

**Annual Comprehensive
Financial Report**

**Fiscal Year Ended
June 30, 2021**



County of Scott, Virginia

County of Scott, Virginia
Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2021

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List of Principal Officials

BOARD OF SUPERVISORS

Danny P. Mann (Chairman)

Darrel Jeter

Marshall Tipton

Stefanie Cruby (Vice-Chairman)

Jeremy Herron

Michael Brickey

Selma Hood

COUNTY SCHOOL BOARD

David M. Templeton

L. Stephen Sallee, Jr.

Linda D. Gillenwater

William Houseright

Gail L. McConnell

Robin Hood

COUNTY WELFARE BOARD

Michael Brickey

Cindy Coates

Carol Culbertson

OTHER OFFICIALS

Chief Magistrate

Clerk of the Circuit Court

Commonwealth Attorney

Commissioner of the Revenue

Treasurer

Sheriff

Superintendent of Schools

Director of Social Services

County Administrator

Hon. Jonathan Robbins

Mark “Bo” Taylor

Andy Johnson

Debbie Dockery

Mitzi Owens

Jeff Edds

John Ferguson

Lana Mullins

Freda R. Starnes



RONALD C. BOSTIC, CPA
GREGORY D. TUCKER, CPA

P.O. Box 505, Lebanon, VA 24266
(276) 889-3103 Fax: (276) 889-0229
www.bthcpa.com

INDEPENDENT AUDITORS' REPORT

The Honorable Members of the
Board of Supervisors
County of Scott, Virginia:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Scott, Virginia, as of June 30, 2021 and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Except for the matter described in the "Basis for Disclaimer of Opinion on the Discretely Presented Component Unit – School Board – School Activity Fund" paragraph, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
Business-Type Activities	Unmodified
Discretely Presented Component Unit – School Board Operating Fund	Unmodified
Discretely Presented Component Unit – School Board Activity Fund	Disclaimer
Discretely Presented Component Unit – EDA	Unmodified
Discretely Presented Component Unit – PSA	Unmodified
General Fund	Unmodified
School Self Insurance Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Basis for Disclaimer of Opinion on the Discretely Presented Component Unit – School Board Activity Funds

The financial statements for the School Activity Funds of Scott County, Virginia have been omitted, and we were not engaged to audit the School Activity Funds of Scott County, Virginia's financial statements as part of our audit of the County's basic financial statements as the School Activity Funds of Scott County, Virginia were not audited as required by state statute. The amounts by which these omissions would affect the assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, and revenues and expenses of the discretely presented component unit – School Board have not been determined.

Disclaimer of Opinion

Because of the significance of the matter described in the "Basis for Disclaimer of Opinion of the Discretely Presented Component Unit – School Board Activity Funds" paragraph, we have not been able to obtain sufficient appropriate audit evidence from other auditors to provide a basis for an audit opinion on the financial statements of the discretely presented component unit – School Board Activity Funds. Accordingly, we do not express an opinion on these financial statements.

Unmodified 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Scott, Virginia as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows 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 and budgetary comparison information on pages 13-21 and 115-127 and Schedule of Employer Contributions on page 128 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 response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. Management of the Scott County Public Service Authority has elected to omit the Management's Discussion and Analysis and the Schedule of Employer Contributions, but our opinion on the basic financial statements is not affected by the missing information. 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 an opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual non-major fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards 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*, and is also not a required part of the basis financial statements.

The combining and individual non-major fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 non-major 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 and statistical sections 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.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2021, on our consideration of the County of Scott, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Scott, Virginia's internal control over financial reporting and compliance.

Bostic, Tucker & Company, PC

December 15, 2021
Lebanon, Virginia

RONALD C. BOSTIC, CPA
GREGORY D. TUCKER, CPA

P.O. Box 505, Lebanon, VA 24266
(276) 889-3103 Fax: (276) 889-0229
www.bthcpa.com

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

The Honorable Members of the
Board of Supervisors
County of Scott, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County of Scott, Virginia as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County of Scott, Virginia's basic financial statements, and have issued our report thereon dated December 15, 2021, modified due to the exclusion of the Scott County School Activity Funds, a major special revenue fund of the Component Unit – School Board.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs on page 133 of this report.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Scott, Virginia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bostic, Tucker & Company, PC

December 15, 2021
Lebanon, Virginia



**BOSTIC, TUCKER
& COMPANY, P.C.**
Certified Public Accountants

**RONALD C. BOSTIC, CPA
GREGORY D. TUCKER, CPA**

**P.O. Box 505, Lebanon, VA 24266
(276) 889-3103 Fax: (276) 889-0229
www.bthcpa.com**

December 15, 2021

To the Scott County Board of Supervisors
County of Scott, Virginia

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Scott, Virginia for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Governmental Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 15, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

The School Board Activity Funds were not audited as required. Because of this, there is a disclaimer of opinion for this fund.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County of Scott, Virginia are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2021. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the allowance for doubtful accounts of the primary government, as well as the component units, is based on historical revenues. We evaluated the key factors and assumptions used to develop the allowance in

determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of depreciation of property, plant, and equipment of the primary government, as well as the component units, is based on the estimated useful lives ranging from five to eighty years. We evaluated the key factors and assumptions used to develop the allowance in determining it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of the Landfill Closure and Post-Closure Care Costs in Note 15 to the financial statements identifies state and federal laws requiring the county to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste. The county reports a portion of these closure and care costs as an operating expense in each period based on landfill capacity used at each balance sheet date. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. These estimated amounts are based on what it would cost to perform all closure and post closure care in 2021.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 15, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the governmental unit’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statement or to the financial statements themselves.

This information is intended solely for the use of the Scott County Board of Supervisors and management of the County of Scott, Virginia and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Bostic, Tucker & Company, PC

Bostic, Tucker and Company, P.C.

**RONALD C. BOSTIC, CPA
GREGORY D. TUCKER, CPA**

**P.O. Box 505, Lebanon, VA 24266
(276) 889-3103 Fax: (276) 889-0229
www.bthcpa.com**

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

The Honorable Members of the
Board of Supervisors
County of Scott, Virginia

Report on Compliance for Each Major Federal Program

We have audited the County of Scott, 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 Scott, Virginia's major federal programs for the year ended June 30, 2021. The County of Scott, 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 Scott, 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 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 the County of Scott, 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 Scott, Virginia's compliance.

Opinion on Each Major Federal Program

In our opinion, the County of Scott, 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, 2021.

Report on Internal Control Over Compliance

Management of the County of Scott, 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 Scott, 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 Scott, Virginia's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of 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 the 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 significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance and its operation that we consider to be material weaknesses as defined above. 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.

Bostic, Tucker & Company, PC

December 15, 2021

Lebanon, Virginia

As management of the County of Scott, Virginia we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County of the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the basic audited financial statements.

Financial Highlights:

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$4,855,083 (net position). Of this amount, \$(4,591,179) represents a deficit in unrestricted net position used to meet the government's ongoing obligation to citizens and creditors, which includes long-term obligations such as pensions and other post-employment benefits.
- As of the close of the current fiscal year, the County's funds reported combined ending fund balances of \$5,834,836, a decrease of \$(540,721) compared to the prior year. \$5,706,834 of the combined fund balance is available for spending for the various functions of the County as indicated.
- At the end of the current fiscal year, fund balance for the general fund was \$5,706,834, or 25% of total general fund expenditures for the year.

Overview of the Financial Statements:

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components:

- Government-wide financial statements,
- Fund financial statements, and
- Notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

Overview of the Financial Statements (Continued)

Government-wide financial statements (continued)

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

Both government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, courts, police safety, sanitation, social services, education, cultural events, and recreation.

The Government-wide financial statements include not only the County of Scott, Virginia itself (known as the primary government), but also a legally separate school board (for which the County of Scott, Virginia is financially accountable), Public Services Authority and Economic Development Authority.

Financial information for these component units is reported separately from the financial information presented for the primary government itself.

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

Governmental funds – Governmental funds are used to account for essentially the same functions reported as Governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statement focuses on near-term inflows and outflows of spendable resources, as well as on the balance of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental fund balance sheet and the governmental statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and activities.

Overview of the Financial Statements (Continued)

Governmental funds (continued)

The County maintains four individual governmental funds. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Law Library Fund, Coal Road Improvement Fund, and Capital Projects Fund, of which only the General Fund is considered to be a major fund.

The County adopts an annual appropriated budget for its Governmental funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Fiduciary funds – The County is the trustee, or fiduciary, for the County's agency funds and expendable trust 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. Agency funds and Expendable Trust funds are County custodial funds used to provide accountability of client or employee monies for which the County is custodian.

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.

Other information – In addition to the basic financial statement and accompanying notes, this report also presents certain required supplementary information for budgetary comparison schedules and presentation of combining financial statements for the discretely presented component units. The School Board does not issue separate financial statements.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a County's financial position. In the case of the County, assets exceed liabilities by \$4,855,083 at the close of the most recent fiscal year.

The largest portion of the County's net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Government-wide Financial Analysis (Continued)

County of Scott, Virginia's Net Assets

	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
ASSETS		
Current and other assets	\$ 26,119,386	\$ 23,650,582
Capital assets	9,074,159	8,171,603
Deferred outflows	<u>2,852,170</u>	<u>2,287,084</u>
Total assets	<u>\$ 38,045,715</u>	<u>\$ 34,109,269</u>
LIABILITIES		
Current liabilities	\$ 3,121,148	\$ 2,797,491
Noncurrent liabilities	13,751,165	12,053,447
Deferred inflows	<u>16,318,319</u>	<u>14,033,817</u>
Total liabilities	<u>\$ 33,190,632</u>	<u>\$ 28,884,755</u>
NET ASSETS		
Investment in capital assets, net of related debt	\$ 8,577,168	\$ 7,857,082
Restricted	869,094	897,331
Unrestricted	<u>(4,591,179)</u>	<u>(3,529,899)</u>
Total net assets	<u>\$ 4,855,083</u>	<u>\$ 5,224,514</u>

At the end of the current fiscal year, the County reported positive balances in net position.

During the current fiscal year, the County's net position decreased by \$(369,431).

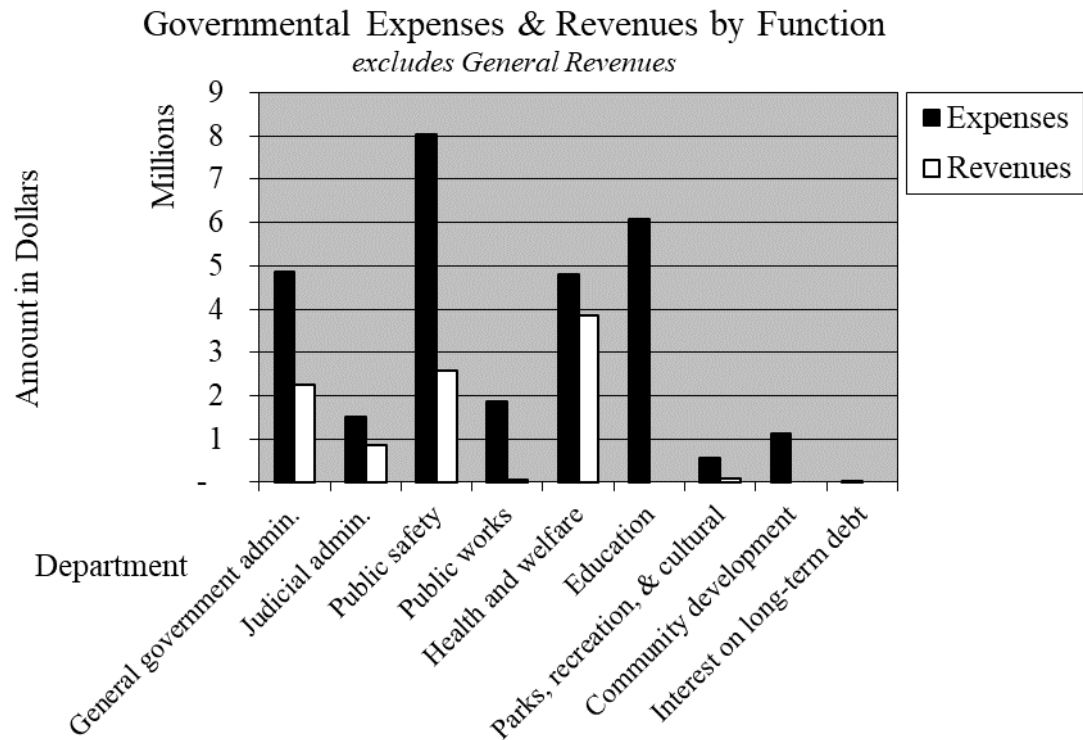
Government-wide Financial Analysis (Continued)

Governmental Activities – Governmental activities decreased the County's net position by \$(369,431). Key elements of this increase are as follows:

County of Scott, Virginia's Change in Net Assets			
	Governmental Activities		
	2021	2020	Change
REVENUES			
Program revenues:			
Charges for services	\$ 546,294	\$ 456,019	\$ 90,275
Operating grants and contributions	9,126,179	8,653,689	472,490
General revenues:			
Property taxes	13,084,173	12,915,555	168,618
Other local taxes	3,453,211	3,369,427	83,784
Other	2,289,743	1,702,853	586,890
Total revenues	28,499,600	27,097,543	1,402,057
EXPENSES			
General government	4,853,950	2,072,878	2,781,072
Judicial administration	1,510,361	1,364,659	145,702
Public safety	8,034,665	6,778,760	1,255,905
Public works	1,867,152	2,060,910	(193,758)
Health and welfare	4,812,702	5,016,594	(203,892)
Education	6,077,971	5,298,850	779,121
Parks, recreation and culture	572,794	495,506	77,288
Community development	1,128,393	892,454	235,939
Interest	11,043	11,621	(578)
Total expenses	28,869,031	23,992,232	4,876,799
Change in net assets	(369,431)	3,105,311	(3,474,742)
Net assets - beginning, as previously	5,224,514	2,119,203	
Prior period adjustment	-	-	
Net assets - beginning, as restated	5,224,514	2,119,203	
Net assets - ending	\$ 4,855,083	\$ 5,224,514	

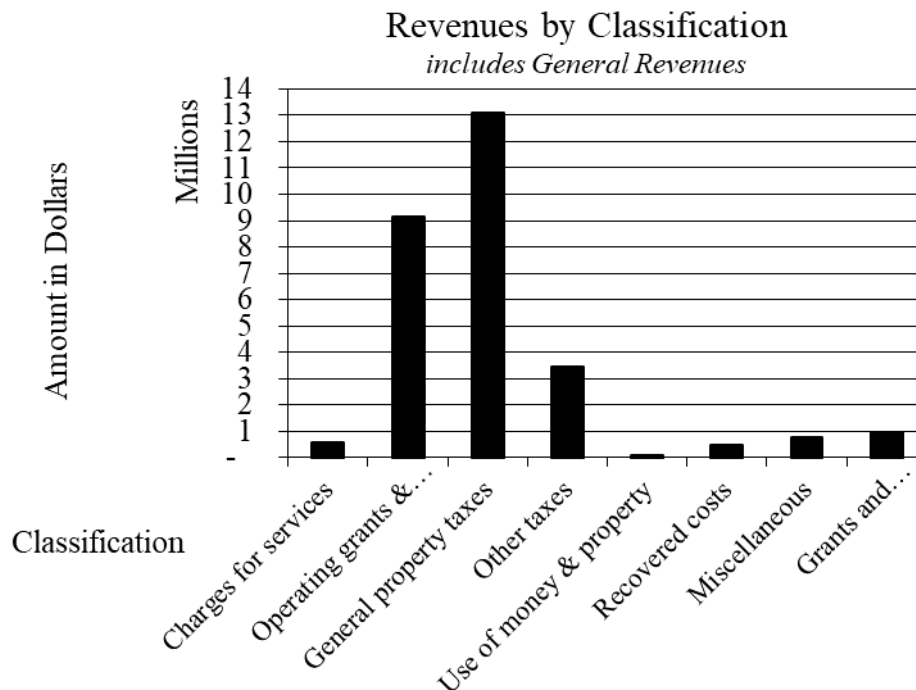
Government-wide Financial Analysis (Continued)

The following graph illustrates expense and revenue for primary government function. General revenues of \$18,827,127 are not attributable to a particular function and thus are excluded.



Government-wide Financial Analysis (Continued)

The following graph illustrates program and general revenues by classification.



Financial Analysis of the County's Funds

As noted earlier, the County used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds – The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a County's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$5,834,836, a decrease of \$(540,721) in comparison with the prior year. \$5,706,834, approximately 98% of the total, is available for spending for the various functions of the County as indicated.

The general fund is the operating fund of the County. At the end of the current fiscal year fund balance of the general fund was \$5,706,834. The general fund balance decrease \$(616,270) during the current year. As a measure of the general fund's liquidity, it may be useful to compare fund balance to total fund expenditures. The fund balance represents 25% of total general fund expenditures for the year.

Financial Analysis of the County's Funds (Continued)

The special revenue funds have purpose restrictions. At the end of the current fiscal year fund balance of the special revenue funds totaled \$50,871. Fund balance decreased \$1,582 during the current year.

The capital project fund also has purpose restrictions. At the end of the current fiscal year fund balance of the capital project fund totaled \$77,131. Fund balance increased \$77,131 during the current year.

General Fund Budgetary Highlights

During the 2021 fiscal year, the County had amendments which increased its original budgeted revenues by \$2,918,891 and expenditures and other financing uses by \$2,918,891.

Capital Assets and Debt Administration

Capital assets – The County's investment in capital assets for its governmental funds as of June 30, 2021, amounts to \$9,074,159 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery and equipment. The total increase in the County's investment in capital assets for the current fiscal year was \$902,556. Additional information on the County's capital assets can be found in Note 5.

County of Scott, Virginia's Capital Assets

	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
Land	\$ 1,211,289	\$ 1,211,289
Buildings and improvements	9,316,511	8,782,858
Equipment	10,426,081	9,637,645
Construction in progress	<u>243,074</u>	<u>188,791</u>
Total capital assets	<u>21,196,955</u>	<u>19,820,583</u>
Less: accumulated depreciation	<u>(12,122,796)</u>	<u>(11,648,980)</u>
Net capital assets	<u>\$ 9,074,159</u>	<u>\$ 8,171,603</u>

Capital Assets and Debt Administration (Continued)

Long-term debt – At the end of the current fiscal year, all bonded debt of the County had been retired.

During the fiscal year, the County's long-term debt increased by \$182,469. Noncurrent liabilities other than debt increased by \$567,218. Additional information on the County of Scott, Virginia's long-term debt can be found in Note 6.

Economic Factors and Next Year's Budgets and Rates

- Per the Bureau of Labor Statistics, the June 2021 unemployment rate for the County of Scott, Virginia was 4.3%, a decrease from the rate of 6.4% in June 2020 primarily due to economic recovery from the impacts of COVID. The County's unemployment rate is the same as the state's rate and lower than the national rate; in June 2021, Virginia's unemployment rate was 4.3% and the national unemployment rate was 5.9%.
- Inflationary trends in the region are comparable to national indices.

These factors were considered in preparing the County's budget for the 2021 fiscal year.

Request for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to:

Scott County Administrator
190 Beech Street, Suite 201
Gate City, Virginia 24251

Government-Wide Financial Statements

	Primary	Component Units	
	Government	School Board	Other Component Units
Assets:			
Current Assets:			
Cash & cash equivalents	\$ 9,559,102	\$ 663,110	\$ 3,618,484
Receivables, net of allowance:			
Property taxes	15,199,779	-	-
Accounts receivable	104,078	8,763	546,690
Prepaid expenses	27,333	514,938	-
Inventory	-	-	85,111
Notes receivable, current, net of allowance	-	-	36,039
Due from component unit	-	2,440,182	-
Due from other governments	1,229,094	886,373	142,179
Total current assets	26,119,386	4,513,366	4,428,503
Noncurrent assets:			
Capital assets:			
Land	1,211,289	1,597,912	5,888,588
Construction in progress	243,074	5,197,293	8,789,118
Buildings & equipment, net of depreciation	7,619,796	26,879,185	69,317,157
Notes receivable	-	-	144,157
Total noncurrent assets	9,074,159	33,674,390	84,139,020
Other assets:			
Restricted cash in bank	-	-	340,539
Total other assets	-	-	340,539
Deferred outflows of resources:			
Related to pensions	2,747,171	9,527,941	322,380
Related to OPEB	104,999	1,363,313	37,086
Total outflows of resources	2,852,170	10,891,254	359,466
Total assets	\$ 38,045,715	\$ 49,079,010	\$ 89,267,528

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

	Primary Government	Component Units	
		School Board	Other Component Units
Liabilities:			
Current Liabilities:			
Accounts payable and accrued expenses	\$ 476,945	\$ 442,178	\$ 390,949
Salaries payable	-	3,316,394	-
Due to component unit	2,440,182	-	-
Current portion of long-term obligations	204,021	317,133	5,841,660
Total current liabilities	3,121,148	4,075,705	6,232,609
Noncurrent liabilities:			
Compensated absences	492,359	828,371	185,406
Amounts held for others	-	-	278,347
Landfill closure	869,094	-	-
Other postemployment benefits	4,110,660	10,669,756	85,445
Net pension liability, long-term	7,986,082	36,390,556	249,244
Noncurrent portion of long-term obligations	292,970	2,267,621	23,292,776
Total noncurrent liabilities	13,751,165	50,156,304	24,091,218
Total liabilities	16,872,313	54,232,009	30,323,827
Deferred inflows of resources			
Unavailable revenue - property taxes	13,930,687	-	-
Unavailable revenue - ARPA funds	2,094,472	-	-
Related to pensions	265,810	3,042,363	202,452
Related to OPEB	27,350	844,419	2,768
Total deferred inflows of resources	16,318,319	3,886,782	205,220
Net position:			
Invested in capital assets, net of related debt	8,577,168	31,089,636	49,205,995
Restricted for:			
Landfill closure	869,094	-	-
Other purposes	-	-	333,622
Unrestricted assets (deficit)	(4,591,179)	(40,129,417)	9,198,864
Total net position	4,855,083	(9,039,781)	58,738,481
Total liabilities and net position	\$ 38,045,715	\$ 49,079,010	\$ 89,267,528

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

County of Scott, Virginia
Statement of Activities
For the Year Ended June 30, 2021

