

COUNTY OF SCOTT, VIRGINIA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

COUNTY OF SCOTT, VIRGINIA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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INTRODUCTORY SECTION

COUNTY OF SCOTT, VIRGINIA

BOARD OF SUPERVISORS

Christopher S. Maness, Vice Chair	Michael K. Brickey, Chair	Stefanie A. Addington
Darrel W. Jeter		Laura M. Glover
Eddie N. Skeen		Danny M. Casteel

COUNTY SCHOOL BOARD

David M. Templeton, Chair	William D. Houseright
L. Stephen Sallee, Jr.	Patricia C. Edwards
Daniel K. Meade	Robin Hood

COUNTY WELFARE BOARD

Michael K. Brickey	Jennifer B. Frazier
Nina C. Culbertson	

OTHER OFFICIALS

Chief Magistrate.....	Hon. Jonathan Robbins
Clerk of the Circuit Court	Mark "Bo" Taylor
Commonwealth's Attorney.....	Kyle Kilgore
Commissioner of the Revenue	Tammy Tiller
Treasurer	Kevin Helms
Sheriff.....	Jeff Edds
Superintendent of Schools.....	John Ferguson
Director of Social Services.....	Lana Mullins
County Administrator.....	Freda R. Starnes

FINANCIAL SECTION



Independent Auditors' Report

**To the Honorable Members of the Board of Supervisors
County of Scott, Virginia
Gate City, Virginia**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Scott, Virginia, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County of Scott, Virginia's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Scott, Virginia, as of June 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of County of Scott, Virginia, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principles

As described in Note 21 to the financial statements, in 2024, the County adopted new accounting guidance, GASB Statement No. 100, *Accounting Changes and Error Corrections*. Our opinions are not modified with respect to this matter.

Restatement and/or Adjustment of Beginning Balances

As described in Note 22 to the financial statements, in 2024, the County restated beginning balances to reflect several corrections to the prior financial statements. Our opinions are not modified with respect to this matter.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about County of Scott, Virginia's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Specifications for Audits of Counties, Cities, and Towns* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Specifications for Audits of Counties, Cities, and Towns*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 County of Scott, Virginia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about County of Scott, Virginia's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise County of Scott, Virginia's basic financial statements. The accompanying other supplementary information and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 by us. In our opinion, based on our audit, the other supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and other statistical information but does not include the basic financial statements and our auditors' report thereon. Our opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 3, 2025, 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 solely 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 the effectiveness of County of Scott, Virginia's 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.



Blacksburg, Virginia
April 3, 2025

Basic Financial Statements

County of Scott, Virginia
Statement of Net Position
As of June 30, 2024

	Primary Government	Component Units		
	Governmental Activities	School Board	Public Service Authority	Economic Development Authority
ASSETS				
Cash and cash equivalents	\$ 3,562,046	\$ 649,221	\$ 401,815	\$ 1,093,215
Cash held at schools	-	824,833	-	-
Investments	7,777,334	-	1,909,231	-
Receivables (net of allowance for uncollectibles):				
Taxes receivable	19,262,753	-	-	-
Accounts receivable	2,089,329	-	881,869	-
Notes receivable	-	-	-	440,144
Leases receivable	-	-	-	1,468,736
Due from component unit	45,803	-	-	-
Due from primary government	-	-	-	110,000
Due from other governmental units	2,076,393	3,556,216	175,403	39,676
Inventories	-	-	94,977	6,087,608
Prepaid items	45,136	1,027,796	-	10,050
Restricted assets:				
Cash and cash equivalents	111,383	592,475	337,491	7,493
Investments	-	-	136,659	-
Net pension asset	-	188,409	-	-
Capital assets (net of accumulated depreciation):				
Land	1,258,236	1,947,912	486,753	2,486,836
Buildings and improvements	6,205,007	26,056,828	361,512	12,010,332
Machinery and equipment	1,781,580	9,753,494	798,897	-
Infrastructure	-	-	46,960,534	-
Construction in progress	2,440,493	5,910,814	6,232,698	-
Lease assets:				
Buildings and improvements	1,265,946	119,610	-	-
Machinery and equipment	507	20,447	-	-
Total assets	<u>\$ 47,921,946</u>	<u>\$ 50,648,055</u>	<u>\$ 58,777,839</u>	<u>\$ 23,754,090</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	\$ 2,588,985	\$ 8,004,737	\$ 402,878	\$ -
OPEB related items	602,262	1,135,668	25,199	-
Total deferred outflows of resources	<u>\$ 3,191,247</u>	<u>\$ 9,140,405</u>	<u>\$ 428,077</u>	<u>\$ -</u>
LIABILITIES				
Accounts payable	\$ 632,248	\$ 781,076	\$ 130,119	\$ 131,785
Accounts payable - construction	-	29,457	99,697	-
Accrued liabilities	-	4,129,161	87,187	-
Customers' deposits	-	-	337,491	-
Accrued interest payable	16,098	-	45,211	28,144
Due to primary government	-	45,803	-	-
Due to Tobacco Road Commission	-	-	-	40,906
Unearned grant revenue	1,712,100	1,734,902	-	-
Line of credit	-	-	498,442	-
Long-term liabilities:				
Due within one year	770,303	854,301	1,378,494	333,180
Due in more than one year	14,170,698	33,805,848	18,135,771	6,752,413
Total liabilities	<u>\$ 17,301,447</u>	<u>\$ 41,380,548</u>	<u>\$ 20,712,412</u>	<u>\$ 7,286,428</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue - property taxes	\$ 17,343,385	\$ -	\$ -	\$ -
Deferred revenue - prepaid taxes	225,173	-	-	-
Pension related items	919,087	3,109,069	53,377	-
OPEB related items	694,434	2,265,627	12,154	-
Leases related items	-	-	-	1,586,614
Total deferred inflows of resources	<u>\$ 19,182,079</u>	<u>\$ 5,374,696</u>	<u>\$ 65,531</u>	<u>\$ 1,586,614</u>
NET POSITION				
Net investment in capital assets	\$ 9,953,238	\$ 43,632,347	\$ 35,725,855	\$ 7,753,935
Restricted:				
Future pension costs	-	188,409	-	-
Opioid Settlement Fund	943,781	-	-	-
E911 services	185,176	-	-	-
Cafeteria operations	-	185,772	-	-
Headstart program	-	38,350	-	-
Asset forfeiture	7,702	-	-	-
Emergency equipment projects	111,383	-	-	-
Debt service	-	-	136,659	7,493
Unrestricted (deficit)	3,428,387	(31,011,662)	2,565,459	7,119,620
Total net position	<u>\$ 14,629,667</u>	<u>\$ 13,033,216</u>	<u>\$ 38,427,973</u>	<u>\$ 14,881,048</u>

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

County of Scott, Virginia
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Program Revenues				Primary Government		Component Units			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating		Capital Grants and Contributions	Governmental Activities	School Board	Public Service Authority	Economic Development Authority	
			Grants and Contributions							
PRIMARY GOVERNMENT:										
Governmental activities:										
General government administration	\$ 2,430,914	\$ -	\$ 576,592	\$ 178,211	\$ (1,676,111)	\$ -	\$ -	\$ -	\$ -	
Judicial administration	2,073,993	210,894	1,767,544	-	(95,555)	-	-	-	-	
Public safety	9,399,349	109,623	2,393,853	-	(6,895,873)	-	-	-	-	
Public works	2,585,638	83,827	22,120	748,667	(1,731,024)	-	-	-	-	
Health and welfare	6,526,632	3,619	5,771,609	-	(751,404)	-	-	-	-	
Education	8,405,393	-	-	-	(8,405,393)	-	-	-	-	
Parks, recreation, and cultural	639,715	124,017	-	-	(515,698)	-	-	-	-	
Community development	1,754,778	-	110,000	-	(1,644,778)	-	-	-	-	
Interest on long-term debt	91,823	-	-	-	(91,823)	-	-	-	-	
Total governmental activities	\$ 33,908,235	\$ 531,980	\$ 10,641,718	\$ 926,878	\$ (21,807,659)	\$ -	\$ -	\$ -	\$ -	
Total primary government	\$ 33,908,235	\$ 531,980	\$ 10,641,718	\$ 926,878	\$ (21,807,659)	\$ -	\$ -	\$ -	\$ -	
COMPONENT UNITS:										
School Board	\$ 68,192,643	\$ 184,975	\$ 59,340,701	\$ 177,510	\$ -	\$ (8,489,457)	\$ -	\$ -	\$ -	
Public Service Authority	6,418,573	5,469,826	-	2,001,097	-	-	1,052,350	-	-	
Economic Development Authority (EDA)	1,681,207	423,500	293,735	-	-	-	-	-	(963,972)	
Total component units	\$ 76,292,423	\$ 6,078,301	\$ 59,634,436	\$ 2,178,607	\$ -	\$ (8,489,457)	\$ 1,052,350	\$ (963,972)	\$ (963,972)	
General revenues:										
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ 16,913,497	\$ -	\$ -	\$ -	\$ -	
Other local taxes:										
Local sales and use taxes	-	-	-	-	2,072,292	-	-	-	-	
Consumer's utility taxes	-	-	-	-	403,755	-	-	-	-	
Meals taxes	-	-	-	-	351,389	-	-	-	-	
Motor vehicle licenses	-	-	-	-	430,195	-	-	-	-	
Taxes on recordation and wills	-	-	-	-	78,395	-	-	-	-	
Other local taxes	-	-	-	-	95,654	-	-	-	-	
Unrestricted revenues from use of money	-	-	-	-	866,127	15,558	132,594	20,977	60	
Miscellaneous	-	-	-	-	1,183,893	2,875,733	64,554	711,330	-	
Contributions from Scott County	-	-	-	-	-	10,447,478	-	-	-	
Grants and contributions not restricted to specific programs	-	-	-	-	2,148,102	-	-	-	-	
Total general revenues	\$ -	\$ -	\$ -	\$ -	\$ 24,543,299	\$ 13,338,769	\$ 197,148	\$ 732,367	\$ -	
Change in net position	\$ -	\$ -	\$ -	\$ -	\$ 2,735,640	\$ 4,849,312	\$ 1,249,498	\$ (231,605)	\$ -	
Net position - beginning, as previously reported	-	-	-	-	12,962,427	5,605,832	37,178,475	22,612,880	-	
Restatements	-	-	-	-	(1,068,400)	2,578,072	-	(7,500,227)	-	
Net position - beginning, as restated	-	-	-	-	11,894,027	8,183,904	37,178,475	15,112,653	-	
Net position - ending	\$ -	\$ -	\$ -	\$ -	\$ 14,629,667	\$ 13,033,216	\$ 38,427,973	\$ 14,881,048	\$ -	

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

County of Scott, Virginia
Balance Sheet
Governmental Funds
As of June 30, 2024

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 3,331,645	\$ 230,401	\$ 3,562,046
Investments	7,777,334	-	7,777,334
Receivables (net of allowance for uncollectibles):			
Taxes receivable	19,262,600	153	19,262,753
Accounts receivable	2,089,329	-	2,089,329
Due from component unit	45,803	-	45,803
Due from other governmental units	2,076,393	-	2,076,393
Prepaid items	45,136	-	45,136
Restricted assets:			
Cash and cash equivalents	111,383	-	111,383
Total assets	<u>\$ 34,739,623</u>	<u>\$ 230,554</u>	<u>\$ 34,970,177</u>
LIABILITIES			
Accounts payable	\$ 632,038	\$ 210	\$ 632,248
Unearned grant revenue	1,712,100	-	1,712,100
Total liabilities	<u>\$ 2,344,138</u>	<u>\$ 210</u>	<u>\$ 2,344,348</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	\$ 19,080,682	\$ -	\$ 19,080,682
Unavailable revenue - prepaid taxes	225,173	-	225,173
Unavailable revenue - opioid settlement	647,665	-	647,665
Total deferred inflows of resources	<u>\$ 19,953,520</u>	<u>\$ -</u>	<u>\$ 19,953,520</u>
FUND BALANCES			
Nonspendable:			
Prepaid items	\$ 45,136	\$ -	\$ 45,136
Restricted:			
Emergency equipment projects	111,383	-	111,383
E-911	185,176	-	185,176
Opioid Settlement Fund	296,116	-	296,116
Asset forfeiture funds	7,702	-	7,702
Committed:			
Law library	-	2,887	2,887
Coal and roads	-	42,547	42,547
Courthouse maintenance	78,073	-	78,073
Courthouse security	88,154	-	88,154
Capital projects	-	184,910	184,910
Assigned:			
Commonwealth attorney	231,406	-	231,406
Weapons permits	27,006	-	27,006
Technology	17,694	-	17,694
Weapons permits	32,344	-	32,344
Motor vehicle violation funds	7,835	-	7,835
Excess scrap metal funds	2,340	-	2,340
Animal control funds	7,482	-	7,482
Unassigned	11,304,118	-	11,304,118
Total fund balances	<u>\$ 12,441,965</u>	<u>\$ 230,344</u>	<u>\$ 12,672,309</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 34,739,623</u>	<u>\$ 230,554</u>	<u>\$ 34,970,177</u>

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

County of Scott, Virginia
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
As of June 30, 2024

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	12,672,309
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Land	\$	1,258,236	
Buildings and improvements		6,205,007	
Machinery and equipment		1,781,580	
Construction in progress		2,440,493	
Lease- building and improvements		1,265,946	
Lease - machinery and equipment		507	12,951,769

Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.

Unearned revenue - opioid settlement	\$	647,665	
Unavailable revenue - property taxes		1,737,297	2,384,962

Deferred outflows of resources are not available to pay for current-period expenditures, and therefore, are not reported in the funds.

Pension related items	\$	2,588,985	
OPEB related items		602,262	3,191,247

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Notes payable	\$	(321,000)	
Lease liabilities		(1,303,282)	
Financed purchase		(1,485,632)	
Accrued interest payable		(16,098)	
Net pension liability		(6,082,617)	
Landfill closure and postclosure liability		(1,092,245)	
Compensated absences		(635,516)	
Net OPEB liabilities		(4,020,709)	(14,957,099)

Deferred inflows of resources are not due and payable in the current period, and, therefore, are not reported in the funds.

