)	(51)	(67)	51
Net change in plan fiduciary net position	164,782	265,877	480,635	(155,109)	145,790	857,088
Plan fiduciary net position, beginning	7,745,516	7,479,639	6,999,004	7,154,113	7,008,323	6,151,235
Plan fiduciary net position, ending (b)	<u>\$ 7,910,298</u>	<u>\$ 7,745,516</u>	<u>\$ 7,479,639</u>	<u>\$ 6,999,004</u>	<u>\$ 7,154,113</u>	<u>\$ 7,008,323</u>
Net pension liability, ending (a) - (b)	<u>\$ 400,086</u>	<u>\$ 328,871</u>	<u>\$ 397,418</u>	<u>\$ 889,534</u>	<u>\$ 686,336</u>	<u>\$ 644,311</u>
Plan fiduciary net position as a percentage of the total pension liability	95.2%	95.9%	95.0%	88.7%	91.2%	91.6%
Employer's covered payroll*	\$ 2,031,297	\$ 1,830,349	\$ 1,817,449	\$ 2,183,222	\$ 1,863,958	\$ 1,988,146
Net pension liability as a percentage of covered payroll	19.7%	18.0%	21.9%	40.7%	36.8%	32.4%

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year - i.e., plan year 2014 information was presented in the entity's fiscal year 2015 financial report.

This schedule is intended to show information for 10 years. Since fiscal year 2015 (plan year 2014) was the first year for this presentation, no earlier data is available. Additional years will be included as they become available.

See Independent Auditor's Report.

**SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
COMPONENT UNIT - SCHOOL BOARD - PROFESSIONAL PLAN**

	2019	2018	2017	2016	2015	2014
Employer's proportion of the net pension liability	0.28314%	0.28583%	0.29609%	0.29066%	0.28527%	0.28514%
Employer's proportionate share of the net pension liability	\$37,262,833	\$33,613,000	\$36,413,000	\$40,733,000	\$35,905,000	\$34,458,000
Employer's covered payroll**	\$23,625,867	\$23,028,893	\$23,342,183	\$21,551,979	\$21,673,789	\$20,836,105
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	157.72%	145.96%	156.00%	189.00%	165.66%	165.38%
Plan fiduciary net position as a percentage of the total pension liability	73.51%	74.81%	72.92%	68.28%	70.68%	70.88%

Schedule is intended to show information for 10 years. Since 2015 was the first year for this presentation, no earlier data is av
However, additional years will be included as they become available.

**The covered payroll amounts above are for the measurement period, which is the twelve months prior to the school division's fiscal year.

See Independent Auditor's Report.

SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS

<u>For the Years Ended June 30,*</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
PRIMARY GOVERNMENT					
2020	\$ 1,005,213	\$ 1,005,213	\$ -	\$ 10,717,565	9.38%
2019	951,011	951,011	-	10,138,715	9.38%
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					
2020	\$ 138,699	\$ 138,699	\$ -	\$ 2,021,851	6.86%
2019	139,347	139,347	-	2,031,297	6.86%
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					
2020	\$ 3,891,514	\$ 3,891,514	\$ -	\$ 24,818,329	15.68%
2019	3,704,536	3,704,536	-	23,625,867	15.68%
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.

COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION, OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS June 30, 2020

1. Pension Plans

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 actuarial assumption used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the period from July 1, 2012, through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Non 10 Largest - Non-Hazardous Duty:

- Update mortality table to RP-2014 projected to 2020
- Lowered rates of retirement at older ages and changed final retirement from 70 to 75
- Update withdrawal rates to better fit experience at each age and service year through 9 years of service
- Lowered disability rates
- No changes to salary rates
- Increased Line of Duty disability rate from 14% to 15%
- Decreased discount rate from 7.00% to 6.75%

Non 10 Largest - Hazardous Duty:

- Update mortality table to RP-2014 projected to 2020
- Increased retirement rate at age 50 and lowered rates at older ages
- Update withdrawal rates to better fit experience at each age and service year through 9 years of service
- Update disability rates to better fit experience
- No changes to salary rates
- Lowered Line of Duty rate from 60% to 45%
- Decreased discount rate from 7.00% to 6.75%

School Board - Non-Professional Plan

Same as Primary Government

School Board - Professional Plan

- Update mortality table to RP-2014 projected to 2020
- Lowered retirement rates at older ages and changed final retirement from 70 to 75
- Update withdrawal rates to better fit experience at each year age and service through 9 years of service
- Update disability rates to better fit experience
- No changes to salary rates
- Decreased discount rate from 7.00% to 6.75%

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION, OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2020

2. Group Life Insurance (GLI) and Health Insurance Credit (HIC) 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 - GLI

The actuarial assumptions used in the June 30, 2018, valuation were based on results of an actuarial experience study for the period from July 1, 2012, through June 30, 2016, expect the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumption as a result of the experience study and VRS Board action are as follows:

General State Employees

- Mortality Rates: 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: Adjusted rates to better match experience
- Salary Scale: No change
- Line of Duty Disability: Increased rate from 14% to 25%
- Discount Rate: Decrease rate from 7.00% to 6.75%

Teachers

- Mortality Rates: 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: Adjusted rates to better match experience
- Salary Scale: No change
- Discount Rate: Decrease rate from 7.00% to 6.75%

SPORS Employees

- Mortality Rates: Updated to a more current mortality table - RP-2014 projected to 2020 and reduced margin for future improvement in accordance with experience
- Retirement Rates: Increased age 50 rates and lowered rates at older ages
- Withdrawal Rates: Adjusted rates to better fit experience
- Disability Rates: Adjusted rates to better match experience
- Salary Scale: No change
- Line of Duty Disability: Increased rate from 60% to 85%
- Discount Rate: Decrease rate from 7.00% to 6.75%

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION, OTHER THAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020**

2. Group Life Insurance (GLI) and Health Insurance Credit (HIC) OPEB Programs (Continued)

VaLORS Employees

- Mortality Rates: Updated to a more current mortality table - RP-2014 projected to 2020 and reduced margin for future improvement in accordance with experience
- 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 match experience
- Salary Scale: No change
- Line of Duty Disability: Decreased rate from 50% to 35%
- Discount Rate: Decrease rate from 7.00% to 6.75%

JRS Employees

- Mortality Rates: Updated to a more current mortality table - RP-2014 projected to 2020
- Retirement Rates: Decreased rates at first retirement eligibility
- Withdrawal Rates: No change
- Disability Rates: Removed disability rates
- Salary Scale: No change
- Discount Rate: Decrease rate from 7.00% to 6.75%

Largest 10 Locality Employers - General Employees

- Mortality Rates: Updated to a more current mortality table - RP-2014 projected to 2020
- Retirement Rates: Lowered retirement rates at older ages and extended final retirement age from 70 to 75
- Withdrawal Rates: Adjusted termination rates to better fit experience at each age and service year
- Disability Rates: Lowered disability rates
- Salary Scale: No change
- Line of Duty Disability: Increased rate from 14% to 20%
- Discount Rate: Decrease rate from 7.00% to 6.75%

Non-Largest 10 Locality Employers - General Employees

- Mortality Rates: Updated to a more current mortality table - RP-2014 projected to 2020
- Retirement Rates: Lowered retirement rates at older ages and extended final retirement age from 70 to 75.
- Withdrawal Rates: Adjusted termination rates to better fit experience at each age and service year
- Disability Rates: Lowered disability rates
- Salary Scale: No change
- Line of Duty Disability: Increased rate from 14% to 15%
- Discount Rate: Decrease rate from 7.00% to 6.75%

(Continued)

COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION, OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS June 30, 2020

2. Group Life Insurance (GLI) and Health Insurance Credit (HIC) OPEB Programs (Continued)

Largest 10 Locality Employers - Hazardous Duty Employees

- Mortality Rates: Updated to a more current mortality table - RP-2014 projected to 2020
- Retirement Rates: Lowered retirement rates at older ages
- Withdrawal Rates: Adjusted termination rates to better fit experience at each age and service year
- Disability Rates: Increased disability rates
- Salary Scale: No change
- Line of Duty Disability: Increased rate from 60% to 70%
- Discount Rate: Decrease rate from 7.00% to 6.75%

Non-Largest 10 Locality Employers - Hazardous Duty Employees

- Mortality Rates: Updated 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 age and service year
- Disability Rates: Adjusted rates to better match experience
- Salary Scale: No change
- Line of Duty Disability: Decreased rate from 60% to 45%
- Discount Rate: Decrease rate from 7.00% to 6.75%

Changes of assumptions - HIC

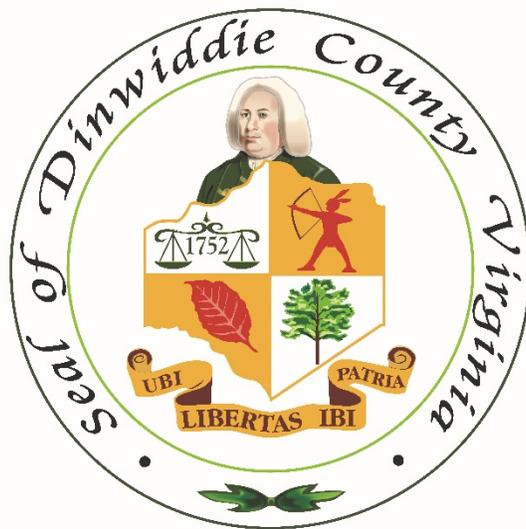
The actuarial assumptions used in the June 30, 2018, valuation were based on results of an actuarial experience study for the period from July 1, 2012, through June 30, 2016, expect the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumption as a result of the experience study and VRS Board action are as follows:

School Board - Professional Plan

- Update mortality table to RP-2014 projected to 2020
- Lowered retirement rates at older ages and changed final retirement from 70 to 75
- Update withdrawal rates to better fit experience at each year age and service through 9 years of service
- Update disability rates to better fit experience
- No changes to salary rates
- Decreased discount rate from 7.00% to 6.75%

OTHER SUPPLEMENTARY INFORMATION

June 30, 2020



**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - DEBT SERVICE FUND
Year Ended June 30, 2020**

	Debt Service Fund			Variance From Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
EXPENDITURES				
Community development	\$ 341,790	\$ 341,790	\$ 160,140	\$ 181,650
Debt service:				
Principal retirement	3,996,571	3,996,571	3,996,571	-
Interest and other fiscal charges	2,538,365	2,710,606	2,466,004	244,602
Total expenditures	6,876,726	7,048,967	6,622,715	426,252
 Deficiency of revenues under expenditures	 (6,876,726)	 (7,048,967)	 (6,622,715)	 426,252
OTHER FINANCING SOURCES				
Transfers in	7,465,216	7,465,216	7,465,216	-
 Net change in fund balances	 588,490	 416,249	 842,501	 426,252
 Fund balance, beginning of year	 1,606,727	 1,606,727	 1,606,727	 -
 Fund balance, end of year	 <u>\$ 2,195,217</u>	 <u>\$ 2,022,976</u>	 <u>\$ 2,449,228</u>	 <u>\$ 426,252</u>

See Independent Auditor's Report.