Exhibit 2

For the Year Ended June 30, 2021					Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Program Revenues			Primary Government	School Board	Other Component Units
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions			
Primary Government:							
Governmental activities:							
General government administration	\$ 4,853,950	\$ 7,096	\$ 2,236,044	\$ -	\$ (2,610,810)	\$ -	\$ -
Judicial administration	1,510,361	3,101	844,329	-	(662,931)	-	-
Public safety	8,034,665	398,757	2,203,229	-	(5,432,679)	-	-
Public works	1,867,152	58,989	-	-	(1,808,163)	-	-
Health and welfare	4,812,702	-	3,853,077	-	(959,625)	-	-
Education	6,077,971	-	-	-	(6,077,971)	-	-
Parks, recreation, and cultural	572,794	78,351	-	-	(494,443)	-	-
Community development	1,128,393	-	-	-	(1,128,393)	-	-
Interest on long-term debt	11,043	-	-	-	(11,043)	-	-
Total government activities	<u>28,869,031</u>	<u>546,294</u>	<u>9,136,679</u>	<u>-</u>	<u>(19,186,058)</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 28,869,031</u>	<u>\$ 546,294</u>	<u>\$ 9,136,679</u>	<u>\$ -</u>	<u>\$ (19,186,058)</u>	<u>\$ -</u>	<u>\$ -</u>
Component units:							
School board	\$ 49,676,960	\$ 4,015,777	\$ 40,128,152	\$ -	\$ -	\$ (5,533,031)	\$ -
Other component units	7,485,781	4,729,243	1,619,233	1,832,034	-	-	694,729
Total component units	<u>\$ 57,162,741</u>	<u>\$ 8,745,020</u>	<u>\$ 41,747,385</u>	<u>\$ 1,832,034</u>	<u>\$ -</u>	<u>\$ (5,533,031)</u>	<u>\$ 694,729</u>
Total					\$ (19,186,058)	\$ (5,533,031)	\$ 694,729
General Revenues:							
General property taxes					13,084,173	-	-
Other local taxes					3,453,211	-	-
Unrestricted revenues from use of money and property					83,813	-	13,828
Miscellaneous					758,994	600,773	65,013
Recovered costs					484,994	12,051	-
Grants and contributions not restricted to specific programs					951,442	-	-
Gain (loss) on sale of capital assets					-	-	-
County contribution to School Board					-	6,052,180	-
Change in net assets					<u>(369,431)</u>	<u>1,131,973</u>	<u>773,570</u>
Net position - beginning					<u>5,224,514</u>	<u>(10,171,754)</u>	<u>57,964,911</u>
Net position - ending					<u>\$ 4,855,083</u>	<u>\$ (9,039,781)</u>	<u>\$ 58,738,481</u>

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

Fund Financial Statements

County of Scott, Virginia
Balance Sheet
Governmental Funds
June 30, 2021

Exhibit 3

	Governmental Fund Types		Total Governmental Funds
	General	Other Funds	
Assets:			
Cash & cash equivalents	\$ 9,258,599	\$ 300,503	\$ 9,559,102
Receivables (net of allowance):			
Property taxes	15,199,779	-	15,199,779
Accounts receivable	103,710	368	104,078
Prepaid expenses	27,333	-	27,333
Due from other governments	1,229,094	-	1,229,094
Total assets	<u>\$ 25,818,515</u>	<u>\$ 300,871</u>	<u>\$ 26,119,386</u>
Liabilities:			
Accounts payable and accrued expenses	\$ 301,140	\$ 172,869	\$ 474,009
Due to other funds			
Component unit	2,440,182	-	2,440,182
Total liabilities	<u>2,741,322</u>	<u>172,869</u>	<u>2,914,191</u>
Deferred inflows of resources			
Unavailable revenue - property taxes	15,275,887	-	15,275,887
Unavailable revenue - ARPA funds	2,094,472	-	2,094,472
Total deferred inflows of resources	<u>17,370,359</u>	<u>-</u>	<u>17,370,359</u>
Fund Balance:			
Restricted	268,551	128,002	396,553
Assigned	233,474	-	233,474
Unassigned	5,204,809	-	5,204,809
Total fund balances	<u>5,706,834</u>	<u>128,002</u>	<u>5,834,836</u>
Total liabilities, deferred inflows of resources & fund balances	<u>\$ 25,818,515</u>	<u>\$ 300,871</u>	

Detailed explanation of adjustments from fund statements to government-wide statement of net position:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	9,074,159
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	1,345,200
Deferred outflows of resources reported in the statement of net position.	2,852,170
Other liabilities are not required to be paid out of current financial resources and, therefore, are not reported in the governmental funds.	(5,679,070)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(8,279,052)
Deferred inflows of resources reported in the statement of net position.	<u>(293,160)</u>
Primary Government net position	<u>\$ 4,855,083</u>

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

County of Scott, Virginia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

Exhibit 4

	Governmental Fund Types		Total Governmental Funds
	General	Other Funds	
Revenues:			
General property taxes	\$ 13,065,751	\$ -	\$ 13,065,751
Other local taxes	3,451,815	1,396	3,453,211
Permits, privilege fees & regulatory licenses	72,687	-	72,687
Fines and forfeitures	350,277	-	350,277
Revenue from use of money & property	83,813	-	83,813
Charges for services	120,229	3,101	123,330
Miscellaneous	758,994	-	758,994
Recovered costs	511,842	-	511,842
Intergovernmental:			
Commonwealth	5,909,850	-	5,909,850
Federal	4,178,271	-	4,178,271
Total revenues	28,503,529	4,497	28,508,026
Expenditures:			
Current:			
General government administration	4,922,460	-	4,922,460
Judicial administration	1,454,041	4,626	1,458,667
Public safety	8,413,420	172,869	8,586,289
Public works	1,848,356	1,453	1,849,809
Health and welfare	4,705,416	-	4,705,416
Education	25,791	-	25,791
Parks, recreation, and cultural	503,843	-	503,843
Community development	1,117,462	-	1,117,462
Debt service:			
Principal retirement	287,531	-	287,531
Interest and other fiscal charges	9,299	-	9,299
Total expenditures	23,287,619	178,948	23,466,567
Excess (deficiency) of revenues over (under) expenditures	5,215,910	(174,451)	5,041,459
Other financing sources (uses):			
Operating transfers in	-	250,000	250,000
Operating transfers out	(6,302,180)	-	(6,302,180)
Proceeds from debt	470,000	-	470,000
Total other financing sources (uses)	(5,832,180)	250,000	(5,582,180)
Net changes in fund balances	(616,270)	75,549	(540,721)
Fund balances at beginning of year	6,323,104	52,453	6,375,557
Fund balances at end of year	\$ 5,706,834	\$ 128,002	\$ 5,834,836

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

County of Scott, Virginia
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances
To the Statement of Activities
For the Year Ended June 30, 2021

Exhibit 5

	<u>Governmental Funds</u>
Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances - total governmental funds	\$ (540,721)
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 capital outlays exceed depreciation in the current period.	902,555
Revenues on the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	18,422
Issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the issuance of long-term debt.	(182,469)
Expenses on the statement of activities that do not require current financial resources are not reported as expenses in the funds.	<u>(567,218)</u>
Change in net position of governmental activities	<u><u>\$ (369,431)</u></u>

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

County of Scott, Virginia
Statement of Net Position
Proprietary Fund - Discretely Presented Component Units
June 30, 2021

Exhibit 6
Page 1 of 2

	Discretely Presented Component Units
Assets:	
Current assets:	
Cash and cash equivalents	\$ 3,618,484
Accounts receivable, net of allowance	546,690
Prepaid expenses	-
Inventory	85,111
Notes receivable, current, net of allowance	36,039
Due from other governments	142,179
	<hr/>
Total current assets	4,428,503
	<hr/>
Noncurrent assets:	
Capital assets:	
Land	5,888,588
Construction in progress	8,789,118
Buildings and equipment, net of depreciation	69,317,157
Notes receivable, noncurrent, net of allowance	144,157
	<hr/>
Total noncurrent assets	84,139,020
	<hr/>
Other assets:	
Restricted cash in bank	340,539
	<hr/>
Total other assets	340,539
	<hr/>
Deferred outflows of resources:	
Related to pensions	322,380
Related to OPEB	37,086
	<hr/>
Total deferred outflows of resources	359,466
	<hr/>
Total assets	<u><u>\$ 89,267,528</u></u>

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

County of Scott, Virginia
Statement of Net Position
Proprietary Fund - Discretely Presented Component Units
June 30, 2021

Exhibit 6
Page 2 of 2

	Discretely Presented Component Units
Liabilities:	
Current liabilities:	
Accounts payable and accrued expenses	\$ 390,949
Current portion of long-term obligations	<u>5,841,660</u>
Total current liabilities	<u>6,232,609</u>
Noncurrent liabilities:	
Compensated absences	185,406
Amounts held for others	278,347
Other postemployment benefits	85,445
Net pension liability, long-term	249,244
Noncurrent portion of long-term obligations	<u>23,292,776</u>
Total noncurrent liabilities	<u>24,091,218</u>
Total liabilities	<u>30,323,827</u>
Deferred inflows of resources:	
Related to pensions	202,452
Related to OPEB	<u>2,768</u>
Total deferred inflows of resources	<u>205,220</u>
Net position:	
Invested in capital assets, net of related debt	49,205,995
Restricted for other purposes	333,622
Unrestricted assets	<u>9,198,864</u>
Total net position	<u>58,738,481</u>
Total liabilities and net position	<u><u>\$ 89,267,528</u></u>

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

County of Scott, Virginia
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund - Discretely Presented Component Units
For the Year Ended June 30, 2021

Exhibit 7

	Discretely Presented Component Units
	<u> </u>
Operating revenues:	
Charges for services	\$ 4,729,243
Rental income	307,886
Grants	1,040,559
Miscellaneous	<u>106,775</u>
Total operating revenue	<u>6,184,463</u>
Operating expenses:	
Wages and benefits	1,876,998
Other operating expenses	<u>4,745,477</u>
Total operating expense	<u>6,622,475</u>
Operating income (loss)	<u>(438,012)</u>
Nonoperating revenues (expenses):	
Interest earned	13,828
Connection fees	65,013
Interest expense	(395,505)
Other nonoperating revenues	164,013
Gain/(Loss) on sale of assets	(344,333)
Bad debt expense	<u>(123,468)</u>
Total nonoperating revenues (expenses)	<u>(620,452)</u>
Capital contributions	<u>1,832,034</u>
Increase (decrease) in net position	<u>773,570</u>
Net position at beginning of year	<u>57,964,911</u>
Net position at end of year	<u><u>\$ 58,738,481</u></u>

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

County of Scott, Virginia
Statements of Cash Flows
Proprietary Fund - Discretely Presented Component Units
For the Year Ended June 30, 2021

Exhibit 8
Page 1 of 2

	Discretely Presented Component Units
Cash flows from operating activities:	
Receipts from customers & users	\$ 6,229,291
Payments to suppliers	(2,239,422)
Payments to employees	(1,939,661)
	<u>2,050,208</u>
Net cash provided (used) by operating activities	
Cash flows from investing activities:	
Interest earned	<u>11,251</u>
Net cash provided (used) by investing activities	<u>11,251</u>
Cash flows from financing activities:	
Connection fee	65,013
Loans to industries	(50,000)
Payments received on loans to industries	64,027
Purchase of fixed assets	(2,507,754)
Principal payments made on debt	(7,261,498)
Proceeds from indebtedness	6,038,126
Interest on debt	(295,302)
Proceeds from loans & grants	<u>1,845,290</u>
Net cash provided (used) by financing activities	<u>(2,102,098)</u>
Increase in cash & cash equivalents	397,826
Cash & cash equivalents at beginning of year	<u>3,561,197</u>
Cash & cash equivalents at end of year	<u><u>\$ 3,959,023</u></u>

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

County of Scott, Virginia
Statements of Cash Flows
Proprietary Fund - Discretely Presented Component Units
For the Year Ended June 30, 2021

Exhibit 8
Page 2 of 2

	Discretely Presented Component Units
Reconciliation of operating income to net cash provided (used) by operating activities:	
Operating income	\$ (1,038,402)
Adjustments to reconcile net income to net cash provided (used) by operations:	
Depreciation	2,566,489
Bad debt expense	123,468
Changes in operating assets & liabilities:	
Accounts receivable	39,063
Inventory	60,085
Accounts payable & accrued expenses	(67,190)
Customer deposits	(752)
Accrued leave	21,633
Net pension obligation	(113,957)
Post employment benefits	10,445
Deferred outflows of resources	(64,308)
Deferred inflows of resources	155,035
Total adjustments	2,730,011
Net cash provided (used) by operating activities	\$ 1,691,609

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

County of Scott, Virginia
Statement of Fiduciary Net Assets
June 30, 2021

Exhibit 9

	<u>Agency Funds</u>
Assets:	
Cash and cash equivalents	\$ 3,301
Due from other government units	345,631
Amount due from others	50,673
Investments	<u>3,835,767</u>
Total assets	<u><u>\$ 4,235,372</u></u>
Liabilities:	
Due to primary government	\$ 318,638
Amounts due to others	50,673
Amounts held for others	<u>3,866,061</u>
Total liabilities	<u><u>\$ 4,235,372</u></u>

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

Notes to Financial Statements

Note 1 – Summary of Significant Accounting Policies

The County of Scott, Virginia is governed by an elected seven-member Board of Supervisors. The Board of Supervisors is responsible for appointing the County Administrator. The County provides a full range of services for its citizens. These services include police and volunteer fire protection, sanitation services, recreational activities, cultural events, education, and social services.

The financial statements of the County of Scott, 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 of America as specified by the Governmental Accounting Standards Board. The more significant of the government's accounting policies are described below.

Financial Statement Presentation

In June 1999, GASB issued Statement No. 34, *Basic Financial Statements – and Management's Discussion & Analysis – for State & Local Governments*. This statement, known as the "Reporting Model," affects the way the County prepares and presents financial information.

GASB Statement No. 34 establishes new requirements and reporting model for the annual financial reports of state and local governments. The statement was developed to make annual reports easier to understand and more useful to the people who use governmental financial information to make decisions.

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

Government-wide and Fund Financial Statements

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

Note 1 – Summary of Significant Accounting Policies (Continued)

Government-wide and Fund Financial Statements (Continued)

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

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

Budgetary comparison schedules – Demonstrating compliance with the adopted budget is an important component of a government’s accountability to the public. Many citizens participate in one way or another in the process of establishing the annual operating budgets of state and local governments and have a keen interest in following the actual financial progress of their governments over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. Under the reporting model, governments will continue to provide budgetary comparison information in their annual reports. An important change, however, is a requirement to add the government’s original budget to the current comparison of final budget and actual results.

Note 1 – Summary of Significant Accounting Policies (Continued)

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 Scott, Virginia (the primary government) and its component units. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government.

B. Individual Component Unit Disclosures

Blended Component Units – The County has no blended component units.

Discretely Presented Component Units – The School Board members are elected by the voters and are responsible for the operations of the County's School System. The School Board is fiscally dependent on the County. The County has the ability to approve its budget and any amendments. The primary funding is from the General Fund of the County. The School Fund 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, 2021.

The Scott County Public Service Authority was created by the Board of Supervisors of Scott County to acquire, finance and operate water and sewer systems throughout the County. The Board of Directors of the Service Authority are appointed by the Scott County Board of Supervisors and there currently exists a financial benefit/burden relationship between the Service Authority and the County.

The Scott County Economic Development Authority promotes industrial development in the County. The Authority is financially dependent upon the County. In addition, the Authority's Board is appointed by the County's Board.

There are no other related organizations included in the County's Annual Comprehensive Financial Report.

Note 1 – Summary of Significant Accounting Policies (Continued)

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

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

The County applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before July 1, 2002, unless these pronouncements conflict with or contradict GASB pronouncements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of 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 to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the 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.

Note 1 – Summary of Significant Accounting Policies (Continued)

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

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.

The government reports the following major governmental funds.

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 revenue is used principally to finance the operations of the Component Unit School Board.

Additionally, Scott County reports the following fund types:

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

D. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until consumed.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until acquired.

Note 1 – Summary of Significant Accounting Policies (Continued)

E. Budget and Budgetary Accounting

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

1. Prior to March 30, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the departmental level. The appropriation for each department or category can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments. However, the School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, School Fund, and the Capital Projects Fund.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30 for all County units. Several supplemental appropriations were necessary during the year and at year-end.
8. All budget data presented in the accompanying financial statements is the original to the current comparison of the final budget and actual results.

F. Cash and Cash Equivalents

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

State statutes authorize the County government and the School Board to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the Local Government Investment Pool.

Investments for the government, as well as for its component units, are reported at fair value. The local Government Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

G. Investments

Investments are stated at fair value, which approximates market; no investments are valued at cost. Certificates of deposit and short-term repurchase agreements are reported in the accompanying financial statements as cash and cash equivalents. Investments consist of assets held by a trustee.

Note 1 – Summary of Significant Accounting Policies (Continued)

H. Receivable and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds”.

All trade and property tax receivables are shown net of an allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$303,822 at June 30, 2021 and is composed solely of property taxes.

Property is assessed at its value on January 1. Property taxes attach as an enforceable lien on property as of January 1. Taxes are payable November 20th. The County bills and collects its own property taxes.

At June 30, 2021, the Public Service Authority had an allowance for uncollectible accounts of \$0.

I. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as land, buildings, road registered vehicles, and equipment with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The 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. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Interest attributed to capitalized assets as of June 30, 2021 was immaterial.

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

<u>Assets</u>	<u>Years</u>
Buildings	80
Building improvements	40-80
Vehicles	5
Office & computer equipment	7
Buses	12

Note 1 – Summary of Significant Accounting Policies (Continued)

J. Compensated Absences

Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as an expense in the statement of activities and a long-term obligation in the Statement of Net Position.

K. Long-term Obligations

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

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

L. Net Position

Net position is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position is classified as net investment in capital assets, restricted or unrestricted. Net investment in capital assets consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets. Restricted net position consists of assets that are restricted by the County's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors. Unrestricted net position consists of all other net position reported in this category.

M. Fund Balances

Government fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, or assigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the Board of Supervisors through approval of resolution. Assigned fund balance is a limitation imposed by a designee of the Board of Supervisors. Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amount restricted, committed, or assigned to those purposes. Proprietary fund equity is classified the same as in the government-wide statements.

Note 1 – Summary of Significant Accounting Policies (Continued)

M. Fund Balances (Continued)

When both restricted and unrestricted fund balances are available for use, it is the County's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balance are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for the purposes for which amounts in any of those unrestricted fund balance classification can be used.

N. Retirement Plan

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

O. Use of Estimates

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

P. Jointly Governed Organizations

The County and the Counties of Wise and Lee, along with the City of Norton, participate in supporting the Planning District One Community Service Board. The governing body of this organization is supported by the respective governing bodies of the participating jurisdictions. For the year ended June 30, 2021, the County contributed \$1,258.

The County and the Counties of Wise, Dickenson, and Lee, along with the Towns of Wise, Big Stone Gap, Coeburn, St. Paul and the City of Norton participate in supporting the Lonesome Pine Regional Library. For the year ended June 30, 2021, the County contributed \$203,050.

The County and the Counties of Lee, Wise, Washington, Russell, Smyth, Buchanan, Dickenson, Tazewell, along with the City of Norton participate in supporting the Southwest Virginia Regional Jail Authority. For the year ended June 30, 2021, the County contributed \$3,162,572.

Q. 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 County's Retirement Plan and the additions to/deductions from the County's 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.

Note 1 – Summary of Significant Accounting Policies (Continued)

R. New Accounting Pronouncements

Statement No. 98, *The Annual Comprehensive Financial Report*, establishes the term “Annual Comprehensive Financial Report” and its acronym ACFR. The new term and acronym replace instances of “Comprehensive Annual Financial Report” and its acronym in generally accepted accounting principles for state and local governments. The requirements of this statement are effective for fiscal years ending after December 15, 2021.

Note 2 – Deposits and Investments

Deposits – Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the “Act”) Section 2.2-4400 et. seq. of the Code of Virginia. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. 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 (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).

Note 3 – Due from Other Governmental Units

At June 30, 2021, the County and School Board had receivables from other governments as follows:

	Primary Government	Discretely Presented Component Unit School Board	Other Component Units
Local Governments:			
Other misc. funds	\$ -	\$ -	\$ 142,179
Commonwealth of Virginia:			
State sales tax	-	499,880	-
Local sales tax	318,638	-	-
Social service	114,445	-	-
CMPT	58,375	-	-
Shared expenses	562,961	-	-
Other	-	-	-
Federal Government:			
School funds	-	386,493	-
Social service	174,675	-	-
Totals	<u>\$ 1,229,094</u>	<u>\$ 886,373</u>	<u>\$ 142,179</u>

Note 4 – Due to/from between Primary Government and Component Units

At June 30, 2021, the County and School Board had reciprocal liability and receivable as follows:

Fund	Due to Component Unit School Board	Due from Primary Government
General	\$ 2,440,182	\$ -
School	-	2,440,182
Totals	<u>\$ 2,440,182</u>	<u>\$ 2,440,182</u>

Note 5 – Capital Assets

The following is a summary of changes in capital assets for the fiscal year ending June 30, 2021.

<i>Primary Government</i>	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Land & land improvements	\$ 1,211,289	\$ -	\$ -	\$ 1,211,289
Building & improvements	8,782,858	533,653	-	9,316,511
Equipment	9,637,645	1,025,141	(236,705)	10,426,081
Construction in progress	188,791	54,283	-	243,074
Total capital assets	19,820,583	1,613,077	(236,705)	21,196,955
Accumulated depreciation	(11,648,980)	(683,669)	209,853	(12,122,796)
Net capital assets	<u>\$ 8,171,603</u>	<u>\$ 929,408</u>	<u>\$ (26,852)</u>	<u>\$ 9,074,159</u>

<i>Component Unit</i>	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
<i>School Board</i>				
Land & land improvements	\$ 1,597,912	\$ -	\$ -	\$ 1,597,912
Building & improvements	51,354,256	18,400	-	51,372,656
Equipment	28,574,203	1,385,799	-	29,960,002
Construction in progress	3,346,399	1,850,894	-	5,197,293
Total capital assets	84,872,770	3,255,093	-	88,127,863
Accumulated depreciation	(52,550,910)	(1,902,563)	-	(54,453,473)
Net capital assets	<u>\$ 32,321,860</u>	<u>\$ 1,352,530</u>	<u>\$ -</u>	<u>\$ 33,674,390</u>

Note 5 – Capital Assets (Continued)

<i>Proprietary Funds</i>	Economic Development Authority	Public Service Authority	Total Proprietary Funds
Land & land improvements	\$ 5,401,835	\$ 486,753	\$ 5,888,588
Building & water lines	22,957,298	77,405,641	100,362,939
Equipment & vehicles	2,260,462	1,606,608	3,867,070
Construction in progress	5,654,432	3,134,686	8,789,118
Total capital assets	36,274,027	82,633,688	118,907,715
Accumulated depreciation	(5,595,154)	(29,317,698)	(34,912,852)
Net capital assets	<u>\$ 30,678,873</u>	<u>\$ 53,315,990</u>	<u>\$ 83,994,863</u>

Depreciation expenses were charged to functions/programs as follows:

	<u>Amount</u>
<i>Primary Government:</i>	
General government administration	\$ 84,348
Judicial administration	2,309
Public safety	344,394
Public works	173,848
Health and welfare	19,566
Parks, recreation, and cultural	57,838
Community development	1,366
Total depreciation expense	<u>\$ 683,669</u>
<i>Component Unit School Board:</i>	
Education	<u>\$ 1,902,563</u>

Depreciation expenses for the year ending June 30, 2021, for the Economic Development Authority and Public Service Authority amounted to \$705,432 and \$1,861,057, respectively.