Pension related items	\$	(919,087)	
OPEB related items		(694,434)	(1,613,521)

Net position of governmental activities	\$	14,629,667
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The notes to the 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, 2024

	<u>General</u>	Other Governmental <u>Funds</u>	<u>Total</u>
REVENUES			
General property taxes	\$ 16,719,652	\$ -	\$ 16,719,652
Other local taxes	3,430,982	698	3,431,680
Permits, privilege fees, and regulatory licenses	44,388	-	44,388
Fines and forfeitures	170,256	-	170,256
Revenue from the use of money and property	869,746	-	869,746
Charges for services	313,717	-	313,717
Miscellaneous	923,016	2,415	925,431
Recovered costs	3,734,634	-	3,734,634
Intergovernmental:			
Commonwealth	8,789,327	-	8,789,327
Federal	4,927,371	-	4,927,371
Total revenues	<u>\$ 39,923,089</u>	<u>\$ 3,113</u>	<u>\$ 39,926,202</u>
EXPENDITURES			
Current:			
General government administration	\$ 3,128,821	\$ -	\$ 3,128,821
Judicial administration	2,220,699	4,771	2,225,470
Public safety	10,470,598	638	10,471,236
Public works	2,378,841	524	2,379,365
Health and welfare	6,393,933	-	6,393,933
Education	10,517,028	-	10,517,028
Parks, recreation, and cultural	732,902	-	732,902
Community development	1,811,961	-	1,811,961
Capital projects	348,151	-	348,151
Debt service:			
Principal retirement	437,084	-	437,084
Interest and other fiscal charges	77,332	-	77,332
Total expenditures	<u>\$ 38,517,350</u>	<u>\$ 5,933</u>	<u>\$ 38,523,283</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,405,739</u>	<u>\$ (2,820)</u>	<u>\$ 1,402,919</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ -	\$ 50,000	\$ 50,000
Transfers out	(50,000)	-	(50,000)
Total other financing sources (uses)	<u>\$ (50,000)</u>	<u>\$ 50,000</u>	<u>\$ -</u>
Net change in fund balances	\$ 1,355,739	\$ 47,180	\$ 1,402,919
Fund balances - beginning, as previously reported	10,956,574	183,164	11,139,738
Restatements	129,652	-	129,652
Fund balances - beginning, as restated	11,086,226	183,164	11,269,390
Fund balances - ending	<u>\$ 12,441,965</u>	<u>\$ 230,344</u>	<u>\$ 12,672,309</u>

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

County of Scott, Virginia
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2024

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

Net change in fund balances - total governmental funds	\$	1,402,919
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the detail of items supporting this adjustment:

Capital outlays	\$ 1,100,272	
Depreciation expenses	<u>(851,639)</u>	248,633

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

Increase (decrease) in unavailable revenue - property taxes	\$ 193,845	
Increase (decrease) in unavailable revenue - opioid settlement	<u>258,462</u>	452,307

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Debt issued or incurred:		
Increase in landfill closure and postclosure liability	\$ (34,893)	
Principal repayments:		
Financed purchase	198,184	
Notes payable	154,863	
Leases payable	<u>84,037</u>	402,191

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

Decrease (increase) in compensated absences	\$ (85,124)	
Decrease (increase) in accrued interest payable	(14,491)	
Change in net pension liability and related items	334,023	
Change in net OPEB liabilities and related items	<u>(4,818)</u>	229,590

Change in net position of governmental activities	\$	<u>2,735,640</u>
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The notes to the financial statements are an integral part of this statement.

County of Scott, Virginia
Statement of Fiduciary Net Position
Fiduciary Funds
As of June 30, 2024

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	\$ 352,148
Total assets	<u>\$ 352,148</u>
LIABILITIES	
Due to other funds	\$ 278,337
Total liabilities	<u>\$ 278,337</u>
NET POSITION	
Restricted - amounts held for social services clients	\$ 53,670
Restricted - state income taxes	197,784
Restricted - asset forfeitures pending court results	100,694
Unrestricted	<u>(278,337)</u>
Total net position	<u>\$ 73,811</u>

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

County of Scott, Virginia
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2024

	<u>Custodial Funds</u>
ADDITIONS	
Contributions:	
State income tax payments	\$ 282,307
Social security and welfare receipts	89,684
Fringe benefit withholdings	2,469,837
Asset forfeitures	210,264
Total additions	<u>\$ 3,052,092</u>
DEDUCTIONS	
Fringe benefit payments	\$ 2,732,195
State income tax payments	97,061
Remittance to state/federal asset forfeitures	169,810
Welfare payments	58,002
Total deductions	<u>\$ 3,057,068</u>
Net increase (decrease) in fiduciary net position	\$ (4,976)
Net position - beginning, as previously reported	\$ 19,866
Restatements	58,921
Net position - beginning, as restated	<u>\$ 78,787</u>
Net position - ending	<u>\$ 73,811</u>

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

County of Scott, Virginia

Notes to Financial Statements June 30, 2024

Note 1-Summary of Significant Accounting Policies:

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

A. Financial Reporting Entity

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

Blended component units - None

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

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

The Scott County Public Service Authority (PSA) provides water and sewer service to residents of Scott County. The County provides support to the Authority and appoints all of the Authority's Board members. As such, the Authority is considered a component unit of the County. The Authority issues separate financial statements that may be obtained by writing to 156 Legion St, Weber City, VA 24290.

The Scott County Economic Development Authority (EDA), encourages and provides financing for economic development in the County. The Economic Development Authority board members are appointed by the Board of Supervisors. The Economic Development Authority is fiscally dependent upon the County because the County provides significant funding and approves all debt issuances. As such, the Authority is considered a component unit of the County. The Authority issues separate financial statements that may be obtained by writing to 190 Beech Street, Suite 202, Gate City, VA 24251.

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

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

B. Government-wide and fund financial statements

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

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

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

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

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

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

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

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

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

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

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*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, including lease liabilities, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the government the right to use lease assets, are reported as expenditures in the governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

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

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

The County reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts and reports for all financial resources of the general government, except those required to be accounted for in other funds. The general fund includes the activities of the Social Services, Courthouse Maintenance, Courthouse Security, Opioid Settlement, E-911, Commonwealth Attorney, Weapons Permits, Motor Vehicle Violations, Excess Scrap Metal, Animal Control, Technology, Coronavirus Relief and Children's Services Act Funds.

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

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

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

The County reports the following nonmajor governmental funds:

The Fire Training Facility Fund accounts for and reports all financial resources used for the acquisition or construction of major capital facilities related to the Fire Training Facility and is reported as a nonmajor capital project fund.

The Special Revenue Fund accounts for and reports the proceeds of specific revenue sources (other than those dedicated for major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action. The Coal Road Improvement Fund and Law Library Fund are reported as nonmajor special revenue funds.

Additionally, the County reports the following fund types:

Fiduciary Funds account for assets held by the County in a trustee capacity or as custodian for individuals, private organizations, other governmental units, or other funds. These funds include Custodial Funds, which include the Special Welfare Fund, Fringe Benefit Fund, State Income Tax Fund, State and Federal Asset Forfeiture Fund. These funds utilize the accrual basis of accounting. Fiduciary Funds are not included in the government-wide financial statements because the resources of those funds are not available to support the County's own programs.

The Component Unit School Board reports the following major governmental funds:

The School Operating Fund is the primary operating fund of the School Board and accounts for and reports all revenues and expenditures applicable to the general operations of the public school system. Revenues are derived primarily from charges for services, appropriations from the County of Scott, and state and federal grants. The School Operating Fund is considered a major fund of the School Board for financial reporting purposes.

The Component Unit School Board reports a major special revenue fund for School Food Service. This fund reports activities of the school cafeterias.

The Component Unit School Board reports a major special revenue fund for School Head Start. This fund reports activities of the head start activities.

The Component Unit School Board reports a major special revenue fund for School Activity. This fund reports activities of accounts held at each school and maintained by the school principal.

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

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

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

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

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Assets, liabilities, deferred outflows/inflows of resources and net position/fund balance

1. Cash and cash equivalents

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

2. 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.

3. Receivables and payables

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

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

4. Property taxes

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

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

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

D. Assets, liabilities, deferred outflows/inflows of resources and net position/fund balance: (continued)

5. Allowance for uncollectible accounts

The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$260,966 at June 30, 2024 and is comprised entirely of property taxes.

6. Use of estimates

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

7. Prepaid items

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

8. Capital assets

Capital assets are tangible and intangible assets, which include property, plant, equipment, lease, subscription, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets, except for infrastructure assets, are defined by the County and Component Unit School Board as assets with an initial, individual cost of more than \$20,000 and an estimated useful life in excess of two years.

As the County and Component Unit School Board constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost (except for intangible right-to-use lease and subscription assets, the measurement of which is discussed in more detail below). The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset's capacity or efficiency or increases its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

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

D. Assets, liabilities, deferred outflows/inflows of resources and net position/fund balance: (continued)

8. Capital assets (continued)

Land and construction in progress are not depreciated. The other tangible and intangible property, plant equipment, lease assets, subscription assets, and infrastructure of the primary government, as well as the component unit, are depreciated/amortized 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
Lease building and improvements	40
Lease machinery and equipment	5

9. Compensated absences

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

10. Long-term obligations

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

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

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

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

D. Assets, liabilities, deferred outflows/inflows of resources and net position/fund balance: (continued)

11. Fund balance

The County reports fund balance in accordance with current reporting standards and has classified fund balance into the following five categories:

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

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

Committed -items that have been committed, modified, or rescinded by formal action by the entity's "highest level of decision-making authority"; which the County of Scott, Virginia considers to be the Board of Supervisors.

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

Unassigned -this category is for any balances that have no restrictions placed upon them; positive amounts are only reported in the general fund.

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

12. Net position

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

13. Net Position Flow Assumption

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

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

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

D. Assets, liabilities, deferred outflows/inflows of resources and net position/fund balance: (continued)

14. 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 fiduciary net 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.

15. Other Postemployment Benefits (OPEB)

For purposes of measuring the net VRS related OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense, information about the fiduciary net position of the VRS GLI, HIC, Teacher HIC, and LODA OPEB Plans and the additions to/deductions from the VRS OPEB Plans' fiduciary net 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.

In addition to the above OPEB plans the County, DSS, and School Board have local OPEB plans related to health insurance. Each entity allows their retirees to stay on the employer health insurance after leaving employment which generates an implicit rate subsidy. See related notes for further information.

16. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure/expense) until then. The County has one item that qualifies for reporting in this category. It is comprised of certain items related to pension and OPEB. For more detailed information on these items, reference the related notes.

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

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

D. Assets, liabilities, deferred outflows/inflows of resources and net position/fund balance: (continued)

16. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has two types of items that qualify for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable and tipping fees receivable are reported in the governmental funds balance sheet. The unavailable property tax amount is comprised of uncollected property taxes due prior to June 30th, 2nd half installments levied during the fiscal year but due after June 30th, and amounts prepaid on the 2nd half installments and is deferred and recognized as an inflow of resources in the period that the amount becomes available. The unavailable tipping fees are comprised of uncollected tipping fees that are not available for funding of current expenditures. Under the accrual basis, 2nd half installments of taxes levied during the fiscal year but due after June 30th and amounts prepaid on the 2nd half installments are reported as deferred inflows of resources. In addition, certain items related to pension, OPEB, and leases are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

17. Leases

The County leases various assets requiring recognition. A lease is a contract that conveys control of the right to use another entity's nonfinancial asset. Lease recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases.

Lessee

The County recognizes lease liabilities and intangible right-to-use lease assets (lease assets) with an initial value of \$20,000, individually or in the aggregate in the government-wide financial statements. At the commencement of the lease, the lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease liability is reduced by the principal portion of payments made. The lease asset is measured at the initial amount of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. The lease asset is amortized over the shorter of the lease term or the useful life of the underlying asset.

Lessor

The County recognizes leases receivable and deferred inflows of resources in the government-wide and governmental fund financial statements. At commencement of the lease, the lease receivable is measured at the present value of lease payments expected to be received during the lease term, reduced by any provision for estimated uncollectible amounts. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is measured at the initial amount of the lease receivable, less lease payments received from the lessee at or before the commencement of the lease term (less any lease incentives).

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

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

D. Assets, liabilities, deferred outflows/inflows of resources and net position/fund balance: (continued)

17. Leases (continued)

Key Estimates and Judgments

Lease accounting includes estimates and judgments for determining the (1) rate used to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The County uses the interest rate stated in lease contracts. When the interest rate is not provided or the implicit rate cannot be readily determined, the County uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease and certain periods covered by options to extend to reflect how long the lease is expected to be in effect, with terms and conditions varying by the type of underlying asset.
- Fixed and certain variable payments as well as lease incentives and certain other payments are included in the measurement of the lease liability (lessee) or lease receivable (lessor).

The County monitors changes in circumstances that would require a remeasurement or modification of its leases. The County will remeasure the lease asset and liability (lessee) or the lease receivable and deferred inflows of resources (lessor) if certain changes occur that are expected to significantly affect the amount of the lease liability or lease receivable.

Note 2-Stewardship, Compliance, and Accountability:

A. Budgetary information

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

1. Prior to April 1st, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them. All non-fiduciary funds have legally adopted budgets.
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. Only the Board of Supervisors can revise the appropriation for each department or category. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, School Fund, and the Capital Projects Funds.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30, for all County units. The County's practice is to appropriate Capital Projects by Project. Several supplemental appropriations were necessary during this fiscal year.

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

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

B. Budgetary information (continued)

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

8. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to commit that portion of the applicable appropriations, is not part of the County's accounting system.

B. Excess of expenditures over appropriations

For fiscal year 2024, several departments exceeded appropriation including: School self-insurance, School Instruction, School Admin and Health Services, School Transportation, School Operations and Maintenance, School Capital Projects, CSA, and PSA Capital Projects. In addition, the Head Start fund did not appropriate a budget for FY24.

C. Deficit fund balance

At June 30, 2024, there were no funds with a deficit balance.

Note 3-Deposits and Investments:

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

Statutes authorize local governments and other public bodies to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper that has received at least two of the following ratings: P-1 by Moody's Investors Service, Inc.; A-1 by Standard & Poor's; or F1 by Fitch Ratings, Inc. (Section 2.2-4502), banker's acceptances, repurchase agreements, and the State Treasurer's Local Government Investment Pool (LGIP).

Credit Risk of Debt Securities:

The County has not adopted an investment policy for credit risk.

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 3-Deposits and Investments: (continued)

The County's and School's rated debt investments as of June 30, 2024 were rated by Standard & Poor's and/or an equivalent national rating organization and the ratings are presented below using the Standard & Poor's rating scale.

County's Rated Debt Investments' Values	
Rated Debt Investments	Fair Quality Ratings
	AAAm
Local Government Investment Pool (LGIP) \$	7,777,334

Concentration of Credit Risk:

At June 30, 2024, the County did not have any investments meeting the definition requiring concentration of credit risk disclosures that exceeded 5% of total investments.

Interest Rate Risk:

The County has not adopted an investment policy for interest rate risk. Listed below are the County's investments subject to interest rate risk and their corresponding maturity dates.

Investment Maturities (in years)		
Investment Type	Fair Value	1 Year
Local Government Investment Pool (LGIP) \$	7,777,334 \$	7,777,334

External Investment Pool:

The value of the positions in the external investment pool (Local Government Investment Pool (LGIP)) is the same as the value of the pool shares. As this pool is not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury. LGIP is an amortized cost basis portfolio. There are no withdrawal limitations or restrictions imposed on participants.