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
Year Ended June 30, 2020**

	Capital Projects Fund			Variance From Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money	\$ -	\$ -	\$ 87,325	\$ 87,325
Miscellaneous	-	12,305	20,218	7,913
Recovered costs	-	350,471	400,471	50,000
Intergovernmental revenues:				
Commonwealth	988,500	988,500	-	(988,500)
Total revenues	988,500	1,351,276	508,014	(843,262)
EXPENDITURES				
Community development	168,617	168,617	168,597	20
Capital outlays and projects	14,446,795	15,432,774	3,892,714	11,540,060
Bond issuance costs	-	232,198	231,970	228
Total expenditures	14,615,412	15,833,589	4,293,281	11,540,308
Deficiency of revenues under expenditures	(13,626,912)	(14,482,313)	(3,785,267)	10,697,046
OTHER FINANCING SOURCES (USES)				
Proceeds from bond issuance	10,000,000	10,234,462	10,234,462	-
Transfers	2,417,619	2,417,619	2,417,619	-
Total other financing sources (uses)	12,417,619	12,652,081	12,652,081	-
Net change in fund balances	(1,209,293)	(1,830,232)	8,866,814	10,697,046
Fund balance, beginning of year	1,830,231	1,830,231	1,830,231	-
Fund balance, end of year	\$ 620,938	\$ (1)	\$ 10,697,045	\$ 10,697,046

See Independent Auditor's Report.

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - SPECIAL REVENUE FUND
Year Ended June 30, 2020**

	Special Revenue Fund			Variance From Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenues from use of money and property	\$ -	\$ -	\$ 84	\$ 84
Charges for services	3,475	3,475	3,822	347
Miscellaneous	55,000	55,000	55,661	661
Intergovernmental revenues:				
Commonwealth	1,520,721	1,522,176	1,470,518	(51,658)
Federal	7,500	2,526,250	369,747	(2,156,503)
Total revenues	1,586,696	4,106,901	1,899,832	(2,207,069)
EXPENDITURES				
Judicial administration	20,437	20,286	1,412	18,874
Public safety	319,427	2,895,097	366,567	2,528,530
Public works	182,102	189,860	84,979	104,881
Health and human services	2,270,363	2,270,554	2,136,832	133,722
Community development	-	-	132,500	(132,500)
Total expenditures	2,792,329	5,375,797	2,722,290	2,653,507
Deficiency of revenues under expenditures	(1,205,633)	(1,268,896)	(822,458)	446,438
OTHER FINANCING SOURCES				
Transfers in	885,442	885,442	885,442	-
Net change in fund balances	(320,191)	(383,454)	62,984	446,438
Fund balance, beginning of year	383,454	383,454	383,454	-
Fund balance, end of year	\$ 63,263	\$ -	\$ 446,438	\$ 446,438

See Independent Auditor's Report.

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUND - SPECIAL WELFARE FUND
 Year Ended June 30, 2020

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance End of Year</u>
ASSETS				
Cash and cash equivalents	\$ 63,406	\$ 23,593	\$ (58,784)	\$ 28,215
LIABILITIES				
Amounts held for social services clients	\$ 63,406	\$ 23,593	\$ (58,784)	\$ 28,215

See Independent Auditor's Report.

COUNTY OF DINWIDDIE, VIRGINIA

Exhibit Y

COMBINING STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 June 30, 2020

	Private Purpose Trust Funds						
	Butterworth Scholarship	Retired Teachers Scholarships	Williamson Scholarship	Doyle Scholarship	Pamplin Endowment	Abrahams Scholarship	Total
ASSETS							
Cash and cash equivalents	\$ 12,525	\$ 36,670	\$ 868	\$ 146,316	\$ 143,844	\$ 548,929	\$ 889,152
Investments	-	-	-	262,246	2,196,448	3,493,456	5,952,150
	<u>\$ 12,525</u>	<u>\$ 36,670</u>	<u>\$ 868</u>	<u>\$ 408,562</u>	<u>\$ 2,340,292</u>	<u>\$ 4,042,385</u>	<u>\$ 6,841,302</u>
NET POSITION							
Amounts held in trust for scholarships and the disadvantaged	<u>\$ 12,525</u>	<u>\$ 36,670</u>	<u>\$ 868</u>	<u>\$ 408,562</u>	<u>\$ 2,340,292</u>	<u>\$ 4,042,385</u>	<u>\$ 6,841,302</u>

See Independent Auditor's Report.

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 Year Ended June 30, 2020

	Private Purpose Trust Funds						
	Butterworth Scholarship	Retired Teachers Scholarships	Williamson Scholarship	Doyle Scholarship	Pamplin Endowment	Abrahams Scholarship	Total
ADDITIONS							
Investment earnings	\$ 120	\$ 57	\$ 5	\$ 8,853	\$ 183,683	\$ 336,423	\$ 529,141
Private donations	-	3,075	-	-	23,015	57,988	84,078
Net unrealized gain	-	-	-	4,578	-	-	4,578
	<u>120</u>	<u>3,132</u>	<u>5</u>	<u>13,431</u>	<u>206,698</u>	<u>394,411</u>	<u>617,797</u>
DEDUCTIONS							
Investment fees	-	-	-	-	24,701	92,493	117,194
Investment losses	-	-	-	-	231,524	160,605	392,129
Scholarships	-	2,795	-	6,251	90,000	125,000	224,046
	<u>-</u>	<u>2,795</u>	<u>-</u>	<u>6,251</u>	<u>346,225</u>	<u>378,098</u>	<u>733,369</u>
Change in net position	120	337	5	7,180	(139,527)	16,313	(115,572)
Net position, beginning of year	<u>12,405</u>	<u>36,333</u>	<u>863</u>	<u>401,382</u>	<u>2,479,819</u>	<u>4,026,072</u>	<u>6,956,874</u>
Net position, end of year	<u>\$ 12,525</u>	<u>\$ 36,670</u>	<u>\$ 868</u>	<u>\$ 408,562</u>	<u>\$ 2,340,292</u>	<u>\$ 4,042,385</u>	<u>\$ 6,841,302</u>

See Independent Auditor's Report.

**COMBINING BALANCE SHEET - GOVERNMENTAL FUNDS
DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD
June 30, 2020**

	<u>Operating Fund</u>	<u>Special Revenue Fund</u>	<u>Total Component Unit School Board</u>
ASSETS			
Cash and cash equivalents	\$ 4,980,143	\$ 389,704	\$ 5,369,847
Accounts receivable	4,263	-	4,263
Due from other governmental units	1,483,269	55,730	1,538,999
Due from other funds	-	192,406	192,406
	<u>\$ 6,467,675</u>	<u>\$ 637,840</u>	<u>\$ 7,105,515</u>
LIABILITIES			
Accounts payable	\$ 354,519	\$ 85,441	\$ 439,960
Accrued liabilities	4,420,030	152,462	4,572,492
Due to other funds	192,406	-	192,406
	<u>4,966,955</u>	<u>237,903</u>	<u>5,204,858</u>
FUND BALANCES			
Committed to:			
School capital projects	1,187,375	-	1,187,375
Textbook purchases	-	242,811	242,811
School food	-	157,126	157,126
School grants	313,345	-	313,345
	<u>1,500,720</u>	<u>399,937</u>	<u>1,900,657</u>
	<u>\$ 6,467,675</u>	<u>\$ 637,840</u>	<u>\$ 7,105,515</u>

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

Total fund balances per above	\$ 1,900,657
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds	41,647,559
Long-term liabilities, including compensated absences payable, are not due and payable in the current period and, therefore, are not reported in the funds	(48,793,261)
Financial statement elements related to pensions are applicable to future periods and, therefore, are not reported in the funds	
Deferred outflows of resources related to pensions	8,364,981
Deferred outflows of resources related to net GLI OPEB	452,432
Deferred outflows of resources related to health insurance OPEB	230,388
Deferred outflows of resources related to net HIC OPEB	<u>422,597</u>
	9,470,398
Financial statement elements related to other postemployment benefits (OPEB) are applicable to future periods and, therefore, are not reported in the funds.	
Deferred inflows of resources related to pensions	(4,507,405)
Deferred inflows of resources related to net GLI OPEB	(213,344)
Deferred inflows of resources related to health insurance OPEB	(148,099)
Deferred inflows of resources related to net HIC OPEB	<u>(181,151)</u>
	<u>(5,049,999)</u>
Net position of governmental activities	<u>\$ (824,646)</u>

See Independent Auditor's Report.

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD
Year Ended June 30, 2020**

	<u>Operating Fund</u>	<u>Special Revenue Fund</u>	<u>Total Component Unit School Board</u>
REVENUES			
Revenue from use of money and property	\$ 139,976	\$ 84	\$ 140,060
Charges for services	6,511	308,144	314,655
Miscellaneous	121,492	-	121,492
Recovered costs	291,947	4,648	296,595
Intergovernmental revenues:			
Local government	15,182,488	-	15,182,488
Commonwealth	30,810,099	355,814	31,165,913
Federal	2,066,171	1,284,332	3,350,503
Total revenues	<u>48,618,684</u>	<u>1,953,022</u>	<u>50,571,706</u>
EXPENDITURES			
Education	47,104,386	2,298,417	49,402,803
Capital projects	350,471	-	350,471
Total expenditures	<u>47,454,857</u>	<u>2,298,417</u>	<u>49,753,274</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,163,827</u>	<u>(345,395)</u>	<u>818,432</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	<u>(312,021)</u>	<u>312,021</u>	<u>-</u>
Changes in fund balances	851,806	(33,374)	818,432
Fund balances, beginning of year	<u>648,914</u>	<u>433,311</u>	<u>1,082,225</u>
Fund balances, end of year	<u>\$ 1,500,720</u>	<u>\$ 399,937</u>	<u>\$ 1,900,657</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 \$ 818,432

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	960,323	
Depreciation expense	(2,324,030)	
Allocation of jointly owned assets - original cost, less depreciation	<u>(1,306,668)</u>	(2,670,375)

The repayment of capital leases consumes the current financial resources of governmental funds; however, they do not have an effect on net position. 324,479

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	(223,158)	
Change in net pension liability and related deferred amounts	(141,097)	
Change in net GLI OPEB liability and related deferred amounts	98,512	
Change in net Retiree Health Insurance OPEB liability and related deferred amou	(351,074)	
Change in net HIC OPEB liability and related deferred amounts	<u>292,133</u>	<u>(324,684)</u>

Change in net position of governmental activities \$ (1,852,148)

See Independent Auditor's Report.

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - OPERATING FUND
DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD
Year Ended June 30, 2020**

	Operating Fund			Variance From Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Revenue from use of money and property	\$ 139,976	\$ 139,976	\$ 139,976	\$ -
Charges for services	15,000	15,000	6,511	(8,489)
Miscellaneous	32,952	32,952	121,492	88,540
Recovered costs	50,000	50,000	291,947	241,947
Intergovernmental revenues:				
Local government	15,182,488	15,182,488	15,182,488	-
Commonwealth	31,218,099	31,218,099	30,810,099	(408,000)
Federal	2,319,060	2,319,060	2,066,171	(252,889)
Total revenues	48,957,575	48,957,575	48,618,684	(338,891)
EXPENDITURES				
Education	49,135,101	49,015,162	47,104,386	1,910,776
Capital outlays and projects	-	350,471	350,471	-
Total expenditures	49,135,101	49,365,633	47,454,857	1,910,776
Excess (deficiency) of revenues over (under) expenditures	(177,526)	(408,058)	1,163,827	1,571,885
OTHER FINANCING USES				
Transfers out	(120,915)	(120,915)	(312,021)	(191,106)
Changes in fund balances	(298,441)	(528,973)	851,806	1,380,779
Fund balances, beginning of year	648,914	648,914	648,914	-
Fund balances, end of year	<u>\$ 350,473</u>	<u>\$ 119,941</u>	<u>\$ 1,500,720</u>	<u>\$ 1,380,779</u>

See Independent Auditor's Report.