Note 6 – Long-term Debt

Primary Government

The following is a summary of changes in long-term debt for the fiscal year ending June 30, 2021:

<i>Primary Government</i>	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021
Compensated absences	\$ 538,988	\$ -	\$ (46,629)	\$ 492,359
Landfill closure	897,331	-	(28,237)	869,094
Pension liability	6,447,005	1,539,077	-	7,986,082
Other postemployment benefits	4,025,152	85,508	-	4,110,660
Capital leases	<u>314,521</u>	<u>470,000</u>	<u>(287,530)</u>	<u>496,991</u>
Total long-term debt	<u>\$ 12,222,997</u>	<u>\$ 2,094,585</u>	<u>\$ (362,396)</u>	<u>\$ 13,955,186</u>

General obligation bonds are direct obligations and pledge the full faith and credit of the County. The County did not have any general obligation bonds outstanding at June 30, 2021.

Annual requirements to amortize capital leases and related interest are as follows:

Year Ending June 30,	Capital Lease	
	Principal	Interest
2022	\$ 204,021	\$ 8,430
2023	161,486	4,576
2024	130,524	1,647
2025	<u>960</u>	<u>3</u>
Total	<u>\$ 496,991</u>	<u>\$ 14,656</u>

Details of capital leases:

<i>Primary Government</i>	Amount Outstanding
Capital Leases:	
\$211,411 capital lease issued January 9, 2018 for the purchase of a 2018 Peterbilt Packer Truck, due in monthly installments of \$3,818, principal and interest through January 2023, interest payable at 3.20%.	\$ 70,637
\$39,300 capital lease issued July 28, 2017 for the purchase of an IBM Server, due in monthly installments of \$7,167, principal and interest through July 2022, interest payable at 2.698%.	13,767

Note 6 – Long-term Debt (Continued)

<i>Primary Government</i>	<u>Amount Outstanding</u>
Capital Leases (continued):	
\$97,693 capital lease issued March 23, 2017 for the purchase of land, due in monthly installments of \$1,796, principal and interest through February 2022, interest payable at 2.99%.	\$ 11,324
\$53,728 capital lease issued January 26, 2015 for the purchase of two 2014 Fairway mowers, due in monthly installments of \$1,172.30, principal and interest through February 10, 2019, interest payable at 2.24%.	14,212
\$17,283 capital lease issued October 23, 2017 for the purchase of a 2017 Ford Explorer, due in monthly installments of \$379, principal and interest through October 2021, interest payable at 2.491%.	1,507
\$52,334 capital lease issued August 19, 2019 for the purchase of a 2019 Rotary Mower, due in monthly installments of \$966, principal and interest through September 2024, interest payable at 4.10%.	33,524
\$470,000 capital lease issued August 1, 2020 for the purchase of county Sheriff's vehicles, due in yearly installments of \$120,577, principal and interest through January 2024, interest payable at 1.42%.	<u>352,020</u>
Total Capital Leases	496,991
Less: Current Maturities	<u>(204,021)</u>
Total Long-term Capital Leases	<u><u>\$ 292,970</u></u>

Note 6 – Long-term Debt (Continued)

Component Unit School Board

The following is a summary of changes in long-term debt for the fiscal year ending June 30, 2021:

<i>Component Unit</i>	Balance			Balance
<i>School Board</i>	July 1, 2020	Increases	Decreases	June 30, 2021
Compensated absences	\$ 692,987	\$ 135,384	\$ -	\$ 828,371
Pension liability	32,606,815	3,783,741	-	36,390,556
Other postemployment benefits	10,305,333	364,423	-	10,669,756
Capital leases & lines of credit	3,127,446	3,407,007	(3,901,425)	2,633,028
Capital lease issue costs	(55,171)	-	6,897	(48,274)
Total long-term debt	<u>\$ 46,677,410</u>	<u>\$ 7,690,555</u>	<u>\$ (3,894,528)</u>	<u>\$ 50,473,437</u>

Annual requirements to amortize capital leases, lines of credit, and debt issue costs are as follows:

Year Ending June 30,	Capital lease & lines of credit		Debt Issue
	Principal	Interest	Cost
2022	\$ 324,030	\$ 38,883	\$ (6,897)
2023	317,000	34,242	(6,897)
2024	321,000	29,541	(6,897)
2025	326,000	24,781	(6,897)
2026	330,000	19,947	(6,897)
2027-2031	1,014,998	30,179	(13,789)
Total	<u>\$ 2,633,028</u>	<u>\$ 177,573</u>	<u>\$ (48,274)</u>

Details of long-term debt:

<i>Component Unit School Board</i>	Amount Outstanding
Capital Leases:	
\$4,321,000 capital lease issued December 20, 2014 for the purchase of a 2015 International Roll Off Truck, due in semi-annual installments, principal and interest through December 20, 2028, interest payable at 3.21%.	<u>\$ 2,620,000</u>
Total Capital Leases	2,620,000
Less: Current Maturities	<u>(311,000)</u>
Long-term Capital Leases	<u>\$ 2,309,000</u>

Note 6 – Long-term Obligations (Continued)

Component Unit School Board

Amount
Outstanding

Lines of Credit:

Line of credit through Powell Valley National Bank for construction. Credit limit \$300,000. Interest rate of 3.50% as of May 22, 2019. Current-year principal advances of \$247,507. Payments of \$517,924 principal and \$7,828 interest.

\$ 13,028

Line of credit through Powell Valley National Bank for operations. Credit limit \$4,000,000. Interest rate of 3.25% as of July 10, 2018. Current-year principal advances of \$3,068,500. Payments of \$3,068,500 principal and \$27,178 interest.

-

Total Lines of Credit, Current Maturities

\$ 13,028

Note 7 – Proprietary Debt

Component Unit – Economic Development Authority

The following is a summary of changes in long-term debt for the fiscal year ending June 30, 2021:

<i>Component Unit</i>	Balance			Balance
<i>Economic Development</i>	July 1, 2020	Increases	Decreases	June 30, 2021
Compensated absences	\$ 21,756	\$ -	\$ (4,719)	\$ 17,037
Long-term obligations	9,515,975	250,000	(611,089)	9,154,886
Total long-term debt	<u>\$ 9,537,731</u>	<u>\$ 250,000</u>	<u>\$ (615,808)</u>	<u>\$ 9,171,923</u>

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

Year Ending			
June 30,	Principal	Interest	Premium
2022	\$ 4,270,776	\$ 171,002	\$ 40,222
2023	301,000	159,860	40,222
2024	314,000	147,451	40,222
2025	326,000	134,802	40,222
2026	288,000	122,800	40,222
2027-2031	1,633,000	422,334	201,110
2032-2036	1,459,000	104,411	160,890
Total	<u>\$ 8,591,776</u>	<u>\$ 1,262,660</u>	<u>\$ 563,110</u>

Details of long-term obligations:

<i>Component Unit</i>	Interest	Issue	Maturity	Amount of	Balance
<i>Economic Development</i>	Rate	Date	Date	Original Issue	June 30, 2021
Line of Credit - PVNB	4.375%	1/24/2017	6/30/2018	\$ 172,947	\$ -
VCEDA Loan 1	4.500%	5/14/2004	5/14/2014	830,000	799,269
VCEDA Loan 2	0.000%	12/11/2015	12/11/2020	2,853,000	2,354,678
VCEDA Loan 3	0.000%	6/18/2015	6/18/2020	100,000	-
VCEDA Loan 4	0.000%	4/1/2019	4/1/2024	300,000	75,547
VCEDA Loan 5	2.250%	7/10/2018	7/10/2023	1,000,000	751,281
2015 Series Revenue Bond	3.125%	2/24/2015	10/1/2034	5,100,000	3,995,000
2015 Series Bond Premium	0.000%	8/10/2016	4/1/2035	724,000	563,111
2017 Series Revenue Bond	2.700%	10/30/2017	10/1/2026	500,000	416,000
Tobacco Revitalization Loan	0.000%	10/7/2019	8/1/2024	250,000	200,000
Total Long-term Obligations					<u>\$ 9,154,886</u>

Note 7 – Proprietary Debt (Continued)

Component Unit – Public Service Authority

<i>Component Unit</i>	Balance			Balance
<i>Public Service Authority</i>	July 1, 2020	Additions	Deletions	June 30, 2021
Compensated absences	\$ 142,017	\$ 26,352	\$ -	\$ 168,369
Amounts held for others	279,099	-	(752)	278,347
Pension liability	363,201	-	(113,957)	249,244
Other postemployment benefits	75,000	10,445	-	85,445
Long-term obligations	20,716,833	5,912,659	(6,649,942)	19,979,550
Total long-term obligations	<u>\$ 21,576,150</u>	<u>\$ 5,949,456</u>	<u>\$ (6,764,651)</u>	<u>\$ 20,760,955</u>

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

Year Ending June 30,	Principal	Interest
2022	\$ 1,570,882	\$ 201,398
2023	1,137,701	174,647
2024	1,152,147	162,021
2025	1,164,656	148,386
2026	1,374,232	132,298
2027-2031	5,018,962	456,034
2032-2036	2,999,989	354,075
2037-2041	1,866,734	278,028
2042-2046	1,172,738	195,969
2047-2051	948,928	119,234
2052-2056	834,238	65,582
2057-2061	738,343	17,914
Bonds in draw down phase	-	-
Total	<u>\$ 19,979,550</u>	<u>\$ 2,305,586</u>

County of Scott, Virginia
Notes to Financial Statements
For the Year Ended June 30, 2021

Note 7 – Proprietary Debt (Continued)

Component Unit – Public Service Authority (Continued)

Details of long-term obligations:

<i>Component Unit PSA</i>	Interest Rate	Issue Date	Final Maturity Date	Amount of Original Issue	Balance 6/30/2021	Amount Due Within One Year
Line of Credit	3.40%	2/22/2017	Open	\$ -	\$ -	\$ -
Line of Credit	3.25%	9/18/2018	Open	-	443,567	443,567
Line of Credit	3.75%	9/11/2019	Open	-	-	-
Revenue Bond	0.00%	7/10/2003	8/1/2034	1,083,923	487,765	36,131
Revenue Bond	0.00%	8/9/2002	5/1/2033	444,154	177,662	14,805
Revenue Bond	0.00%	8/9/2002	4/1/2033	182,410	72,940	6,078
Revenue Bond	0.00%	12/21/2001	8/1/2033	399,237	153,041	13,308
Revenue Bond	0.00%	9/20/2001	7/1/2031	116,431	39,478	3,881
Revenue Bond	0.00%	10/22/2004	9/1/2034	96,391	43,376	3,213
Revenue Bond	0.00%	8/11/2004	9/1/2035	323,904	156,554	10,797
Revenue Bond	0.00%	2/24/2006	11/1/2036	1,010,816	522,094	33,694
Revenue Bond	0.00%	5/18/2007	11/1/2037	648,886	356,887	21,630
Revenue Bond	0.00%	9/27/2006	7/1/2033	2,637,350	1,265,928	105,494
Revenue Bond	0.00%	7/19/2007	2/1/2038	375,408	212,732	12,514
Revenue Bond	0.00%	9/14/2007	12/1/2037	554,730	293,794	17,806
Revenue Bond	0.00%	1/25/2008	2/2/2038	365,822	207,299	12,194
Revenue Bond	0.00%	6/1/2008	9/1/2038	334,252	194,981	11,142
Revenue Bond	0.00%	1/25/2008	6/1/2038	280,446	158,919	9,348
Revenue Bond	0.00%	2/10/2005	12/1/2035	542,227	262,076	18,074
Revenue Bond	0.00%	9/30/2009	8/1/2040	416,062	270,440	13,869
Revenue Bond	0.00%	9/30/2009	6/1/2040	267,510	101,756	5,356
Revenue Bond	0.00%	12/13/2010	9/1/2041	457,129	312,371	15,238
Revenue Bond	0.00%	12/9/2010	9/1/2041	1,586,490	1,084,101	52,883
Revenue Bond	0.00%	12/9/2010	3/1/2042	209,259	127,457	6,975
Revenue Bond	2.63%	4/13/2011	4/13/2051	480,000	412,207	9,283
Revenue Bond	0.000%	11/30/2011	6/1/2032	616,151	331,668	30,808
Revenue Bond	3.00%	10/27/2011	10/1/2042	752,464	-	-
Revenue Bond	2.62%	12/9/2011	6/30/2026	2,679,000	761,000	170,000
Revenue Bond	3.00%	10/18/2012	7/2/2042	1,161,033	-	-
Revenue Bond	0.00%	3/1/2013	4/1/2033	1,395,243	835,243	70,000
Revenue Bond	2.64%	9/25/2013	8/1/2027	2,930,000	2,291,000	168,000
Revenue Bond	3.00%	7/9/2013	8/1/2044	846,143	-	-
Revenue Bond	2.50%	5/8/2014	1/1/2046	1,125,999	-	-
Revenue Bond	2.50%	5/8/2014	1/1/2046	957,532	303,831	38,724
Revenue Bond	2.00%	10/29/2015	1/1/2047	498,284	439,441	15,302
Revenue Bond	2.25%	3/28/2017	1/1/2048	925,480	856,389	23,683
Revenue Bond	0.00%	11/21/2017	11/1/2043	753,550	652,199	30,142
Revenue Bond	0.00%	10/17/2019	11/1/1933	271,614	242,513	19,401
Revenue Bond	0.00%	10/17/2019	1/1/1940	222,688	205,987	11,134
Revenue Bond	1.13%	9/16/2020	9/1/2061	720,000	709,188	14,475
Revenue Bond	1.13%	9/16/2020	9/1/2061	4,800,130	4,728,915	96,522
Revenue Bond	1.13%	12/4/2020	12/1/2061	269,000	264,751	5,413
					<u>\$ 19,979,550</u>	<u>\$ 1,570,884</u>

Note 8 – Claims, Judgments, and Compensated Absences

In accordance with GASB 16, the County has accrued liabilities arising from outstanding claims, judgments, and compensated absences.

County employees earn annual leave at various rates. Accumulated vacation up to thirty days is paid upon termination. Sick leave is paid at 25% of accrued sick leave at the rate of pay upon termination, up to a maximum of \$2,500. The County primary government has outstanding accrued vacation and sick pay totaling \$492,359.

Component Unit School Board employees earn business and sick leave at various rates. The Component Unit School Board has outstanding business and sick leave pay totaling \$828,371.

Component Unit Economic Development Authority employees earn leave at various rates. The Component Unit Economic Development Authority has outstanding business and sick leave pay totaling \$17,037.

Component Unit Public Service Authority employees earn annual leave at the rate of ½ day per month during the first year of employment and 1 day per month after one year of service. Employees may accumulate up to 30 days of annual leave. The Component Unit Public Service Authority has outstanding business and sick leave pay totaling \$168,369.

Note 9 – Unavailable Revenue

Unavailable revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Unavailable revenue totaling \$13,930,687 is comprised of property tax revenue of \$13,721,622 and prepaid taxes of \$209,065 representing uncollected tax billings not available for funding current expenditures.

During fiscal year 2021, the County received American Rescue Plan Act (ARPA) funds of \$2,094,472. The revenue recognition criteria have also not been met with these funds. The total amount of \$2,094,472 is reported as Unavailable revenue - ARPA funds in the Statement of Net Position

Note 10 – Defined Benefit Pension Plan

Plan Description

All full-time, salaried permanent employees of the County and public school divisions are automatically covered by VRS Retirement Plan upon employment. This plan is administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia.

Note 10 – Defined Benefit Pension Plan (Continued)

Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior 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 criterion. The specific information for each plan and the eligibility for covered groups within each plan are set out in the table below:

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>About Plan 1 Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula.</p>	<p>About Plan 2 Plan 2 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula.</p>	<p>About the Hybrid Retirement Plan The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan.</p> <ul style="list-style-type: none"> • The defined benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. • The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions. • In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.

Note 10 – Defined Benefit Pension Plan (Continued)

<p>Eligible Members Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.</p> <p>Hybrid Opt-In Election VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP.</p>	<p>Eligible Members Employees are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.</p> <p>Hybrid Opt-In Election Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP.</p>	<p>Eligible Members Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:</p> <ul style="list-style-type: none"> • Political subdivision employees* • Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan's effective date for opt-in members was July 1, 2014. <p>*Non-Eligible Members Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:</p> <ul style="list-style-type: none"> • Political subdivision employees who are covered by enhanced benefits for hazardous duty employees. <p>Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.</p>
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Note 10 – Defined Benefit Pension Plan (Continued)

<p>Retirement Contributions Employees contribute 5% of their compensation each month to their member contribution account through a pretax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.</p>	<p>Retirement Contributions Same as Plan 1.</p>	<p>Retirement Contributions A member’s retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee’s creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.</p>
<p>Creditable Service Creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member’s total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p>	<p>Creditable Service Same as Plan 1.</p>	<p>Creditable Service <u>Defined Benefit Component:</u> Under the defined benefit component of the plan, creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member’s total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the</p>

Note 10 – Defined Benefit Pension Plan (Continued)

		<p>health insurance credit in retirement, if the employer offers the health insurance credit.</p> <p><u>Defined Contributions Component:</u> Under the defined contributions component, creditable service is used to determine vesting for the employer contribution portion of the plan.</p>
<p>Vesting Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of creditable service. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund.</p> <p>Members are always 100% vested in the contributions that they make.</p>	<p>Vesting Same as Plan 1.</p>	<p>Vesting <u>Defined Benefit Component:</u> Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of creditable service. Plan 1 or Plan 2 members with at least five years (60 months) of creditable service who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.</p> <p><u>Defined Contributions Component:</u> Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contributions component of the plan.</p>

Note 10 – Defined Benefit Pension Plan (Continued)

		<p>Members are always 100% vested in the contributions that they make.</p> <p>Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.</p> <ul style="list-style-type: none"> • After two years, a member is 50% vested and may withdraw 50% of employer contributions. • After three years, a member is 75% vested and may withdraw 75% of employer contributions. • After four or more years, a member is 100% vested and may withdraw 100% of employer contributions. <p>Distributions not required, except as governed by law.</p>
<p>Calculating the Benefit The basic benefit is determined using the average final compensation, service credit and plan multiplier. An early retirement reduction is applied to this amount if the member is retiring with a reduced benefit. In cases where the member has elected an optional form of retirement payment, an option factor specific to the option chosen is then applied.</p>	<p>Calculating the Benefit See definition under Plan 1.</p>	<p>Calculating the Benefit Defined Benefit Component: See definition under Plan 1.</p> <p>Defined Contribution Component: The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.</p>
<p>Average Final Compensation A member's average final compensation is the average of</p>	<p>Average Final Compensation A member's average final compensation is the average of</p>	<p>Average Final Compensation Same as Plan 2. It is used in the retirement formula for the</p>

Note 10 – Defined Benefit Pension Plan (Continued)

the 36 consecutive months of highest compensation as a covered employee.	their 60 consecutive months of highest compensation as a covered employee.	defined benefit component of the plan.
Service Retirement Multiplier VRS: The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%.	Service Retirement Multiplier VRS: Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for creditable service earned, purchased or granted on or after January 1, 2013.	Service Retirement Multiplier <u>Defined Benefit Component:</u> VRS: The retirement multiplier for the defined benefit component is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.
Sheriffs and regional jail superintendents: The retirement multiplier for sheriffs and regional jail superintendents is 1.85%	Sheriffs and regional jail superintendents: Same as Plan 1.	Sheriffs and regional jail superintendents: Not applicable.
Political subdivision hazardous duty employees: The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.70% or 1.85% as elected by the employer.	Political subdivision hazardous duty employees: Same as Plan 1.	Political subdivision hazardous duty employees: Not applicable. Defined Contribution Component: Not applicable.

Note 10 – Defined Benefit Pension Plan (Continued)

<p>Normal Retirement Age VRS: Age 65.</p> <p>Political subdivisions hazardous duty employees: Age 60.</p>	<p>Normal Retirement Age VRS: Normal Social Security retirement age. Political subdivisions hazardous duty employees: Same as Plan 1.</p>	<p>Normal Retirement Age Defined Benefit Component: VRS: Same as Plan 2. Political subdivisions hazardous duty employees: Not applicable.</p> <p>Defined Contribution Component: Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p>Earliest Unreduced Retirement Eligibility VRS: Age 65 with at least five years (60 months) of creditable service or at age 50 with at least 30 years of creditable service.</p> <p>Political subdivisions hazardous duty employees: Age 60 with at least five years of creditable service or age 50 with at least 25 years of creditable service.</p>	<p>Earliest Unreduced Retirement Eligibility VRS: Normal Social Security retirement age with at least five years (60 months) of creditable service or when their age and service equal 90.</p> <p>Political subdivisions hazardous duty employees: Same as Plan 1.</p>	<p>Earliest Unreduced Retirement Eligibility Defined Benefit Component: VRS: Normal Social Security retirement age and have at least five years (60 months) of creditable service or when their age and service equals 90.</p> <p>Political subdivisions hazardous duty employees: Not applicable.</p> <p>Defined Contribution Component: Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p>Earliest Reduced Retirement Eligibility VRS: Age 55 with at least five years (60 months) of creditable service or age 50 with at least 10 years of creditable service.</p>	<p>Earliest Reduced Retirement Eligibility VRS: Age 60 with at least five years (60 months) of creditable service.</p>	<p>Earliest Reduced Retirement Eligibility Defined Benefit Component: VRS: Age 60 with at least five years (60 months) of creditable service.</p>

Note 10 – Defined Benefit Pension Plan (Continued)

<p>Political subdivisions hazardous duty employees: 50 with at least five years of creditable service.</p>	<p>Political subdivisions hazardous duty employees: Same as Plan 1.</p>	<p>Political subdivision hazardous duty employees: Not applicable. Defined Contribution Component: Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p>Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.</p> <p><u>Eligibility:</u> For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of creditable service, the COLA will go into effect on July 1 after one full calendar year from the retirement date.</p> <p>For members who retire with a reduced benefit and who have less than 20 years of creditable service, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.</p> <p><u>Exceptions to COLA Effective Dates:</u> The COLA is effective July 1 following one full calendar year (January 1 to December</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 2%), for a maximum COLA of 3%.</p> <p><u>Eligibility:</u> Same as Plan 1.</p> <p><u>Exceptions to COLA Effective Dates:</u> Same as Plan 1.</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement Defined Benefit Component: Same as Plan 2.</p> <p>Defined Contribution Component: Not applicable.</p> <p><u>Eligibility:</u> Same as Plan 1 and Plan 2.</p> <p><u>Exceptions to COLA Effective Dates:</u> Same as Plan 1 and Plan 2.</p>

Note 10 – Defined Benefit Pension Plan (Continued)

<p>31) under any of the following circumstances:</p> <ul style="list-style-type: none"> • The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. • The member retires on disability. • The member retires directly from short-term or long-term disability. • The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program. • The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. • The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins. 		
<p>Disability Coverage Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.70% on all service, regardless of when it was earned, purchased or granted.</p>	<p>Disability Coverage Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.</p>	<p>Disability Coverage Employees of political subdivisions (including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members.</p> <p>Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are</p>

Note 10 – Defined Benefit Pension Plan (Continued)

		subject to a one-year waiting period before becoming eligible for non-work related disability benefits.
Purchase of Prior Service Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as service credit in their plan. Prior service credit counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.	Purchase of Prior Service Same as Plan 1.	Purchase of Prior Service Defined Benefit Component: Same as Plan 1, with the following exceptions: <ul style="list-style-type: none"> • Hybrid Retirement Plan members are ineligible for ported service. Defined Contribution Component: Not applicable.