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 4-Due from Other Governmental Units:

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

	Primary Government	Component Unit School Board
<u>Commonwealth of Virginia:</u>		
Sales tax	\$ -	\$ 641,065
Local sales tax	357,989	-
Social service	159,234	-
CSA	125,214	-
Shared expenses	279,304	-
Noncategorical aid	233,015	-
Other categorical aid	346,814	-
<u>Federal Government:</u>		
Other categorical aid	361,609	2,915,151
Social service	213,214	-
Totals	<u>\$ 2,076,393</u>	<u>\$ 3,556,216</u>

Note 5-Interfund/Component-Unit Obligations and Transfers:

Component unit obligations at June 30, 2024 consisted of the following:

	Due to Primary Government/ Component Unit	Due from Primary Government/ Component Unit
Primary Government:		
General Fund	<u>\$ 45,803</u>	<u>\$ -</u>
Component Unit:		
School Board	<u>\$ -</u>	<u>\$ 45,803</u>

Interfund obligations at June 30, 2024 consisted of the following:

Component Unit:		
School Board:		
School operating Fund	\$ -	\$ 1,563,308
Self Health Insurance Fund	1,241,432	-
School Food Service Fund	321,876	-
Total	<u>\$ 1,563,308</u>	<u>\$ 1,563,308</u>

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 5-Interfund/Component-Unit Obligations and Transfers: (continued)

Interfund transfers for the year ended June 30, 2024, consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 50,000
Capital Projects Fund	50,000	-
Total	<u>\$ 50,000</u>	<u>\$ 50,000</u>
School Operating Fund	\$ -	\$ 1,022,340
School Food Service Fund	89,438	-
School Activity Fund	932,902	-
Total	<u>\$ 1,022,340</u>	<u>\$ 1,022,340</u>

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

Note 6-Long-Term Obligations:

Primary Government - Governmental Activities Obligations:

The following is a summary of long-term obligation transactions of the County for the year ended June 30, 2024:

	<u>Beginning Balance</u> <u>As previously reported</u> <u>July 1, 2023</u>	<u>Restatement</u>	<u>Beginning Balance</u> <u>As restated</u> <u>July 1, 2023</u>	<u>Increases/</u> <u>Issuances</u>	<u>Decreases/</u> <u>Issuances</u>	<u>Balance</u> <u>June 30, 2024</u>
Net pension liability	\$ 4,678,588	\$ -	\$ 4,678,588	\$ 3,092,885	\$ (1,688,856)	\$ 6,082,617
Net OPEB liabilities	4,147,448	-	4,147,448	1,008,886	(1,135,625)	4,020,709
Notes payable	120,863	355,000	475,863	-	(154,863)	321,000
Financed purchases	154,816	1,529,000	1,683,816	-	(198,184)	1,485,632
Lease liabilities	6,485	1,380,834	1,387,319	-	(84,037)	1,303,282
Landfill closure and postclosure liability	1,057,352	-	1,057,352	34,893	-	1,092,245
Compensated absences	550,392	-	550,392	497,918	(412,794)	635,516
Total	<u>\$ 10,715,944</u>	<u>\$ 3,264,834</u>	<u>\$ 13,980,778</u>	<u>\$ 4,634,582</u>	<u>\$ (3,674,359)</u>	<u>\$ 14,941,001</u>

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 6-Long-Term Obligations: (continued)

Primary Government - Governmental Activities Obligations: (continued)

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

Year Ending June 30,	Direct Borrowings and Direct Placements					
	Notes Payable		Financed Purchase		Lease liabilities	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 31,000	\$ 8,249	\$ 182,514	\$ 45,193	\$ 80,152	\$ 25,708
2026	33,000	7,385	187,118	40,034	81,284	24,076
2027	35,000	6,467	144,000	34,717	82,949	22,411
2028	33,000	5,549	149,000	29,845	84,649	20,711
2029	32,000	4,671	154,000	24,807	86,384	18,976
2030-2034	157,000	8,436	669,000	45,441	459,205	67,595
2035-2039	-	-	-	-	428,659	19,119
Totals	\$ 321,000	\$ 40,757	\$ 1,485,632	\$ 220,037	\$ 1,303,282	\$ 198,596

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County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 6-Long-Term Obligations: (continued)

Primary Government - Governmental Activities Obligations: (continued)

Details of long-term obligations:

	Interest Rates	Implementation/ Issue Date	Final Maturity Date	Installment Amounts	Amount of Original Issue	Total Amount	Amount Due Within One Year
Direct Borrowings and Placements - Financed Purchases:							
2020 Peterbilt Garbage Truck	1.27%	9/10/2021	6/30/2026	\$48,729 (b)	\$ 188,881	\$ 95,632	\$ 47,514
2023 E911 Radio Equipment	3.33%	5/3/2023	9/1/2032	\$155,666 - \$178,926 (a+)	1,529,000	1,390,000	135,000
Total financed purchases						<u>\$ 1,485,632</u>	<u>\$ 182,514</u>
Direct Borrowings and Placements - Note payable:							
Scott County EDA (2017 PVNB)	2.70%	10/30/2017	10/1/2033	\$23,000-\$41,000 (a+)	\$ 500,000	\$ 321,000	\$ 31,000
Lease Liabilities:							
DSS building lease	2.03%	7/1/2021	9/1/2038	\$8,780 (b)	\$ 1,532,270	\$ 1,302,782	\$ 79,652
Commonwealth Attorney copier lease	0.42%	8/1/2021	7/1/2024	\$500 (b)	17,890	500	500
Total lease liabilities						<u>\$ 1,303,282</u>	<u>\$ 80,152</u>
Other Obligations:							
Landfill Closure and Postclosure Liability						\$ 1,092,245	\$ -
Net Pension Liability						6,082,617	-
Net OPEB Liabilities						4,020,709	-
Compensated Absences						635,516	476,637
Total Other Obligations						<u>\$ 11,831,087</u>	<u>\$ 476,637</u>
Total Long-Term Obligations						<u>\$ 14,941,001</u>	<u>\$ 770,303</u>

(a+) annual principal installments shown does not include semi-annual interest installments

(b) payments include principal and interest

Discretely Presented Component Unit-School Board-Obligations:

The following is a summary of long-term obligation transactions of the Component Unit-School Board for the year ended June 30, 2024:

	Beginning Balance As previously reported July 1, 2023	Restatements	Beginning Balance As restated July 1, 2023	Increases/ Issuances	Decreases/ Issuances	Balance June 30, 2024
Net pension liability	\$ 23,535,320	\$ (300,299)	\$ 23,235,021	\$ 11,042,435	\$ (9,487,515)	\$ 24,789,941
Net OPEB liabilities	9,113,555	-	9,113,555	1,448,681	(1,958,315)	8,603,921
Lease liabilities	162,683	-	162,683	-	(15,382)	147,301
Financed purchase	1,992,000	-	1,992,000	-	(1,992,000)	-
Compensated absences	931,164	-	931,164	886,195	(698,373)	1,118,986
Capital lease issue costs	(34,480)	34,480	-	-	-	-
Total	<u>\$ 35,700,242</u>	<u>\$ (265,819)</u>	<u>\$ 35,434,423</u>	<u>\$ 13,377,311</u>	<u>\$ (14,151,585)</u>	<u>\$ 34,660,149</u>

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 6-Long-Term Obligations: (continued)

Discretely Presented Component Unit-School Board-Obligations: (continued)

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

Year Ending June 30,	Lease liabilities	
	Principal	Interest
2025	\$ 15,061	\$ 2,794
2026	16,097	2,457
2027	16,958	2,096
2028	10,795	1,793
2029	10,404	1,596
2030-2034	59,551	4,749
2035-2036	18,435	265
Totals	<u>\$ 147,301</u>	<u>\$ 15,750</u>

Details of long-term obligations:

	Interest Rates	Implementation/ Issue Date	Final Maturity Date	Installment Amounts	Amount of Original Issue	Total Amount	Amount Due Within One Year
Lease Liabilities:							
Head Start building lease	1.91%	4/30/2017	11/28/2035	\$800 - \$1,100 (b)	\$179,200	\$ 126,404	\$ 8,462
Head Start copier lease	2.55%	8/6/2022	7/6/2027	\$588 (b)	\$32,944	20,897	6,599
Total lease liabilities						<u>\$ 147,301</u>	<u>\$ 15,061</u>
Other Obligations:							
Net pension liability						\$ 24,789,941	\$ -
Net OPEB liabilities						8,603,921	-
Compensated absences						1,118,986	839,240
Total Long-Term Obligations						<u>\$ 34,660,149</u>	<u>\$ 854,301</u>

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 7-Pension Plans:

Plan Description

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

Benefit Structures

The System administers three different benefit structures for covered employees - Plan 1, Plan 2 and Hybrid. Each of these benefit structures has different eligibility criteria, as detailed below.

- a. Employees with a membership date before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of creditable service or age 50 with at least 10 years of service. Hazardous duty employees (law enforcement officers, firefighters, and sheriffs) are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- c. Non-hazardous duty employees with a membership date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 - April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service credit equals 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 7—Pension Plans: (continued)

Average Final Compensation and Service Retirement Multiplier

The VRS defined benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the employee's average final compensation multiplied by the employee's total service credit. Under Plan 1, average final compensation is the average of the employee's 36 consecutive months of highest compensation and the multiplier is 1.70% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.70% or 1.85% for hazardous duty employees as elected by the employer. Under Plan 2, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the retirement multiplier is 1.65% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.70% or 1.85% for hazardous duty employees as elected by the employer. Under the Hybrid Plan, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the multiplier 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.

Cost-of-Living Adjustment (COLA) in Retirement and Death and Disability Benefits

Retirees with an unreduced benefit or with a reduced benefit with at least 20 years of service credit are eligible for an annual COLA beginning July 1 after one full calendar year from the retirement date. Retirees with a reduced benefit and who have less than 20 years of service credit are eligible for an annual COLA beginning on July 1 after one calendar year following the unreduced retirement eligibility date. Under Plan 1, the COLA cannot exceed 5.00%. Under Plan 2 and the Hybrid Plan, the COLA cannot exceed 3.00%. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia, as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

Employees Covered by Benefit Terms

As of the June 30, 2022 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Primary Government	Component Unit School Board Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	120	69
Inactive members:		
Vested	17	8
Non-Vested	43	23
Active Elsewhere in VRS	41	6
Total inactive members	101	37
Active members	154	93
Total covered employees	375	199

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 7—Pension Plans: (continued)

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 employer contribution rate for the year ended June 30, 2024 was 15.35% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$1,303,915 and \$1,169,426 for the years ended June 30, 2024 and June 30, 2023, respectively.

The Component Unit School Board's contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2024 was 4.40% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Scott County School Board's nonprofessional employees were \$104,393 and \$97,240 for the years ended June 30, 2024 and June 30, 2023, respectively.

Net Pension Liability

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. The County's and Component Unit School Board's (nonprofessional) net pension liabilities were measured as of June 30, 2023. The total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023.

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 7—Pension Plans: (continued)

Actuarial Assumptions - General Employees

The total pension liability for General Employees in the County's and Component Unit School Board's (nonprofessional) Retirement Plan was based on an actuarial valuation as of June 30, 2022, 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, 2023.

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

Mortality rates:

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

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.

Mortality Improvement:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 7—Pension Plans: (continued)

Actuarial Assumptions - General Employees (continued)

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the County's Retirement Plan was based on an actuarial valuation as of June 30, 2022, 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, 2023.

Inflation	2.50%
Salary increases, including inflation	3.50% - 4.75%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 7—Pension Plans: (continued)

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits (continued)

Mortality rates:

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

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males; 105% of rates for females set forward 2 years.

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males; 105% of rates for females set forward 3 years.

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males and females set forward 2 years.

Mortality Improvement:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 7—Pension Plans: (continued)

Long-term Expected Rate of Return

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

The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
		Inflation	2.50%
		*Expected arithmetic nominal return	8.25%

* The above allocation provides a one-year expected return of 8.25%. 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. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

**On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 7—Pension Plans: (continued)

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; the County and Component Unit School Board (nonprofessional) was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2023, 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, 2022 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2023, the rate contributed by the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 112% of the actuarially determined contribution rate. From July 1, 2023 on, participating employers and school divisions are assumed to continue to contribute 100% and 112%, respectively of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2022	\$ 35,891,917	\$ 31,213,329	\$ 4,678,588
Changes for the year:			
Service cost	\$ 876,987	\$ -	\$ 876,987
Interest	2,419,516	-	2,419,516
Changes of assumptions	-	-	-
Differences between expected and actual experience	1,644,814	-	1,644,814
Contributions - employer	-	1,169,386	(1,169,386)
Contributions - employee	-	372,686	(372,686)
Net investment income	-	2,014,298	(2,014,298)
Benefit payments, including refunds of employee contributions	(1,848,432)	(1,848,432)	-
Administrative expenses	-	(19,897)	19,897
Other changes	-	815	(815)
Net changes	\$ 3,092,885	\$ 1,688,856	\$ 1,404,029
Balances at June 30, 2023	\$ 38,984,802	\$ 32,902,185	\$ 6,082,617

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 7—Pension Plans: (continued)

Changes in Net Pension Liability (Asset)

	Component Unit - School Board (nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2022	\$ 11,153,120	\$ 11,453,419	\$ (300,299)
Changes for the year:			
Service cost	\$ 198,375	\$ -	\$ 198,375
Interest	744,937	-	744,937
Changes of assumptions	-	-	-
Differences between expected and actual experience	106,454	-	106,454
Contributions - employer	-	94,995	(94,995)
Contributions - employee	-	122,147	(122,147)
Net investment income	-	727,887	(727,887)
Benefit payments, including refunds of employee contributions	(630,787)	(630,787)	-
Administrative expenses	-	(7,444)	7,444
Other changes	-	291	(291)
Net changes	\$ 418,979	\$ 307,089	\$ 111,890
Balances at June 30, 2023	\$ 11,572,099	\$ 11,760,508	\$ (188,409)

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County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 7—Pension Plans: (continued)

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

The following presents the net pension liability of the County and Scott County School Board (nonprofessional) using the discount rate of 6.75%, as well as what the County's and Scott County School Board's (nonprofessional) 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 Discount Rate (6.75%)	1% Increase (7.75%)
County			
Net Pension Liability	\$ 11,207,487	\$ 6,082,617	\$ 1,945,667
Component Unit School Board (Nonprofessional)			
Net Pension Liability (Asset)	\$ 1,169,931	\$ (188,409)	\$ (1,329,751)

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

For the year ended June 30, 2024, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$969,852 and \$100,816, respectively. At June 30, 2024, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit-School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,147,891	\$ 430,476	\$ 138,852	\$ -
Change in assumptions	137,179	-	23,531	-
Net difference between projected and actual earnings on pension plan investments	-	488,611	-	184,011
Employer contributions subsequent to the measurement date	1,303,915	-	104,393	-
Total	\$ 2,588,985	\$ 919,087	\$ 266,776	\$ 184,011

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 7—Pension Plans: (continued)

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

\$1,303,915 and \$104,393 reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year Ended June 30</u>	<u>Primary Government</u>	<u>Component Unit School Board (nonprofessional)</u>
2025	\$ (54,461)	\$ (24,490)
2026	(200,109)	(173,766)
2027	604,231	170,423
2028	16,322	6,205
2029	-	-
Thereafter	-	-

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2023-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

Component Unit School Board (Professional)

Plan Description

All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Retirement Plan upon employment. This is a cost-sharing multiple employer plan administered by the Virginia Retirement System (the system). Additional information related to the plan description is included in the first section of this note.