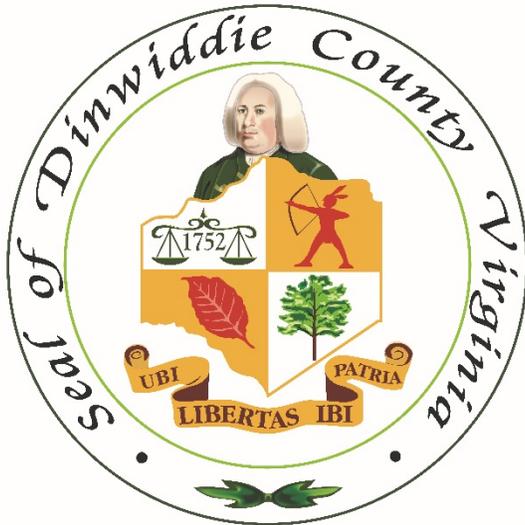
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - SPECIAL REVENUE FUND
DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD
Year Ended June 30, 2020**

	<u>Special Revenue Fund</u>			Variance From Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Revenue from use of money and property	\$ 100	\$ 100	\$ 84	\$ (16)
Charges for services	425,000	425,000	308,144	(116,856)
Recovered costs	3,000	3,000	4,648	1,648
Intergovernmental revenues:				
Commonwealth	343,562	343,562	355,814	12,252
Federal	1,260,000	1,260,000	1,284,332	24,332
	<u>2,031,662</u>	<u>2,031,662</u>	<u>1,953,022</u>	<u>(78,640)</u>
Total revenues				
EXPENDITURES				
Education	<u>2,665,251</u>	<u>2,585,889</u>	<u>2,298,417</u>	<u>287,472</u>
Deficiency of revenues under expenditures	<u>(633,589)</u>	<u>(554,227)</u>	<u>(345,395)</u>	<u>208,832</u>
OTHER FINANCING SOURCES				
Transfers in	<u>120,915</u>	<u>120,915</u>	<u>312,021</u>	<u>191,106</u>
Changes in fund balances	(512,674)	(433,312)	(33,374)	399,938
Fund balances, beginning of year	<u>433,311</u>	<u>433,311</u>	<u>433,311</u>	<u>-</u>
Fund balances, end of year	<u><u>\$ (79,363)</u></u>	<u><u>\$ (1)</u></u>	<u><u>\$ 399,937</u></u>	<u><u>\$ 399,938</u></u>

See Independent Auditor's Report.

SUPPORTING SCHEDULES

June 30, 2020



**SCHEDULE OF REVENUES
BUDGET AND ACTUAL - GOVERNMENTAL FUNDS
Year Ended June 30, 2020**

Entity, Fund, Major and 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	\$ 18,737,439	\$ 18,737,439	\$ 18,828,949	\$ 91,510
Real and personal PSC tax	1,783,224	1,783,224	2,061,110	277,886
Personal property tax	9,304,105	9,304,105	9,962,394	658,289
Mobile home tax	60,903	60,903	70,226	9,323
Machinery and tools tax	2,879,466	2,879,466	2,908,236	28,770
Penalties	300,000	300,000	393,337	93,337
Interest	215,000	215,000	291,638	76,638
Total general property taxes	<u>33,280,137</u>	<u>33,280,137</u>	<u>34,515,890</u>	<u>1,235,753</u>
Other local taxes:				
Local sales and use tax	1,965,000	1,965,000	2,243,771	278,771
Bank stock tax	234,852	234,852	210,082	(24,770)
Consumption tax	246,000	246,000	218,069	(27,931)
Consumer utility tax	540,000	540,000	563,833	23,833
Business license tax	825,000	825,000	942,783	117,783
Admission tax	50,000	50,000	18,222	(31,778)
Motor vehicle licenses	542,000	542,000	577,085	35,085
Taxes on recordation and wills	160,000	160,000	270,599	110,599
Meals tax	850,000	850,000	912,801	62,801
Transient occupancy tax	100,000	100,000	79,934	(20,066)
Total other local taxes	<u>5,512,852</u>	<u>5,512,852</u>	<u>6,037,179</u>	<u>524,327</u>
Permits, privilege fees and regulatory licenses:				
Building, electrical, and plumbing permits	245,000	245,000	230,849	(14,151)
Animal licenses	14,670	14,670	10,354	(4,316)
Transfer fees	750	750	931	181
Other permits and licenses	71,950	71,950	81,370	9,420
Total permits, privilege fees and regulatory licenses	<u>332,370</u>	<u>332,370</u>	<u>323,504</u>	<u>(8,866)</u>
Fines and forfeitures:				
Court fines and forfeitures	638,225	638,225	855,763	217,538
Revenue from use of money and property:				
Revenue from use of money	228,500	228,500	261,470	32,970
Revenue from use of property	115,157	115,157	108,777	(6,380)
Total revenue from use of money and property	<u>343,657</u>	<u>343,657</u>	<u>370,247</u>	<u>26,590</u>

See Independent Auditor's Report.

COUNTY OF DINWIDDIE, VIRGINIA

Schedule 1
(Continued)

SCHEDULE OF REVENUES
BUDGET AND ACTUAL - GOVERNMENTAL FUNDS
Year Ended June 30, 2020

Entity, Fund, Major and 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	\$ 767,000	\$ 767,000	\$ 789,080	\$ 22,080
Law enforcement and traffic control	44,386	44,386	38,994	(5,392)
Courthouse security	95,000	95,000	93,485	(1,515)
Other court services	21,375	21,375	21,128	(247)
Commonwealth's Attorney	3,000	3,000	3,249	249
Correction and detention	3,500	3,500	2,391	(1,109)
Other protection	12,882	12,882	14,565	1,683
Community development	50	50	54	4
Sanitation and waste removal	90,000	90,000	114,695	24,695
Water and sewer services	620,000	620,000	588,385	(31,615)
Parks and recreation	171,200	171,200	115,970	(55,230)
Total charges for services	1,828,393	1,828,393	1,781,996	(46,397)
Miscellaneous:				
Miscellaneous revenues	205,550	205,550	233,622	28,072
Recovered costs:				
Security deputies	75,000	75,000	87,341	12,341
Other recovered costs	101,000	101,000	91,907	(9,093)
Prisoner extradition reimbursement	2,000	2,000	2,657	657
Social services insurance	7,600	7,600	8,283	683
Total recovered costs	185,600	185,600	190,188	4,588
Total revenue from local sources	42,326,784	42,326,784	44,308,389	1,981,605
Revenue from the Commonwealth:				
Noncategorical aid:				
Rolling stock tax	121,200	121,200	123,058	1,858
Mobile home titling tax	40,000	40,000	24,529	(15,471)
Taxes on deeds	40,000	40,000	68,021	28,021
Motor vehicle rental tax	1,450	1,450	2,209	759
Communications tax	750,000	750,000	764,220	14,220
State recordation tax	53,000	53,000	52,253	(747)
Personal property tax relief funds	3,642,692	3,642,692	3,642,692	-
Total noncategorical aid	4,648,342	4,648,342	4,676,982	28,640

See Independent Auditor's Report.

COUNTY OF DINWIDDIE, VIRGINIA

Schedule 1
(Continued)

SCHEDULE OF REVENUES
BUDGET AND ACTUAL - GOVERNMENTAL FUNDS
Year Ended June 30, 2020

Entity, Fund, Major and 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	\$ 374,518	\$ 374,518	\$ 327,091	\$ (47,427)
Sheriff	1,462,732	1,462,732	1,459,880	(2,852)
Commissioner of revenue	130,555	130,555	130,447	(108)
Treasurer	99,631	99,631	99,299	(332)
Registrar/electoral board	42,320	42,320	46,125	3,805
Clerk of the Circuit Court	283,266	283,266	307,013	23,747
Total shared expenses	<u>2,393,022</u>	<u>2,393,022</u>	<u>2,369,855</u>	<u>(23,167)</u>
Other categorical aid:				
Public assistance and welfare administration	850,000	850,000	824,573	(25,427)
E-911 wireless grants	100,000	100,000	104,319	4,319
VJCCCA grant	19,549	19,549	19,549	-
Pesticide recycling	1,700	1,700	-	(1,700)
Other state funds	111,115	111,115	55,254	(55,861)
Total other categorical aid	<u>1,082,364</u>	<u>1,082,364</u>	<u>1,003,695</u>	<u>(78,669)</u>
Total categorical aid	<u>3,475,386</u>	<u>3,475,386</u>	<u>3,373,550</u>	<u>(101,836)</u>
Total revenue from the Commonwealth	<u>8,123,728</u>	<u>8,123,728</u>	<u>8,050,532</u>	<u>(73,196)</u>
Revenue from the federal government:				
Payments in lieu of taxes	<u>923</u>	<u>923</u>	<u>999</u>	<u>76</u>
Categorical aid:				
Public assistance and welfare administration	1,395,000	1,395,000	1,450,801	55,801
Bulletproof vest grant	1,700	1,700	4,659	2,959
Victim witness assistance grant	109,242	109,242	76,299	(32,943)
Other federal funds	-	-	2,827	2,827
Total categorical aid	<u>1,505,942</u>	<u>1,505,942</u>	<u>1,534,586</u>	<u>28,644</u>
Total revenue from the federal government	<u>1,506,865</u>	<u>1,506,865</u>	<u>1,535,585</u>	<u>28,720</u>
TOTAL GENERAL FUND	<u>51,957,377</u>	<u>51,957,377</u>	<u>53,894,506</u>	<u>1,937,129</u>

See Independent Auditor's Report.

COUNTY OF DINWIDDIE, VIRGINIA

Schedule 1
(Continued)

SCHEDULE OF REVENUES
BUDGET AND ACTUAL - GOVERNMENTAL FUNDS
Year Ended June 30, 2020

Entity, Fund, Major and 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	\$ -	\$ -	\$ 87,325	\$ 87,325
Miscellaneous:				
Miscellaneous revenues	-	12,305	20,218	7,913
Recovered costs:				
Other recovered costs	-	350,471	400,471	(50,000)
Total revenue from local sources	-	362,776	508,014	45,238
Revenue from the Commonwealth:				
Other Categorical aid:				
Other state funds	988,500	988,500	-	(988,500)
TOTAL CAPITAL PROJECT FUND	988,500	1,351,276	508,014	(943,262)
SPECIAL REVENUE FUND				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from use of money	-	-	84	84
Charges for services:				
Law library fees	3,475	3,475	3,822	347
Miscellaneous:				
Miscellaneous revenues	55,000	55,000	55,661	661
Total revenue from local sources	58,475	58,475	59,567	1,092
Revenue from the Commonwealth:				
Categorical aid:				
Fire programs	97,000	100,225	100,225	-
Children's Services Act	1,384,921	1,384,921	1,361,203	(23,718)
Four for life	30,100	30,100	-	(30,100)
Asset forfeitures	-	-	2,160	2,160
Litter control grant	8,700	6,930	6,930	-
Total revenue from the Commonwealth	1,520,721	1,522,176	1,470,518	(51,658)

See Independent Auditor's Report.