Note 10 – Defined Benefit Pension Plan (Continued)

Employees Covered by Benefit Term

As of the June 30, 2019 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Primary Government	Component Unit School Board Non-Professional
Inactive members or their beneficiaries currently receiving benefits	106	64
Inactive members:		
Vested inactive members	13	5
Non-vested inactive members	25	10
Inactive members active elsewhere in VRS	32	5
Total Inactive members	70	20
Active members	139	87
Total covered employees	315	171

Contributions

The contribution 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.

The County's contractually required contribution rate for the year ended June 30, 2021 was 13.20% for general government covered employee compensation and 4.38% for school board non-professional employees. These rates were based on actuarially determined rates from actuarial valuations as of June 30, 2019. The rates do not include the employer matching contribution to the defined contribution portion of the hybrid plan.

Note 10 – Defined Benefit Pension Plan (Continued)

Contributions (Continued)

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. Contributions to the pension plan from the general government were \$829,680 and \$717,233 for the years ended June 30, 2021 and June 30, 2020, respectively. Contributions from the school board were \$108,089 and \$114,780 for the years ended June 30, 2021 and June 30, 2020, respectively.

Net Pension Liability

The County's net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2019, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020.

Actuarial Assumptions

The total pension liability for General Employees and Public Safety Employees in the Political Subdivision's Retirement Plan was based on an actuarial valuation as of June 30, 2019, 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, 2020.

Inflation	2.50%
Salary increases, including inflation	3.50% - 5.35%
Investment rate of return	6.75%, net of pension plan investment expense, 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.

Note 10 – Defined Benefit Pension Plan (Continued)

Actuarial Assumptions (Continued)

Participants with General Employees Benefit Coverage:

Mortality rates: 15% of deaths are assumed to be service related.

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

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

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

Participants with Enhanced Hazardous Duty Benefit Coverage:

Mortality rates: 45% of deaths are assumed to be service related.

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

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

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

Changes in Actuarial Assumptions

The actuarial assumptions used in the June 30, 2019 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:

For Non-Hazardous Duty Members:

- Updated mortality rates to a more current mortality table - RP-2014 projected to 2020.
- Lowered retirement rates at older ages and extended final retirement age from 70 to 75.
- Adjusted withdrawal rates to better fit experience at each age and service through 9 years of service
- Lowered disability rates.
- Increased line of duty disability assumption from 14% to 20%.

Note 10 – Defined Benefit Pension Plan (Continued)

Changes in Actuarial Assumptions (Continued)

For Hazardous Duty Members:

- Updated mortality rates to a more current mortality table - RP-2014 projected to 2020.
- Increased rates at age 50, and lowered retirement rates at older ages.
- Adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service.
- Adjusted disability rates to better fit experience.
- Decreased line of duty disability assumption from 60% to 45%.
- Decreased discount rate from 7% to 6.75%.

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 of Return</u>	<u>Weighted Average Long-Term Expected Rate of Return</u>
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS	6.00%	3.04%	0.18%
PIP	3.00%	6.49%	0.19%
	<u>100.00%</u>		<u>4.64%</u>
	Inflation		<u>2.50%</u>
* Expected arithmetic nominal return			<u>7.14%</u>

* The above allocation provides a one-year return of 7.14%. 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.

Note 10 – Defined Benefit Pension Plan (Continued)

Long-Term Expected Rate of Return (Continued)

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%. On October 10, 2019, 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. More recent capital market assumptions compiled for the FY2020 actuarial valuations, provide a median return of 6.81%.

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, 2020, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017, actuarial valuations, whichever was greater. From July 1, 2020, 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.

Note 10 – Defined Benefit Pension Plan (Continued)

Changes in Net Pension Liability

	Increase (Decrease)		
<i>Primary Government</i>	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at June 30, 2019	\$ 32,427,170	\$ 25,980,165	\$ 6,447,005
Changes for the year:			
Service Cost	674,952	-	674,952
Interest	2,129,232	-	2,129,232
Changes in benefit terms	-	-	-
Changes of assumptions	-	-	-
Differences between expected and actual experience	211,965	-	211,965
Contributions - employer	-	717,233	(717,233)
Contributions - employee	-	286,735	(286,735)
Net investment income	-	490,773	(490,773)
Benefit payments and refunds of employee contributions	(1,765,970)	(1,765,970)	-
Administrative expenses	-	(17,090)	17,090
Other changes	-	(579)	579
Net changes	1,250,179	(288,898)	1,539,077
Balance at June 30, 2020	\$ 33,677,349	\$ 25,691,267	\$ 7,986,082

Note 10 – Defined Benefit Pension Plan (Continued)

Changes in Net Pension Liability (Continued)

<i>Component Unit School Board Non-Professional</i>	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability	Net Position	Liability
	(a)	(b)	(a) - (b)
Balance at June 30, 2019	\$ 9,874,979	\$ 9,718,178	\$ 156,801
Changes for the year:			
Service Cost	206,477	-	206,477
Interest	648,756	-	648,756
Changes in benefit terms	-	-	-
Changes of assumptions	-	-	-
Differences between expected and actual experience	(158,432)	-	(158,432)
Contributions - employer	-	113,954	(113,954)
Contributions - employee	-	107,150	(107,150)
Net investment income	-	184,824	(184,824)
Benefit payments and refunds of employee contributions	(527,557)	(527,557)	-
Administrative expenses	-	(6,411)	6,411
Other changes	-	(216)	216
Net changes	169,244	(128,256)	297,500
Balance at June 30, 2020	\$ 10,044,223	\$ 9,589,922	\$ 454,301

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

The following presents the net pension liability of the political subdivision using the discount rate of 6.75%, as well as what the political subdivision's net pension liability 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 rate:

	1% Decrease 5.75%	Current Rate 6.75%	1% Increase 7.75%
<i>Primary Government</i>			
Net Pension Liability	\$ 12,256,345	\$ 7,986,082	\$ 4,433,728

Note 10 – Defined Benefit Pension Plan (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate (Continued)

<i>Component Unit School Board Non-Professional</i>	1% Decrease <u>5.75%</u>	Current Rate <u>6.75%</u>	1% Increase <u>7.75%</u>
Net Pension Liability	<u>\$ 1,573,036</u>	<u>\$ 454,301</u>	<u>\$ (494,352)</u>

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

For the year ended June 30, 2021, the County's primary government recognized pension expense of \$581,745. At June 30, 2021, the County's primary government reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<i>Primary Government</i>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 454,788	\$ -
Change in assumptions	425,185	-
Net difference between projected and actual earnings on pension plan investments	1,037,518	265,810
Employer contributions subsequent to the measurement date	<u>829,680</u>	<u>-</u>
Total	<u>\$ 2,747,171</u>	<u>\$ 265,810</u>

\$829,680 is reported as deferred outflows of resources related to pensions resulting from the County's general government contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2022	\$ 519,704
2023	584,477
2024	300,186
2025	247,314
2026	-
Thereafter	<u>-</u>
Total	<u>\$ 1,651,681</u>

Note 10 – Defined Benefit Pension Plan (Continued)

Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions (Continued)

For the year ended June 30, 2021, the School Board recognized pension expense of \$(59,265) for non-professional employees. At June 30, 2021, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions for non-professional employees from the following sources:

<i>Component Unit School Board Non-Professional</i>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 288,378
Change in assumptions	115,553	-
Net difference between projected and actual earnings on pension plan investments	386,231	99,186
Employer contributions subsequent to the measurement date	<u>108,089</u>	<u>-</u>
Total	<u>\$ 609,873</u>	<u>\$ 387,564</u>

\$108,089 is reported as deferred outflows of resources related to pensions resulting from the school board's contributions subsequent to the measurement date for nonprofessional employees will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2022	\$ (78,193)
2023	24,890
2024	75,404
2025	92,119
Thereafter	<u>-</u>
Total	<u>\$ 114,220</u>

Note 11 – Other Postemployment Benefits – Health Insurance

Plan Description

The County and School Board provide postemployment medical coverage for retired employees through a single-employer defined benefit plan. The County and School Board may change, add or delete coverage as they deem appropriate and with the approval of the Board of Supervisors and School Board. The plan does not grant retirees vested health benefits.

A retiree eligible for post-retirement medical coverage is defined as a full-time employee who retires directly from the County or Schools and is eligible to receive an early or regular retirement benefit from the VRS. Employees applying for early or regular retirement are eligible to continue participation in the Retiree Health Plans sponsored by the County and Schools. Employees at the County are allowed to stay on the plan until death of the employee and employees at the School Board are allowed to stay on the plan until death of the employee or eligibility for Medicare coverage. The employee pays 100% of the required premium.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension* and GASB Statement No. 85, *Omnibus 2017* establish new accounting and financial reporting requirements for OPEB plans and standardize the valuation methodology. The cost of postemployment healthcare benefits should be associated with the periods in which the cost occurs, rather than in the future years when it will be paid.

Employees Covered by Benefit Terms

	Primary Government	Component Unit School Board
Active participants	86	592
Retired participants	8	13
Total covered employees	94	605

Funding Policy and Contributions

The County and Schools currently fund postemployment health care benefits on a pay-as-you-go basis. The County and Schools do not accumulate assets in a trust. During fiscal year 2021, the County and Schools made OPEB benefit payments of \$69,738 and \$26,680, respectively.

Total OPEB Liability

The County's total OPEB liability was measured as of June 30, 2021. The total OPEB liability was determined by an actuarial valuation performed as of June 30, 2021.

Note 11 – Other Postemployment Benefits – Health Insurance (Continued)

Actuarial Methods and Assumptions

Primary Government – The County uses the alternative measurement method in accordance with GASB methodology. In the valuation for the year ended June 30, 2021, the cost method used to determine OPEB liability was entry age normal level percentage of payroll. All active and former employees who are potentially eligible to receive healthcare benefits as a retiree were included in the calculations. All assumptions attempt to represent the best estimate of anticipated experience under the plan. Employer future premium contribution is assumed to remain a level percentage of the total cost over time. Mortality rates are the RP2000 Mortality Table for Males and Females Projected 18 years; this assumption does not include a margin for future improvements in longevity. Turnover rates are derived from data maintained by the U.S. Office of Personnel Management regarding the most recent experience of the employee group covered by the Federal Employees Retirement System. Other assumptions are as follows.

Average retirement age	62 years
Salary increases	2.0 percent
Amortization period	20 years

Component Unit School Board – In the actuarial valuation for the year ended June 30, 2020, the cost method used to determine OPEB liability was individual entry age normal level percent of salary. All active and former employees who are potentially eligible to receive healthcare benefits as a retiree were included in the calculations. All assumptions attempt to represent the best estimate of anticipated experience under the plan. Retirement, mortality, and termination rates are the rates used for the June 30, 2018 Actuarial Valuation of the Virginia Retirement System. No disability rates were assumed. Per capita claims costs include medical, dental, and prescription drug coverages and are based on the 2019 healthcare premiums provided by the School Board. It is assumed that 85% of eligible retirees will elect to receive coverage upon retirement. Spouse coverage is not available for participants that retire on or after July 1, 2009. It is assumed that 80% of active employees are married at retirement. Female spouses are assumed to be 3 years younger than their husbands. Other assumptions are as follows.

Inflation	2.5 percent
Salary increases	3.0 percent

Funding Status and Funding Progress

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Note 11 – Other Postemployment Benefits – Health Insurance (Continued)

Discount Rate and Municipal Bond Rate

Pursuant to GASB 75, the discount rate for unfunded plans should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). The Bond Buyer's 20 bond index is often cited as an appropriate benchmark. A discount rate of 2.21% was used for the County and School valuations.

Healthcare Trend Rates

Primary Government

<u>Year</u>	<u>Medical</u>	<u>Pharmacy</u>	<u>Dental</u>	<u>Vision</u>
Year 1	4.90%	5.90%	3.50%	3.00%
Year 2	4.80%	4.80%	3.50%	3.00%
Year 3	4.70%	4.70%	3.00%	3.00%
Year 4	4.70%	4.70%	3.00%	3.00%
Year 5	4.60%	4.60%	3.00%	3.00%
Year 6	4.50%	4.50%	3.00%	3.00%
Year 7	4.40%	4.40%	3.00%	3.00%
Year 8	4.30%	4.30%	3.00%	3.00%
Year 9	4.30%	4.30%	3.00%	3.00%
Thereafter	4.30%	4.30%	3.00%	3.00%

Component Unit School Board

<u>Year</u>	<u>Medical</u>	<u>Dental</u>
2020	8.00%	3.00%
2021	7.75%	3.00%
2022	7.50%	3.00%
2023	7.25%	3.00%
2024	7.00%	3.00%
Thereafter	6.75% - 4.50%	3.00%

Note 11 – Other Postemployment Benefits – Health Insurance (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability using the discount rate of 2.21%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.21%) or one percentage point higher (3.21%) than the current rate:

<i>Primary Government</i>	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$ 3,998,093</u>	<u>\$ 3,620,022</u>	<u>\$ 3,295,063</u>
<i>Component Unit School Board</i>	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$ 6,059,455</u>	<u>\$ 5,590,731</u>	<u>\$ 5,143,236</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Trend Rate

<i>Primary Government</i>	<u>1% Decrease</u>	<u>Current Trend</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$ 3,219,027</u>	<u>\$ 3,620,022</u>	<u>\$ 4,094,276</u>
<i>Component Unit School Board</i>	<u>1% Decrease</u>	<u>Current Trend</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$ 4,872,607</u>	<u>\$ 5,590,731</u>	<u>\$ 6,440,092</u>

Note 11 – Other Postemployment Benefits – Health Insurance (Continued)

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the County’s primary government recognized OPEB – health insurance expense of \$77,355. At June 30, 2021, the County’s primary government did not report deferred outflows of resources or deferred inflows of resources related to OPEB – health insurance because the County is on a pay-as-you-go basis.

For the year ended June 30, 2021, the School Board recognized OPEB – health insurance expense of \$315,736. At June 30, 2021, the School Board reported deferred outflows of resources of \$607,792 related to OPEB – health insurance due to a change in assumptions. The Board reported deferred inflows of \$603,026 due to differences between expected and actual experience. Deferred outflows will be recognized in OPEB – health insurance expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2021	\$ 953
2022	953
2023	953
2024	953
2025	954
Thereafter	-
Total	<u>\$ 4,766</u>

Note 12 – Other Postemployment Benefits – Group Life Insurance

The Virginia Retirement System (VRS) Group Life Insurance (GLI) Program is a multiple employer, cost-sharing plan. It provides coverage to state employees, teachers, and employees of political subdivision. The GLI 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 GLI Program is a defined benefit plan that provides a basic group life insurance benefit for employees of participating employers. For purposes of measuring net GLI OPEB liability, deferred outflows of resources and deferred inflows of resources related to the GLI OPEB, GLI OPEB expense, information about the fiduciary net position of the VRS GLI OPEB and the additions to/deductions from the VRS GLI 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.

Plan Description

All full-time, salaried permanent employees of the state agencies, teachers, and employees of participating political subdivisions are automatically covered by the VRS GLI Program upon employment. This plan is administered by the VRS (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

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

The specific information for GLI OPEB, including eligibility, coverage, and benefits is set out below:

Eligible Employees

The Group Life Insurance Program was established July 1, 1960, for state employees, teachers, and employees of political subdivisions that elect the program. Basic group life insurance coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their member contributions and accrued interest.

Benefit Amounts

The benefits payable under the GLI Program have several components.

- Natural Death Benefit – The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled.
- Accidental Death Benefit – The accidental death benefit is double the natural death benefit.
- Other Benefit Provisions – In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These benefits include accidental dismemberment, safety belt, repatriation, felonious assault, accelerated death option.

Note 12 – Other Postemployment Benefits – Group Life Insurance (Continued)

Plan Description (Continued)

Reduction in Benefit Amounts

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

Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)

For covered members with at least 30 years of creditable service, there is a minimum benefit payable under the GLI Program. The minimum benefit was set at \$8,000 by statute. This amount is increased annually based on the VRS Plan 2 COLA and is currently \$8,616 effective June 30, 2021.

Contributions

The contribution requirements for the GLI Program are governed by §51.1-506 and §51.1-508 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Program was 1.31% of covered employee compensation. This was allocated into an employee and employer component using a 60/40 split. The employee component was 0.80% ($1.31\% \times 60\%$) and the employer component was 0.54% ($1.31\% \times 40\%$). Employers may elect to pay all or part of the employee contribution, however the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2021 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. County contributions to the GLI Program were \$34,253 and \$31,486 for the years ended June 30, 2021 and June 30, 2020, respectively. School Board Non-professional contributions to the GLI Program were \$13,384 and \$12,230. School Board Professional contributions to the GLI Program were \$117,002 and \$110,300.

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Program OPEB

At June 30, 2021, the County reported a liability of \$490,638 for its proportionate share of the Net GLI OPEB Liability. School Board Non-professional reported a liability of \$191,082. School Board Professional reported a liability of \$1,726,578. The Net GLI OPEB Liability was measured as of June 30, 2020 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation as of that date. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Program for the year ended June 30, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the County's proportion was 0.11386% as compared to 0.02965% at June 30, 2020. School Board Non-professional proportion was 0.04449% as compared to 0.01153%. School Board professional proportion was 0.24408% as compared to 0.10391%.

Note 12 – Other Postemployment Benefits – Group Life Insurance (Continued)

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Program OPEB (Continued)

For the year ended June 30, 2021, the County recognized GLI OPEB expense of \$(18,760). School Board Non-professional recognized GLI OPEB expense of \$(7,156). School Board Professional recognized GLI OPEB expense of \$(57,850). Since there was a change in the proportionate share between measure dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2021, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	<u>County</u>		<u>School Board Non-prof.</u>		<u>School Board Prof.</u>	
	<u>Outflows</u>	<u>Inflows</u>	<u>Outflows</u>	<u>Inflows</u>	<u>Outflows</u>	<u>Inflows</u>
Differences between expected and actual experience	\$ 31,470	\$ 4,407	\$ 12,256	\$ 1,716	\$110,744	\$ 15,508
Net difference between projected and actual investment earnings	14,738	-	5,740	-	51,865	-
Change in assumptions	24,538	10,245	9,556	3,990	86,349	36,052
Changes in proportion	-	12,698	433	4,791	8,258	43,837
Employer contributions subsequent to the measurement date	34,253	-	13,384	-	117,002	-
Total	<u>\$104,999</u>	<u>\$ 27,350</u>	<u>\$ 41,369</u>	<u>\$ 10,497</u>	<u>\$374,218</u>	<u>\$ 95,397</u>

Amounts reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in the future reporting periods as follows:

<u>Year ended June 30</u>	<u>County</u>	<u>Non-prof.</u>	<u>Professional</u>
2021	\$ 4,219	\$ 1,868	\$ 19,979
2022	8,382	3,489	34,626
2023	13,290	4,968	46,139
2024	14,371	5,724	48,905
2025	2,994	1,377	11,441
Thereafter	140	62	729
Total Deferred	<u>\$ 43,396</u>	<u>\$ 17,488</u>	<u>\$ 161,819</u>

Note 12 – Other Postemployment Benefits – Group Life Insurance (Continued)

Note 12 – Other Postemployment Benefits – Group Life Insurance (Continued)

Sensitivity of the Employer’s Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate

The following presents the employer’s proportionate share of the net GLI OPEB liability using the discount rate of 6.75%, as well as what the employer’s proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (5.75%)	Discount Rate (6.75%)	1% Increase (7.75%)
County	\$ 644,981	\$ 490,638	\$ 365,297
School Board Non-prof.	\$ 251,192	\$ 191,082	\$ 142,267
School Board Professional	\$ 2,269,719	\$ 1,726,578	\$ 1,285,496

Group Life Insurance Program Fiduciary Net Position

Detailed information about the GLI Program’s Fiduciary Net Position is available in the separately issued VRS 2019 Annual Comprehensive Financial Report (ACFR). A copy of the 2019 VRS ACFR may be downloaded from the VRS website or requested by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 12 – Other Postemployment Benefits – Group Life Insurance (Continued)

Schedule of Employer Contributions

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

Year Ended June 30,	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Employee Payroll (4)	Contributions as of % of Covered Employee Payroll (5)
<i>County</i>					
2021	\$ 34,253	\$ 34,253	-	\$ 6,343,213	0.54%
2020	31,486	31,486	-	6,162,900	0.51%
2019	30,226	30,226	-	5,888,413	0.51%
2018	29,727	29,727	-	5,663,894	0.52%
2017	28,636	28,636	-	5,481,934	0.52%
<i>School Board Non-professional</i>					
2021	\$ 13,384	\$ 13,384	-	\$ 2,478,458	0.54%
2020	12,230	12,230	-	2,360,354	0.52%
2019	11,757	11,757	-	2,260,961	0.52%
2018	11,365	11,365	-	2,174,214	0.52%
2017	11,374	11,374	-	2,178,285	0.52%
<i>School Board Professional</i>					
2021	\$ 117,002	\$ 117,002	-	\$21,667,084	0.54%
2020	110,300	110,300	-	21,393,391	0.52%

For Reference Only:

Column (1) – Employer contribution rate multiplied by employer's covered payroll

Column (2) – Actual employer contribution remitted to VRS

Column (4) – Employer's covered employee payroll amount for the fiscal year

Note 13 – Other Postemployment Benefits – Health Insurance Credit

The Virginia Retirement System (VRS) Teacher Employee Health Insurance Credit (HIC) Program is a multiple employer, cost-sharing plan. The HIC 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 HIC Program is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired teachers. For purposes of measuring net HIC OPEB liability, deferred outflows of resources and deferred inflows of resources related to the HIC OPEB, HIC OPEB expense, information about the fiduciary net position of the VRS HIC OPEB and the additions to/deductions from the VRS HIC 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.