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 7—Pension Plans: (continued)

Component Unit School Board (Professional) (continued)

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 provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division's contractually required employer contribution rate for the year ended June 30, 2024 was 16.62% of covered employee compensation. This was the General Assembly approved rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$4,290,163 and \$3,871,788 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$147.5 million to the VRS Teacher Retirement Plan. This special payment was authorized by Chapter 2 of the Act of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a non-employer contribution. The school division's proportionate share is reflected in the School Board's Operating Grants and Contributions on the Statement of Activities.

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

At June 30, 2024, the school division reported a liability of \$24,789,941 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2023 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the school division's proportion was 0.2453% as compared to 0.2441% at June 30, 2022.

For the year ended June 30, 2024, the school division recognized pension expense of \$2,386,130. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

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County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 7—Pension Plans: (continued)

Component Unit School Board (Professional) (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

At June 30, 2024, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Component Unit-School Board (professional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,129,477	\$ 967,409
Change in assumptions	-	1,611,846
Net difference between projected and actual earnings on pension plan investments	1,123,815	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	194,506	345,803
Employer contributions subsequent to the measurement date	4,290,163	-
Total	\$ <u>7,737,961</u>	\$ <u>2,925,058</u>

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 7—Pension Plans: (continued)

Component Unit School Board (Professional) (continued)

\$4,290,163 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year Ended June 30</u>	<u>Component Unit School Board (professional)</u>
2025	\$ (489,114)
2026	(1,426,763)
2027	1,935,067
2028	503,550
2029	-
Thereafter	-

Actuarial Assumptions

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2022, 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, 2023.

Inflation	2.50%
Salary increases, including inflation	3.50% - 5.95%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 7—Pension Plans: (continued)

Component Unit School Board (Professional) (continued)

Actuarial Assumptions (Continued)

Mortality rates:

Pre-Retirement:

Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males.

Post-Retirement:

Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females.

Post-Disablement:

Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females.

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally.

Mortality Improvements:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the standard rates.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 7—Pension Plans: (continued)

Component Unit School Board (Professional) (continued)

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67, less that system's fiduciary net position. As of June 30, 2023, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

		Teacher Employee Retirement Plan
Total Pension Liability	\$	57,574,609
Plan Fiduciary Net Position		47,467,405
Employers' Net Pension Liability (Asset)	\$	10,107,204
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		82.45%

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

The long-term expected rate of return and discount rate information previously described also apply to this plan.

Sensitivity of the School Division's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the school division's proportionate share of the net pension liability using the discount rate of 6.75%, as well as what the school division's proportionate share of the 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 Discount Rate (6.75%)	1% Increase (7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability	\$ 43,943,724	\$ 24,789,941	\$ 9,043,956

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 7—Pension Plans: (continued)

Component Unit School Board (Professional) (continued)

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2023-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Primary Government and Component Unit School Board

Aggregate Pension Information

	Primary Government				Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
VRS Pension Plans:								
Primary Government	\$ 2,588,985	\$ 919,087	\$ 6,082,617	\$ 969,852	\$ -	\$ -	\$ -	\$ -
School Board Nonprofessional	-	-	-	-	266,776	184,011	(188,409)	100,816
School Board Professional	-	-	-	-	7,737,961	2,925,058	24,789,941	2,386,130
Totals	<u>\$ 2,588,985</u>	<u>\$ 919,087</u>	<u>\$ 6,082,617</u>	<u>\$ 969,852</u>	<u>\$ 8,004,737</u>	<u>\$ 3,109,069</u>	<u>\$ 24,601,532</u>	<u>\$ 2,486,946</u>

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County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 8-Capital Assets:

Capital asset activity for the year ended June 30, 2024 was as follows:

Primary Government:

	Beginning Balance as Previously Reported	Restatement	Beginning Balance as restated	Increases	Decreases	Ending Balance
Governmental Activities						
Capital assets, not being depreciated/amortized:						
Land	\$ 1,258,236	\$ -	\$ 1,258,236	\$ -	\$ -	\$ 1,258,236
Construction in progress	1,333,511	519,367	1,852,878	622,411	(34,796)	2,440,493
Total capital assets not being depreciated/amortized	<u>\$ 2,591,747</u>	<u>\$ 519,367</u>	<u>\$ 3,111,114</u>	<u>\$ 622,411</u>	<u>\$ (34,796)</u>	<u>\$ 3,698,729</u>
Capital assets, being depreciated/amortized:						
Buildings and improvements	\$ 10,684,443	\$ -	\$ 10,684,443	\$ 50,985	\$ -	\$ 10,735,428
Machinery and equipment	10,906,571	-	10,906,571	461,672	(78,775)	11,289,468
Right-to-use lease buildings and Improvements	-	1,532,270	1,532,270	-	-	1,532,270
Right-to-use lease machinery and equipment	17,890	-	17,890	-	-	17,890
Total capital assets being depreciated/amortized	<u>\$ 21,608,904</u>	<u>\$ 1,532,270</u>	<u>\$ 23,141,174</u>	<u>\$ 512,657</u>	<u>\$ (78,775)</u>	<u>\$ 23,575,056</u>
Accumulated depreciation/amortization:						
Buildings and improvements	\$ (4,242,977)	\$ -	\$ (4,242,977)	\$ (287,444)	\$ -	\$ (4,530,421)
Machinery and equipment	(9,117,492)	-	(9,117,492)	(469,171)	78,775	(9,507,888)
Right-to-use lease buildings and Improvements	-	(177,306)	(177,306)	(89,018)	-	(266,324)
Right-to-use lease machinery and equipment	(11,377)	-	(11,377)	(6,006)	-	(17,383)
Total accumulated depreciation/amortization	<u>\$ (13,371,846)</u>	<u>\$ (177,306)</u>	<u>\$ (13,549,152)</u>	<u>\$ (851,639)</u>	<u>\$ 78,775</u>	<u>\$ (14,322,016)</u>
Total capital assets being depreciated/amortized, net	<u>\$ 8,237,058</u>	<u>\$ 1,354,964</u>	<u>\$ 9,592,022</u>	<u>\$ (338,982)</u>	<u>\$ -</u>	<u>\$ 9,253,040</u>
Governmental activities capital assets, net	<u>\$ 10,828,805</u>	<u>\$ 1,874,331</u>	<u>\$ 12,703,136</u>	<u>\$ 283,429</u>	<u>\$ (34,796)</u>	<u>\$ 12,951,769</u>

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

Governmental activities:

General government administration	\$ 62,900
Judicial Administration	13,312
Public safety	393,276
Public works	173,038
Health and welfare	164,419
Parks, recreation, and cultural	43,329
Community development	1,365
Total depreciation expense-primary government	<u>\$ 851,639</u>

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 8-Capital Assets: (continued)

Capital asset activity for the School Board for the year ended June 30, 2024 was as follows:

Discretely Presented Component Unit - School Board:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, not being depreciated/amortized:				
Land	\$ 1,947,912	\$ -	\$ -	\$ 1,947,912
Construction in progress	3,543,190	5,946,979	(3,579,355)	5,910,814
Total capital assets not being depreciated/amortized	<u>\$ 5,491,102</u>	<u>\$ 5,946,979</u>	<u>\$ (3,579,355)</u>	<u>\$ 7,858,726</u>
Capital assets, being depreciated/amortized:				
Buildings and improvements	\$ 59,696,755	\$ 3,637,886	\$ -	\$ 63,334,641
Machinery and equipment	32,624,769	848,170	(330,937)	33,142,002
Right-to-use lease buildings and Improvements	150,845	-	-	150,845
Right-to-use lease machinery and equipment	41,975	-	(8,981)	32,994
Total capital assets being depreciated/amortized	<u>\$ 92,514,344</u>	<u>\$ 4,486,056</u>	<u>\$ (339,918)</u>	<u>\$ 96,660,482</u>
Accumulated depreciation/amortization:				
Buildings and improvements	\$ (36,067,440)	\$ (1,541,310)	\$ 330,937	\$ (37,277,813)
Machinery and equipment	(22,003,809)	(1,384,699)	-	(23,388,508)
Right-to-use lease buildings and Improvements	(20,804)	(10,431)	-	(31,235)
Right-to-use lease machinery and equipment	(14,060)	(7,468)	8,981	(12,547)
Total accumulated depreciation/amortization	<u>\$ (58,106,113)</u>	<u>\$ (2,943,908)</u>	<u>\$ 339,918</u>	<u>\$ (60,710,103)</u>
Total capital assets being depreciated/amortized, net	<u>\$ 34,408,231</u>	<u>\$ 1,542,148</u>	<u>\$ -</u>	<u>\$ 35,950,379</u>
Governmental activities capital assets, net	<u>\$ 39,899,333</u>	<u>\$ 7,489,127</u>	<u>\$ (3,579,355)</u>	<u>\$ 43,809,105</u>

All depreciation above was charged to the education function of the Component Unit-School Board.

Note 9-Risk Management:

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

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 10-Commitments and Contingencies:

Commitments

At June 30, 2024, the County and School Board had the following outstanding construction commitments:

Project	Amount of Contract	Amount Outstanding	Accounts Payable	Retainage Payable
Partial Reroofing of Rye Cove	\$ 420,200	107,356	-	16,465
FTB Fire Alarm	62,942	19,248		12,992

Contingencies

Federal programs in which the County and its component units participate were audited in accordance with the provisions of Uniform Guidance. Pursuant to these provisions 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, future disallowances of current grant program expenditures, if any, would be immaterial.

Note 11-Surety Bonds:

Primary Government:

Fidelity and Deposits Company of Maryland - Surety

Mark Bo Taylor, Clerk of the Circuit Court	\$ 200,000
Kevin Helms, Treasurer	400,000
Tammy Tiller, Commissioner of the Revenue	10,000
Jeff Eds, Sheriff	30,000

VACO Risk Management Programs

All School Board employees - blanket	\$ 250,000
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VACorp - Surety

Freda Starnes, County Administrator	\$ 100,000
All General Government employees - blanket	100,000
All Social Service employees - blanket	100,000

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 12-Landfill Closure and Postclosure Liability:

State and federal laws and regulations required the County to place a final cover on its landfill site 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 \$1,092,245 reported as landfill closure and post closure care liability at June 30, 2024 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 2024.

Note 13-Unavailable/Deferred Revenue:

Unavailable/deferred revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Under the accrual basis, assessments for future periods are deferred.

	<u>Government-wide Statements</u>	<u>Balance Sheet</u>
	<u>Governmental Activities</u>	<u>Governmental Funds</u>
Unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures	\$ -	\$ 1,737,297
Tax assessments due after June 30	17,343,385	17,343,385
Prepaid taxes relating to taxes due in a future period	225,173	225,173
Opioid settlement receivable	<u>-</u>	<u>647,665</u>
Total	<u>\$ 17,568,558</u>	<u>\$ 19,953,520</u>

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 14-Other Postemployment Benefits - County Health Insurance:

Plan Description

In addition to the pension benefits described in Note 7, the County administers a single employer defined benefit healthcare plan, The Scott County Other Postemployment Benefits Plan. The plan provides postemployment medical coverage for retired employees through a single-employer defined benefit plan. The County may change, add or delete coverage as they deem appropriate and with the approval of the Board of Supervisors. 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 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. Employees at the County are allowed to stay on the plan until the death of the employee. The employee pays 100% of the required premium.

Benefits Provided

The plan provides participation by eligible retirees and their dependents in the health insurance programs available to employees. The plan will provide retiring employees the option to continue health insurance offered by the County. Retirees who have attained age 50 and worked 10 or more years for Scott County Board of Supervisors and were enrolled in the health insurance plan for at least one full year are eligible to participate in the health insurance coverage following retirement up to age 65. Retirees covered by Medicare or Disability Insurance are ineligible to remain on the standard insurance policy.

Plan Membership

At June 30, 2024 (measurement date), the following employees were covered by the benefit terms:

Total active employees with coverage	100
Total retirees with coverage	11
	<hr/>
Total	111
	<hr/> <hr/>

Contributions

The County currently funds postemployment health care benefits on a pay-as-you-go basis. The county does not accumulate assets in a trust. During fiscal year 2024, the County made OPEB benefit payments of \$89,559.

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 14-Other Postemployment Benefits - County Health Insurance: (continued)

Actuarial Assumptions

The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50% per year
Salary Increase Rates	2.50% per year
Discount Rate	3.65% as of June 30, 2023 3.97% as of June 30, 2024
Actuarial Cost Method	Entry Age Normal

The County uses the standard calculation method in accordance with GASB methodology. In the valuation for the year ended June 30, 2024, 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. Retirement, and termination rates are the rates used for the June 30, 2023 Actuarial Valuation of the Virginia Retirement System. Mortality rates were determined using the PUBH-2010 General Employees and Healthy Retiree Mortality, male and female, projected generationally using the MP-2021 mortality improvement scale. 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	61 years
Salary increases	2.50 percent
Amortization period	20 years

Discount Rate

The discount rate was 3.97% for June 30, 2024 and 3.65% for June 30, 2023. The discount rate was based on the Fidelity Municipal GO AA 20 Year Index.

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 14-Other Postemployment Benefits - County Health Insurance: (continued)

Changes in Total OPEB Liability

	Primary Government Total OPEB Liability	
Balances at June 30, 2023	\$	3,755,515
Changes for the year:		
Service cost		125,164
Interest		133,517
Differences between expected and actual experience		(752,713)
Changes in assumptions		550,912
Benefit payments		(89,559)
Implicit rate subsidy fulfillment		(107,255)
Net changes	\$	(139,934)
Balances at June 30, 2024	\$	3,615,581

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

The following amounts present the total OPEB liability of the County, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.97%) or one percentage point higher (4.97%) than the current discount rate:

Discount Rate		
1% Decrease (2.97%)	Current (3.97%)	1% Increase (4.97%)
\$ 3,900,716	\$ 3,615,581	\$ 3,355,800

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the County, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (5.00% decreasing to an ultimate rate of 3.00%) or one percentage point higher (7.00% increasing to an ultimate rate of 5.00%) than the current healthcare cost trend rates:

Healthcare Cost Trend Rate		
1% Decrease (5.00% decreasing to 3.00%)	Current (6.00% decreasing to 4.00%)	1% Increase (7.00% decreasing to 5.00%)
\$ 3,301,838	\$ 3,615,581	\$ 3,978,550

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 14-Other Postemployment Benefits - County Health Insurance: (continued)

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

For the year ended June 30, 2024, the County recognized OPEB expense in the amount of \$227,102. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 634,923
Changes of assumptions	464,701	-
Total	\$ 464,701	\$ 634,923

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense in future reporting periods as follows:

Year Ended June 30,	Primary Government
2025	\$ (31,579)
2026	(31,579)
2027	(31,579)
2028	(31,579)
2029	(31,579)
Therafter	(12,327)

Additional disclosures on changes in total OPEB liability, related ratios, and employer contributions can be found in the required supplementary information following the notes to the financial statements.