COUNTY OF DINWIDDIE, VIRGINIA

Schedule 1
(Continued)

SCHEDULE OF REVENUES
BUDGET AND ACTUAL - GOVERNMENTAL FUNDS
Year Ended June 30, 2020

Entity, Fund, Major and 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:				
CARES funding	\$ -	\$ 2,518,750	\$ 357,981	\$ (2,160,769)
Asset forfeitures	-	-	4,266	4,266
Asset forfeitures	7,500	7,500	7,500	-
Total revenue from the federal government	7,500	2,526,250	369,747	(2,156,503)
TOTAL SPECIAL REVENUE FUND	1,586,696	4,106,901	1,899,832	(2,207,069)
TOTAL PRIMARY GOVERNMENT	\$ 54,532,573	\$ 57,415,554	\$ 56,302,352	\$ (1,213,202)
DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD				
OPERATING FUND				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from use of property	\$ 139,976	\$ 139,976	\$ 139,976	\$ -
Charges for services:				
Charges for education	15,000	15,000	6,511	(8,489)
Miscellaneous:				
Miscellaneous revenues	32,952	32,952	121,492	88,540
Recovered costs:				
Medicare admin services	50,000	50,000	291,827	241,827
Other recovered costs	-	-	120	120
Total recovered costs	50,000	50,000	291,947	241,947
Total revenue from local sources	237,928	237,928	559,926	321,998
Revenue from local governments:				
Contributions from County of Dinwiddie, VA	15,182,488	15,182,488	15,182,488	-
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	4,790,711	4,790,711	4,902,936	112,225
Basic school aid	15,389,292	15,389,292	15,120,192	(269,100)
Remedial summer education	74,046	74,046	87,745	13,699
Regular foster care	33,602	33,602	27,043	(6,559)
Gifted and talented	155,707	155,707	154,033	(1,674)
Remedial education	629,055	629,055	622,294	(6,761)

See Independent Auditor's Report.

COUNTY OF DINWIDDIE, VIRGINIA

Schedule 1
(Continued)

SCHEDULE OF REVENUES
BUDGET AND ACTUAL - GOVERNMENTAL FUNDS
Year Ended June 30, 2020

Entity, Fund, Major and 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):				
English as a second language	\$ 60,206	\$ 60,206	\$ 67,003	\$ 6,797
Special education	1,862,253	1,862,253	1,852,866	(9,387)
Vocational education	352,922	352,922	348,742	(4,180)
School fringes	2,974,000	2,974,000	2,942,033	(31,967)
Technology	232,000	232,000	219,875	(12,125)
Homebound education	63,156	63,156	69,461	6,305
Other state funds	2,721,928	2,721,928	2,583,944	(137,984)
GED funding	8,355	8,355	8,387	32
Mentor teacher program	3,302	3,302	5,688	2,386
At risk four year olds	246,536	246,536	164,357	(82,179)
At risk payments	761,436	761,436	753,423	(8,013)
Algebra readiness	70,877	70,877	74,514	3,637
Primary class size	788,715	788,715	805,563	16,848
Total categorical aid	31,218,099	31,218,099	30,810,099	(408,000)
Revenue from the federal government:				
Categorical aid:				
Title I	905,000	905,000	849,881	(55,119)
Title VI-B, special education flow-through	893,894	893,894	732,624	(161,270)
Vocational education	71,243	71,243	72,590	1,347
Title VI-B, special education preschool	28,918	28,918	26,474	(2,444)
Title II, Part A	132,940	132,940	126,602	(6,338)
Title III	5,640	5,640	2,416	(3,224)
Jr ROTC	65,000	65,000	55,523	(9,477)
Other federal funds	216,425	216,425	200,061	(16,364)
Total categorical aid	2,319,060	2,319,060	2,066,171	(252,889)
TOTAL OPERATING FUND	48,957,575	48,957,575	48,618,684	(338,891)
SPECIAL REVENUE FUND				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from use of money	100	100	84	(16)
Charges for services:				
Cafeteria sales	425,000	425,000	308,144	(116,856)

See Independent Auditor's Report.

COUNTY OF DINWIDDIE, VIRGINIA

Schedule 1
(Continued)

SCHEDULE OF REVENUES
BUDGET AND ACTUAL - GOVERNMENTAL FUNDS
Year Ended June 30, 2020

Entity, Fund, Major and and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
<i>DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD (Continued)</i>				
SPECIAL REVENUE FUND (Continued)				
Revenue from local sources: (Continued)				
Recovered costs:				
Other recovered costs	\$ 3,000	\$ 3,000	\$ 4,648	\$ 1,648
Total revenue from local sources	<u>428,100</u>	<u>428,100</u>	<u>312,876</u>	<u>(115,224)</u>
Revenue from the Commonwealth:				
Categorical aid				
Textbook payment	313,562	313,562	310,192	(3,370)
School food program grant	30,000	30,000	45,622	15,622
Total categorical aid	<u>343,562</u>	<u>343,562</u>	<u>355,814</u>	<u>12,252</u>
Revenue from the federal government:				
Categorical aid:				
School food program grant	1,260,000	1,260,000	1,165,512	(94,488)
Commodities	-	-	118,820	118,820
Total categorical aid	<u>1,260,000</u>	<u>1,260,000</u>	<u>1,284,332</u>	<u>24,332</u>
TOTAL SPECIAL REVENUE FUND	<u>2,031,662</u>	<u>2,031,662</u>	<u>1,953,022</u>	<u>(78,640)</u>
TOTAL DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD	<u><u>\$ 50,989,237</u></u>	<u><u>\$ 50,989,237</u></u>	<u><u>\$ 50,571,706</u></u>	<u><u>\$ (417,531)</u></u>

See Independent Auditor's Report.

**SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - GOVERNMENTAL FUNDS
Year Ended June 30, 2020**

Entity, Fund, Major and 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	\$ 123,511	\$ 123,511	\$ 111,030	\$ 12,481
General and financial administration:				
County administrator	400,674	390,674	380,858	9,816
Legal services	294,760	307,260	307,128	132
Human resources	476,088	476,088	464,524	11,564
Independent auditor	73,010	74,240	74,240	-
Commissioner of revenue	498,630	498,630	491,547	7,083
Treasurer	522,814	536,414	536,777	(363)
Accounting	275,497	274,267	271,699	2,568
Information systems	620,926	620,926	608,038	12,888
Total general and financial administration	<u>3,162,399</u>	<u>3,178,499</u>	<u>3,134,811</u>	<u>43,688</u>
Board of elections:				
Electoral board and officials	198,023	198,023	190,141	7,882
Total general governmental administration	<u>3,483,933</u>	<u>3,500,033</u>	<u>3,435,982</u>	<u>64,051</u>
Judicial administration:				
Courts:				
Circuit court	17,200	17,200	10,340	6,860
General district court	31,375	18,875	17,930	945
Special magistrates	150	150	61	89
Clerk of the circuit court	541,373	516,773	471,085	45,688
Victim and witness assistance	127,195	127,195	77,497	49,698
Total courts	<u>717,293</u>	<u>680,193</u>	<u>576,913</u>	<u>103,280</u>
Commonwealth's attorney:				
Commonwealth's attorney	498,345	498,345	470,690	27,655
Total judicial administration	<u>1,215,638</u>	<u>1,178,538</u>	<u>1,047,603</u>	<u>130,935</u>

See Independent Auditor's Report.

COUNTY OF DINWIDDIE, VIRGINIA

Schedule 2
(Continued)

SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - GOVERNMENTAL FUNDS
Year Ended June 30, 2020

Entity, Fund, Major and 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	\$ 4,925,125	\$ 4,933,337	\$ 4,819,746	\$ 113,591
Fire and rescue services:				
Volunteer fire department	636,411	636,411	633,258	3,153
Fire and emergency medical services	3,133,885	3,133,885	2,913,920	219,965
Total fire and rescue services	<u>3,770,296</u>	<u>3,770,296</u>	<u>3,547,178</u>	<u>223,118</u>
Correction and detention:				
Confinement and care of adult and juvenile prisoners	2,061,905	2,061,905	2,061,844	61
Juvenile probation and detention	246,340	267,340	266,551	789
VJCCCA	219,803	219,803	204,022	15,781
Total correction and detention	<u>2,528,048</u>	<u>2,549,048</u>	<u>2,532,417</u>	<u>16,631</u>
Inspections:				
Building inspections	293,072	293,072	285,607	7,465
Other protection:				
Animal control	341,345	341,345	311,929	29,416
Communications	1,421,495	1,421,495	1,360,131	61,364
Medical examiner	1,500	1,500	100	1,400
Total other protection	<u>1,764,340</u>	<u>1,764,340</u>	<u>1,672,160</u>	<u>92,180</u>
Total public safety	<u>13,280,881</u>	<u>13,310,093</u>	<u>12,857,108</u>	<u>452,985</u>
Public works:				
Maintenance of highways, streets, bridges, and sidewalks:				
Streetlights	45,500	45,500	45,399	101
Sanitation and waste removal:				
Refuse disposal	1,417,426	1,504,626	1,502,847	1,779
Maintenance of general buildings and grounds:				
General properties	2,917,594	2,830,394	2,799,561	30,833
Total public works	<u>4,380,520</u>	<u>4,380,520</u>	<u>4,347,807</u>	<u>32,713</u>

See Independent Auditor's Report.

COUNTY OF DINWIDDIE, VIRGINIA

Schedule 2
(Continued)

SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - GOVERNMENTAL FUNDS
Year Ended June 30, 2020

Entity, Fund, Major and 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	\$ 303,275	\$ 303,275	\$ 303,275	\$ -
Mental health and mental retardation:				
District 19 - Community services board	80,573	80,573	80,573	-
Welfare:				
Public assistance and welfare administration	2,820,980	2,820,980	2,726,174	94,806
Area agency on aging	10,767	10,767	10,767	-
Other social services	31,213	31,213	32,840	(1,627)
Total welfare	<u>2,862,960</u>	<u>2,862,960</u>	<u>2,769,781</u>	<u>93,179</u>
Total health and welfare	<u>3,246,808</u>	<u>3,246,808</u>	<u>3,153,629</u>	<u>93,179</u>
Education:				
Other instructional costs:				
Contributions to community colleges	10,983	10,983	10,983	-
Contribution to Dinwiddie County School Board	15,182,488	15,182,488	15,182,488	-
Total education	<u>15,193,471</u>	<u>15,193,471</u>	<u>15,193,471</u>	<u>-</u>
Parks, recreation and cultural:				
Parks, recreation, and tourism:				
Parks, recreation, and tourism	1,048,149	1,048,149	862,073	186,076
Library:				
Contribution to regional library	287,395	287,395	287,395	-
Total parks, recreation and cultural	<u>1,335,544</u>	<u>1,335,544</u>	<u>1,149,468</u>	<u>186,076</u>
Community development:				
Planning and community development:				
Community development	1,057,027	1,106,046	434,044	672,002
Planning and zoning	493,969	493,969	386,147	107,822
Contribution to Industrial Development Authority	25,000	25,000	50,000	(25,000)
Other community development	291,148	393,262	238,631	154,631
Total planning and community development	<u>1,867,144</u>	<u>2,018,277</u>	<u>1,108,822</u>	<u>909,455</u>

See Independent Auditor's Report.