Plan Description

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

The specific information for HIC OPEB, including eligibility, coverage, and benefits is set out below:

Eligible Employees

The Teacher Employee Retiree Health Insurance Credit Program was established July 1, 1993 for retired Teacher Employees covered under VRS who retire with at least 15 years of service credit. Eligible employees are enrolled automatically upon employment. They include full-time permanent (professional) salaried employees of public school divisions covered under VRS.

Benefit Amounts

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

At Retirement – For Teacher and other professional school employees who retire with at least 15 years of service credit, the monthly benefit is \$4.00 per year of service per month with no cap on the benefit amount.

Disability Retirement – For Teacher and other professional school employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is either:

- o \$4.00 per month, multiplied by twice the amount of service credit, or
- o \$4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.

Note 13 – Other Postemployment Benefits – Health Insurance Credit (Continued)

Plan Description (Continued)

Health Insurance Credit Program Notes:

The monthly Health Insurance Credit benefit cannot exceed the individual premium amount.

Employees who retire after being on long-term disability under VLDP must have at least 15 year of service credit to qualify for the health insurance credit as a retiree.

Contributions

The contribution requirement for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2021 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee Health Insurance Credit Program. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee Health Insurance Credit Program were \$244,162 and \$253,988 for the years ended June 30, 2021 and June 30, 2020, respectively.

HIC OPEB Liabilities, HIC OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the HIC Program OPEB

At June 30, 2021, the school division reported a liability of \$3,161,365 for its proportionate share of the Net HIC OPEB Liability. The Net HIC OPEB Liability was measured as of June 30, 2020 and the total HIC OPEB liability used to calculate the Net HIC OPEB Liability was determined by an actuarial valuation as of that date. The school division's proportion of the Net VRS Teacher Employee Health Insurance Credit Program OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee Health Insurance Credit Program OPEB plan for the year ended June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the school division's proportion was 0.24234% as compared to 0.24258% at June 30, 2019.

For the year ended June 30, 2021, the County recognized HIC OPEB expense of \$(15,816). School Board Since there was a change in the proportionate share between measure dates, a portion of the HIC OPEB expense was related to deferred amounts from changes in proportion.

Note 13 – Other Postemployment Benefits – Health Insurance Credit (Continued)

HIC OPEB Liabilities, HIC OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the HIC Program OPEB (Continued)

At June 30, 2021, the employer reported deferred outflows of resources and deferred inflows of resources related to the HIC OPEB from the following sources:

	<i>School Division</i>	
	<u>Outflows</u>	<u>Inflows</u>
Differences between expected and actual experience	\$ 14,010	\$ 42,219
Net difference between projected and actual investment earnings	-	-
Change in assumptions	62,496	17,273
Changes in proportion	1,932	76,007
Employer contributions subsequent to the measurement date	<u>261,496</u>	<u>-</u>
Total	<u>\$ 339,934</u>	<u>\$ 135,499</u>

\$261,496 is reported as deferred outflows of resources related to the HIC OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in the future reporting periods as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2022	\$ (12,241)
2023	(10,852)
2024	(11,318)
2025	(10,104)
2026	(7,158)
Thereafter	<u>(5,388)</u>
Total	<u>\$ (57,061)</u>

Note 13 – Other Postemployment Benefits – Health Insurance Credit (Continued)

Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2019, using the Entry Age Normal actuarial cost method and the same assumptions as the VRS pension plan, as described in Note 10 except mortality rates, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020.

Mortality rates – Teachers

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

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

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

Net HIC OPEB Liability

The net OPEB liability (NOL) for the HIC Program represents the programs' total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2020, NOL amounts for the entire HIC Program is as follows:

	Teacher Employee HIC OPEB Plan
Total HIC OPEB Liability	\$ 1,448,674,571
Plan Fiduciary Net Position	144,158,060
Net HIC OPEB Liability (Asset)	<u>\$ 1,304,516,511</u>
Plan Fiduciary Net Position as a Percentage of the Total HIC OPEB Liability	9.95%

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

Note 13 – Other Postemployment Benefits – Health Insurance Credit (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on the System's investments is the same as the VRS pension plan, as described in Note 10.

Discount Rate

The discount rate used to measure the total HIC OPEB was 6.75%, the same as the VRS pension plan, as described in Note 10.

Sensitivity of the Employer's Proportionate Share of the Net HIC OPEB Liability to Changes in the Discount Rate

The following presents the employer's proportionate share of the net HIC OPEB liability using the discount rate of 6.75%, as well as what the employer's proportionate share of the net HIC OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (5.75%)	Discount Rate (6.75%)	1% Increase (7.75%)
School Division	<u>\$ 3,538,819</u>	<u>\$ 3,161,365</u>	<u>\$ 2,840,557</u>

Schedule of Employer's Share of Net HIC OPEB Liability

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

	<i>School Division</i>		
	2020	2019	2018
Employer's Proportion of the Net GLI OPEB Liability (Asset)	0.24234%	0.24258%	0.24747%
Employer's Proportionate Share of the Net GLI OPEB Liability (Asset)	\$ 3,161,365	\$ 3,175,608	\$ 3,142,000
Employer's Covered Payroll	21,611,229	21,345,293	22,585,459
Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of its Covered Payroll	14.62834%	14.87732%	13.91161%
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	9.95000%	8.97000%	8.08000%

Note 13 – Other Postemployment Benefits – Health Insurance Credit (Continued)

Schedule of Employer Contributions

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

Year Ended June 30,	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Employee Payroll (4)	Contributions as of % of Covered Employee Payroll (5)
<i>School Division</i>					
2021	\$ 261,946	\$ 261,946	-	\$21,611,229	1.21%
2020	253,988	253,988	-	21,345,293	1.19%
2019	243,939	243,939	-	20,737,663	1.18%
2018	246,174	246,174	-	22,585,459	1.09%
2017	219,851	219,851	-	21,797,939	1.01%

For Reference Only:

Column (1) – Employer contribution rate multiplied by employer's covered payroll

Column (2) – Actual employer contribution remitted to VRS

Column (4) – Employer's covered employee payroll amount for the fiscal year

Group Life Insurance Program Fiduciary Net Position

Detailed information about the HIC Program's Fiduciary Net Position is available in the separately issued VRS 2020 Annual Comprehensive Financial Report (ACFR). A copy of the 2019 VRS ACFR may be downloaded from the VRS website or requested by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 14 – Contingent Liabilities

Federal programs in which the County and its component units participate were audited in accordance with the provisions of U.S. Office of Management and Budget's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Pursuant to the provisions of this circular all major programs and certain other programs were tested for compliance with applicable grant requirements. While no matters of noncompliance were disclosed by audit, the Federal Government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, any future disallowances of current grant program expenditures, if any, would be immaterial.

Note 15 – Landfill Closure and Postclosure Care Cost

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post closure care costs as an operating expense in each period based on landfill capacity used at each balance sheet date. The \$869,094 reported as landfill closure and post closure care liability at June 30, 2021 represents the cumulative amount reported. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County expects closure on the landfill in the next few years. These estimated amounts are based on what it would cost to perform all closure and post closure care in 2021.

Note 16 – Risk Management

The County and its Component Unit School Board are exposed to various risk of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County and its Component Unit School Board participates with other localities in a public entity risk pool, the Virginia Association of Counties Self Insurance, for all types of insurance. The Component Unit School Board participates with other localities in a public entity risk pool, the Virginia Municipal League, for all of its insurance coverage. The County and its Component Unit School Board pay an annual premium to these pools for their insurance coverage. The agreement for the formation of the pools provides that the pools will be self-sustaining through member premiums. The County continues to carry commercial insurance for all other risks of losses. For the three previous fiscal years, settled claims from these risks have not exceeded commercial coverage.

Note 17 - Self-Funded Insurance

The Scott County School Board established a limited risk management program for health insurance in 1992. Premiums are paid into the School Health Insurance Fund by school employees and are available to pay claims, claim reserves and administrative costs of the program. During fiscal year 2021 a total of \$4,600,750 was paid in benefits and administrative costs. The risk assumed by the School Board is \$100,000 per person with a maximum attachment point of \$4,600,750. Inter-fund premiums are based primarily upon the insured funds claims experience and are reported as quasi-external interfund transactions. The fund had \$0 health insurance claims payable at June 30, 2021.

Note 18 – Interfund Transfers

Interfund transfers for the year ended June 30, 2021, consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ -	\$ 6,302,180
Capital Projects	250,000	-
School	6,052,180	-
Totals	<u>\$ 6,302,180</u>	<u>\$ 6,302,180</u>

Note 19 – Fund Balances

	<u>General Fund</u>	<u>School Fund</u>	<u>Other Funds</u>	<u>Total</u>
Restricted for:				
Courthouse Security	\$ 164,598	\$ -	\$ -	\$ 164,598
Federal Seizure	-	-	-	-
E-911	103,953	-	-	103,953
Mabe/Stanley Water Fund	-	-	-	-
Coal and Roads	-	-	41,697	41,697
Law Library	-	-	9,174	9,174
Capital Projects	-	-	77,131	77,131
Assigned for:				
Commonwealth Attorney	168,166	-	-	168,166
Weapons Permits	8,584	-	-	8,584
Courthouse Maintenance	30,037	-	-	30,037
Technology	26,687	-	-	26,687
Cafeteria	-	490,073	-	490,073
Insurance	-	328,555	-	328,555
Head Start	-	16,105	-	16,105
Unassigned	<u>5,204,809</u>	<u>(63,969)</u>	<u>-</u>	<u>5,140,840</u>
Total fund balances	<u>\$ 5,706,834</u>	<u>\$ 770,764</u>	<u>\$ 128,002</u>	<u>\$ 6,605,600</u>

Note 20 – Surety Bonds

	<u>Amount</u>
Fidelity and Deposits Company of Maryland - Surety	
Mark Taylor, Clerk of the Circuit Court	\$ 200,000
Mitzi Owens, Treasurer	400,000
Debbie Dockery, Commissioner of the Revenue	10,000
Jeff Edds, Sheriff	30,000
 VACO Risk Management Programs	
All School Board employees - blanket	250,000
 VACorp - Surety	
Freda Starnes, County Administrator	100,000
All General Government employees - blanket	100,000
All Social Services employees - blanket	100,000

Note 21 – Subsequent Events

Subsequent events have been evaluated as of December 15, 2021, which is the date the financial statements were issued. The County entered into a new leasing agreement for the financing of a new garbage truck in August 2021.

Note 22 – New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued the following statements. Management has not yet estimated the effects, if any, of adopting the standards below, but does not expect them to be material.

Statement No. 87, *Leases*, requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, unless the lease is a short-term lease, or it transfers ownership of the underlying asset. The requirements of this statement are effective for reporting periods beginning after June 15, 2021.

Note 22 – New Accounting Pronouncements (Continued)

Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, establishes accounting requirements for interest cost incurred before the end of a construction period. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic

resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this statement are effective for reporting periods beginning after December 15, 2020. The requirements of this statement should be applied prospectively.

Statement No. 96, *Subscription-based Information Technology Arrangements*, defines a subscription-based information technology arrangement, establishes that the arrangements result in a right-to-use intangible asset and related liability, and provides the capitalization criteria for outlays related to the arrangements, as well as setting requirements for note disclosures regarding these arrangements. The requirements of this statement are effective for reporting periods beginning after June 15, 2022. The requirements of this statement should be applied prospectively.

Note 23 – CARES Act and American Rescue Plan Act Funds

During fiscal year 2021, the County received CARES Act funds of \$1,978,907. As of June 30, 2021, the County has disbursed funds of \$2,849,581. The County maintains a separate bank account for remaining funds of \$929,497.

Also during fiscal year 2021, the County received American Rescue Plan Act (ARPA) funds of \$2,094,472. Although the funding was received, none of these funds were incurred or spent by the County. The total amount of \$2,094,472 is reported as Unavailable revenue - ARPA funds in the Statement of Net Position.

Note 24 – Economic Development Authority Indebtedness

During fiscal year 2021, the discretely presented component unit – Economic Development Authority had a large grantee default on their loan and grant with the EDA. This required the grantee's assets held by the EDA to be sold and for the EDA to assume the debt that the grantee had previously owed. As a result of this default, the EDA's asset interest in the grantee was sold at a loss of (\$344,333) and debt increased \$250,000 related to this default.

Required Supplementary Information

County of Scott, Virginia
Combined Statement of Revenues, Expenditures and Changes in Fund Balances-
Budget And Actual - General Fund
For the Year Ended June 30, 2021

Exhibit 10

	General Fund			
	Original Budget	Budget As Amended	Actual	Variance With Amended
Revenues:				
General property taxes	\$ 12,956,156	\$ 12,956,768	\$ 13,065,751	\$ 108,983
Other local taxes	3,296,656	3,296,656	3,451,815	155,159
Permits, privilege fees & regulatory licenses	26,950	28,419	72,687	44,268
Fines and forfeitures	133,697	187,231	350,277	163,046
Revenue from use of money & property	101,788	101,788	83,813	(17,975)
Charges for services	87,600	87,600	120,229	32,629
Miscellaneous	144,454	567,871	758,994	191,123
Recovered costs	585,560	645,416	511,842	(133,574)
Intergovernmental:				
Commonwealth	8,386,401	8,754,565	5,909,850	(2,844,715)
Federal	387,646	2,399,485	4,178,271	1,778,786
TOTAL REVENUES	26,106,908	29,025,799	28,503,529	(522,270)
Expenditures:				
Current:				
General government administration	3,784,845	5,766,372	4,922,460	843,912
Judicial administration	1,556,193	1,625,299	1,454,041	171,258
Public safety	6,698,516	7,448,751	8,413,420	(964,669)
Public works	2,723,501	2,800,805	1,848,356	952,449
Health and welfare	5,889,382	5,889,382	4,705,416	1,183,966
Education	25,791	25,791	25,791	-
Parks, recreation, & cultural	528,069	524,972	503,843	21,129
Community development	1,455,793	1,486,207	1,117,462	368,745
Debt service:				
Principal retirement	-	-	287,531	(287,531)
Interest & other fiscal charges	-	-	9,299	(9,299)
TOTAL EXPENDITURES	22,662,090	25,567,579	23,287,619	2,279,960
Excess (deficiency) of revenues over expenditures	3,444,818	3,458,220	5,215,910	1,757,690
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers out	(5,893,062)	(5,906,464)	(6,302,180)	(395,716)
Proceeds from indebtedness	-	-	470,000	470,000
Prior year surplus (deficit)	2,448,244	2,448,244	-	(2,448,244)
TOTAL OTHER FINANCING	(3,444,818)	(3,458,220)	(5,832,180)	(2,373,960)
Excess (deficiency) of revenues & other sources over expenditures & other uses	-	-	(616,270)	(616,270)
Fund balances at beginning of year	-	-	6,323,104	6,323,104
Fund balances at end of year	\$ -	\$ -	\$ 5,706,834	\$ 5,706,834

County of Scott, Virginia
Combining Schedule of Fiduciary Net Assets -
Agency Funds
June 30, 2021

Exhibit 11

	Expendable Trust	Agency Funds			
	Deferred Comp Fund	Special Welfare	Payroll Withholding Fund	Local Sales Tax Fund	Totals
Assets:					
Cash and cash equivalents	\$ -	\$ 3,301	\$ -	\$ -	\$ 3,301
Due from other government units	-	-	-	345,631	345,631
Amount due from others	-	-	50,673	-	50,673
Investments	<u>3,835,767</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,835,767</u>
Total assets	<u>\$ 3,835,767</u>	<u>\$ 3,301</u>	<u>\$ 50,673</u>	<u>\$ 345,631</u>	<u>\$ 4,235,372</u>
Liabilities:					
Due to primary government	\$ -	\$ -	\$ -	\$ 318,638	\$ 318,638
Amounts due to others	-	-	50,673	-	50,673
Amounts held for others	<u>3,835,767</u>	<u>3,301</u>	<u>-</u>	<u>26,993</u>	<u>3,866,061</u>
Total liabilities	<u>\$ 3,835,767</u>	<u>\$ 3,301</u>	<u>\$ 50,673</u>	<u>\$ 345,631</u>	<u>\$ 4,235,372</u>

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

County of Scott, Virginia
Schedule of Changes in the Net Pension Liability and Related Ratios
Governmental Funds and Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2021

<i>Primary Government</i>	2020	2019	2018	2017	2016	2015	2014
Total pension liability							
Service cost	\$ 674,952	\$ 625,726	\$ 599,817	\$ 613,499	\$ 584,285	\$ 621,118	\$ 600,671
Interest	2,129,232	2,036,058	1,960,615	1,943,412	1,888,383	1,831,199	1,765,556
Changes of benefit terms	-	-	-	-	-	-	-
Changes in assumptions	-	928,361	-	(22,732)	-	-	-
Difference between expected & actual experience	211,965	585,651	174,381	(742,506)	(217,288)	(101,261)	-
Benefit payments, including refunds	(1,765,970)	(1,670,343)	(1,643,768)	(1,448,071)	(1,490,411)	(1,577,871)	(1,279,074)
Net change in total pension liability	1,250,179	2,505,453	1,091,045	343,602	764,969	773,185	1,087,153
Total pension liability - beginning	32,427,170	29,921,717	28,830,672	28,487,070	27,722,101	26,948,916	25,861,763
Total pension liability - ending (a)	<u>\$ 33,677,349</u>	<u>\$ 32,427,170</u>	<u>\$ 29,921,717</u>	<u>\$ 28,830,672</u>	<u>\$ 28,487,070</u>	<u>\$ 27,722,101</u>	<u>\$ 26,948,916</u>
Plan fiduciary net position							
Contributions - employer	\$ 717,233	\$ 697,098	\$ 712,572	\$ 693,671	\$ 791,794	\$ 750,456	\$ 802,383
Contributions - employee	286,735	315,044	284,616	266,710	271,254	258,617	265,190
Net investment income	490,773	1,646,571	1,753,285	2,632,566	376,372	969,541	2,951,572
Benefit Payments, including refunds	(1,765,970)	(1,670,343)	(1,643,768)	(1,448,071)	(1,490,411)	(1,577,871)	(1,279,074)
Administrative expense	(17,090)	(16,551)	(15,378)	(15,366)	(13,659)	(13,637)	(15,914)
Other	(579)	(1,037)	(1,552)	(2,338)	(160)	(203)	156
Net change in plan fiduciary net position	(288,898)	970,782	1,089,775	2,127,172	(64,810)	386,903	2,724,313
Plan fiduciary net position - beginning	25,980,165	25,009,383	23,919,608	21,792,436	21,857,246	21,470,343	18,746,030
Plan fiduciary net position - ending (b)	<u>\$ 25,691,267</u>	<u>\$ 25,980,165</u>	<u>\$ 25,009,383</u>	<u>\$ 23,919,608</u>	<u>\$ 21,792,436</u>	<u>\$ 21,857,246</u>	<u>\$ 21,470,343</u>
Net pension liability-ending (a) - (b)	<u>\$ 7,986,082</u>	<u>\$ 6,447,005</u>	<u>\$ 4,912,334</u>	<u>\$ 4,911,064</u>	<u>\$ 6,694,634</u>	<u>\$ 5,864,855</u>	<u>\$ 5,478,573</u>
Plan fiduciary net position as a percentage of the total pension liability	76.29%	80.12%	83.58%	82.97%	76.50%	78.84%	79.67%
Covered-employee payroll for year ended	\$ 6,285,456	\$ 6,230,870	\$ 5,744,673	\$ 5,663,894	\$ 5,481,934	\$ 6,021,135	\$ 5,479,756
Political subdivision's net pension liability as a percentage of covered-employee payroll	127.06%	103.47%	85.51%	86.71%	122.12%	97.40%	99.98%

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

County of Scott, Virginia
Schedule of Changes in the Net Pension Liability and Related Ratios
Governmental Funds and Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2021

<i>Component Unit School Board - Non-prof.</i>	2020	2019	2018	2017	2016	2015	2014
Total pension liability							
Service cost	\$ 206,477	\$ 201,089	\$ 198,077	\$ 207,235	\$ 216,597	\$ 225,567	\$ 224,506
Interest	648,756	656,863	633,629	632,999	616,205	593,502	569,005
Changes of benefit terms	-	-	-	-	-	-	-
Changes in assumptions	-	261,821	-	(29,008)	-	-	-
Difference between expected & actual experience	(158,432)	(387,845)	(22,128)	(329,396)	(118,912)	(18,675)	-
Benefit payments, including refunds	(527,557)	(481,405)	(473,927)	(471,735)	(476,218)	(475,913)	(411,190)
Net change in total pension liability	169,244	250,523	335,651	10,095	237,672	324,481	382,321
Total pension liability - beginning	9,874,979	9,624,456	9,288,805	9,278,710	9,041,038	8,716,557	8,334,236
Total pension liability - ending (a)	<u>\$ 10,044,223</u>	<u>\$ 9,874,979</u>	<u>\$ 9,624,456</u>	<u>\$ 9,288,805</u>	<u>\$ 9,278,710</u>	<u>\$ 9,041,038</u>	<u>\$ 8,716,557</u>
Plan fiduciary net position							
Contributions - employer	\$ 113,954	\$ 113,964	\$ 151,084	\$ 153,075	\$ 196,260	\$ 197,633	\$ 226,613
Contributions - employee	107,150	105,046	103,740	104,870	104,712	106,064	106,179
Net investment income	184,824	616,904	655,267	985,817	140,253	364,074	1,102,402
Benefit Payments, including refunds	(527,557)	(481,405)	(473,927)	(471,735)	(476,218)	(475,913)	(411,190)
Administrative expense	(6,411)	(6,224)	(5,729)	(5,784)	(5,137)	(5,083)	(5,951)
Other	(216)	(388)	(582)	(874)	(60)	(79)	59
Net change in plan fiduciary net position	(128,256)	347,897	429,853	765,369	(40,190)	186,696	1,018,112
Plan fiduciary net position - beginning	9,718,178	9,370,281	8,940,428	8,175,059	8,215,249	8,028,553	7,010,441
Plan fiduciary net position - ending (b)	<u>\$ 9,589,922</u>	<u>\$ 9,718,178</u>	<u>\$ 9,370,281</u>	<u>\$ 8,940,428</u>	<u>\$ 8,175,059</u>	<u>\$ 8,215,249</u>	<u>\$ 8,028,553</u>
Net pension liability-ending (a) - (b)	<u>\$ 454,301</u>	<u>\$ 156,801</u>	<u>\$ 254,175</u>	<u>\$ 348,377</u>	<u>\$ 1,103,651</u>	<u>\$ 825,789</u>	<u>\$ 688,004</u>
Plan fiduciary net position as a percentage of the total pension liability	95.48%	98.41%	97.36%	96.25%	88.11%	90.87%	92.11%
Covered-employee payroll for year ended	\$ 2,467,776	\$ 2,283,667	\$ 2,167,800	\$ 2,174,214	\$ 2,178,285	\$ 2,461,085	\$ 2,321,227
Political subdivision's net pension liability as a percentage of covered-employee payroll	18.41%	6.87%	11.73%	16.02%	50.67%	33.55%	29.64%

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

County of Scott, Virginia
Schedule of Changes in the Total OPEB Liability and Related Ratios
Governmental Funds and Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2021

Exhibit 13

	<i>Primary Government</i>				<i>Component Unit School Board</i>			
	2021	2020	2019	2018	2021	2020	2019	2018
Total OPEB liability - beginning	\$ 3,542,667	\$ 3,474,337	\$ 3,351,733	\$ 3,785,705	\$ 5,251,209	\$ 5,085,966	\$ 4,658,005	\$ 4,383,883
Changes for the year:								
Service Cost	198,400	129,912	126,749	129,209	290,481	345,872	314,553	302,833
Interest	81,911	124,833	65,812	41,023	115,074	174,417	176,389	165,926
Change of benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(150,634)	(513,944)	-	5,151	-	(786,986)	-	-
Changes of assumptions or inputs	17,416	403,353	5,857	(522,812)	22,913	638,975	139,188	-
Benefit payments	(69,738)	(75,824)	(75,814)	(86,543)	(26,680)	(55,280)	(75,910)	(99,010)
Employer contributions	-	-	-	-	-	-	-	-
Employee contributions	-	-	-	-	-	-	-	-
Net investment income	-	-	-	-	-	-	-	-
Administrative expenses	-	-	-	-	-	-	-	-
Implicit rate subsidy fulfillment	-	-	-	-	(62,266)	(151,755)	(126,259)	(95,627)
Other changes	-	-	-	-	-	-	-	-
Net changes	77,355	68,330	122,604	(433,972)	339,522	165,243	427,961	274,122
Total OPEB liability - ending	\$ 3,620,022	\$ 3,542,667	\$ 3,474,337	\$ 3,351,733	\$ 5,590,731	\$ 5,251,209	\$ 5,085,966	\$ 4,658,005
Covered-employee payroll	\$ 6,343,213	\$ 6,162,900	\$ 5,870,616	\$ 5,663,894	\$ 24,145,542	\$ 24,057,773	\$ 22,624,219	\$ 22,624,219
Total OPEB liability as a percentage of covered-employee payroll	57.07%	57.48%	59.18%	59.18%	23.15%	21.83%	22.48%	20.59%

This schedule is intended to show information for ten years. Since fiscal year 2018 is the first year for this presentation, no other data is available. Additional years will be included as they become available.