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 15-Other Postemployment Benefits - School Board Health Insurance:

Plan Description

In addition to the pension benefits described in Note 7, the School Board administers a single employer defined benefit healthcare plan, The Scott County Public Schools Other Postemployment Benefits Plan. The School Board provides postemployment medical coverage for retire employees through a single-employer defined benefit plan. The School Board may change, add or delete coverage as they deem appropriate and with the approval of the 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 School 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. Employees at the School are allowed to stay on the plan until the death of the employee or eligibility for Medicare coverage. The employee pays 100% of the required premium.

Benefits Provided

The plan provides participation by eligible retirees and their dependents in the health insurance programs available to employees. The plan will provide retiring employees the option to continue health insurance offered by the School Board. Retirees who have attained age 50 and worked 10 or more years for Scott County Board of Supervisors and were enrolled in the health insurance plan for at least one full year are eligible to participate in the health insurance coverage following retirement up to age 65. Retirees covered by Medicare or Disability Insurance are ineligible to remain on the standard insurance policy.

Plan Membership

At June 30, 2024 (measurement date), the following employees were covered by the benefit terms:

Total active employees with coverage	631
Total retirees with coverage	<u>9</u>
Total	<u><u>640</u></u>

Contributions

The School currently funds postemployment health care benefits on a pay-as-you-go basis. The School does not accumulate assets in a trust. During fiscal year 2024, the School made OPEB benefit payments of \$0.

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 15-Other Postemployment Benefits - School Board Health Insurance: (continued)

Actuarial Assumptions

The total OPEB liability in the July 1, 2024 actuarial valuation report was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50% per year
Salary Increase Rates	2.50% per year
Discount Rate	3.65% as of June 30, 2023 3.97% as of June 30, 2024
Actuarial Cost Method	Entry Age Normal

In the actuarial valuation for the year ended June 30, 2024, 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, and termination rates are the rates used for the June 30, 2023 Actuarial Valuation of the Virginia Retirement System. Mortality rates were determined using the PUBH-2010 Teachers Employees and Healthy Retiree Mortality, male and female, projected generationally using the MP-2021 mortality improvement scale. No disability rates were assumed. Per capita claims costs include medical, dental, and prescription drug coverages and are based on the 2024 healthcare premiums provided by the School Board. It is assumed the 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	2.50 percent
Salary Increases	2.50 percent

Discount Rate

The discount rate was 3.97% for June 30, 2024 and 3.65% for June 30, 2023. The discount rate was based on the Fidelity Municipal GO AA 20 Year Index.

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 15-Other Postemployment Benefits - School Board Health Insurance: (continued)

Changes in Total OPEB Liability

	Component Unit School Board Total OPEB Liability
Balances at June 30, 2023	\$ 4,490,655
Changes for the year:	
Service cost	178,983
Interest	161,847
Differences between expected and actual experience	(395,876)
Changes in assumptions	(113,677)
Benefit payments	(114,015)
Net changes	\$ (282,738)
Balances at June 30, 2024	\$ 4,207,917

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

The following amounts present the total OPEB liability of the School Board, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.97%) or one percentage point higher (4.97%) than the current discount rate:

Discount Rate		
1% Decrease (2.97%)	Current (3.97%)	1% Increase (4.97%)
\$ 4,570,991	\$ 4,207,917	\$ 3,869,006

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the School Board, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (6.00% decreasing to an ultimate rate of 3.25%) or one percentage point higher (8.00% decreasing to an ultimate rate of 5.25%) than the current healthcare cost trend rates:

Healthcare Cost Trend Rate		
1% Decrease (6.00% decreasing to 3.25%)	Current (7.00% decreasing to 4.25%)	1% Increase (8.00% decreasing to 5.25%)
\$ 3,761,166	\$ 4,207,917	\$ 4,722,423

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 15-Other Postemployment Benefits - School Board Health Insurance: (continued)

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

For the year ended June 30, 2024, the School Board recognized OPEB expense in the amount of \$888,845. At June 30, 2024, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,288,581
Changes of assumptions	334,471	433,577
Total	<u>\$ 334,471</u>	<u>\$ 1,722,158</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense in future reporting periods as follows:

Year Ended June 30,	Component Unit School Board
2025	\$ (300,199)
2026	(300,199)
2027	(300,199)
2028	(292,519)
2029	(118,667)
Therafter	(75,904)

Additional disclosures on changes in total OPEB liability, related ratios, and employer contributions can be found in the required supplementary information following the notes to the financial statements.

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 16-Group Life Insurance (GLI) Plan (OPEB Plan):

Plan Description

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

In addition to the Basic GLI benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional GLI Plan. 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 plan, it is not included as part of the GLI Plan OPEB.

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

Eligible Employees

The GLI Plan was established July 1, 1960, for state employees, teachers, and employees of political subdivisions that elect the plan. Basic GLI coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts 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. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$9,254 as of June 30, 2024.

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 16-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)

Contributions

The contribution requirements for the GLI Plan 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 Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% ($1.34\% \times 60\%$) and the employer component was 0.54% ($1.34\% \times 40\%$). 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, 2024 was 0.54% of covered employee compensation. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability.

Contributions to the Group Life Insurance Plan from the County were \$48,135 and \$42,970 for the years ended June 30, 2024 and June 30, 2023, respectively.

Contributions to the Group Life Insurance Plan from the Component Unit School Board (Nonprofessional) were \$16,794 and \$15,033 for the years ended June 30, 2024 and June 30, 2023, respectively.

Contributions to the Group Life Insurance Plan from the Component Unit School Board (Professional) were \$144,983 and \$130,428 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$10.1 million to the Group Life Insurance Plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a special employer contribution. The entity's proportionate share is reflected in the (insert line-item reference) of the financial statements. The entity did not record a proportionate share in the financial statements.

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

Primary Government

At June 30, 2024, the entity reported a liability of \$405,128 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2023 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. 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, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the participating employer's proportion was 0.03378% as compared to 0.03255% at June 30, 2022.

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 16-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)

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

For the year ended June 30, 2024, the participating employer recognized GLI OPEB expense of \$26,092. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

Component Unit School Board (Nonprofessional)

At June 30, 2024, the entity reported a liability of \$141,759 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2023 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. 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, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the participating employer's proportion was 0.01182% as compared to 0.01184% at June 30, 2022.

For the year ended June 30, 2024, the participating employer recognized GLI OPEB expense of \$6,159. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

Component Unit School Board (Professional)

At June 30, 2024, the entity reported a liability of \$1,229,776 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2023 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. 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, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the participating employer's proportion was 0.10254% as compared to 0.10292% at June 30, 2022.

For the year ended June 30, 2024, the participating employer recognized GLI OPEB expense of \$44,170. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 16-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)

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

At June 30, 2024, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Primary Government		Component Unit School Board (nonprofessional)		Component Unit School Board (professional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 40,462	\$ 12,298	\$ 14,158	\$ 4,303	\$ 122,825	\$ 37,330
Net difference between projected and actual earnings on GLI OPEB plan investments	-	16,280	-	5,697	-	49,419
Change in assumptions	8,660	28,069	3,030	9,822	26,287	85,204
Changes in proportionate share	40,304	2,864	4,192	2,619	10,920	33,694
Employer contributions subsequent to the measurement date	48,135	-	16,794	-	144,983	-
Total	<u>\$ 137,561</u>	<u>\$ 59,511</u>	<u>\$ 38,174</u>	<u>\$ 22,441</u>	<u>\$ 305,015</u>	<u>\$ 205,647</u>

\$48,135, \$16,794, and \$144,983 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ended June 30	Primary Government	Component Unit School Board (nonprofessional)	Component Unit School Board (professional)
2025	\$ 5,892	\$ (539)	\$ (17,744)
2026	(7,285)	(5,037)	(54,830)
2027	16,952	3,272	18,532
2028	7,794	(115)	(2,916)
2029	6,562	1,358	11,343
Thereafter	-	-	-

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 16-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2022, 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, 2023. The assumptions include several employer groups. Mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

Inflation	2.50%
Salary increases, including inflation:	
Teachers	3.50%-5.95%
Locality - General employees	3.50%-5.35%
Locality - Hazardous Duty employees	3.50%-4.75%
Investment rate of return	6.75%, net of investment expenses, including inflation

Mortality Rates - Teachers

Pre-Retirement:

Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males.

Post-Retirement:

Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females.

Post-Disablement:

Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females.

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally.

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 18-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)

Actuarial Assumptions (continued)

Mortality Rates - Teachers (continued)

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

Mortality Rates - Non-Largest Ten Locality Employers - General Employees

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years.

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year.

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years.

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally.

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 16-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)

Actuarial Assumptions (continued)

Mortality Rates - Non-Largest Ten Locality Employers - General Employees (continued)

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Mortality Rates - Non-Largest Ten Locality Employers - Hazardous Duty Employees

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 16-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)

Actuarial Assumptions (continued)

Mortality Rates - Non-Largest Ten Locality Employers - Hazardous Duty Employees (continued)

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Net GLI OPEB Liability

The net OPEB liability (NOL) for the GLI Plan represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2023, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

		GLI OPEB Plan
Total GLI OPEB Liability	\$	3,907,052
Plan Fiduciary Net Position		2,707,739
GLI Net OPEB Liability (Asset)	\$	<u>1,199,313</u>
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		69.30%

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

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 16-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
		Inflation	2.50%
		*Expected arithmetic nominal return	8.25%

*The above allocation provides a one-year return of 8.25%. 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. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

**On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that the employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2023, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 113% of the actuarially determined contribution rate.

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 16-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)

Discount Rate (continued)

From July 1, 2023 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

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

The following 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 (5.75%) or one percentage point higher (7.75%) than the current rate:

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County's proportionate share of the GLI Plan Net OPEB Liability	\$ 600,526	\$ 405,128	\$ 247,147
Component Unit School Board's (nonprofessional) proportionate share of the GLI Plan Net OPEB Liability	210,131	141,759	86,480
Component Unit School Board's (professional) proportionate share of the GLI Plan Net OPEB Liability	1,822,912	1,229,776	750,221

GLI Program Fiduciary Net Position

Detailed information about the GLI Program's Fiduciary Net Position is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2023-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 17—Health Insurance Credit (HIC) Plan - Component Unit School Board (Nonprofessional):

Plan Description

The Political Subdivision Health Insurance Credit (HIC) Plan 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. All full-time, salaried permanent employees of participating political subdivisions are automatically covered by the VRS Political Subdivision HIC Plan upon employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The HIC 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 about the Political Subdivision HIC Plan OPEB, including eligibility, coverage and benefits is described below:

Eligible Employees

The Political Subdivision Retiree HIC Plan was established July 1, 1993 for retired political subdivision employees of employers who elect the benefit and retire with at least 15 years of service credit. Eligible employees include full-time permanent salaried employees of the participating political subdivision who are covered under the VRS pension plan. These employees are enrolled automatically upon employment.

Benefit Amounts

The Political Subdivision Retiree HIC Plan is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired political subdivision employees of participating employers. For employees who retire, the monthly benefit is \$1.50 per year of service per month with a maximum benefit of \$45.00 per month. For employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is \$45.00 per month.

HIC Plan Notes

The monthly HIC benefit cannot exceed the individual premium amount. There is no HIC for premiums paid and qualified under LODA; however, the employee may receive the credit for premiums paid for other qualified health plans. Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the HIC as a retiree.

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 17—Health Insurance Credit (HIC) Plan - Component Unit School Board (Nonprofessional):
(continued)

Employees Covered by Benefit Terms

As of the June 30, 2022 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan:

	<u>Component Unit School Board (nonprofessional)</u>
Inactive members or their beneficiaries currently receiving benefits	<u>21</u>
Inactive members:	
Vested inactive members	<u>4</u>
Total inactive members	<u>25</u>
Active members	<u>97</u>
Total covered employees	<u>122</u>

Contributions

The contribution requirements for active employees is governed by §51.1-1402(E) 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. The School Board's (Nonprofessional) contractually required employer contribution rate for the year ended June 30, 2024 was 0.82% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. 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 Board (nonprofessional) to the HIC Plan were \$24,960 and \$22,517 for the years ended June 30, 2024 and June 30, 2023, respectively.

Net HIC OPEB Liability

The School Board's (Nonprofessional) net HIC OPEB liability was measured as of June 30, 2023. The total HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2022, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 17—Health Insurance Credit (HIC) Plan - Component Unit School Board (Nonprofessional):
(continued)

Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2022, 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, 2023.

Inflation	2.50%
Salary increases, including inflation:	
Locality - General employees	3.50%-5.35%
Investment rate of return	6.75%, net of investment expenses, including inflation

Mortality Rates - Non-Largest Ten Locality Employers - General Employees

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.

Post-Disablement:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 17—Health Insurance Credit (HIC) Plan - Component Unit School Board (Nonprofessional):
(continued)

Actuarial Assumptions (continued)

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 17—Health Insurance Credit (HIC) Plan - Component Unit School Board (Nonprofessional):
(continued)

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
		Inflation	2.50%
		*Expected arithmetic nominal return	8.25%

*The above allocation provides a one-year expected return of 8.25%. 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. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

**On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 17—Health Insurance Credit (HIC) Plan - Component Unit School Board (Nonprofessional):
(continued)

Discount Rate

The discount rate used to measure the total HIC OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2023, the rate contributed by the entity for the HIC OPEB was 100% of the actuarially determined contribution rate. From July 1, 2023 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

Changes in Net HIC OPEB Liability

	Component Unit School Board (nonprofessional)		
	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2022	\$ 240,744	\$ -	\$ 240,744
Changes for the year:			
Service cost	\$ 2,381	\$ -	\$ 2,381
Interest	18,687	-	18,687
Benefit changes	-	-	-
Differences between expected and actual experience	(131,620)	-	(131,620)
Assumption changes	-	-	-
Contributions - employer	-	22,517	(22,517)
Net investment income	-	2,925	(2,925)
Benefit payments	(5,460)	(5,460)	-
Administrative expenses	-	(82)	82
Other changes	-	-	-
Net changes	\$ (116,012)	\$ 19,900	\$ (135,912)
Balances at June 30, 2023	\$ 124,732	\$ 19,900	\$ 104,832

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 17—Health Insurance Credit (HIC) Plan - Component Unit School Board (Nonprofessional):
(continued)

Sensitivity of the County's HIC Net OPEB Liability to Changes in the Discount Rate

The following presents the School Board's (nonprofessional) HIC Plan net HIC OPEB liability using the discount rate of 6.75%, as well as what the School Board's (Nonprofessional) net HIC OPEB 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:

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
Component Unit School Board's (Nonprofessional)			
Net HIC OPEB Liability	\$ 123,388	\$ 104,832	\$ 89,043

HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC Plan OPEB

For the year ended June 30, 2024, the School Board (Nonprofessional) recognized HIC Plan OPEB expense of \$(1,941). At June 30, 2024, the School Board (Nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to the School Board's (nonprofessional) HIC Plan from the following sources:

	Component Unit School Board (Nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 113,398
Net difference between projected and actual earnings on HIC OPEB plan investments	805	-
Change in assumptions	14,774	-
Employer contributions subsequent to the measurement date	24,960	-
Total	\$ 40,539	\$ 113,398

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 17—Health Insurance Credit (HIC) Plan - Component Unit School Board (Nonprofessional):
(continued)

HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC Plan OPEB (continued)

\$24,960 reported as deferred outflows of resources related to the HIC OPEB resulting from the School Board's (Nonprofessional) 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, 2025. 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 future reporting periods as follows:

<u>Year Ended June 30</u>	<u>Component Unit School Board (Nonprofessional)</u>
2025	\$ (20,057)
2026	(20,437)
2027	(21,450)
2028	(23,910)
2029	(11,965)
Thereafter	-

HIC Plan Data

Information about the VRS Political Subdivision HIC Program is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2023-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 18- Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan):

Plan Description

The Virginia Retirement System (VRS) Teacher Employee Health Insurance Credit (HIC) Plan 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. All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Employee HIC Plan. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The HIC 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.