COUNTY OF DINWIDDIE, VIRGINIA

Schedule 2
(Continued)

SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - GOVERNMENTAL FUNDS
Year Ended June 30, 2020

Entity, Fund, Major and 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	132,666	132,666	119,816	12,850
Total community development	2,012,310	2,163,443	1,241,138	922,305
TOTAL GENERAL FUND	44,149,105	44,308,450	42,426,206	1,882,244
SPECIAL REVENUE FUND				
Judicial administrative:				
Courts:				
Law library	15,204	14,967	1,085	13,882
Commonwealth's attorney:				
Forfeited assets	5,233	5,319	327	4,992
Total judicial administration	20,437	20,286	1,412	18,874
Public safety:				
Law enforcement and traffic control:				
Sheriff	16,729	19,791	360	19,431
Fire and rescue services:				
Volunteer fire department	186,803	248,355	106,740	141,615
Fire/rescue grant	7,500	10,500	10,370	130
Fire and emergency medical services	108,395	97,701	23,617	74,084
COVID-19-related expenditures	-	2,518,750	225,480	2,293,270
Total fire and rescue services	302,698	2,875,306	366,207	2,509,099
Total public safety	319,427	2,895,097	366,567	2,528,530

See Independent Auditor's Report.

COUNTY OF DINWIDDIE, VIRGINIA

Schedule 2
(Continued)

SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - GOVERNMENTAL FUNDS
Year Ended June 30, 2020

Entity, Fund, Major and 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	\$ 182,102	\$ 189,860	\$ 84,979	\$ 104,881
Health and welfare:				
Welfare:				
Children's services act	2,270,363	2,270,554	2,136,832	133,722
Community development:				
Contribution to Industrial Development Authority	-	-	132,500	(132,500)
TOTAL SPECIAL REVENUE FUND	2,792,329	5,375,797	2,722,290	2,653,507
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	286,650	286,650	105,000	181,650
Total community development	341,790	341,790	160,140	181,650
Debt service:				
Principal retirement	3,996,571	3,996,571	3,996,571	-
Interest and other fiscal charges	2,538,365	2,710,606	2,466,004	244,602
Total debt service	6,534,936	6,707,177	6,462,575	244,602
TOTAL DEBT SERVICE FUND	6,876,726	7,048,967	6,622,715	426,252
CAPITAL PROJECTS FUND				
Community development:				
Dinwiddie County Airport and Industrial Authority	47,800	47,800	47,800	-
Dinwiddie County Water Authority	120,817	120,817	120,797	20
Total community development	168,617	168,617	168,597	20
Capital outlays and projects:				
County building improvements	1,337,729	1,814,987	264,833	1,550,154
County schools	1,200,000	1,643,409	1,194,029	449,380
Equipment purchases	11,909,066	11,974,378	2,433,852	9,540,526
Total capital outlays and projects	14,446,795	15,432,774	3,892,714	11,540,060
Debt service:				
Bond issuance costs	-	232,198	231,970	228
TOTAL CAPITAL PROJECTS FUND	14,615,412	15,833,589	4,293,281	11,540,308
TOTAL PRIMARY GOVERNMENT	\$68,433,572	\$72,566,803	\$56,064,492	\$16,502,311

See Independent Auditor's Report.

COUNTY OF DINWIDDIE, VIRGINIA

Schedule 2
(Continued)

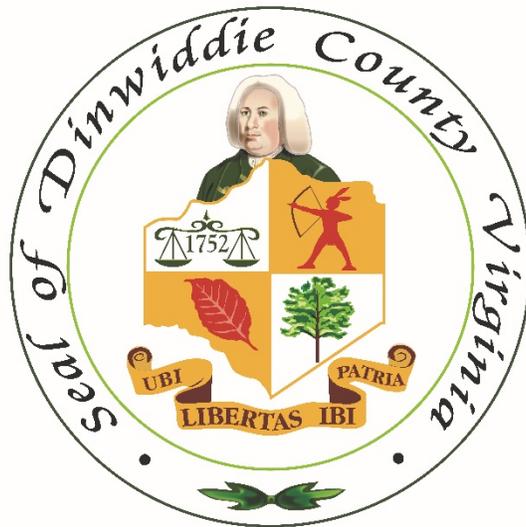
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - GOVERNMENTAL FUNDS
Year Ended June 30, 2020

Entity, Fund, Major and and Minor Expenditure Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
<i>DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD</i>				
OPERATING FUND				
Education:				
Administration, health, and attendance	\$ 2,428,945	\$ 2,513,146	\$ 2,472,095	\$ 41,051
Instruction costs	37,489,998	37,209,791	35,934,695	1,275,096
Pupil transportation	3,179,931	3,234,583	2,838,316	396,267
Operation and maintenance of school plant	6,036,227	6,057,642	5,859,280	198,362
Total education	<u>49,135,101</u>	<u>49,015,162</u>	<u>47,104,386</u>	<u>1,910,776</u>
Capital outlays and projects				
County schools	<u>-</u>	<u>350,471</u>	<u>350,471</u>	<u>-</u>
TOTAL OPERATING FUND	<u>49,135,101</u>	<u>49,365,633</u>	<u>47,454,857</u>	<u>1,910,776</u>
SPECIAL REVENUE FUND				
Education:				
Instruction costs	822,462	689,546	442,064	247,482
School food services	1,842,789	1,896,343	1,737,533	158,810
Commodities	<u>-</u>	<u>-</u>	<u>118,820</u>	<u>(118,820)</u>
TOTAL SPECIAL REVENUE FUND	<u>2,665,251</u>	<u>2,585,889</u>	<u>2,298,417</u>	<u>287,472</u>
<i>TOTAL DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD</i>	<u><u>\$51,800,352</u></u>	<u><u>\$51,951,522</u></u>	<u><u>\$49,753,274</u></u>	<u><u>\$ 2,198,248</u></u>

See Independent Auditor's Report.

STATISTICAL SECTION (UNAUDITED)

June 30, 2020



STATISTICAL SECTION

This part of the report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

CONTENTS

TABLE

Financial Trends

These tables contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

1 - 4

Revenue Capacity

These tables contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.

5 - 8

Debt Capacity

These tables present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue debt in the future.

9 - 10

Demographic and Economic Information

These tables offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.

11 - 12

Operating Information

These tables contain information about the County's operations and resources to help the reader understand how the County's financial information relate to the services the County provides and the activities it performs.

13 - 15

Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year.

COUNTY OF DINWIDDIE, VIRGINIA

Table 1

**NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
GOVERNMENTAL ACTIVITIES										
Net investment in capital assets	\$15,144,598	\$12,357,012	\$13,780,816	\$16,780,320	\$17,554,195	\$19,903,572	\$22,816,079	\$25,935,309	\$22,598,738	\$25,011,742
Restricted	-	7,411	-	-	-	-	-	-	-	-
Unrestricted	24,062,305	26,432,185	24,996,338	16,596,108	18,017,882	17,952,748	15,222,885	12,792,636	19,076,409	21,470,376
 Total governmental activities net position	<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>	<u>\$41,675,147</u>	<u>\$46,482,118</u>
 PRIMARY GOVERNMENT										
Net investment in capital assets	\$15,144,598	\$12,357,012	\$13,780,816	\$16,780,320	\$17,554,195	\$19,903,572	\$22,816,079	\$25,935,309	\$22,598,738	\$25,011,742
Restricted	-	7,411	-	-	-	-	-	-	-	-
Unrestricted	24,062,305	26,432,185	24,996,338	16,596,108	18,017,882	17,952,748	15,222,885	12,792,636	19,076,409	21,470,376
 Total primary government net position	<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>	<u>\$41,675,147</u>	<u>\$46,482,118</u>

See Independent Auditor's Report.

COUNTY OF DINWIDDIE, VIRGINIA

Table 2

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
OPERATING EXPENSES										
Governmental activities:										
General government administration	\$ 2,491,383	\$ 2,647,617	\$ 2,737,123	\$ 2,503,060	\$ 2,761,437	\$ 3,069,950	\$ 3,339,367	\$ 3,347,378	\$ 4,227,076	\$ 3,946,328
Judicial administration	1,101,074	1,121,095	1,204,496	1,163,642	1,182,308	1,155,707	1,276,589	1,188,412	1,268,772	1,232,211
Public safety	10,538,356	10,702,298	10,830,573	10,765,393	11,055,175	10,725,317	12,581,707	12,971,201	13,794,714	14,429,075
Public works	2,954,657	3,134,643	4,152,120	3,003,165	2,861,601	3,291,703	3,381,206	3,376,378	4,245,421	4,584,523
Health and welfare	3,615,528	3,804,266	3,910,976	4,235,239	4,243,201	4,769,268	4,814,909	4,842,678	5,158,403	5,291,038
Education	18,555,995	18,782,146	16,511,110	15,943,324	16,826,706	18,313,557	18,378,230	18,004,807	17,033,023	15,982,879
Parks, recreation, and cultural	450,650	1,296,375	1,378,098	1,463,533	1,486,972	1,612,546	1,852,243	1,524,515	1,361,028	1,371,335
Community development	1,714,759	2,046,538	1,898,953	2,090,549	1,681,973	1,461,725	1,396,529	2,727,470	1,810,129	1,701,143
Interest and other fiscal charges	3,267,513	2,379,842	2,473,351	2,105,020	1,958,572	1,783,489	2,626,354	1,967,981	2,043,880	2,219,801
Total governmental activities expenses	44,689,915	45,914,820	45,096,800	43,272,925	44,057,945	46,183,262	49,647,134	49,950,820	50,942,446	50,758,333
Total primary government expenses	<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>	<u>\$ 50,942,446</u>	<u>\$ 50,758,333</u>
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
Judicial administration	\$ 1,339,915	\$ 1,138,112	\$ 764,553	\$ 757,859	\$ 660,545	\$ 490,026	\$ 736,270	\$ 738,693	\$ 883,156	\$ 977,447
Public safety	1,018,918	1,015,426	1,137,315	487,342	952,948	883,388	1,046,998	1,106,457	1,194,067	1,144,617
Public works	627,203	644,216	698,753	616,209	558,306	698,944	724,010	712,857	652,581	703,080
Parks, recreation, and cultural	145,027	165,857	182,042	189,355	185,346	175,546	175,005	200,631	174,641	115,970
Community development	712	376	1,287	449	2,150	724	159	101	34	54
Operating grants and contributions	5,697,075	7,235,060	6,620,851	6,586,412	5,480,256	5,777,784	6,126,998	6,926,113	6,362,849	6,749,400
Capital grants and contributions	699,323	748,964	295,603	-	-	-	-	-	-	-
Total governmental activities program revenues	9,528,173	10,948,011	9,700,404	8,637,626	7,839,551	8,026,412	8,809,440	9,684,852	9,267,328	9,690,568
Total primary government program revenues	<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>	<u>9,267,328</u>	<u>9,690,568</u>
Total governmental activities	<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>	<u>(41,675,118)</u>	<u>(41,067,765)</u>
Total primary government net expense	<u><u>\$(35,161,742)</u></u>	<u><u>\$(34,966,809)</u></u>	<u><u>\$(35,396,396)</u></u>	<u><u>\$(34,635,299)</u></u>	<u><u>\$(36,218,394)</u></u>	<u><u>\$(38,156,850)</u></u>	<u><u>\$(40,837,694)</u></u>	<u><u>\$(40,265,968)</u></u>	<u><u>\$(41,675,118)</u></u>	<u><u>\$(41,067,765)</u></u>

See Independent Auditor's Report.