County of Scott, Virginia
Schedule of Employer's Share of Net GLI OPEB Liability
Governmental Funds and Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2021

Exhibit 14

	<i>County</i>				<i>School Board Non-prof.</i>				<i>School Board Prof.</i>			
	2020	2019	2018	2017	2020	2019	2018	2017	2020	2019	2018	2017
Employer's Proportion of the Net GLI OPEB Liability (Asset)	0.11386%	0.02965%	0.03007%	0.02986%	0.04449%	0.01153%	0.01149%	0.01186%	0.24408%	0.10391%	0.10785%	0.10557%
Employer's Proportionate Share of the Net GLI OPEB Liability (Asset)	\$ 482,485	\$ 482,485	\$ 456,000	\$ 450,000	\$ 187,623	\$ 187,623	\$ 179,000	\$ 175,000	\$ 1,690,893	\$ 1,690,893	\$ 1,603,000	\$ 1,623,000
Employer's Covered Payroll	6,343,213	6,162,900	5,663,894	5,481,934	2,478,458	2,360,354	2,174,214	2,178,285	21,667,084	21,393,391	22,585,459	21,797,939
Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of its Covered Payroll	7.60632%	7.82886%	8.05100%	8.20878%	7.57015%	7.94893%	8.23286%	8.03384%	7.80397%	7.90381%	7.09749%	7.44566%
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	52.64000%	52.00000%	51.22000%	48.86000%	52.64000%	52.00000%	51.22000%	48.86000%	52.64000%	52.00000%	51.22000%	48.86000%

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

Discretely Presented Component Unit - School Board

	Governmental Fund Types				Proprietary Fund Type	
	School Operating Fund	School Food Service Fund	School Debt Service	Scott County Head Start	School Insurance Fund	Totals
Assets:						
Cash & cash equivalents	\$ 6,318	\$ 260,790	\$ -	\$ 10,063	\$ 385,939	\$ 663,110
Accounts receivable	6,280	-	-	2,483	-	8,763
Prepaid expenses	514,938	-	-	-	-	514,938
Due from other governmental units	559,706	326,667	-	-	-	886,373
Due from primary government	2,440,182	-	-	-	-	2,440,182
Total Assets	<u>\$ 3,527,424</u>	<u>\$ 587,457</u>	<u>\$ -</u>	<u>\$ 12,546</u>	<u>\$ 385,939</u>	<u>\$ 4,513,366</u>
Liabilities:						
Accounts payable	\$ 268,383	\$ 97,384	\$ -	\$ 3,057	\$ 57,384	\$ 426,208
Accrued salaries	3,323,010	-	-	(6,616)	-	3,316,394
Health insurance payable	-	-	-	-	-	-
Total Liabilities	<u>3,591,393</u>	<u>97,384</u>	<u>-</u>	<u>(3,559)</u>	<u>57,384</u>	<u>3,742,602</u>
Fund balance:						
Assigned	-	490,073	-	-	328,555	818,628
Unassigned	(63,969)	-	-	16,105	-	(47,864)
Total Fund Balance	<u>(63,969)</u>	<u>490,073</u>	<u>-</u>	<u>16,105</u>	<u>328,555</u>	<u>770,764</u>
Total Liabilities & Fund Balance	<u>\$ 3,527,424</u>	<u>\$ 587,457</u>	<u>\$ -</u>	<u>\$ 12,546</u>	<u>\$ 385,939</u>	
	\$ -	\$ -		\$ -	\$ -	

Detailed explanation of adjustments from fund statements to government-wide statement of net position:

When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net assets includes those capital assets among the assets of the locality.

44,565,644

Long-term liabilities applicable to the locality's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities.

All liabilities - both current and long-term - are reported in the statement of net assets.

(54,376,189)

Total net position

\$ (9,039,781)

County of Scott, Virginia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2021

Exhibit 16

	Governmental Fund Types				Proprietary Fund Type	
	School Operating Fund	School Food Service Fund	School Debt Service	Scott County Head Start	School Insurance Fund	Totals
Revenues:						
Revenue from use of money	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	(13,592)	64,384	-	-	3,964,985	4,015,777
Miscellaneous	33,045	-	-	567,728	-	600,773
Recovered costs	12,051	-	-	-	-	12,051
Intergovernmental:	-	-	-	-	-	-
Commonwealth	31,717,333	19,628	-	-	-	31,736,961
Federal	3,356,833	2,718,927	-	2,315,431	-	8,391,191
Total revenues	35,105,670	2,802,939	-	2,883,159	3,964,985	44,756,753
Expenditures:						
Current - Education	44,552,350	2,577,837	-	2,681,392	4,600,750	54,412,329
Total expenditures	44,552,350	2,577,837	-	2,681,392	4,600,750	54,412,329
Excess (deficiency) of revenues over (under) expenditures	(9,446,680)	225,102	-	201,767	(635,765)	(9,655,576)
Other financing sources (uses):						
Operating transfers in	6,052,180	-	-	-	-	6,052,180
Operating transfers out	-	-	-	-	-	-
Proceeds from indebtedness	3,407,007	-	-	-	-	3,407,007
Transfer from/(to) primary debt	-	-	-	-	-	-
Total other financing sources	9,459,187	-	-	-	-	9,459,187
Excess (deficiency) of revenues & other sources over expenditure & other uses	12,507	225,102	-	201,767	(635,765)	(196,389)
Fund balances at beginning of year	(76,476)	264,971	-	(185,662)	964,320	967,153
Fund balances at end of year	<u>\$ (63,969)</u>	<u>\$ 490,073</u>	<u>\$ -</u>	<u>\$ 16,105</u>	<u>\$ 328,555</u>	<u>\$ 770,764</u>

Amount reported for School Board activities in the statement of activities are different because:

Excess (deficiency) of revenues & other sources over expenditure & other uses \$ (196,389)

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 School Board activities. (142,060)

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 capital outlays exceeded depreciation in the current period. 1,470,422

Change in net assets \$ 1,131,973

County of Scott, Virginia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2021

Exhibit 17
Page 1 of 5

	School Operating Fund			
	Original Budget	Budget As Amended	Actual	Variance From Amended
Revenues:				
Revenue from use of money	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
Charges for services	35,000	35,000	(13,592)	(48,592)
Miscellaneous	280,675	280,675	33,045	(247,630)
Recovered costs	12,000	12,000	12,051	51
Intergovernmental:				
Commonwealth	31,097,551	31,097,551	31,717,333	619,782
Federal	1,901,681	1,901,681	3,356,833	1,455,152
Total revenues	<u>33,331,907</u>	<u>33,331,907</u>	<u>35,105,670</u>	<u>1,773,763</u>
Expenditures:				
Current - Education	<u>39,363,907</u>	<u>39,363,907</u>	<u>44,552,350</u>	<u>(5,188,443)</u>
Total expenditures	<u>39,363,907</u>	<u>39,363,907</u>	<u>44,552,350</u>	<u>(5,188,443)</u>
Excess (deficiency) of revenues over (under) expenditures	(6,032,000)	(6,032,000)	(9,446,680)	(3,414,680)
Other financing sources (uses):				
Operating transfers in	6,032,000	6,032,000	6,052,180	20,180
Operating transfers out	-	-	-	-
Proceeds from indebtedness	-	-	3,407,007	3,407,007
Transfer from/(to) primary debt	-	-	-	-
Total other financing sources	<u>6,032,000</u>	<u>6,032,000</u>	<u>9,459,187</u>	<u>3,427,187</u>
Excess (deficiency) of revenues & other sources over expenditure & other uses	-	-	12,507	12,507
Fund balances at beginning of year	-	-	(76,476)	(76,476)
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (63,969)</u>	<u>\$ (63,969)</u>

County of Scott, Virginia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2021

Exhibit 17
Page 2 of 5

	School Food Service Fund			
	Original Budget	Budget As Amended	Actual	Variance From Amended
Revenues:				
Revenue from use of money	\$ -	\$ -	\$ -	\$ -
Charges for services	470,533	470,533	64,384	(406,149)
Miscellaneous				-
Recovered costs	-	-	-	-
Intergovernmental:				
Commonwealth	53,000	53,000	19,628	(33,372)
Federal	1,795,000	1,795,000	2,718,927	923,927
Total revenues	2,318,533	2,318,533	2,802,939	484,406
Expenditures:				
Current - Education	2,218,533	2,218,533	2,577,837	(359,304)
Total expenditures	2,218,533	2,218,533	2,577,837	(359,304)
Excess (deficiency) of revenues over (under) expenditures	100,000	100,000	225,102	125,102
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers out	(100,000)	(100,000)	-	100,000
Proceeds from indebtedness	-	-	-	-
Transfer from/(to) primary debt	-	-	-	-
Total other financing sources	(100,000)	(100,000)	-	100,000
Excess (deficiency) of revenues & other sources over expenditure & other uses	-	-	225,102	225,102
Fund balances at beginning of year	-	-	264,971	264,971
Fund balances at end of year	\$ -	\$ -	\$ 490,073	\$ 490,073

County of Scott, Virginia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2021

Exhibit 17
Page 3 of 5

	School Debt Service			
	Original Budget	Budget As Amended	Actual	Variance From Amended
Revenues:				
Revenue from use of money	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Recovered costs	-	-	-	-
Intergovernmental:			-	
Commonwealth	-	-	-	-
Federal	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Current - Education	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Proceeds from indebtedness	-	-	-	-
Transfer from/(to) primary debt	-	-	-	-
Total other financing sources	-	-	-	-
Excess (deficiency) of revenues & other sources over expenditure & other uses	-	-	-	-
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	\$ -	\$ -	\$ -	\$ -

County of Scott, Virginia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2021

Exhibit 17
Page 4 of 5

	Scott County Head Start			
	Original Budget	Budget As Amended	Actual	Variance From Amended
Revenues:				
Revenue from use of money	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Miscellaneous	450,629	450,629	567,728	117,099
Recovered costs	-	-	-	-
Intergovernmental:				
Commonwealth	-	-	-	-
Federal	1,865,875	1,865,875	2,315,431	449,556
Total revenues	2,316,504	2,316,504	2,883,159	566,655
Expenditures:				
Current - Education	2,316,504	2,316,504	2,681,392	(364,888)
Total expenditures	2,316,504	2,316,504	2,681,392	(364,888)
Excess (deficiency) of revenues over (under) expenditures	-	-	201,767	201,767
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Proceeds from indebtedness	-	-	-	-
Transfer from/(to) primary debt	-	-	-	-
Total other financing sources	-	-	-	-
Excess (deficiency) of revenues & other sources over expenditure & other uses	-	-	201,767	201,767
Fund balances at beginning of year	-	-	(185,662)	(185,662)
Fund balances at end of year	\$ -	\$ -	\$ 16,105	\$ 16,105

County of Scott, Virginia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2021

Exhibit 17
Page 5 of 5

	School Insurance Fund			
	Original Budget	Budget As Amended	Actual	Variance From Amended
Revenues:				
Revenue from use of money	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	3,964,985	3,964,985
Miscellaneous	-	-	-	-
Recovered costs	-	-	-	-
Intergovernmental:				
Commonwealth	-	-	-	-
Federal	-	-	-	-
Total revenues	-	-	3,964,985	3,964,985
Expenditures:				
Current - Education	-	-	4,600,750	(4,600,750)
Total expenditures	-	-	4,600,750	(4,600,750)
Excess (deficiency) of revenues over (under) expenditures	-	-	(635,765)	(635,765)
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Proceeds from indebtedness	-	-	-	-
Transfer from/(to) primary debt	-	-	-	-
Total other financing sources	-	-	-	-
Excess (deficiency) of revenues & other sources over expenditure & other uses	-	-	(635,765)	(635,765)
Fund balances at beginning of year	-	-	964,320	964,320
Fund balances at end of year	\$ -	\$ -	\$ 328,555	\$ 328,555

Proprietary Fund - Discretely Presented Component Unit

	Discretely Presented Component Units		
	Economic Development Authority	Public Service Authority	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 1,041,015	\$ 2,577,469	\$ 3,618,484
Accounts receivable, net of allowance	-	546,690	546,690
Prepaid expenses	-	-	-
Inventory	-	85,111	85,111
Notes receivable, current, net of allowance	36,039	-	36,039
Due from other governments	11,210	130,969	142,179
Total current assets	1,088,264	3,340,239	4,428,503
Noncurrent assets:			
Capital assets:			
Land	5,401,835	486,753	5,888,588
Construction in progress	5,654,432	3,134,686	8,789,118
Buildings & equipment, net of depreciation	19,622,606	49,694,551	69,317,157
Notes receivable, noncurrent, net of allowance	144,157	-	144,157
Total noncurrent assets	30,823,030	53,315,990	84,139,020
Other assets:			
Restricted cash in bank	6,917	333,622	340,539
Total other assets	6,917	333,622	340,539
Deferred outflows of resources:			
Related to pensions	-	322,380	322,380
Related to OPEB	-	37,086	37,086
Total deferred outflows of resources	-	359,466	359,466
Total assets	\$ 31,918,211	\$ 57,349,317	\$ 89,267,528

	Discretely Presented Component Units		
	Economic Development Authority	Public Service Authority	Total
Liabilities:			
Current liabilities:			
Accounts payable & accrued expenses	\$ 55,325	\$ 335,624	\$ 390,949
Current portion of long-term obligations	4,270,776	1,570,884	5,841,660
Total current liabilities	4,326,101	1,906,508	6,232,609
Noncurrent liabilities:			
Compensated absences	17,037	168,369	185,406
Amounts held for others	-	278,347	278,347
Other postemployment benefits	-	85,445	85,445
Net pension liability, long-term	-	249,244	249,244
Noncurrent portion of long-term obligations	4,884,110	18,408,666	23,292,776
Total noncurrent liabilities	4,901,147	19,190,071	24,091,218
Total liabilities	9,227,248	21,096,579	30,323,827
Deferred inflows of resources:			
Related to pensions	-	202,452	202,452
Related to OPEB	-	2,768	2,768
Total deferred inflows of resources	-	205,220	205,220
Net position:			
Invested in capital assets, net of related debt	15,869,555	33,336,440	49,205,995
Restricted for other purposes	-	333,622	333,622
Unrestricted	6,821,408	2,377,456	9,198,864
Total net position	22,690,963	36,047,518	58,738,481
Total liabilities & net position	\$ 31,918,211	\$ 57,349,317	\$ 89,267,528

County of Scott, Virginia
Statements of Revenues, Expenses and Changes in Net Position
Proprietary Fund - Discretely Presented Component Units
For the Year Ended June 30, 2021

Exhibit 19

	Discretely Presented Component Units		
	Economic Development Authority	Public Service Authority	Total
Operating revenues:			
Charges for services	\$ -	\$ 4,729,243	\$ 4,729,243
Rental income	307,886	-	307,886
Grants	1,040,559	-	1,040,559
Miscellaneous	3,491	103,284	106,775
Total operating revenue	1,351,936	4,832,527	6,184,463
Operating expenses:			
Wages and benefits	36,069	1,840,929	1,876,998
Other operating expenses	1,492,563	3,252,914	4,745,477
Total operating expense	1,528,632	5,093,843	6,622,475
Operating income (loss)	(176,696)	(261,316)	(438,012)
Nonoperating revenues (expenses):			
Interest earned	6,517	7,311	13,828
Connection fees	-	65,013	65,013
Interest expense	(139,106)	(256,399)	(395,505)
Other nonoperating revenues	-	164,013	164,013
Gain/(Loss) on sale of assets	(344,333)	-	(344,333)
Bad debt expense	(123,468)	-	(123,468)
Total nonoperating revenues (expenses)	(600,390)	(20,062)	(620,452)
Capital contributions	-	1,832,034	1,832,034
Increase (decrease) in net position	(777,086)	1,550,656	773,570
Net position at beginning of year	23,468,049	34,496,862	57,964,911
Net position at end of year	\$ 22,690,963	\$ 36,047,518	\$ 58,738,481

County of Scott, Virginia
Statements of Cash Flows
Proprietary Fund - Discretely Presented Component Units
For the Year Ended June 30, 2021

Exhibit 20
Page 1 of 2

	Discretely Presented Component Units		
	Economic Development Authority	Public Service Authority	Total
Cash flows from operating activities:			
Receipts from customers & users	\$ 1,369,934	\$ 4,859,357	\$ 6,229,291
Payments to suppliers	(981,971)	(1,257,451)	(2,239,422)
Payments to employees for services and benefits	(36,069)	(1,903,592)	(1,939,661)
Net cash provided (used) by operating activities	351,894	1,698,314	2,050,208
Cash flows from investing activities:			
Interest earned	3,940	7,311	11,251
Net cash provided (used) by investing activities	3,940	7,311	11,251
Cash flows from financing activities:			
Connection fee and other income	-	65,013	65,013
Loans to industries	(50,000)	-	(50,000)
Payments received on loans to industries	64,027	-	64,027
Purchase of fixed assets	(118,475)	(2,389,279)	(2,507,754)
Principal payments made on debt	(611,089)	(6,650,409)	(7,261,498)
Proceeds from indebtedness	125,000	5,913,126	6,038,126
Interest on debt	-	(295,302)	(295,302)
Proceeds from asset sales and other income	233,000	205,465	438,465
Proceeds from grants	-	1,845,290	1,845,290
Net cash provided (used) by financing activities	(357,537)	(1,306,096)	(1,663,633)
Increase (decrease) in cash & cash equivalents	(1,703)	399,529	397,826
Cash & cash equivalents at beginning of year	1,049,635	2,511,562	3,561,197
Cash & cash equivalents at end of year	\$ 1,047,932	\$ 2,911,091	\$ 3,959,023

County of Scott, Virginia
Statements of Cash Flows
Proprietary Fund - Discretely Presented Component Units
For the Year Ended June 30, 2021

Exhibit 20
Page 2 of 2

	Discretely Presented Component Units		
	Economic Development Authority	Public Service Authority	Total
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (777,086)	\$ (261,316)	\$ (1,038,402)
Adjustments to reconcile net income (loss) to net cash provided (used) by operations:			
Depreciation	705,432	1,861,057	2,566,489
(Gain)/Loss on sale of assets	344,333	-	344,333
Bad debt expense	123,468	-	123,468
Changes in operating assets & liabilities:			
Accounts receivable	11,481	27,582	39,063
Inventory	-	60,085	60,085
Accounts payable & accrued expenses	(51,015)	(16,175)	(67,190)
Wages payable and benefits		14,266	14,266
Customer deposits	-	(752)	(752)
Accrued leave	(4,719)	26,352	21,633
Net pension liability	-	(113,957)	(113,957)
Net OPEB liabilities	-	10,445	10,445
Deferred outflows of resources	-	(64,308)	(64,308)
Deferred inflows of resources	-	155,035	155,035
Total adjustments	1,128,980	1,959,630	3,088,610
Net cash provided (used) by operating activities	\$ 351,894	\$ 1,698,314	\$ 2,050,208

Non-Major Governmental Funds

	Special Revenue Funds		Capital Projects Fund	
	Coal Road Improvement Fund	Law Library Fund	Fire Trainig Facility Fund	Totals
Assets:				
Cash & cash equivalents	\$ 41,697	\$ 8,806	\$ 250,000	\$ 300,503
Accounts receivable	-	368	-	368
Total assets	<u>\$ 41,697</u>	<u>\$ 9,174</u>	<u>\$ 250,000</u>	<u>\$ 300,871</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 172,869	\$ 172,869
Accrued expenses	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>172,869</u>	<u>172,869</u>
Fund balance:				
Restricted	<u>41,697</u>	<u>9,174</u>	<u>77,131</u>	<u>128,002</u>
Total fund balance	<u>41,697</u>	<u>9,174</u>	<u>77,131</u>	<u>128,002</u>
Total liabilities & fund balance	<u>\$ 41,697</u>	<u>\$ 9,174</u>	<u>\$ 250,000</u>	<u>\$ 300,871</u>