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 18- Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (continued)

Plan Description (continued)

The specific information for the Teacher HIC Program OPEB, including eligibility, coverage, and benefits is described below:

Eligible Employees

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

Benefit Amounts

The Teacher Employee HIC Plan is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired teachers. For Teacher and other professional school employees who retire, the monthly benefit is \$4.00 per year of service per month with no cap on the benefit amount. For Teacher and other professional school employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is either: \$4.00 per month, multiplied by twice the amount of service credit, or \$4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.

HIC Plan Notes

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

Contributions

The contribution requirements 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, 2024 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2022. 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 HIC Plan were \$323,748 and \$290,782 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$4 million to the VRS Teacher HIC Plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a special employer contribution. The entity did not record a proportionate share in the financial statements.

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 18- Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (continued)

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

At June 30, 2024, the school division reported a liability of \$2,919,637 for its proportionate share of the VRS Teacher Employee HIC Program Net OPEB Liability. The Net VRS Teacher Employee HIC Program OPEB Liability was measured as of June 30, 2023 and the total VRS Teacher Employee HIC Program OPEB liability used to calculate the Net VRS Teacher Employee HIC Program OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022 and rolled forward to the measurement date of June 30, 2023. The school division's proportion of the Net VRS Teacher Employee HIC Program OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC OPEB plan for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the school division's proportion of the VRS Teacher Employee HIC Program was 0.24100% as compared to 0.24020% at June 30, 2022.

For the year ended June 30, 2024, the school division recognized VRS Teacher Employee HIC OPEB expense of \$209,643. Since there was a change in proportionate share between measurement dates, a portion of the VRS Teacher Employee HIC Program Net OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2024, the school division reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee HIC OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 128,508
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	1,465	-
Change in assumptions	67,964	2,942
Change in proportionate share	24,292	70,533
Employer contributions subsequent to the measurement date	<u>323,748</u>	<u>-</u>
Total	<u>\$ 417,469</u>	<u>\$ 201,983</u>

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 18- Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (continued)

Teacher Employee HIC Plan OPEB Liabilities, Teacher Employee HIC Program OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Teacher Employee HIC Plan OPEB (continued)

\$323,748 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>		
2025	\$	(29,916)
2026		(26,973)
2027		(10,415)
2028		(15,820)
2029		(19,482)
Thereafter		(5,656)

Actuarial Assumptions

The total Teacher Employee HIC OPEB liability for the VRS Teacher Employee HIC Plan was based on an actuarial valuation as of June 30, 2022, 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, 2023.

Inflation	2.50%
Salary increases, including inflation	3.50%-5.95%
Investment rate of return	6.75%, net of investment expenses, including inflation

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 18- Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (continued)

Actuarial Assumptions (continued)

Mortality Rates - Teachers

Pre-Retirement:

Pub-2010 Amount Weighted Teacher Employee Rates projected generationally; 110% of rates for males.

Post-Retirement:

Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females.

Post-Disablement:

Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females.

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally.

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 18- Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (continued)

Net Teacher Employee HIC OPEB Liability

The net OPEB liability (NOL) for the Teacher Employee HIC Plan represents the plan's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2023, NOL amounts for the VRS Teacher Employee HIC Plan is as follows (amounts expressed in thousands):

		Teacher Employee HIC OPEB Plan
Total Teacher Employee HIC OPEB Liability	\$	1,475,471
Plan Fiduciary Net Position		264,054
Teacher Employee Net HIC OPEB Liability (Asset)	\$	<u>1,211,417</u>
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability		17.90%

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

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County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 18- Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (continued)

Long-Term Expected Rate of Return

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

<u>Asset Class (Strategy)</u>	<u>Long-Term Target Asset 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%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	<u>100.00%</u>		<u>5.75%</u>
		Inflation	2.50%
		*Expected arithmetic nominal return	<u>8.25%</u>

*The above allocation provides a one-year return of 8.25%. 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. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

**On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 18- Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (continued)

Discount Rate

The discount rate used to measure the total Teacher Employee HIC OPEB was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2023, the rate contributed by each school division for the VRS Teacher Employee HIC Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2023 on, all agencies are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Teacher Employee HIC OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total Teacher Employee HIC OPEB liability.

Sensitivity of the School Division's Proportionate Share of the Teacher Employee HIC Net OPEB Liability to Changes in the Discount Rate

The following presents the school division's proportionate share of the VRS Teacher Employee HIC Program net HIC OPEB liability using the discount rate of 6.75%, as well as what the school division's proportionate share of the net HIC OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan			
Net HIC OPEB Liability	\$ 3,302,436	\$ 2,919,637	\$ 2,595,249

Teacher Employee HIC OPEB Fiduciary Net Position

Detailed information about the VRS Teacher Employee HIC Plan's Fiduciary Net Position is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2023-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 19-OPEB Summary:

	Primary Government				Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net OPEB Liabilities	OPEB Expense	Deferred Outflows	Deferred Inflows	Net OPEB Liabilities	OPEB Expense
Stand-Alone Plan								
County (Note 14)	\$ 464,701	\$ 634,923	\$ 3,615,581	\$ 227,102	\$ -	\$ -	\$ -	\$ -
School Board (Note 15)	-	-	-	-	334,471	1,722,158	4,207,917	40,631
VRS OPEB Plans:								
GLI Plan (Note 16)								
County	137,561	59,511	405,128	26,092	-	-	-	-
School Board Nonprofessional	-	-	-	-	38,174	22,441	141,759	6,159
School Board Professional	-	-	-	-	305,015	205,647	1,229,776	44,170
HIC Plan (Note 17)								
School Board Nonprofessional	-	-	-	-	40,539	113,398	104,832	(1,941)
Teacher HIC Plan (Note 18)	-	-	-	-	417,469	201,983	2,919,637	209,643
Totals	\$ 602,262	\$ 694,434	\$ 4,020,709	\$ 253,194	\$ 1,135,668	\$ 2,265,627	\$ 8,603,921	\$ 298,662

Note 20-Self Funded Insurance:

The Scott County School Board established a limited risk management program for health insurance. Premiums are paid into the Anthem health plan account from the School Board and are available to pay claims, reinsurance, and administrative costs of the program. During the fiscal year 2024, a total of \$7,020,563 was paid in benefits and administrative costs. Claims for the fiscal year totaled \$6,742,682. Incurred but not reported claims of \$277,881 have been accrued as a liability based primarily on actual cost incurred prior to June 30 but paid after year-end. Changes in the claims liability for the current and two prior fiscal years are as follows:

Fiscal Year	Balance at Beginning of Fiscal Year	Current Year	Claim Payments	Balance at End of Fiscal Year
		Claims and Changes in Estimates		
2023-24	\$ -	\$ 7,020,563	\$ (6,742,682)	\$ 277,881

As of June 30, 2024, the School Board held funds totaling \$592,475 for the payment of claims and costs associated with the self-health insurance program. These funds are reported as restricted cash in the accompanying financial statements.

Note 21-Adoption of Accounting Principle:

In fiscal year 2024, the County implemented Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*, provides more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability for accounting changes and error corrections. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023.

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 22-Restatement of Beginning Balances:

The County and School Board had multiple corrections to prior year balance that impacted the modified accrual fund balance. Those items are detailed below in Exhibit A.

The County and School Board had multiple corrections to prior year balance that impacted the accrual net position. Those items are detailed below in Exhibit B.

These transactions were not recorded in the prior year financial statements but corrected through a beginning balance restatement.

Exhibit A:

	General Fund	School Fund
Fund Balance, July 1, 2023, as previously stated	\$ 10,956,574	\$ -
Correct the State Income Tax fund to be reported as fiduciary fund	(12,057)	-
Correct taxes receivable balance	(196,752)	-
Correction to report digital radio escrow bank account and remove proceeds	773,961	-
Correct beginning ARPA deferred revenue	(357,883)	-
Correct beginning LATCF deferred revenue	(77,617)	-
Correct School Board state and federal receivables	-	2,011,954
Fund Balance, July 1, 2023, as restated	<u>\$ 11,086,226</u>	<u>\$ 2,011,954</u>

Exhibit B:

	Primary Government	
	Governmental Activities	Component Unit School Board
Net position, July 1, 2023, as previously stated	\$ 12,962,427	\$ 5,605,832
Record DSS Building right to use asset, net of accumulated amortization	1,354,964	-
Record DSS Building lease liability	(1,380,834)	-
Record additional CIP amounts for Digital Radio project	519,367	-
Correct opioid revenue to recognize full receivable on full accrual	389,203	-
Record liability for debt issuance for Digital Radio project in FY23	(1,529,000)	-
Record note payable to EDA for 2017 PVB loan that the County guarantees and pays	(355,000)	-
Reduce deferred tax adjustment by tax penalty AR	(196,752)	-
Remove capital lease issuance costs	-	(34,480)
Correct non-instructional pension to be reported as an asset rather than liability	-	600,598
Fund Balance restatements from above	129,652	2,011,954
Net position, July 1, 2023, as restated	<u>\$ 11,894,027</u>	<u>\$ 8,183,904</u>

Note 23-Litigation:

At June 30, 2024, there were no matters of litigation involving the County or which would materially affect the County's financial position should any court decisions on pending matters not be favorable to the County.

County of Scott, Virginia

Notes to Financial Statements (continued)
June 30, 2024

Note 24-COVID-19 Pandemic Funding:

ARPA Funding

On March 11, 2021, the American Rescue Plan (ARPA) Act of 2021 was passed by the federal government. A primary component of the ARPA was the establishment of the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF). Local governments are to receive funds in two tranches, with 50% provided beginning in May 2021 and the balance delivered approximately 12 months later.

As a condition of receiving CSLFRF funds, any funds unobligated by December 31, 2024, and unexpected by December 31, 2026, will be returned to the federal government. As of June 30, 2024 the County had received both tranches of funding and had unspent funds in the amount of \$1,703,688 which was reported as unearned revenue.

ESF Funding

The CARES Act also established the Education Stabilization Fund (ESF) and allocated \$30.75 billion to the U.S. Department of Education. The ESF is composed of three primary emergency relief funds: (1) a Governor's Emergency Education Relief (GEER) Fund, (2) an Elementary and Secondary School Emergency Relief (ESSER) Fund, and (3) a Higher Education Emergency Relief (HEER) Fund. The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA Act) was signed into law on December 27, 2020 and added \$81.9 billion to the ESF. In March 2021, the American Rescue Plan Act (ARP Act), in support of ongoing state and institutional COVID-19 recovery efforts, added more than \$170 billion to the ESF. The School Board is receiving this funding from the Virginia Department of Education on a reimbursement basis.

Note 25-Upcoming Pronouncements:

Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. It aligns the recognition and measurement guidance under a unified model and amends certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

Statement No. 102, *Certain Risk Disclosures*, provides users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024.

Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

Management is currently evaluating the impact these standards will have on the financial statements when adopted.

Required Supplementary Information

County of Scott, Virginia
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES				
General property taxes	\$ 16,461,569	\$ 16,596,569	\$ 16,719,652	\$ 123,083
Other local taxes	3,318,200	3,318,200	3,430,982	112,782
Permits, privilege fees, and regulatory licenses	40,520	40,520	44,388	3,868
Fines and forfeitures	54,800	54,800	170,256	115,456
Revenue from the use of money and property	105,288	238,508	869,746	631,238
Charges for services	235,000	235,110	313,717	78,607
Miscellaneous	273,179	1,015,978	923,016	(92,962)
Recovered costs	2,658,192	3,183,855	3,734,634	550,779
Intergovernmental:				
Commonwealth	8,489,950	8,782,310	8,789,327	7,017
Federal	3,468,171	3,429,736	4,927,371	1,497,635
Total revenues	\$ 35,104,869	\$ 36,895,586	\$ 39,923,089	\$ 3,027,503
EXPENDITURES				
Current:				
General government administration	\$ 4,958,124	\$ 5,167,039	\$ 3,128,821	\$ 2,038,218
Judicial administration	2,702,246	2,735,201	2,220,699	514,502
Public safety	10,419,531	10,728,031	10,470,598	257,433
Public works	2,472,410	2,576,921	2,378,841	198,080
Health and welfare	6,376,076	6,376,076	6,393,933	(17,857)
Education	9,338,045	9,740,935	10,517,028	(776,093)
Parks, recreation, and cultural	632,703	748,112	732,902	15,210
Community development	1,028,560	1,053,397	1,811,961	(758,564)
Capital projects	411,476	1,021,479	348,151	673,328
Debt service:				
Principal retirement	258,306	437,084	437,084	-
Interest and other fiscal charges	87,631	87,631	77,332	10,299
Total expenditures	\$ 38,685,108	\$ 40,671,906	\$ 38,517,350	\$ 2,154,556
Excess (deficiency) of revenues over (under) expenditures	\$ (3,580,239)	\$ (3,776,320)	\$ 1,405,739	\$ 5,182,059
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 127,660	\$ 127,660	\$ -	\$ (127,660)
Transfers out	(50,000)	(50,000)	(50,000)	-
Total other financing sources (uses)	\$ 77,660	\$ 77,660	\$ (50,000)	\$ (127,660)
Net change in fund balances	\$ (3,502,579)	\$ (3,698,660)	\$ 1,355,739	\$ 5,054,399
Fund balances - beginning, as previously reported	\$ 3,502,579	\$ 3,698,660	\$ 10,956,574	\$ 7,257,914
Restatements	-	-	129,652	129,652
Fund balances - beginning, as restated	-	-	11,086,226	11,086,226
Fund balances - ending	\$ -	\$ -	\$ 12,441,965	\$ 16,140,625