COUNTY OF DINWIDDIE, VIRGINIA

Table 2
(Continued)

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Taxes:										
Property taxes	\$ 25,156,908	\$ 26,805,696	\$ 26,664,129	\$ 26,701,104	\$ 28,569,530	\$ 30,541,846	\$ 30,651,879	\$ 31,987,959	\$ 33,235,022	\$ 34,402,396
Local sales and use taxes	1,203,733	1,363,905	1,423,691	1,503,579	1,572,641	1,646,878	1,709,871	1,900,374	1,888,552	2,243,771
Taxes on recordation and wills	120,939	158,345	150,205	119,494	200,439	144,479	162,243	176,860	207,421	270,599
Motor vehicle licenses taxes	545,740	540,211	534,395	547,572	548,898	537,038	541,225	548,438	560,780	577,085
Consumer utility taxes	532,818	581,790	585,574	570,681	539,173	597,275	565,419	577,263	525,290	563,833
Communication taxes	-	-	-	-	-	-	-	-	-	-
Business licenses taxes	627,762	639,686	756,995	737,025	694,323	692,586	881,130	1,083,983	1,058,339	942,783
Other local taxes	950,403	1,001,612	1,051,407	1,066,955	1,160,065	1,165,756	1,262,387	1,352,365	1,540,521	1,439,108
Unrestricted grants and contributions	4,731,621	3,691,120	3,861,191	4,821,770	4,805,481	4,767,428	4,752,797	4,650,410	4,752,307	4,676,982
Unrestricted revenues from use of money and property	148,742	252,722	92,727	80,256	67,262	100,228	232,330	378,944	485,838	457,656
Miscellaneous	873,653	305,634	309,289	1,370,772	256,231	247,579	261,057	356,958	368,250	300,523
Gain (loss) on sale of capital assets	-	(941,808)	(52,661)	-	-	-	-	-	-	-
Payment from Dinwiddie County School Board	402,508	-	-	-	-	-	-	-	-	-
Total governmental activities	<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>	<u>44,622,320</u>	<u>45,874,736</u>
Total primary government	<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>	<u>\$ 44,622,320</u>	<u>\$ 45,874,736</u>
CHANGE IN NET POSITION										
Governmental activities	\$ 133,085	\$ (567,896)	\$ (19,454)	\$ 2,883,909	\$ 2,195,649	\$ 2,284,243	\$ 182,644	\$ 2,747,586	\$ 2,947,202	\$ 4,806,971
Total primary government	<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>	<u>\$ 2,947,202</u>	<u>\$ 4,806,971</u>

See Independent Auditor's Report.

COUNTY OF DINWIDDIE, VIRGINIA

Table 3

FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
GENERAL FUND										
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	9,611	8,244
Committed	792,632	600,876	604,394	1,478,423	1,233,993	1,287,373	1,424,896	850,800	889,183	919,531
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	17,149,024	17,820,066
Total general fund	20,595,362	21,505,859	19,648,678	21,138,958	21,471,154	18,919,772	16,415,145	15,706,004	18,047,818	18,747,841
ALL OTHER GOVERNMENTAL FUNDS										
Restricted, reported in:										
Special revenue funds	332,570	343,882	357,953	299,947	340,279	322,107	221,331	268,285	255,334	240,996
Capital projects funds	121,817	-	-	-	-	-	21,938,059	6,055,904	647,583	8,679,293
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	128,120	205,442
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	1,182,648	2,017,752
Debt service funds	1,570,371	-	772,413	104,220	721	57,047	427,092	498,881	1,606,727	2,449,228
Unassigned, reported in:										
Debt service funds	-	(2,881)	-	-	-	-	-	-	-	-
Total all other governmental funds	3,554,702	2,535,268	3,698,187	1,771,253	2,293,072	3,449,811	24,847,933	8,482,625	3,820,412	13,592,711
Total fund balances	<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>	<u>\$21,868,230</u>	<u>\$32,340,552</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

Table 4

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
OPERATING REVENUES										
General property taxes	\$25,198,581	\$25,844,662	\$27,337,402	\$27,377,476	\$28,778,834	\$30,141,709	\$30,643,951	\$ 31,284,533	\$ 32,762,737	\$34,515,890
Other local taxes	3,981,395	4,285,549	4,502,267	4,545,306	4,715,539	4,784,012	5,122,275	5,639,283	5,780,903	6,037,179
Permits, privilege fees and regulatory licenses	219,773	183,116	218,819	230,379	220,312	235,414	253,839	334,342	336,435	323,504
Fines and forfeitures	1,335,399	912,324	611,709	611,900	536,407	381,083	613,840	620,715	750,777	855,763
Revenue from use of money and property	148,742	126,044	92,727	80,256	67,262	100,228	232,330	378,944	485,838	457,656
Charges for services	1,576,603	1,691,435	1,717,724	1,580,187	1,579,605	1,617,093	1,805,947	1,867,884	1,800,632	1,785,818
Miscellaneous	873,653	305,634	309,289	1,370,772	256,231	247,579	276,604	356,958	368,250	309,501
Recovered costs	141,444	558,360	211,642	282,675	366,037	973,687	425,060	390,613	1,082,657	590,659
Intergovernmental:										
Local	402,508	-	-	-	-	-	-	-	-	-
Commonwealth	9,158,447	9,548,625	9,261,440	9,721,617	8,892,515	9,072,409	9,271,793	9,993,473	9,551,542	9,521,050
Federal	1,969,572	1,638,603	1,333,825	1,686,565	1,393,222	1,472,803	1,608,002	1,583,050	1,563,614	1,905,332
Total revenues	<u>45,006,117</u>	<u>45,094,352</u>	<u>45,596,844</u>	<u>47,487,133</u>	<u>46,805,964</u>	<u>49,026,017</u>	<u>50,253,641</u>	<u>52,449,795</u>	<u>54,483,385</u>	<u>56,302,352</u>
OPERATING EXPENSES										
Current:										
General government administration	2,317,414	2,639,998	2,628,659	2,679,015	3,091,868	3,126,145	3,269,057	3,441,361	3,363,476	3,435,982
Judicial administration	932,176	949,880	1,026,855	1,092,076	1,052,989	1,071,068	1,146,538	1,068,966	1,143,396	1,049,015
Public safety	9,940,361	9,878,659	9,897,248	10,620,701	10,329,855	10,906,318	12,006,275	12,186,059	12,385,652	13,223,675
Public works	3,034,564	3,185,400	3,099,456	3,017,870	3,109,128	3,247,269	3,397,228	3,488,844	4,127,714	4,432,786
Health and welfare	3,619,191	3,774,424	3,975,895	4,395,503	4,320,877	4,798,476	4,655,305	4,950,916	5,274,154	5,290,461
Education	13,218,360	10,532,122	12,204,287	12,177,415	12,853,966	14,149,437	14,150,268	14,543,674	14,693,579	15,193,471
Parks, recreation and cultural	953,983	1,244,371	1,332,954	1,380,267	1,369,060	1,500,796	1,619,412	1,306,319	1,162,170	1,149,468
Community development	2,473,718	1,914,620	1,820,304	2,245,621	1,826,635	1,579,729	2,175,347	3,218,129	1,848,167	1,702,375
Capital projects	3,047,106	1,885,107	3,870,818	3,842,471	1,565,152	3,632,976	6,910,309	18,446,498	10,638,216	3,892,714
Debt service:										
Principal	5,163,875	5,367,282	3,911,457	3,854,758	3,985,209	4,162,538	4,331,847	4,117,478	3,348,962	3,996,571
Interest and other fiscal charges	3,412,320	3,181,280	2,523,173	2,618,090	2,447,210	2,245,908	2,699,191	2,756,000	2,627,760	2,466,004
Bond issuance costs	-	533,713	-	-	-	-	395,009	-	100,538	231,970
Total expenditures	<u>48,113,068</u>	<u>45,086,856</u>	<u>46,291,106</u>	<u>47,923,787</u>	<u>45,951,949</u>	<u>50,420,660</u>	<u>56,755,786</u>	<u>69,524,244</u>	<u>60,713,784</u>	<u>56,064,492</u>
Excess (deficiency) of revenues over expenditures	<u>(3,106,951)</u>	<u>7,496</u>	<u>(694,262)</u>	<u>(436,654)</u>	<u>854,015</u>	<u>(1,394,643)</u>	<u>(6,502,145)</u>	<u>(17,074,449)</u>	<u>(6,230,399)</u>	<u>237,860</u>
OTHER FINANCING SOURCES (USES)										
Operating transfers in	8,785,037	19,321,137	13,250,134	10,057,949	9,651,526	11,936,410	11,293,300	9,518,655	8,512,882	10,768,277
Operating transfers out	(8,785,037)	(19,321,137)	(13,250,134)	(10,057,949)	(9,651,526)	11,936,410	(11,293,300)	(9,518,655)	(8,512,882)	(10,768,277)
Redemption of refunding bonds issued	-	(48,253,105)	-	-	-	-	-	-	-	(23,494,808)
Bonds issued	-	44,490,000	-	-	-	-	21,615,000	-	3,910,000	32,165,000
Premium on bonds issued	-	7,117,378	-	-	-	-	3,780,640	-	-	1,564,270
Deferred amounts on refunding	-	(2,825,293)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>528,980</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,872,820</u>	<u>25,395,640</u>	<u>-</u>	<u>3,910,000</u>	<u>10,234,462</u>
Net change in fund balances	<u><u>\$(3,106,951)</u></u>	<u><u>\$ 536,476</u></u>	<u><u>\$(694,262)</u></u>	<u><u>\$(436,654)</u></u>	<u><u>\$ 854,015</u></u>	<u><u>\$22,478,177</u></u>	<u><u>\$18,893,495</u></u>	<u><u>\$(17,074,449)</u></u>	<u><u>\$(2,320,399)</u></u>	<u><u>\$10,472,322</u></u>
Debt service as a percentage of noncapital expenditures	<u>23.50%</u>	<u>25.05%</u>	<u>19.75%</u>	<u>14.46%</u>	<u>14.77%</u>	<u>14.37%</u>	<u>13.50%</u>	<u>13.96%</u>	<u>13.23%</u>	<u>12.05%</u>

See Independent Auditor's Report.

COUNTY OF DINWIDDIE, VIRGINIA

Table 5

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

<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>Total Direct Tax Rate</u>	<u>Estimated Actual Value</u>	<u>Assessed Value as a Percentage of Actual Value</u>
2020	\$ 2,467,876,692	\$ 293,643,069	\$ 9,517,377	\$ 88,866,420	\$ 246,420,809	\$ 3,106,324,367	\$1.24	\$ 3,106,324,367	100.00%
2019	\$ 2,447,745,463	\$ 286,414,995	\$ 9,290,105	\$ 87,330,274	\$ 224,625,992	\$ 3,055,406,829	\$1.23	\$ 3,055,406,829	100.00%
2018	\$ 2,225,151,487	\$ 281,205,988	\$ 9,461,986	\$ 85,886,753	\$ 219,290,804	\$ 2,820,997,018	\$1.28	\$ 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	\$1.30	\$ 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	\$1.31	\$ 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	\$1.29	\$ 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	\$1.24	\$ 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	\$1.24	\$ 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	\$1.07	\$ 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	\$1.08	\$ 2,670,969,005	100.00%

Source: Commissioner of Revenue

See Independent Auditor's Report.