County of Scott, Virginia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2021

Exhibit 22

	Special Revenue Funds		Capital Projects Fund	
	Coal Road Improvement Fund	Law Library Fund	Fire Trainig Facility Fund	Totals
Revenues:				
Revenues from local sources:				
Other taxes	\$ 1,396	\$ -	\$ -	\$ 1,396
Charges for services	-	3,101	-	3,101
Total revenues	1,396	3,101	-	4,497
Expenditures:				
Judicial administration	-	4,626	-	4,626
Public works	1,453	-	-	1,453
Public safety	-	-	172,869	172,869
Total expenditures	1,453	4,626	172,869	178,948
Excess (deficiency) of revenues over expenditures	(57)	(1,525)	(172,869)	(174,451)
Other financing sources (uses):				
Operating transfers in	-	-	250,000	250,000
Operating transfers out	-	-	-	-
Total other financing sources	-	-	250,000	250,000
Excess (deficiency) of revenues & other sources over expenditure & other uses	(57)	(1,525)	77,131	75,549
Fund balances at beginning of year	41,754	10,699	-	52,453
Fund balances at end of year	\$ 41,697	\$ 9,174	\$ 77,131	\$ 128,002

County of Scott, Virginia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Non-Major Governmental Funds
For the Year Ended June 30, 2021

Exhibit 23
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	Coal Road Improvement Fund			
	Original Budget	Budget As Amended	Actual	Variance From Amended
Revenues:				
Revenues from local sources:				
Other taxes	\$ 41,742	\$ 41,742	\$ 1,396	\$ (40,346)
Charges for services	-	-	-	-
Transfers from general fund	-	-	-	-
Total revenues	41,742	41,742	1,396	(40,346)
Expenditures:				
Judicial administration	-	-	-	-
Public works	41,742	41,742	1,453	40,289
Public safety	-	-	-	-
Total expenditures	41,742	41,742	1,453	40,289
Excess (deficiency) of revenues over expenditures	-	-	(57)	57
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Prior year surplus (deficit)	-	-	-	-
Total other financing sources	-	-	-	-
Excess (deficiency) of revenues & other sources over expenditure & other uses	-	-	(57)	57
Fund balances at beginning of year	-	-	41,754	41,754
Fund balances at end of year	\$ -	\$ -	\$ 41,697	\$ 41,811

County of Scott, Virginia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Non-Major Governmental Funds
For the Year Ended June 30, 2021

Exhibit 23
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	Law Library Fund			
	Original Budget	Budget As Amended	Actual	Variance From Amended
Revenues:				
Revenues from local sources:				
Other taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	11,181	11,181	3,101	(8,080)
Transfers from general fund	-	-	-	-
Total revenues	11,181	11,181	3,101	(8,080)
Expenditures:				
Judicial administration	11,181	11,181	4,626	6,555
Public works	-	-	-	-
Public safety	-	-	-	-
Total expenditures	11,181	11,181	4,626	6,555
Excess (deficiency) of revenues over expenditures	-	-	(1,525)	1,525
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Prior year surplus (deficit)	-	-	-	-
Total other financing sources	-	-	-	-
Excess (deficiency) of revenues & other sources over expenditure & other uses	-	-	(1,525)	1,525
Fund balances at beginning of year	-	-	10,699	10,699
Fund balances at end of year	\$ -	\$ -	\$ 9,174	\$ 12,224

County of Scott, Virginia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Non-Major Governmental Funds
For the Year Ended June 30, 2021

Exhibit 23
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	Capital Projects Fund			
	Original Budget	Budget As Amended	Actual	Variance From Amended
Revenues:				
Revenues from local sources:				
Other taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Transfers from general fund	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Judicial administration	-	-	-	-
Public works	-	-	-	-
Public safety	-	-	172,869	(172,869)
Total expenditures	-	-	172,869	(172,869)
Excess (deficiency) of revenues over expenditures	-	-	(172,869)	172,869
Other financing sources (uses):				
Operating transfers in	\$ -	\$ -	\$ 250,000	\$ (250,000)
Operating transfers out	-	-	-	-
Prior year surplus (deficit)	-	-	-	-
Total other financing sources	-	-	250,000	(250,000)
Excess (deficiency) of revenues & other sources over expenditure & other uses	-	-	77,131	(77,131)
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	\$ -	\$ -	\$ 77,131	\$ (77,131)

Supporting Schedules

County of Scott, Virginia
Governmental Funds and Discretely Presented Component Units
Statement of Revenues - Budget and Actual
For the Year Ended June 30, 2021

Schedule 1
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Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended
Primary Government:				
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 9,558,880	\$ 9,558,880	\$ 9,621,131	\$ 62,251
Real & personal public service corporation property taxes	950,000	950,000	983,697	33,697
Personal property taxes	1,741,400	1,741,400	1,606,803	(134,597)
Machinery and tools taxes	171,200	171,200	229,791	58,591
Merchants capital	224,276	224,276	207,809	(16,467)
Mobile home taxes	85,400	85,400	89,405	4,005
Penalties	125,000	125,612	199,060	73,448
Interest	100,000	100,000	128,055	28,055
TOTAL GENERAL PROPERTY TAXES	12,956,156	12,956,768	13,065,751	108,983
Other local taxes:				
Local sales & use taxes	1,779,346	1,779,346	1,835,490	56,144
Consumer utility tax	390,000	390,000	404,662	14,662
Local cell phone tax	642,000	642,000	572,409	(69,591)
Gross receipts - utility	50,000	50,000	57,848	7,848
Motor vehicle licenses	428,610	428,610	440,949	12,339
Bank franchise taxes	-	-	26,392	26,392
Transient lodging tax	1,200	1,200	2,482	1,282
Tax on wills	4,000	4,000	4,688	688
Recordation tax	-	-	93,014	93,014
Coal severance tax	1,500	1,500	2,793	1,293
Game of skill tax	-	-	11,088	11,088
TOTAL OTHER LOCAL TAXES	3,296,656	3,296,656	3,451,815	155,159
Permits, privilege fees & regulatory license:				
Animal licenses	900	900	670	(230)
Transfer fees	800	800	948	148
Building and related permits	18,650	18,650	22,589	3,939
Weapons permits	-	1,469	20,971	19,502
Permits and other licenses	6,600	6,600	27,509	20,909
TOTAL PERMITS, PRIVILEGE FEES & REGULATORY LICENSES	26,950	28,419	72,687	44,268
Fines and forfeitures:				
Court fines and forfeitures	133,697	187,231	350,277	163,046
TOTAL FINES & FORFEITURES	133,697	187,231	350,277	163,046
Revenue from use of money & property:				
Revenue from use of money	6,500	6,500	738	(5,762)
Revenue from use of property	95,288	95,288	83,075	(12,213)
TOTAL REVENUE FROM USE OF MONEY & PROPERTY	\$ 101,788	\$ 101,788	\$ 83,813	\$ (17,975)

County of Scott, Virginia
Governmental Funds and Discretely Presented Component Units
Statement of Revenues - Budget and Actual
For the Year Ended June 30, 2021

Schedule 1
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Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended
Charges for services:				
Charges for recreation	\$ 37,600	\$ 37,600	\$ 78,341	\$ 40,741
Charges for NARF collections	-	-	10	10
Charges for waste collection & disposal	40,000	40,000	36,400	(3,600)
Room and board animals	10,000	10,000	5,478	(4,522)
TOTAL CHARGES FOR SERVICES	87,600	87,600	120,229	32,629
Miscellaneous revenue:				
Miscellaneous	52,954	476,371	572,631	96,260
Payments in lieu of taxes	91,500	91,500	186,363	94,863
TOTAL MISCELLANEOUS REVENUE	144,454	567,871	758,994	191,123
Recovered costs:				
Other recovered cost	585,560	645,416	511,842	(133,574)
TOTAL RECOVERED COSTS	585,560	645,416	511,842	(133,574)
TOTAL REVENUE FROM LOCAL SOURCES	17,332,861	17,871,749	18,415,408	543,659
Revenue from the Commonwealth:				
Noncategorical aid:				
Mobile home titling taxes	35,000	35,000	60,248	25,248
Tax on deeds	17,000	17,000	26,914	9,914
Rolling stock tax	130,000	130,000	130,254	254
Personal property tax relief	501,600	501,600	734,026	232,426
TOTAL NONCATAGORICAL AID	683,600	683,600	951,442	267,842
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	464,043	464,043	468,773	4,730
Sheriff	1,475,054	1,475,861	1,431,595	(44,266)
Commissioner of the Revenue	109,588	109,588	108,707	(881)
Treasurer	108,439	108,439	106,735	(1,704)
Clerk of the Circuit Court	357,661	379,661	375,556	(4,105)
Registrar/electoral board	42,780	42,780	41,695	(1,085)
Office of emergency services	20,000	21,703	21,703	-
TOTAL SHARED EXPENSES	2,577,565	2,602,075	2,554,764	(47,311)
Other categorical aid:				
Welfare administration and assistance	3,865,274	3,865,274	1,374,623	(2,490,651)
CMPT	658,962	658,962	316,266	(342,696)
Domestic Violence	45,000	45,000	34,618	(10,382)
Litter control	11,000	11,500	10,110	(1,390)
Fire programs	545,000	554,181	72,181	(482,000)
Wireless E911 grant	-	151,824	230,673	78,849
Asset forfeiture grant	-	25,785	113,845	88,060
Operation Safe Schools	-	96,373	178,048	81,675
Other aid	-	59,991	73,280	13,289
TOTAL OTHER CATEGORICAL AID	5,125,236	5,468,890	2,403,644	(3,065,246)
TOTAL CATEGORICAL AID	7,702,801	8,070,965	4,958,408	(3,112,557)
TOTAL REVENUE FROM THE COMMONWEALTH	\$ 8,386,401	\$ 8,754,565	\$ 5,909,850	\$ (2,844,715)

County of Scott, Virginia
Governmental Funds and Discretely Presented Component Units
Statement of Revenues - Budget and Actual
For the Year Ended June 30, 2021

Schedule 1
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Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended
Revenue from the Federal Government:				
Categorical aid:				
Welfare public assistance	\$ -	\$ -	\$ 2,089,969	\$ 2,089,969
VAW outreach grant	27,544	27,544	26,676	(868)
Community Development Block Grant	250,000	250,000	-	(250,000)
Victim/witness grant	96,292	96,292	72,219	(24,073)
Local Emergency Management Grant	13,810	13,810	10,500	(3,310)
CARES Act	-	2,011,839	1,978,907	(32,932)
TOTAL CATEGORICAL AID	<u>387,646</u>	<u>2,399,485</u>	<u>4,178,271</u>	<u>1,778,786</u>
 TOTAL REVENUE FROM FEDERAL GOVERNMENT	<u>387,646</u>	<u>2,399,485</u>	<u>4,178,271</u>	<u>1,778,786</u>
 TOTAL GENERAL FUND	<u>26,106,908</u>	<u>29,025,799</u>	<u>28,503,529</u>	<u>(522,270)</u>
Special Revenue Fund:				
Law Library				
Revenue from local sources:				
Charges for services				
Law library fees	\$ 11,181	\$ 11,181	\$ 3,101	\$ (8,080)
Coal Road Improvement Fund				
Revenue from local sources:				
Other taxes				
Coal road tax	41,742	41,742	1,396	(40,346)
 TOTAL SPECIAL REVENUE FUNDS	<u>\$ 52,923</u>	<u>\$ 52,923</u>	<u>\$ 4,497</u>	<u>\$ (48,426)</u>
Capital Projects Funds				
Revenue from local sources:				
Transfers from other funds				
Funding received	\$ -	\$ -	\$ 250,000	\$ 250,000
 TOTAL CAPITAL PROJECTS FUNDS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 250,000</u>	<u>\$ 250,000</u>
 GRAND TOTAL REVENUES, ALL PRIMARY GOVERNMENTAL FUNDS	<u>\$ 26,159,831</u>	<u>\$ 29,078,722</u>	<u>\$ 28,758,026</u>	<u>\$ (320,696)</u>

County of Scott, Virginia
Governmental Funds and Discretely Presented Component Units
Statement of Revenues - Budget and Actual
For the Year Ended June 30, 2021

Schedule 1
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Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended
Component Unit - School Board:				
Special Revenue Funds:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money & property:				
Revenue from use of property	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
Charges for services:				
Transportation	35,000	35,000	(13,592)	(48,592)
Miscellaneous revenue:				
Miscellaneous	280,675	280,675	33,045	(247,630)
Recovered costs:				
Other	12,000	12,000	12,051	51
TOTAL REVENUE FROM LOCAL SOURCES	332,675	332,675	31,504	(301,171)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	3,512,802	3,512,802	3,779,640	266,838
Basic school aid	16,065,759	16,065,759	15,126,353	(939,406)
Primary class size	801,942	801,942	772,228	(29,714)
Medicaid	300,000	300,000	301,622	1,622
GED funding	8,386	8,386	8,387	1
Foster care	20,700	20,700	61,451	40,751
Early intervention	123,836	123,836	118,076	(5,760)
Gifted & talented children	142,274	142,274	141,400	(874)
SOL	81,587	81,587	21,413	(60,174)
At - risk	1,216,009	1,216,009	1,220,406	4,397
Special education	2,717,241	2,717,241	2,626,184	(91,057)
English second language	12,789	12,789	11,723	(1,066)
Preschool initiative	210,112	210,112	281,858	71,746
Vocational education	886,162	886,162	852,012	(34,150)
Fringe benefits	3,294,182	3,294,182	3,273,944	(20,238)
Remedial education/summer school	579,168	579,168	563,632	(15,536)
Textbooks	294,041	294,041	292,235	(1,806)
VPSA technology grant	414,000	414,000	414,000	-
Alternative education	406,458	406,458	649,693	243,235
Textbook lottery	-	-	1,183,013	1,183,013
Other revenue	10,103	10,103	18,063	7,960
TOTAL REVENUE FROM THE COMMONWEALTH	\$ 31,097,551	\$ 31,097,551	\$ 31,717,333	\$ 619,782

County of Scott, Virginia
Governmental Funds and Discretely Presented Component Units
Statement of Revenues - Budget and Actual
For the Year Ended June 30, 2021

Schedule 1
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Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended
Revenue from the federal government:				
Categorical aid:				
Title I	\$ 789,605	\$ 789,605	\$ 775,336	\$ (14,269)
Title II	115,285	115,285	113,113	(2,172)
Title IV - A	59,765	59,765	42,040	(17,725)
Title IV - B	-	-	141,646	141,646
Title VI - B	797,595	797,595	807,446	9,851
COVID-19 funding	-	-	1,332,264	1,332,264
Preschool handicapped allocation	32,079	32,079	32,172	93
Vocational education	63,124	63,124	70,347	7,223
Forest reserve	44,128	44,128	42,469	(1,659)
Other revenue	100	100	-	(100)
TOTAL REVENUE FROM THE FEDERAL GOVERNMENT	1,901,681	1,901,681	3,356,833	1,455,152
TOTAL SCHOOL OPERATING FUND	<u>\$ 33,331,907</u>	<u>\$ 33,331,907</u>	<u>\$ 35,105,670</u>	<u>\$ 1,773,763</u>
School Food Service Fund:				
Revenue from local sources:				
Charges for services:				
Cafeteria sales	470,533	470,533	64,384	(406,149)
TOTAL REVENUE FROM LOCAL SOURCES	<u>470,533</u>	<u>470,533</u>	<u>64,384</u>	<u>(406,149)</u>
Revenue from the government:				
Categorical aid:				
Federal funds	1,795,000	1,795,000	2,718,927	923,927
State funds	53,000	53,000	19,628	(33,372)
TOTAL REVENUE FROM THE GOVERNMENT	<u>1,848,000</u>	<u>1,848,000</u>	<u>2,738,555</u>	<u>890,555</u>
TOTAL SCHOOL FOOD SERVICE FUND	<u>\$ 2,318,533</u>	<u>\$ 2,318,533</u>	<u>\$ 2,802,939</u>	<u>\$ 484,406</u>
School Insurance Fund:				
Charges for services:				
Insurance premiums	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,964,985</u>	<u>\$ 3,964,985</u>
Scott County Headstart:				
Revenue from local sources:				
Miscellaneous	<u>450,629</u>	<u>450,629</u>	<u>567,728</u>	<u>117,099</u>
Revenue from the federal government:				
Categorical aid:				
Headstart grant	<u>1,865,875</u>	<u>1,865,875</u>	<u>2,315,431</u>	<u>449,556</u>
TOTAL SPECIAL REVENUE FUNDS	<u>\$ 2,316,504</u>	<u>\$ 2,316,504</u>	<u>\$ 2,883,159</u>	<u>\$ 566,655</u>
GRAND TOTAL REVENUES - COMPONENT UNIT - SCHOOL BOARD	<u>\$ 37,966,944</u>	<u>\$ 37,966,944</u>	<u>\$ 44,756,753</u>	<u>\$ 6,789,809</u>

County of Scott, Virginia
Governmental Funds and Discretely Presented Component Units
Statement of Expenditures - Budget and Actual
For the Year Ended June 30, 2021

Schedule 2
Page 1 of 5

Fund, Function, Activities and Elements	Original Budget	Budget As Amended	Actual	Variance From Amended
Primary Government:				
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 532,212	\$ 502,831	\$ 504,664	(1,833)
General & financial administration:				
County administrator	199,641	204,141	187,966	16,175
Legal services & assessment	156,229	157,429	157,561	(132)
Independent auditors report	61,500	61,500	61,100	400
Commissioner of revenue	365,454	365,454	346,291	19,163
Treasurer	238,787	243,977	243,797	180
Info Systems Manager	173,922	176,422	163,763	12,659
Central accounting	110,885	110,885	113,062	(2,177)
Purchasing	126,757	126,757	124,560	2,197
CARES Act expenditures	1,616,550	3,628,389	2,849,581	778,808
TOTAL GENERAL & FINANCIAL ADMINISTRATION	3,049,725	5,074,954	4,247,681	827,273
Board of elections:				
Electoral board & officials	202,908	188,587	170,115	18,472
TOTAL GENERAL GOVERNMENT ADMINISTRATION	3,784,845	5,766,372	4,922,460	843,912
Judicial administration:				
Courts:				
Clerk of the circuit court	527,166	529,761	506,569	23,192
Circuit court	79,901	79,901	74,730	5,171
General district court	5,631	5,631	4,384	1,247
Magistrate	2,025	2,270	2,262	8
IT funds from comp board	46,907	79,888	52,904	26,984
Juvenile & domestic relations	251,031	251,031	223,978	27,053
TOTAL COURTS	912,661	948,482	864,827	83,655
Commonwealth's attorney:				
Commonwealth's attorney	643,532	676,817	589,214	87,603
TOTAL JUDICIAL ADMINISTRATION	\$ 1,556,193	\$ 1,625,299	\$ 1,454,041	\$ 171,258

County of Scott, Virginia
Governmental Funds and Discretely Presented Component Units
Statement of Expenditures - Budget and Actual
For the Year Ended June 30, 2021

Schedule 2
Page 2 of 5

Fund, Function, Activities and Elements	Original Budget	Budget As Amended	Actual	Variance From Amended
Public safety:				
Law enforcement & traffic control:				
Sheriff	\$ 2,459,205	\$ 3,284,064	\$ 3,669,513	\$ (385,449)
VAW outreach	34,057	34,057	33,528	529
Criminal investigation	20,450	20,450	13,627	6,823
Mental Health Transport	9,000	9,000	4,159	4,841
Victim witness	146,943	147,162	141,311	5,851
Class Action on VA Laws	477,611	333,076	318,040	15,036
E-911 grant	55,684	55,684	39,830	15,854
Domestic violence grant	-	-	-	-
Community work program	120,081	223,013	223,312	(299)
Central dispatcher	690,206	709,258	700,069	9,189
TOTAL LAW ENFORCEMENT & TRAFFIC CONTROL	4,013,237	4,815,764	5,143,389	(327,625)
Fire & rescue services:				
Volunteer fire department	456,500	465,681	465,681	-
Ambulance & rescue services	235,000	236,703	231,085	5,618
Southwest Virginia EMS, Inc.	3,300	3,300	3,300	-
Forest fire service	20,000	20,000	19,728	272
TOTAL FIRE & RESCUE SERVICES	714,800	725,684	719,794	5,890
Correction and detention:				
Sheriff - jail	1,661,854	1,590,094	2,256,996	(666,902)
Inspections:				
Board of building appeals	95,760	95,760	91,409	4,351
Other protection:				
Emergency services	38,785	45,400	38,137	7,263
Medical examiner	500	500	460	40
Concealed weapon	21,377	22,846	22,846	-
Litter control	58,742	59,242	57,353	1,889
Animal control	93,461	93,461	83,036	10,425
TOTAL OTHER PROTECTION	212,865	221,449	201,832	19,617
TOTAL PUBLIC SAFETY	\$ 6,698,516	\$ 7,448,751	\$ 8,413,420	\$ (964,669)

County of Scott, Virginia
Governmental Funds and Discretely Presented Component Units
Statement of Expenditures - Budget and Actual
For the Year Ended June 30, 2021

Schedule 2
Page 3 of 5

Fund, Function, Activities and Elements	Original Budget	Budget As Amended	Actual	Variance From Amended
Public works:				
Sanitation & waste removal:				
Refuse collection	\$ 295,076	\$ 319,332	\$ 253,702	\$ 65,630
Refuse disposal	942,545	920,871	855,087	65,784
Manned solid waste sites	226,064	226,064	217,250	8,814
TOTAL SANITATION & WASTE REMOVAL	1,463,685	1,466,267	1,326,039	140,228
Maintenance of general buildings & grounds:				
General properties	611,566	686,288	532,975	153,313
Capital Outlays	648,250	648,250	(10,658)	658,908
TOTAL PUBLIC WORKS	2,723,501	2,800,805	1,848,356	952,449
Health & welfare:				
Health:				
Supplement of local health department	250,814	250,814	188,111	62,703
Mental health & mental retardation:				
Chapter X board	157,300	157,300	157,300	-
State & local hospitalization:				
Older American program	29,000	29,000	29,000	-
Welfare:				
Welfare administration	2,588,353	2,588,353	2,498,819	89,534
Public assistance	1,708,815	1,708,815	1,365,406	343,409
CMPT	985,250	985,250	440,132	545,118
Other social services	154,850	154,850	4,850	150,000
CARES Act reimbursement	15,000	15,000	21,798	(6,798)
TOTAL WELFARE	5,452,268	5,452,268	4,331,005	1,121,263
TOTAL HEALTH & WELFARE	5,889,382	5,889,382	4,705,416	1,183,966
Education:				
Community colleges:				
Contributions to community colleges	25,791	25,791	25,791	-
Parks, recreation & cultural:				
Parks & recreation:				
Recreation centers & playgrounds	223,064	232,907	212,329	20,578
Non-park recreation	101,955	89,015	88,464	551
TOTAL PARKS & RECREATION	325,019	321,922	300,793	21,129
Library:				
Lonesome Pine Regional Library	203,050	203,050	203,050	-
TOTAL PARK, RECREATION & CULTURAL	\$ 528,069	\$ 524,972	\$ 503,843	\$ 21,129