County of Scott, Virginia
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Primary Government
Pension Plans
For the Measurement Dates of June 30, 2014 through June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service cost	\$ 876,987 \$	782,717 \$	766,851 \$	674,952 \$	625,726 \$	599,817 \$	613,499 \$	584,285 \$	621,118 \$	600,671 \$
Interest	2,419,516	2,387,381	2,212,396	2,129,232	2,036,058	1,960,615	1,943,412	1,888,383	1,831,199	1,765,556
Differences between expected and actual experience	1,644,814	(917,105)	(541,674)	211,965	585,651	174,381	(742,506)	(217,288)	(101,261)	-
Changes in assumptions	-	-	1,220,176	-	928,361	-	(22,732)	-	-	-
Benefit payments, including refunds of employee contributions	(1,848,432)	(1,893,940)	(1,802,234)	(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	\$ 3,092,885 \$	359,053 \$	1,855,515 \$	1,250,179 \$	2,505,453 \$	1,091,045 \$	343,602 \$	764,969 \$	773,185 \$	1,087,153 \$
Total pension liability - beginning	35,891,917	35,532,864	33,677,349	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>38,984,802</u>	<u>35,891,917</u>	<u>35,532,864</u>	<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	\$ 1,169,386 \$	895,089 \$	798,069 \$	717,233 \$	697,098 \$	712,572 \$	693,671 \$	791,794 \$	750,456 \$	802,383
Contributions - employee	377,686	332,681	298,424	286,735	315,044	284,616	266,710	271,254	258,617	265,190
Net investment income	2,014,298	(36,802)	6,966,791	490,773	1,646,571	1,753,285	2,632,566	376,372	965,541	2,951,572
Benefit payments, including refunds of employee contributions	(1,846,432)	(1,893,940)	(1,802,234)	(1,765,970)	(1,670,343)	(1,643,768)	(1,448,071)	(1,490,411)	(1,577,871)	(1,279,074)
Administrative expense	(19,897)	(19,899)	(17,545)	(17,090)	(16,551)	(15,378)	(15,366)	(13,659)	(13,637)	(15,914)
Other	815	733	655	(579)	(1,037)	(1,552)	(2,338)	(160)	(203)	156
Net change in plan fiduciary net position	\$ 1,688,856 \$	(722,098) \$	6,244,160 \$	(288,898) \$	970,782 \$	1,089,775 \$	2,127,172 \$	(64,810) \$	386,903 \$	2,724,313
Plan fiduciary net position - beginning	31,213,329	31,935,427	25,691,267	25,980,165	25,009,383	23,919,608	21,792,456	21,857,246	21,470,343	18,746,030
Plan fiduciary net position - ending (b)	<u>32,902,185</u>	<u>31,213,329</u>	<u>31,935,427</u>	<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>
County's net pension liability (asset) - ending (a) - (b)	\$ 6,082,617 \$	4,678,588 \$	3,597,437 \$	7,986,082 \$	6,447,005 \$	4,912,334 \$	4,911,064 \$	6,694,634 \$	5,864,855 \$	5,478,573
Plan fiduciary net position as a percentage of the total pension liability	84.40%	86.96%	89.88%	76.29%	80.12%	83.58%	82.97%	76.50%	78.84%	79.67%
Covered payroll	\$ 7,957,461	7,076,326	6,285,456 \$	6,112,503 \$	5,870,616 \$	5,663,894 \$	5,481,934 \$	5,433,100 \$	5,479,756 \$	5,464,930
County's net pension liability as a percentage of covered payroll	76.44%	66.12%	57.23%	130.65%	109.82%	86.73%	89.59%	123.22%	107.03%	100.25%

County of Scott, Virginia
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Component Unit School Board (nonprofessional)

Pension Plans For the Measurement Dates of June 30, 2014 through June 30, 2023										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service cost	\$ 198,375	184,032	196,896	206,477	201,089	198,077	207,235	216,597	225,567	224,506
Interest	744,937	712,152	658,574	648,756	656,863	632,629	632,999	616,205	593,502	569,005
Differences between expected and actual experience	106,454	163,777	8,734	(158,432)	(387,845)	(22,128)	(329,396)	(118,912)	(18,675)	-
Changes in assumptions	-	-	305,903	-	261,821	-	(29,008)	-	-	-
Benefit payments, including refunds of employee contributions	(630,787)	(546,431)	(575,130)	(527,557)	(481,405)	(473,927)	(471,735)	(476,218)	(475,913)	(411,190)
Net change in total pension liability	\$ 418,979	513,920	594,377	169,244	250,523	335,651	10,095	237,672	324,481	382,321
Total pension liability - beginning	11,153,120	10,639,200	10,044,223	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)	\$ 11,572,099	\$ 11,153,120	\$ 10,639,200	\$ 10,044,223	\$ 9,874,979	\$ 9,624,456	\$ 9,288,805	\$ 9,278,710	\$ 9,041,038	\$ 8,716,557
Plan fiduciary net position										
Contributions - employer	\$ 94,995	92,032	89,819	113,954	113,964	151,084	153,075	196,260	197,633	226,613
Contributions - employee	122,147	135,515	112,462	107,150	105,046	103,740	104,870	104,712	106,064	106,179
Net investment income	727,887	(9,415)	2,578,114	184,824	616,904	655,267	985,817	140,253	364,074	1,102,402
Benefit payments, including refunds of employee contributions	(630,787)	(546,431)	(575,130)	(527,557)	(481,405)	(473,927)	(471,735)	(476,218)	(475,913)	(411,190)
Administrative expense	(7,444)	(7,385)	(6,995)	(6,411)	(6,224)	(5,779)	(5,784)	(5,137)	(5,083)	(5,951)
Other	291	289	242	(216)	(388)	(582)	(874)	(60)	(79)	59
Net change in plan fiduciary net position	\$ 307,089	(335,415)	2,198,512	(128,256)	347,897	429,853	765,369	(40,190)	186,696	1,018,112
Plan fiduciary net position - beginning	11,453,419	11,788,834	9,589,922	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)	\$ 11,760,508	\$ 11,453,419	\$ 11,788,834	\$ 9,589,922	\$ 9,718,178	\$ 9,370,281	\$ 8,940,428	\$ 8,175,059	\$ 8,215,249	\$ 8,028,553
School Division's net pension liability (asset) - ending (a) - (b)	\$ (188,409)	\$ (300,299)	\$ (1,149,634)	\$ 454,301	\$ 156,801	\$ 254,175	\$ 348,377	\$ 1,103,651	\$ 825,789	\$ 688,004
Plan fiduciary net position as a percentage of the total pension liability	101.63%	102.69%	110.81%	95.48%	98.41%	97.36%	96.25%	88.11%	90.87%	92.11%
Covered payroll	\$ 2,746,029	2,568,472	2,467,776	2,326,127	2,233,030	2,174,214	2,178,885	2,118,205	2,321,227	1,661,330
School Division's net pension liability as a percentage of covered payroll	-6.86%	-11.69%	-46.59%	19.53%	7.02%	11.69%	15.99%	52.10%	35.58%	41.41%

County of Scott, Virginia
Schedule of Employer's Share of Net Pension Liability (Asset)
VRS Teacher Retirement Plan
Pension Plans

For the Measurement Dates of June 30, 2018 through June 30, 2023

Date	Employer's	Employer's	Employer's	Employer's	Employer's	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll (4)	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (3)/(4)	(5)	
(1)	(2)	(3)	(4)	(5)	(6)	
2023	0.24527%	\$ 24,789,941	\$ 26,937,143	92%	82.45%	
2022	0.24405%	23,235,021	24,964,457	93%	82.61%	
2021	0.24841%	19,284,311	21,611,229	89%	85.46%	
2020	0.24690%	35,936,255	23,753,745	151%	71.47%	
2019	0.24694%	32,450,014	23,022,584	141%	73.51%	
2018	0.25015%	29,418,000	22,624,219	130%	74.81%	

Schedule is intended to show information for 10 years. Information prior to the 2018 valuation is not available. However, additional years will be included as they become available.

County of Scott, Virginia
Schedule of Employer Contributions
Pension Plans
For the Years Ended June 30, 2015 through June 30, 2024

Date	Contractually Required Contribution (1)*	Contributions in Relation to Contractually Required Contribution (2)*	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
2024	\$ 1,303,915	\$ 1,303,915	\$ -	\$ 8,907,830	14.64%
2023	1,169,426	1,169,426	-	7,957,461	14.70%
2022	934,075	934,075	-	7,076,326	13.20%
2021	829,680	829,680	-	6,285,456	13.20%
2020	717,233	717,233	-	6,112,503	11.73%
2019	697,098	697,098	-	5,870,616	11.87%
2018	712,516	712,516	-	5,663,894	12.58%
2017	689,936	689,936	-	5,481,934	12.59%
2016	783,453	783,453	-	5,433,100	14.42%
2015	750,270	750,270	-	5,479,756	13.69%
Component Unit School Board (nonprofessional)					
2024	\$ 104,393	\$ 104,393	\$ -	\$ 3,043,915	3.43%
2023	97,240	97,240	-	2,746,029	3.54%
2022	112,499	112,499	-	2,568,472	4.38%
2021	108,089	108,089	-	2,467,776	4.38%
2020	114,780	114,780	-	2,326,127	4.93%
2019	115,979	115,979	-	2,233,030	5.19%
2018	151,520	151,520	-	2,174,214	6.97%
2017	155,619	155,619	-	2,178,285	7.14%
2016	195,934	195,934	-	2,118,205	9.25%
2015	199,237	199,237	-	2,321,227	8.58%
Component Unit School Board (professional)					
2024	\$ 4,290,163	\$ 4,290,163	\$ -	\$ 26,756,040	16.03%
2023	3,871,788	3,871,788	-	26,937,143	14.37%
2022	3,625,467	3,625,467	-	24,964,457	14.52%
2021	3,514,267	3,514,267	-	21,611,229	16.26%
2020	3,281,436	3,281,436	-	23,753,745	13.81%
2019	3,159,929	3,159,929	-	23,022,584	13.73%

Schedule is intended to show information for 10 years. Information prior to the 2019 valuation for Teachers is not available. However, additional years will be included as they become available.

*Excludes contributions (mandatory and match on voluntary) to the defined contribution portion of the Hybrid plan.

County of Scott, Virginia
Notes to Required Supplementary Information
Pension Plans
For the Year Ended June 30, 2024

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

Changes of assumptions - The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

All Others (Non 10 Largest) - Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Component Unit School Board - Professional Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

County of Scott, Virginia
Schedule of Changes in Total OPEB Liability and Related Ratios
Primary Government - County
For the Measurement Dates of June 30, 2018 through June 30, 2024

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	\$ 125,164	\$ 188,085	\$ 188,085	\$ 198,400	\$ 129,912	\$ 126,749	\$ 129,209
Interest	133,517	152,967	81,289	81,911	124,833	65,812	41,023
Changes in assumptions	550,912	129,168	(629,812)	17,416	403,353	5,857	(522,812)
Differences between expected and actual experience	(752,713)	(224,889)	423,201	(150,634)	(513,944)	-	5,151
Benefit payments	(89,559)	(82,702)	(89,899)	(69,738)	(75,824)	(75,814)	(86,543)
Implicit rate subsidy fulfillment	(107,255)	-	-	-	-	-	-
Net change in total OPEB liability	\$ (139,934)	\$ 162,629	\$ (27,136)	\$ 77,355	\$ 68,330	\$ 122,604	\$ (433,972)
Total OPEB liability - beginning	3,755,515	3,592,886	3,620,022	3,542,667	3,474,337	3,351,733	3,785,705
Total OPEB liability - ending	\$ 3,615,581	\$ 3,755,515	\$ 3,592,886	\$ 3,620,022	\$ 3,542,667	\$ 3,474,337	\$ 3,351,733
Covered-employee payroll	\$ 5,859,789	\$ 7,957,461	\$ 7,080,576	\$ 6,343,213	\$ 6,162,900	\$ 5,870,616	\$ 5,663,894
County's total OPEB liability (asset) as a percentage of covered-employee payroll	61.70%	47.19%	50.74%	57.07%	57.48%	59.18%	59.18%

Schedule is intended to show information for 10 years. Additional years will be included as they become available.

County of Scott, Virginia
Schedule of Changes in Total OPEB Liability and Related Ratios
Component Unit School Board
For the Measurement Dates of June 30, 2018 through June 30, 2024

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	\$ 178,983	176,293	299,406	290,481	345,872	314,553	302,833
Interest	161,847	150,660	119,558	115,074	174,417	176,389	165,926
Changes in assumptions	(113,677)	(41,176)	(525,269)	22,913	638,975	139,188	-
Differences between expected and actual experience	(395,876)	-	(1,066,405)	-	(786,986)	-	-
Benefit payments	-	(9,630)	(9,630)	(26,680)	(55,280)	(75,910)	(99,010)
Implicit rate subsidy fulfillment	(114,015)	(91,618)	(102,265)	(62,266)	(151,755)	(126,259)	(95,627)
Net change in total OPEB liability	\$ (282,738)	184,529	(1,284,605)	339,522	165,243	427,961	274,122
Total OPEB liability - beginning	4,490,655	4,306,126	5,590,731	5,251,209	5,085,966	4,658,005	4,383,883
Total OPEB liability - ending	\$ 4,207,917	4,490,655	4,306,126	5,590,731	5,251,209	5,085,966	4,658,005
Covered-employee payroll	\$ 31,042,505	24,964,457	24,964,457	24,145,542	24,057,773	22,264,219	22,624,219
School Board's total OPEB liability (asset) as a percentage of covered-employee payroll	13.56%	17.99%	17.25%	23.15%	21.83%	22.84%	20.59%

Schedule is intended to show information for 10 years. Information prior to the 2018 valuation is not available. However, additional years will be included as they become available.

County of Scott, Virginia
Notes to Required Supplementary Information
For the Year Ended June 30, 2024

County, DSS, and School Board

Valuation Date: 6/30/2024

Measurement Date: 6/30/2024

No assets are accumulated in a trust that meets the criteria in GASB 75 to pay related benefits.

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	3.97% as of June 30, 2024; 3.65% as of June 30, 2023
Inflation	2.50% per year as of June 30, 2024 and June 30, 2023
Healthcare Trend Rate - County	The healthcare trend rate assumption starts at 6.00% for June 30, 2024 decreasing to an ultimate rate of 4.00% by June 30, 2032
Healthcare Trend Rate - School Board	The healthcare trend rate assumption starts at 7.00% for June 30, 2024 decreasing to an ultimate rate of 4.25% by June 30, 2035
Salary Increase Rates	2.50% per year
Participation Percentage - County and DSS	It is assumed that 100% of eligible retirees and 50% of eligible spouses will elect to receive coverage upon retirement.
Participation Percentage - School Board	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.
Retirement Age	Average retirement age was 61 as of June 30, 2024
Mortality Rates - All employees	PUBH-2010 General Employees and Healthy Retiree Mortality, male and female, projected generationally using the MP-2021 mortality improvement scale.