**DIRECT PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year	Real Estate	Personal Property	Mobile Homes	Machinery and Tools	Total Direct Rate
2020	\$ 0.79	\$ 4.75	\$ 0.79	\$ 3.30	\$ 1.24
2019	0.79	4.75	0.79	3.30	1.23
2018	0.79	4.90	0.79	3.30	1.28
2017	0.79	4.90	0.79	3.30	1.30
2016	0.79	4.90	0.79	3.30	1.31
2015	0.79	4.90	0.79	3.30	1.29
2014	0.79	4.90	0.79	3.30	1.24
2013	0.72 / 0.79	4.90	0.72 / 0.79	3.30	1.24
2012	0.72	4.90	0.72	3.30	1.07
2011	0.72	4.90	0.72	3.30	1.08

Notes: Per \$100 assessed value. There are no overlapping property tax rates with other governments. Direct Rate is calculated as a weighted average of the tax rates applied to each type of property. The Real Estate tax rate is applied to Public Service Property for this calculation.

COUNTY OF DINWIDDIE, VIRGINIA

Table 7

PRINCIPAL PROPERTY TAXPAYERS
Current Year and the Period Nine Years Prior

Taxpayer	Industry	Fiscal Year 2020		Fiscal Year 2011		Taxpayer	Industry
		Taxable Assessed Valuation	Percentage of Total Taxable Assessed Valuation	Taxable Assessed Valuation	Percentage of Total Taxable Assessed Valuation		
Gerdeau Ameristeel/Chaparral	Manufacturing	\$201,707,675	8.17%	\$156,865,527	6.84%	Gerdeau Ameristeel/Chaparral	Manufacturing
ALDI LLC	Distribution	66,643,943	2.70%	43,563,379	1.90%	Walmart	Distribution
IPLT Properties LLC/Amazon	Lease Property	65,476,772	2.65%	29,570,100	1.29%	TIAA Timberlands 1 LLC	Timber
Walmart	Distribution	60,794,552	2.46%	20,690,700	0.90%	American Timberland LLC	Timber
North Country Pines LLC	Timber	24,835,200	1.01%	13,731,550	0.60%	Bain Properties LLC	Agricultural
BTG Pactual OEF Property 2 LP	Timber	16,599,800	0.67%	13,052,546	0.57%	Tindall Concrete Products	Manufacturing
Rohoic Woods Apartments Inc	Rental Property	15,013,893	0.61%	11,599,000	0.51%	Eastern Timberlands LLC	Timber
Bain Properties LLC	Agricultural	13,943,200	0.56%	8,787,219	0.38%	Charles W & Shirley Harrison	Rental Property
Tindall Concrete Products	Manufacturing	11,717,064	0.47%	8,299,300	0.36%	Rohoic Woods Apartments Inc	Rental Property
Eastside Properties	Rental Property	11,681,194	0.47%	7,709,919	0.34%	Eastside Properties	Rental Property
		<u>\$488,413,293</u>	<u>19.79%</u>	<u>\$313,869,240</u>	<u>13.69%</u>		

Source: Commissioner of Revenue

See Independent Auditor's Report.

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Original Levy		Amount	Percentage of Levy
2020	\$ 37,945,625	\$ 35,133,616	92.59%	\$ -	\$ 35,133,616	92.59%
2019	\$ 36,581,783	\$ 33,857,145	92.55%	\$ 1,902,323	\$ 35,759,468	97.75%
2018	\$ 35,531,002	\$ 33,117,883	93.21%	\$ 1,905,616	\$ 35,023,499	98.57%
2017	\$ 34,802,330	\$ 32,610,431	93.70%	\$ 1,939,921	\$ 34,550,352	99.28%
2016	\$ 33,921,600	\$ 32,004,636	94.35%	\$ 1,801,711	\$ 33,806,347	99.66%
2015	\$ 32,184,007	\$ 28,792,802	89.46%	\$ 3,341,788	\$ 32,134,590	99.85%
2014	\$ 30,733,440	\$ 28,912,246	94.07%	\$ 1,818,251	\$ 30,730,497	99.99%
2013	\$ 30,255,596	\$ 28,427,203	93.96%	\$ 1,825,135	\$ 30,252,338	99.99%
2012	\$ 30,093,148	\$ 28,047,282	93.20%	\$ 2,012,321	\$ 30,059,603	99.89%
2011	\$ 28,242,394	\$ 26,961,086	95.46%	\$ 1,209,598	\$ 28,170,684	99.75%

Source: Treasurer's Office and Commissioner of the Revenue

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities				Total Primary Government	Percentage of Personal Income (1)	Per Capita (2)
	General Obligation Bonds	Literary Fund Loans	Other Notes /Bonds	Capital Leases			
2020	\$ 5,739,176	\$ -	\$62,604,136	\$ -	\$68,343,312	2.09%	\$ 2,384
2019	\$ 6,623,315	\$ -	\$56,927,052	\$ -	\$63,550,367	1.98%	\$ 2,230
2018	\$ 7,487,751	\$ -	\$56,359,607	\$ -	\$63,847,358	1.98%	\$ 2,240
2017	\$ 8,333,537	\$ -	\$60,540,067	\$ -	\$68,873,604	2.23%	\$ 2,428
2016	\$ 9,801,457	\$ -	\$38,855,930	\$ -	\$48,657,387	1.65%	\$ 1,692
2015	\$11,232,771	\$ -	\$42,186,509	\$ -	\$53,419,280	1.81%	\$ 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

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

**RATIOS OF NET GENERAL BONDED DEBT TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS**

Fiscal Year	Gross Bonded Debt	Net Bonded Debt (3)	Ratio of Net General Obligation Debt to Assessed Value (2)	Net Bonded Debt Per Capita (1)
2020	\$ 5,739,176	\$ 5,739,176	0.18%	\$ 200
2019	\$ 6,623,315	\$ 6,623,315	0.22%	\$ 232
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

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

Table 11

**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income (1)</u>	<u>Per Capita Personal Income (1)</u>	<u>School Enrollment</u>	<u>Unemployment Rate %</u>
2020	28,667	\$ 3,270,834	\$ 41,737	4,269	8.30%
2019	28,502	\$ 3,207,090	\$ 41,025	4,304	3.50%
2018	28,500	\$ 3,144,588	\$ 40,325	4,258	3.60%
2017	28,363	\$ 3,083,304	\$ 39,637	4,277	4.60%
2016	28,753	\$ 2,946,213	\$ 38,007	4,362	4.80%
2015	28,971	\$ 2,946,554	\$ 38,080	4,380	5.30%
2014	28,864	\$ 2,862,445	\$ 36,838	4,389	6.40%
2013	28,314	\$ 2,849,513	\$ 36,593	4,439	7.30%
2012	28,018	\$ 2,840,233	\$ 36,619	4,435	7.60%
2011	28,001	\$ 2,792,887	\$ 36,047	4,545	7.90%

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

Note: (1) Includes Colonial Heights and Petersburg; estimates used for 2019 & 2020

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS PRIOR**

Employer	Fiscal Year 2020		Fiscal Year 2011		Employer
	Range of Employees	Rank	Range of Employees	Rank	
WalMart	500-999	1	500-999	1	Southside VA Training Center
Central State Hospital	500-999	2	500-999	2	WalMart
Amazon Fulfillment Services Inc	500-999	3	500-999	3	Central State Hospital
Dinwiddie County School Board	500-999	4	500-999	4	Dinwiddie County School Board
Gerdeau Ameristeel/Chaparral	250-499	5	250-499	5	Gerdeau Ameristeel/Chaparral
County of Dinwiddie	250-499	6	100-249	6	County of Dinwiddie
Integrity Staffling Solutions	250-499	7	100-249	7	Hiram W. Davis Medical Center
Tindall Concrete Products	100-249	8	100-249	8	Tindall Concrete Products
Richard Bland College	100-249	9	100-249	9	Iluka Resources
Hiram W. Davis Medical Center	100-249	10	100-249	10	Richard Bland College

Source: Virginia Employment Commission

**FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government	24.5	25.4	25.7	27.0	28.3	28.0	29.2	29.1	29.8	29.8
Judicial administration	12.2	12.4	12.6	13.2	13.7	12.5	12.4	12.3	13.4	11.6
PUBLIC SAFETY										
Sheriff's Office/Jail	64.2	63.1	55.5	55.6	57.8	58.3	58.1	58.8	60.5	63.8
Communications	17.4	18.2	16.9	17.0	18.6	18.6	18.8	19.2	18.8	19.3
Fire / Rescue / EMS	23.3	22.9	23.1	23.4	25.7	27.0	31.4	36.4	36.2	38.3
Building inspections	4.0	3.8	3.0	3.0	3.0	3.4	3.6	3.7	4.0	4.0
Animal control	4.0	3.9	4.2	4.9	4.9	5.0	5.4	5.3	5.0	5.0
Department of Comprehensive Services	2.1	2.6	2.7	2.8	2.5	3.0	3.1	3.2	3.3	3.1
PUBLIC WORKS										
General maintenance	6.4	6.0	6.0	6.1	4.9	4.2	6.1	7.4	15.3	18.9
Waste management	15.3	15.5	15.1	15.6	16.9	17.2	18.4	18.6	21.0	22.9
HEALTH AND WELFARE										
Department of Social Services	30.0	29.0	28.0	28.0	28.0	28.0	29.0	30.0	31.0	30.0
CULTURE AND RECREATION										
Parks and recreation	8.9	14.0	14.8	15.5	16.3	18.7	19.6	15.1	14.4	14.0
COMMUNITY DEVELOPMENT										
Economic development	1.0	1.0	1.6	1.9	2.0	1.9	1.9	9.8	4.0	3.7
Cooperative extension	1.0	0.6	0.6	0.7	0.9	0.7	0.6	0.6	0.8	0.7
Planning	6.0	5.9	5.1	5.7	5.6	6.1	5.8	5.0	5.4	4.3
Totals	<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>	<u>262.9</u>	<u>269.1</u>