County of Scott, Virginia
Governmental Funds and Discretely Presented Component Units
Statement of Expenditures - Budget and Actual
For the Year Ended June 30, 2021

Schedule 2
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Fund, Function, Activities and Elements	Original Budget	Budget As Amended	Actual	Variance From Amended
Community development:				
Planning & community development:				
LENOWISCO	\$ 42,174	\$ 42,174	\$ 42,174	\$ -
Planning district commission	1,940	1,940	1,258	682
Economic Development Authority	981,948	1,000,061	771,648	228,413
Chamber of commerce	7,275	7,275	7,264	11
Tourism	68,070	80,371	85,651	(5,280)
CARES Act reimbursement	250,000	250,000	113,534	136,466
TOTAL PLANNING & COMMUNITY DEVELOPMENT	<u>1,351,407</u>	<u>1,381,821</u>	<u>1,021,529</u>	<u>360,292</u>
Environmental management:				
Soil and water conservation district	<u>39,606</u>	<u>39,606</u>	<u>39,606</u>	<u>-</u>
Cooperative extension program:				
VPI extension	<u>64,780</u>	<u>64,780</u>	<u>56,327</u>	<u>8,453</u>
TOTAL COMMUNITY DEVELOPMENT	<u>1,455,793</u>	<u>1,486,207</u>	<u>1,117,462</u>	<u>368,745</u>
Debt service:				
Principal retirement	-	-	287,531	(287,531)
Interest & fiscal charges	-	-	9,299	(9,299)
TOTAL DEBT SERVICE	<u>-</u>	<u>-</u>	<u>296,830</u>	<u>(296,830)</u>
TOTAL GENERAL FUND	<u>\$ 22,662,090</u>	<u>\$ 25,567,579</u>	<u>\$ 23,287,619</u>	<u>\$ 2,279,960</u>
Special Revenue Fund:				
Law Library Fund:				
Judicial administration:				
Courts:				
Law library	<u>\$ 11,181</u>	<u>\$ 11,181</u>	<u>\$ 4,626</u>	<u>\$ 6,555</u>
Coal Road Improvement Fund:				
Public works:				
Maintenance of highways, streets, bridges, sidewalks:				
Coal road	<u>41,742</u>	<u>41,742</u>	<u>1,453</u>	<u>40,289</u>
TOTAL SPECIAL REVENUE FUND	<u>\$ 52,923</u>	<u>\$ 52,923</u>	<u>\$ 6,079</u>	<u>\$ 46,844</u>
Capital Projects Funds				
Project Expenditures				
Fire Training facility				
Project funds expended	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 172,869</u>	<u>\$ (172,869)</u>
TOTAL CAPITAL PROJECTS FUNDS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 172,869</u>	<u>\$ (172,869)</u>
GRAND TOTAL EXPENDITURES, ALL PRIMARY GOVERNMENTAL FUNDS	<u>\$ 22,715,013</u>	<u>\$ 25,620,502</u>	<u>\$ 23,466,567</u>	<u>\$ 2,153,935</u>

County of Scott, Virginia
Governmental Funds and Discretely Presented Component Units
Statement of Expenditures - Budget and Actual
For the Year Ended June 30, 2021

Schedule 2
Page 5 of 5

Fund, Function, Activities and Elements	Original Budget	Budget As Amended	Actual	Variance From Amended
Component unit - School Board				
Special revenue funds:				
School Operating Fund:				
Education:				
Administration & health services	\$ 1,902,110	\$ 1,902,110	\$ 1,923,145	\$ (21,035)
Instruction costs:				
Instructional costs	30,391,664	30,391,664	30,234,960	156,704
Operating costs:				
Pupil transportation	1,678,670	1,678,670	2,460,602	(781,932)
Operation & maintenance of school plant	5,391,463	5,391,463	9,455,382	(4,063,919)
CARES Act expenditures	-	-	478,261	(478,261)
TOTAL OPERATING COSTS	7,070,133	7,070,133	12,394,245	(5,324,112)
TOTAL SCHOOL OPERATING FUND	\$ 39,363,907	\$ 39,363,907	\$ 44,552,350	\$ (5,188,443)
School Food Service Fund:				
Education				
Cafeteria operation	\$ 2,218,533	\$ 2,218,533	\$ 2,577,837	\$ (359,304)
School Debt Fund:				
Education				
Construction	\$ -	\$ -	\$ -	\$ -
School Health Insurance:				
Education				
Insurance cost	\$ -	\$ -	\$ 4,600,750	\$ (4,600,750)
Scott County Headstart Fund:				
Education				
Instruction costs	\$ 2,316,504	\$ 2,316,504	\$ 2,681,392	\$ (364,888)
GRAND TOTAL EXPENDITURES - COMPONENT UNIT - SCHOOL BOARD	\$ 43,898,944	\$ 43,898,944	\$ 54,412,329	\$ (10,513,385)

County of Scott, Virginia
Schedule of Employer Contributions
For the Year Ended June 30, 2021

Schedule 3

Fiscal Year Ending	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency / Excess	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
<u>Pension</u>					
<i>Primary Government:</i>					
6/30/2015	\$ 750,270	\$ 750,270	\$ -	\$ 5,479,756	13.69%
6/30/2016	783,453	783,453	-	5,433,100	14.42%
6/30/2017	689,936	689,936	-	5,481,934	12.59%
6/30/2018	712,516	712,516	-	5,663,894	12.58%
6/30/2019	697,098	697,098	-	5,870,616	11.87%
6/30/2020	717,233	717,233	-	6,112,503	11.73%
6/30/2021	829,680	829,680	-	6,285,456	13.20%
<i>Component Unit School Board - Non-Professional:</i>					
6/30/2015	\$ 199,237	\$ 199,237	\$ -	\$ 2,321,227	8.58%
6/30/2016	195,934	195,934	-	2,118,205	9.25%
6/30/2017	155,619	155,619	-	2,178,285	7.14%
6/30/2018	151,520	151,520	-	2,174,214	6.97%
6/30/2019	115,979	115,979	-	2,233,030	5.19%
6/30/2020	114,780	114,780	-	2,326,127	4.93%
6/30/2021	108,089	108,089	-	2,467,776	4.38%
<u>Other Postemployment Benefits</u>					
<i>Primary Government:</i>					
6/30/2015	\$ -	\$ -	\$ -	\$ 4,686,262	0.00%
6/30/2016	83,253	83,253	-	4,686,262	1.78%
6/30/2017	83,254	83,254	-	4,686,262	1.78%
6/30/2018	86,543	86,543	-	5,663,894	1.53%
6/30/2019	30,226	30,226	-	5,888,413	0.51%
6/30/2020	31,486	31,486	-	6,162,900	0.51%
6/30/2021	34,253	34,253	-	6,343,213	0.54%
<i>Component Unit School Board:</i>					
6/30/2015	\$ 383,223	\$ 383,223	\$ -	\$ 22,509,776	1.70%
6/30/2016	421,545	421,545	-	22,509,776	1.87%
6/30/2017	369,801	369,801	-	22,509,776	1.64%
6/30/2018	99,010	99,010	-	22,624,219	0.44%
6/30/2019	361,151	361,151	-	23,022,584	1.57%
6/30/2020	376,518	376,518	-	23,753,745	1.59%
6/30/2021	378,498	378,498	-	21,611,229	1.75%

Notes to Schedule:

- 1) Schedule is intended to show information for 10 years.
Since 2015 was the first year for this presentation, no prior data is available.
Additional years will be included as they become available.

County of Scott, Virginia
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Schedule 4
Page 1 of 4

Federal Granting Agency / Recipient State Agency / Grant Program / Grant Number	Federal Catalogue Number	Expenditures
DEPARTMENT OF AGRICULTURE:		
Direct Payments:		
Child and Adult Care Food Program	10.558	\$ 123,095
Water and Waste Disposal Systems for Rural Communities	10.760 *	7,370,620
Pass Through Payments:		
State Department of Agriculture:		
Child Nutrition Cluster:		
Food Distribution - Schools	10.555	109,041
Fresh Fruit and Vegetables	10.582	8,685
Department of Social Services:		
Administrative Grant for Food Stamps	10.561	434,309
Department of Education:		
Child Nutrition Cluster:		
National School Lunch Program (SL-11)	10.555 *	2,011,768
National School Breakfast Program (SL-4)	10.553	316,903
Supper Program	10.559	272,530
Forest Reserve Funds	10.665	42,469
TOTAL AGRICULTURE		<u>\$ 10,689,420</u>
DEPARTMENT OF HEALTH & HUMAN SERVICES:		
Direct Payments:		
Administration to Children, Youth and Families Head Start	93.600 *	\$ 2,192,336
Pass Through Payments:		
CARES Act	21.019 *	4,795,438
Department of Social Services:		
Family Preservation	93.556	5,598
Temporary Assistance to Needy Families	93.558	283,898
Child Care and Development Fund	93.596	59,335
Chafee Education & Training	93.599	3,395
Child Welfare Services	93.645	139
Foster Care - Title IV - E	93.658	291,201
Adoption Assistance	93.659	403,175

Federal Granting Agency / Recipient State Agency / Grant Program / Grant Number	Federal Catalogue Number	Expenditures
DEPARTMENT OF HEALTH & HUMAN SERVICES (CONTINUED):		
Pass Through Payments (continued):		
Department of Social Services (continued):		
Social Service Block Grant	93.667	225,164
Independent Living	93.674	7,765
State Children's Insurance Program	93.767	3,941
Adoption and Legal Guardianship Incentive Payments	93.603	999
State Administered Program:		
Refugee and Entrant Assistance	93.566	682
Low - Income Home Energy Assistance	93.568	46,862
Medicaid Assistance	93.778	323,506
TOTAL HEALTH & HUMAN SERVICES		\$ 8,643,434

DEPARTMENT OF EDUCATION:

Pass Through Payments:

Department of Education:

Title I:

Educationally Deprived Children's - LEA 84.010 * \$ 775,336

Title II: Improving Teacher Quality 84.367 113,113

Title IV-A: Student Support and Academic Enrichment 84.424 42,040

Title IV-B: 21st Century Community Learning Centers 84.287 141,646

Title VI-B:

Assistance to States for Education of Handicapped Children:

Handicapped State Grants (5-E002581) (6-E002585) 84.027 * 807,446

Title VI-D:

Vocational Education:

Basic Grant to States 84.048 70,347

Preschool Handicapped 84.173 32,172

TOTAL EDUCATION \$ 1,982,100

County of Scott, Virginia
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Schedule 4
Page 3 of 4

<u>Federal Granting Agency / Recipient State Agency / Grant Program / Grant Number</u>	<u>Federal Catalogue Number</u>	<u>Expenditures</u>
DEPARTMENT OF JUSTICE:		
Pass Through Payments:		
Department of Criminal Justice Services:		
Violence Against Women Grant	16.588	\$ 26,676
VOCA Victim Assistance	16.575	<u>72,219</u>
TOTAL JUSTICE		<u>\$ 98,895</u>
ENVIRONMENTAL PROTECTION AGENCY		
Pass Through Payments:		
Virginia Resource Authority		
Clean Water State Revolving Fund Cluster:		
Capitalization Grants for Clean Water	66.458	<u>\$ 17,363</u>
TOTAL ENVIRONMENTAL PROTECTION AGENCY		<u>\$ 17,363</u>
DEPARTMENT OF HOMELAND SECURITY		
Direct Payments:		
Emergency Management Performance Grant	97.042	<u>\$ 10,500</u>
TOTAL HOMELAND SECURITY		<u>\$ 10,500</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE		<u><u>\$ 21,441,712</u></u>

Federal Granting Agency / Recipient State Agency / Grant Program / Grant Number	Federal Catalogue Number	Expenditures
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Notes to Schedule:

- 1) * Denotes major program.
- 2) Basis of Presentation
The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Scott County, Virginia under programs of the federal government for the year ended June 30, 2021. The information in this schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the Scott County, it is not intended to and does not present the financial position, changes in nets position, or cash flows of the County.
- 3) Summary of Significant Accounting Policies
 - a) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
 - b) Pass-through entity identifying numbers are presented where available.
 - c) Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed.
- 4) The County did not have any subrecipients for the year ended June 30, 2021.

Section I - Summary of Auditor Results

Financial Statements

Type of auditor's opinion issued:

Unmodified:

governmental activities; business-type activities; each major fund; discretely presented component unit - EDA; discretely presented component unit - PSA; discretely presented component unit - School Board; and aggregate remaining fund information

Disclaimer:

discretely presented component unit - School Board Activity Fund

Internal control over financial reporting:

Material weakness(es) identified?

Yes

Significant deficiencies in internal control were disclosed by the audit of the financial statements:

None Reported

Noncompliance material to financial statements noted?

No

Federal Awards

Internal control over major programs:

No

Material weakness(es) identified?

None Reported

Significant deficiencies in internal control were disclosed by the audit of the financial statements:

Unmodified

Type of auditor's opinion issued on compliance for major programs:

Any findings disclosed that are required to be reported in accordance with 2 CFR§200.516(a)?

No

Major programs identified:

CFDA

Water and Waste Disposal for Rural Communities	10.760
National School Lunch Program	10.555
Head Start	93.600
CARES Act	21.019
Educational Deprived Children's - LEA	84.010
Handicapped State Grants	84.027

Dollar threshold used to distinguish between Type A and Type B

\$ 750,000

Auditee qualified as low risk under 2 CFR§200.520?

Yes

Section II - Financial Statement Findings

2021-001

Criteria:	Identification of the failure to have an annual audit of the activity funds of the Scott County Public Schools, as required by State statute, that was not detected by the entity's internal controls indicates that a material weakness exists.
Condition:	The financial statements do not include the financial statements of the School Activity Fund as required by generally accepted accounting principles (GAAP).
Cause of Condition:	The County does not have proper controls in place to detect and correct errors or omissions in the financial statements.
Effect of Condition:	There is a reasonable possibility that an omission of required financial information that is more than inconsequential will not be prevented or detected by the County's internal control over financial reporting.
Recommendation:	The County should develop a plan to ensure that Discretely Presented Component Units are presented for audit annually and the component unit's financial statements be included in the County's comprehensive financial report.
Management's Response:	The County Administrator and School Superintendent will ensure that the Discretely Presented Component Units of Scott County will be audited and included in the County's annual financial report.

Section III - Federal Awards Findings and Questioned Costs

None Reported

Prior Year Findings

None Reported

Statistical Tables

County of Scott, Virginia
General Government Expenditures by Function (1)
Last Ten Fiscal Years

Table 1

Fiscal Year	General Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education	Recreation and Cultural	Community Development	Debt Service	Total
2011-12		1,145,352	4,980,802	2,448,139	4,518,977	39,867,234	594,934	498,724	15,800	55,597,990
2012-13	1,582,006	1,142,076	5,509,866	2,403,108	4,301,356	41,270,451	646,309	1,135,319	-	57,990,491
2013-14	1,648,455	1,163,964	5,503,599	2,239,556	4,291,851	43,611,343	576,080	601,965	96,706	59,733,519
2014-15	1,755,280	1,302,035	5,675,137	2,227,647	4,109,408	41,643,575	531,985	441,873	602,794	58,289,734
2015-16	1,848,598	1,372,808	5,969,416	1,993,743	4,413,669	41,474,323	520,613	465,292	197,063	58,289,734
2016-17	1,935,305	1,353,712	6,527,005	2,335,041	4,522,147	43,367,620	518,862	1,446,435	275,305	58,255,525
2017-18	1,917,215	1,369,616	5,906,279	2,077,353	4,597,897	46,990,301	501,347	742,627	294,746	64,397,381
2018-19	1,907,891	1,313,811	7,123,849	1,999,959	5,243,861	49,321,529	498,299	1,204,173	302,086	68,915,458
2019-20	1,940,635	1,343,854	6,525,785	1,866,250	4,983,091	50,345,498	502,884	1,027,110	210,519	68,745,626
2020-21	4,922,460	1,458,667	8,586,289	1,849,809	4,705,416	54,438,120	503,843	1,117,462	296,830	77,878,896

(1) Includes general, special revenue funds and capital project funds of the primary government and its discretely presented component units.

County of Scott, Virginia
General Government Revenues by Source (1)
Last Ten Fiscal Years

Table 2

Fiscal Year	General Property Taxes	Other Local Taxes	Permit Privilege Fees & Regulatory Licenses	Fines & Forfeitures	Revenues from the Use of Money & Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental	Total
2011-12	10,385,555	3,158,479	71,233	122,300	101,870	4,927,846	777,389	201,067	36,941,261	56,074,392
2012-13	10,328,263	3,237,175	85,239	193,027	104,025	5,861,257	800,162	207,854	37,236,030	56,687,000
2013-14	10,484,330	3,170,027	71,939	207,646	100,348	5,096,716	609,109	201,090	36,849,405	58,053,032
2014-15	10,768,184	3,134,530	61,121	202,900	98,042	4,771,809	896,774	713,887	37,625,174	56,790,610
2015-16	10,805,616	3,140,302	72,092	199,654	98,088	5,267,550	683,993	405,993	37,548,062	58,272,421
2016-17	11,907,890	3,262,651	67,099	215,584	112,743	4,244,690	235,362	473,862	38,194,440	58,221,350
2017-18	11,706,326	3,301,761	72,744	215,765	106,768	4,638,469	802,274	475,787	40,815,533	62,135,427
2018-19	11,791,257	3,291,038	75,281	199,723	102,277	4,150,416	765,405	423,009	43,972,066	64,770,472
2019-20	12,872,234	3,369,427	70,389	286,854	121,359	3,977,310	746,027	409,599	45,924,945	67,778,144
2020-21	13,065,751	3,453,211	72,687	350,277	83,813	4,139,107	1,359,767	523,893	50,216,273	73,264,779

(1) Includes general, special revenue funds and capital project funds of the primary government and its discretely presented component units.

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

Table 3

Fiscal Year	Total (1) Tax Levy	Current Tax (1)(4) Collections	Percent of Levy Collected	Delinquent (1) Tax (2) Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding (1,3) Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
2011-12	10,835,570	9,646,437	89.03%	484,311	10,130,748	93.50%	1,078,013	9.95%
2012-13	11,030,367	9,557,872	86.65%	549,373	10,107,245	91.63%	1,170,192	10.61%
2013-14	11,157,307	9,809,688	87.92%	464,866	10,274,554	92.09%	1,149,449	10.30%
2014-15	11,071,423	9,994,974	90.28%	489,003	10,483,977	94.69%	1,200,771	10.85%
2015-16	11,019,480	10,019,545	90.93%	492,442	10,511,987	95.39%	1,234,448	11.20%
2016-17	12,272,869	10,922,956	89.00%	556,300	11,479,256	93.53%	1,181,403	9.63%
2017-18	12,231,360	10,815,916	88.43%	552,705	11,368,621	92.95%	1,171,569	9.58%
2018-19	11,801,705	10,977,998	93.02%	454,922	11,432,920	96.88%	1,181,771	10.01%
2019-20	12,138,819	12,046,205	99.24%	485,531	12,531,736	103.24%	1,337,387	11.02%
2020-21	12,243,780	12,153,102	99.26%	585,534	12,738,636	104.04%	1,454,115	11.88%

(1) Exclusive of penalties and interest.

(2) Does not include land redemptions.

(3) Includes three years taxes.

(4) Includes revenue from the commonwealth for personal property tax relief act.

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

Table 4

Fiscal Year	Real Estate	Personal Property	Public Service		Total
			Real Estate	Personal Property	
2011-12	1,169,659,723	179,697,295	103,281,813	433,082	1,453,071,913
2012-13	1,180,192,223	190,142,164	101,691,872	507,706	1,472,533,965
2013-14	1,186,258,823	190,246,489	114,327,136	807,472	1,491,639,920
2014-15	1,193,119,123	197,694,447	84,131,357	907,258	1,475,852,185
2015-16	1,194,843,423	189,039,770	129,914,602	808,603	1,514,606,398
2016-17	1,230,983,823	193,464,087	135,928,447	605,499	1,514,606,398
2017-18	1,224,046,823	189,872,988	126,744,090	605,499	1,541,269,400
2018-19	1,105,352,532	244,177,009	121,792,968	400,164	1,471,722,673
2019-20	1,169,383,316	261,769,088	130,618,545	400,164	1,562,171,113
2020-21	1,178,748,185	267,783,507	130,618,545	400,164	1,577,550,401

(1) 100% fair market value.

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

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

Table 5

Fiscal Year	Real Estate	Personal Property	Mobile Homes	Machinery and Tools	Merchants' Capital
2011-12	0.69	1.40	0.69	0.72	0.72
2012-13	0.69	1.40	0.69	0.72	0.72
2013-14	0.69	1.40	0.69	0.72	0.72
2014-15	0.69	1.40	0.69	0.72	0.72
2015-16	0.69	1.40	0.69	0.72	0.72
2016-17	0.74	1.40	0.74	0.72	0.72
2017-18	0.74	1.40	0.74	0.72	0.72
2018-19	0.74	1.40	0.74	0.72	0.72
2019-20	0.80	1.65	0.80	0.90	0.72
2020-21	0.80	1.65	0.80	0.90	0.72

(1) Per \$100 of assessed value.

Ratio of Net General Obligation Bonded Debt to Assessed Value and
 Net General Obligation Bonded Debt per Capita
 Last Ten Fiscal Years

Fiscal Year	Population (1)	Assessed Value (in thousands) (2)	Gross Bonded Debt (3)	Ratio of Net General Obligation Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2011-12	23,177	1,453,071,913	-	0.00%	-
2012-13	23,177	1,472,533,965	-	0.00%	-
2013-14	23,177	1,491,639,920	-	-	-
2014-15	23,177	1,514,606,398	-	-	-
2015-16	23,177	1,514,606,398	-	-	-
2016-17	23,177	1,560,981,856	-	-	-
2017-18	23,177	1,541,269,400	-	-	-
2018-19	23,177	1,562,171,113	-	-	-
2019-20	23,177	1,562,171,113	-	-	-
2020-21	21,566	1,577,550,401	-	-	-

(1) Bureau of the Census.

(2) From Table 4.

(3) Includes all long-term general obligation bonded debt, and Literary Fund Loans.
 Excludes revenue bonds, capital leases, and compensated absences.