Source: County Payroll

**OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
PUBLIC SAFETY										
Sheriff's department:										
Physical arrests	1,828	1,657	1,658	1,643	1,399	1,247	1,572	1,556	1,322	1,134
Traffic violations	16,974	11,478	8,368	7,633	5,741	5,225	8,002	7,910	9,063	9,738
Civil papers	10,456	11,471	11,020	10,881	8,837	7,745	9,812	11,139	10,013	9,124
Childrens' Services:										
Caseload	206	207	179	158	164	169	214	232	207	122
Fire and rescue:										
Number of EMS calls answered	2,982	3,226	3,184	3,028	3,442	3,557	3,835	3,928	3,785	3,626
Building inspections:										
Permits issued	1,004	939	873	877	816	922	968	1,008	1,223	1,166
Animal control:										
Number of calls answered	3,409	6,465	5,298	4,872	4,598	4,197	4,210	4,317	4,294	4,193
PUBLIC WORKS										
Landfill:										
Refuse collection (tons/day)	49	53	51	47	51	47	47	47	48	53
HEALTH AND WELFARE										
Department of Social Services caseload										
	6,485	6,844	6,926	6,793	6,968	6,599	5,628	5,541	5,950	6,671
CULTURE AND RECREATION										
Parks and recreation:										
Program participants: avg/mo	3,958	7,585	7,005	7,612	6,891	6,092	7,972	10,363	9,749	5,960
COMMUNITY DEVELOPMENT										
Planning:										
Zoning permits issued	44	41	47	45	32	28	32	59	83	93
COMPONENT UNIT - SCHOOL BOARD										
Education:										
School age population	5,629*	5,629*	5,629*	5,491	5,364	5,274	5,074	5,073	5,041	5,028
Number of teachers	351	342	333	336	341	344	346	342	337	341
Local expenditures per pupil	2,775	2,840	2,947	3,074	3,144	3,401	3,420	3,475	4,573	3,639

Source: Individual county departments

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

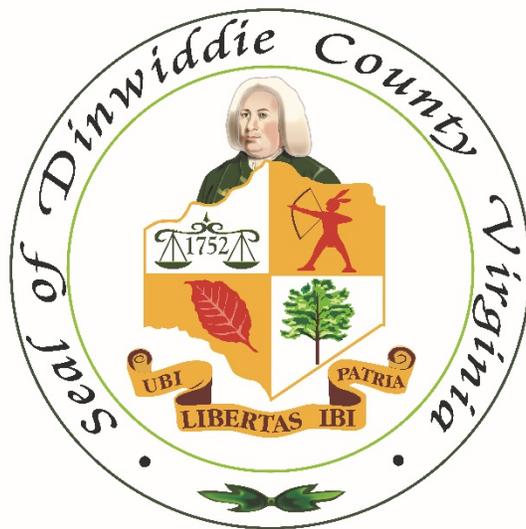
**CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
GENERAL GOVERNMENT										
Buildings	16	16	16	16	16	15	15	15	15	15
PUBLIC SAFETY										
Sheriff's department:										
Patrol units	54	49	46	51	51	54	54	54	52	63
Building inspections:										
Vehicles	4	3	3	3	3	3	3	3	3	3
Animal control:										
Vehicles	3	3	3	4	4	4	4	4	4	4
PUBLIC WORKS										
General maintenance:										
Trucks / vehicles	6	6	7	7	7	5	8	8	20	20
Landfill:										
Vehicles	9	11	14	14	14	10	9	9	6	8
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	2	2	2	2	3	3	4	4	4	4
Vehicles	5	5	7	8	8	10	11	13	6	7
COMMUNITY DEVELOPMENT										
Planning:										
Vehicles	3	3	2	3	3	3	3	3	3	3
COMPONENT UNIT - SCHOOL BOARD										
Education:										
Schools	8	8	7	7	7	7	7	7	7	7
School buses	113	113	111	102	103	90	90	89	94	96

Source: Individual County departments

COMPLIANCE SECTION

June 30, 2020



**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Dinwiddie, Virginia (the “County”), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated January 22, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County’s internal control over financial reporting (internal control) as a basis for designing 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’s internal control. Accordingly, we do not express an opinion on the effectiveness of the County’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'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Brown, Edwards & Company, S. L. P.
CERTIFIED PUBLIC ACCOUNTANTS

Newport News, Virginia
January 22, 2021



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited the County of Dinwiddie, Virginia's compliance with the types of compliance requirements described in the *OMB 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, 2020. 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, 2020.

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, S. L. P.

CERTIFIED PUBLIC ACCOUNTANTS

Newport News, Virginia
January 22, 2021

COUNTY OF DINWIDDIE, VIRGINIA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
PRIMARY GOVERNMENT AND DISCRETELY PRESENTED
COMPONENT UNIT - SCHOOL BOARD**

June 30, 2020

<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	\$ 296,000
Department of Health and Human Services:			
Direct programs:			
Provider Relief Fund	93.498		22,276
Pass-through programs:			
Virginia Department of Social Services:			
Promoting safe and stable families	93.556	0950109/0950110	15,113
Temporary assistance for needy families	93.558	0400109/0400110	206,515
Refugee and entrant assistance - state administered programs	93.566	0500109/0500110	286
Low-income home energy assistance	93.568	0600409/0600410	39,190
Child care mandatory and matching funds of the child care and development fund	93.596	0760109/0760110	38,971
Adoption and legal guardianship incentive payments	93.603	1130117	2,137
Stephanie Tubbs Jones child welfare services program	93.645	0900109/090110	540
Foster care - Title IV-E	93.658	1100109/1100110	188,687
Adoption assistance	93.659	1120109/1120110	159,212
Social services block grant	93.667	1000109/1000110	188,120
Chafee foster care independence program	93.674	9150109/9150110	2,898
Children's health insurance program	93.767	0540109/0540110	4,997
Medical assistance program	93.778	1200109/1200110	308,138
Total Virginia Department of Health and Human Services			1,177,080
Department of Treasury:			
Pass-through programs:			
Virginia Department of Accounts			
Coronavirus relief fund	21.019	SLT0022	335,704

See Independent Auditor's Report.

COUNTY OF DINWIDDIE, VIRGINIA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
PRIMARY GOVERNMENT AND DISCRETELY PRESENTED
COMPONENT UNIT - SCHOOL BOARD**

(Continued)

June 30, 2020

<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 (Continued)			
Department of Justice:			
Direct programs:			
Bulletproof vest partnership program	16.607	n/a	\$ 4,659
Pass-through programs:			
Department of Criminal Justice Services:			
Crime victim assistance	16.575	undetermined	76,299
Edward Byrne memorial justice assistance grant program	16.738		<u>2,827</u>
Total Department of Justice			<u>83,785</u>
Department of Homeland Security pass-through programs:			
Department of Emergency Management:			
Emergency management performance grant	97.042	77501-52743	<u>7,500</u>
Department of the Interior:			
Direct payments:			
Bureau of Land Management:			
Payments in lieu of taxes	15.226	n/a	<u>999</u>
Total primary government			<u>\$ 1,901,068</u>
COMPONENT UNIT - SCHOOL BOARD			
Department of Agriculture pass-through programs:			
Child Nutrition Cluster:			
Virginia Department of Agriculture and Consumer Services:			
Food distribution - noncash assistance	10.555	17901-45707	\$ 118,820
Virginia Department of Education:			
School breakfast program	10.553	17901-40591	260,814
National school lunch program	10.555	17901-40623	538,789
Summer food service program for children	10.559	undetermined	<u>313,498</u>
Total Virginia Department of Education			1,231,921
The Improvement Association:			
Child and adult care food program	10.558	undetermined	<u>52,411</u>
Total Child Nutrition Cluster			<u>1,284,332</u>

See Independent Auditor's Report.

COUNTY OF DINWIDDIE, VIRGINIA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
PRIMARY GOVERNMENT AND DISCRETELY PRESENTED
COMPONENT UNIT - SCHOOL BOARD**

(Continued)

June 30, 2020

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Entity Identifying Pass-through Number</u>	<u>Expenditures</u>
COMPONENT UNIT - SCHOOL BOARD (Continued)			
Department of Defense direct program:			
JROTC Instruction	12.000	16-1205-13	\$ 55,523
Department of Education pass-through programs:			
Virginia Department of Education:			
Special Education Cluster (IDEA):			
Special education - grants to states	84.027	17901-43071	732,624
Special education - preschool grants	84.173	17901-62521	26,474
Total Special Education Cluster (IDEA)			<u>759,098</u>
Title I grants to local educational agencies	84.010	17901-42901	849,881
Title III grants to local educational agencies	84.031	S365A150046	2,416
Career and technical education - basic grants to states	84.048	17901-61095	72,590
Title IV student support and academic enrichment program	84.424	undetermined	23,733
Supporting effective instruction state grants	84.367	17901-61480	<u>126,602</u>
Total Virginia Department of Education pass-through			1,834,320
State Council for Higher Education for Virginia			
Gaining early awareness and readiness for undergraduate programs	84.334	undetermined	<u>49,825</u>
Total Department of Education			<u>1,884,145</u>
Total Component Unit School Board			<u>\$ 3,224,000</u>
Total Reporting Entity			<u>\$ 5,125,068</u>

See Independent Auditor's Report.

COUNTY OF DINWIDDIE, VIRGINIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2020

3. 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, 2020. 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.

4. 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.

5. Subrecipient Payments

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

COUNTY OF DINWIDDIE, VIRGINIA

**SUMMARY OF COMPLIANCE MATTERS
June 30, 2020**

As more fully described in the Independent Auditor’s 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*, we performed tests of the City’s compliance with certain provisions of the laws, regulations, contracts, and grants shown below.

STATE COMPLIANCE MATTERS

Code of Virginia

Budget and Appropriation Laws

Cash and Investment Laws

Conflicts of Interest Act

Local Retirement Systems

Debt Provisions

Procurement Laws

Comprehensive Services Act

Uniform Disposition of Unclaimed Property Act

Sheriff Internal Controls

State Agency Requirements

Education

Social Services

FEDERAL COMPLIANCE MATTERS

Compliance Supplement for Single Audits of State and Local Governments

Provisions and conditions of agreements related to federal program selected for testing.

COUNTY OF DINWIDDIE, VIRGINIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2020

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements.
2. No significant deficiencies related to the audit of the financial statements were reported in the Independent Auditor's 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*.
3. No instances of noncompliance material to the financial statements were disclosed.
4. No significant deficiencies relating to the audit of the major federal award programs were reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs expresses an unmodified opinion.
6. The audit disclosed no audit findings relating to the major program.
7. The programs tested as major were:

Name of Program	CFDA #
Special Education Cluster (IDEA)	
Special education - grants to states	84.027
Special education - preschool grants	84.173
Title I grants to local education agencies	84.010

8. The threshold used to distinguish between Type A and Type B programs is \$750,000.
9. The County was determined to be a low-risk auditee.

B. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

None noted.

COUNTY OF DINWIDDIE, VIRGINIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2020

C. FINDINGS - COMMONWEALTH OF VIRGINIA

2020-001: Social Services - Terminated Users

Condition:

A total of four terminated employees out of the seven tested did not have their access removed within three business days of their separation date.

Criteria:

The access rights should be removed within three working business days of the employee's separation date.

Cause:

The reason for time gap in the removal for three employees could not be explained as the local security officer had retired prior to year-end. The fourth employee was the former local security officer (LSO), and reason for the gap was due to the current staff trying to figure out how to get the former LSO's access removed in the system.

Effect:

There is potential that former employees could still have access to systems when they should no longer have it.

Recommendation:

We recommend that removal takes place within three business days of the terminated employee's separation date.

Views of Responsible Officials and Planned Corrective Action:

Management will implement auditor's recommendation.

COUNTY OF DINWIDDIE, VIRGINIA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
June 30, 2020

1. There were no findings in the audit report, dated November 20, 2019, for the year ended June 30, 2019, issued by Brown, Edwards & Company, L.L.P.
2. There were no reports issued by federal agencies or contract administrators during the year covered by this audit.