County of Scott, Virginia
Schedule of County's Share of Net OPEB Liability
Group Life Insurance (GLI) Plan
For the Measurement Dates of June 30, 2017 through June 30, 2023

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
2023	0.03378%	\$ 405,128	\$ 7,957,461	5.09%	69.30%
2022	0.03255%	391,933	7,076,326	5.54%	67.21%
2021	0.03072%	357,664	6,285,456	5.69%	67.45%
2020	0.02940%	490,638	6,112,503	8.03%	52.64%
2019	0.02965%	482,485	5,870,616	8.22%	52.00%
2018	0.03007%	456,000	5,663,894	8.05%	51.22%
2017	0.02986%	450,000	5,481,934	8.21%	48.86%

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available.

County of Scott, Virginia
Schedule of Employer Contributions - County
Group Life Insurance (GLI) Plan
For the Years Ended June 30, 2013 through June 30, 2024

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2024	\$ 48,135	\$ 48,135	\$ -	\$ 8,907,830	0.54%
2023	42,970	42,970	-	7,957,461	0.54%
2022	38,235	38,235	-	7,076,326	0.54%
2021	34,253	34,253	-	6,285,456	0.54%
2020	31,486	31,486	-	6,112,503	0.52%
2019	30,226	30,226	-	5,870,616	0.51%
2018	29,727	29,727	-	5,663,894	0.52%
2017	28,636	28,636	-	5,481,934	0.52%

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available.

County of Scott, Virginia
Schedule of School Board Nonprofessional's Share of Net OPEB Liability
Group Life Insurance (GLI) Plan
For the Measurement Dates of June 30, 2017 through June 30, 2023

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)		Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
2023	0.01182%	\$	141,759	\$ 2,746,029	5.16%	69.30%
2022	0.01184%		142,565	2,568,472	5.55%	67.21%
2021	0.01200%		139,712	2,467,776	5.66%	67.45%
2020	0.01145%		191,082	2,326,127	8.21%	52.64%
2019	0.01153%		187,623	2,233,030	8.40%	52.00%
2018	0.01149%		179,000	2,174,214	8.23%	51.22%
2017	0.01186%		175,000	2,178,285	8.03%	48.86%

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available.

County of Scott, Virginia
Schedule of Employer Contributions - School Board Nonprofessional
Group Life Insurance (GLI) Plan
For the Years Ended June 30, 2017 through June 30, 2024

Date	Contributions in Relation to		Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
	Contractually Required Contribution (1)	Contractually Required Contribution (2)			
2024	\$ 16,794	\$ 16,794	\$ -	\$ 3,109,949	0.54%
2023	15,033	15,033	-	2,783,889	0.54%
2022	13,913	13,913	-	2,568,472	0.54%
2021	13,384	13,384	-	2,467,776	0.54%
2020	12,230	12,230	-	2,326,127	0.53%
2019	11,757	11,757	-	2,233,030	0.53%
2018	11,365	11,365	-	2,174,214	0.52%
2017	11,374	11,374	-	2,178,285	0.52%

County of Scott, Virginia
Schedule of School Board Professional's Share of Net OPEB Liability
Group Life Insurance (GLI) Plan
For the Measurement Dates of June 30, 2017 through June 30, 2023

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
2023	0.10254% \$	1,229,776	\$ 24,153,333	5.09%	69.30%
2022	0.10292%	1,239,256	22,387,778	5.54%	67.21%
2021	0.10494%	1,221,786	21,611,229	5.65%	67.45%
2020	0.10346%	1,726,578	23,753,745	7.27%	52.64%
2019	0.10391%	1,690,893	23,022,584	7.34%	52.00%
2018	0.10785%	1,603,000	18,847,785	8.50%	51.22%
2017	0.10557%	1,623,000	18,412,748	8.81%	48.86%

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available.

County of Scott, Virginia
Schedule of Employer Contributions - School Board Professional
Group Life Insurance (GLI) Plan
For the Years Ended June 30, 2017 through June 30, 2024

	Contributions in Relation to			Contributions	
	Contractually Required Contribution	Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	as a % of Covered Payroll
Date	(1)	(2)	(3)	(4)	(5)
2024	\$ 144,983	\$ 144,983	\$ -	\$ 26,756,040	0.54%
2023	130,428	130,428	-	24,153,333	0.54%
2022	120,894	120,894	-	22,387,778	0.54%
2021	117,002	117,002	-	21,611,229	0.54%
2020	110,300	110,300	-	23,753,745	0.46%
2019	105,921	105,921	-	23,022,584	0.46%
2018	104,382	104,382	-	22,585,459	0.46%
2017	104,382	104,382	-	21,797,939	0.48%

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available.

County of Scott, Virginia
Notes to Required Supplementary Information
Group Life Insurance (GLI) Plan
For the Year Ended June 30, 2024

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

Changes of assumptions - The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Teachers

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

Non-Largest Ten Locality Employers - General Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Non-Largest Ten Locality Employers - Hazardous Duty Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

County of Scott, Virginia
Schedule of Changes in the School Board Nonprofessional's Net OPEB Liability and Related Ratios
Health Insurance Credit (HIC) Plan
For the Measurement Dates of June 30, 2022 through June 30, 2023

	<u>2023</u>	<u>2022</u>
Total HIC OPEB Liability		
Service cost	\$ 2,381	\$ 2,473
Interest	18,687	16,853
Differences between expected and actual experience	(131,620)	(9,904)
Changes of assumptions	-	22,912
Benefit payments	(5,460)	(4,685)
Net change in total HIC OPEB liability	\$ (116,012)	\$ 27,649
Total HIC OPEB Liability - beginning	277,196	249,547
Total HIC OPEB Liability - ending (a)	\$ 161,184	\$ 277,196
 Plan fiduciary net position		
Contributions - employer	\$ 22,517	\$ 20,034
Net investment income	2,925	(399)
Benefit payments	(5,460)	(4,685)
Administrator charges	(82)	(68)
Net change in plan fiduciary net position	\$ 19,900	\$ 14,882
Plan fiduciary net position - beginning	36,452	21,570
Plan fiduciary net position - ending (b)	\$ 56,352	\$ 36,452
 School Board's net HIC OPEB liability - ending (a) - (b)	\$ 104,832	\$ 240,744
 Plan fiduciary net position as a percentage of the total HIC OPEB liability	34.96%	13.15%
 Covered payroll	\$ 2,746,029	\$ 2,568,472
 School Board's net HIC OPEB liability as a percentage of covered payroll	3.82%	9.37%

Schedule is intended to show information for 10 years. Information prior to the 2022 valuation is not available. However, additional years will be included as they become available.

County of Scott, Virginia
Schedule of Employer Contributions - School Board Nonprofessional
Health Insurance Credit (HIC) Plan
For the Years Ended June 30, 2021 through June 30, 2024

Date	Contributions in Relation to		Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
	Contractually Required Contribution	Contractually Required Contribution			
	(1)	(2)	(3)	(4)	(5)
2024	\$ 24,960	\$ 24,960	\$ -	\$ 3,043,915	0.82%
2023	22,517	22,517	-	2,746,029	0.82%
2022	20,034	20,034	-	2,568,472	0.78%
2021	19,249	19,249	-	2,467,776	0.78%

Schedule is intended to show information for 10 years. Information prior to the 2021 valuation is not available. However, additional years will be included as they become available.

County of Scott, Virginia
Notes to Required Supplementary Information
Health Insurance Credit (HIC) Plan
For the Year Ended June 30, 2024

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

Changes of assumptions - The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Non-Largest Ten Locality Employers - General Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

County of Scott, Virginia
Schedule of School Board's Share of Net OPEB Liability
Teacher Employee Health Insurance Credit (HIC) Plan
For the Measurement Dates of June 30, 2017 through June 30, 2023

Date (1)	Employer's Proportion of the Net HIC OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)
2023	0.24100%	\$ 2,919,637	\$ 26,937,143	10.84%	17.90%
2022	0.24020%	3,000,335	24,964,457	12.02%	15.08%
2021	0.24436%	3,136,529	21,611,229	14.51%	13.15%
2020	0.24234%	3,161,365	23,753,745	13.31%	9.95%
2019	0.24258%	3,175,608	23,022,584	13.79%	8.97%
2018	0.24747%	3,142,000	22,585,459	13.91%	8.08%
2017	0.25097%	3,184,000	21,797,939	14.61%	7.04%

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available.

County of Scott, Virginia
Schedule of Employer Contributions
Teacher Employee Health Insurance Credit (HIC) Plan
For the Years Ended June 30, 2017 through June 30, 2024

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2024	\$ 323,748	\$ 323,748	\$ -	\$ 26,756,040	1.21%
2023	290,782	290,782	-	24,031,570	1.21%
2022	270,894	270,894	-	22,387,933	1.21%
2021	261,946	261,946	-	21,611,229	1.21%
2020	253,988	253,988	-	23,753,745	1.07%
2019	243,939	243,939	-	23,022,584	1.06%
2018	246,174	246,174	-	22,585,459	1.09%
2017	219,851	219,851	-	21,797,939	1.01%

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available.

County of Scott, Virginia
Notes to Required Supplementary Information
Teacher Employee Health Insurance Credit (HIC) Plan
For the Year Ended June 30, 2024

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

Changes of assumptions - The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

Other Supplementary Information

County of Scott, Virginia
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	<u>Capital Projects</u>		<u>Special Revenue</u>		<u>Total</u>
	<u>Fire Training</u>		<u>Coal Road</u>		<u>Nonmajor</u>
	<u>Facility</u>	<u>Law Library</u>	<u>Improvement</u>		<u>Governmental</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>		<u>Funds</u>
ASSETS					
Cash and cash equivalents	\$ 184,910	\$ 2,944	\$ 42,547	\$	230,401
Receivables (net of allowance for uncollectibles):					
Taxes receivable	-	153	-		153
Total assets	\$ 184,910	\$ 3,097	\$ 42,547	\$	230,554
LIABILITIES					
Accounts payable	\$ -	\$ 210	\$ -	\$	210
Total liabilities	\$ -	\$ 210	\$ -	\$	210
FUND BALANCES					
Committed:					
Capital projects	\$ 184,910	\$ -	\$ -	\$	184,910
Law library	-	2,887	-		2,887
Coal road	-	-	42,547		42,547
Total fund balances	\$ 184,910	\$ 2,887	\$ 42,547	\$	230,344
Total liabilities and fund balances	\$ 184,910	\$ 3,097	\$ 42,547	\$	230,554

County of Scott, Virginia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Capital Projects		Special Revenue		Total Nonmajor Governmental
	Fire Training Facility Fund		Law Library Fund	Coal Road Improvement Fund	Funds
REVENUES					
Other local taxes	\$ -	\$ -	\$ -	\$ 698	\$ 698
Miscellaneous	-		2,415	-	2,415
Total revenues	\$ -	\$ 2,415	\$ 698	\$ 3,113	
EXPENDITURES					
Current:					
Judicial administration	\$ -	\$ 4,771	\$ -	\$ 4,771	
Public safety	638	-	-	638	
Public works	-	-	524	524	
Total expenditures	\$ 638	\$ 4,771	\$ 524	\$ 5,933	
Excess (deficiency) of revenues over (under) expenditures	\$ (638)	\$ (2,356)	\$ 174	\$ (2,820)	
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ 50,000	\$ -	\$ -	\$ 50,000	
Net change in fund balances	\$ 49,362	\$ (2,356)	\$ 174	\$ 47,180	
Fund balances - beginning	135,548	5,243	42,373	183,164	
Fund balances - ending	\$ 184,910	\$ 2,887	\$ 42,547	\$ 230,344	

County of Scott, Virginia
 Capital Projects Fund - Fire Training Facility Project
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended June 30, 2024

	Fire Training Facility Project Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Capital projects	\$ 187,809	\$ 187,809	\$ 638	\$ 187,171
Excess (deficiency) of revenues over (under) expenditures	\$ (187,809)	\$ (187,809)	\$ (638)	\$ 187,171
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 50,000	\$ 50,000	\$ 50,000	\$ -
Total other financing sources (uses)	\$ 50,000	\$ 50,000	\$ 50,000	\$ -
Net change in fund balances	\$ (137,809)	\$ (137,809)	\$ 49,362	\$ 187,171
Fund balances - beginning	137,809	137,809	135,548	(2,261)
Fund balances - ending	\$ -	\$ -	\$ 184,910	\$ 184,910

County of Scott, Virginia
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Fund - Law Library Fund
For the Year Ended June 30, 2024

	Law Library Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Miscellaneous	\$ -	\$ 2,900	\$ 2,415	(485)
Total revenues	\$ -	\$ 2,900	\$ 2,415	\$ (485)
EXPENDITURES				
Current:				
Public safety	\$ 5,220	\$ 8,120	\$ 4,771	\$ 3,349
Total expenditures	\$ 5,220	\$ 8,120	\$ 4,771	\$ 3,349
Excess (deficiency) of revenues over (under) expenditures	\$ (5,220)	\$ (5,220)	\$ (2,356)	\$ 2,864
Net change in fund balances	\$ (5,220)	\$ (5,220)	\$ (2,356)	\$ 2,864
Fund balances - beginning	5,220	5,220	5,243	23
Fund balances - ending	\$ -	\$ -	\$ 2,887	\$ 2,887

County of Scott, Virginia
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Fund - Coal Road Improvement
For the Year Ended June 30, 2024

	Coal Road Improvement Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Other local taxes	\$ -	\$ -	\$ 698	\$ 698
Total revenues	\$ -	\$ -	\$ 698	\$ 698
EXPENDITURES				
Current:				
Public works	\$ 42,525	\$ 42,525	\$ 524	\$ 3,349
Total expenditures	\$ 42,525	\$ 42,525	\$ 524	\$ 3,349
Excess (deficiency) of revenues over (under) expenditures	\$ (42,525)	\$ (42,525)	\$ 174	\$ 4,047
Net change in fund balances	\$ (42,525)	\$ (42,525)	\$ 174	\$ 4,047
Fund balances - beginning	42,525	42,525	42,373	(152)
Fund balances - ending	\$ -	\$ -	\$ 42,547	\$ 3,895

County of Scott, Virginia
Combining Statement of Fiduciary Net Position
Fiduciary Funds - Custodial Funds
June 30, 2024

	<u>Special Welfare</u>	<u>Fringe Benefits</u>	<u>State Income Taxes</u>	<u>State and Federal Asset Forfeiture</u>	<u>Town Sales Taxes</u>	<u>Total</u>
ASSETS						
Cash and cash equivalents	\$ 53,670	\$ -	\$ 197,784	\$ 100,694	\$ -	\$ 352,148
Total assets	<u>\$ 53,670</u>	<u>\$ -</u>	<u>\$ 197,784</u>	<u>\$ 100,694</u>	<u>\$ -</u>	<u>\$ 352,148</u>
LIABILITIES						
Due to other funds	\$ -	\$ 278,337	\$ -	\$ -	\$ -	\$ 278,337
NET POSITION						
Restricted:						
Social services welfare	\$ 53,670	\$ -	\$ -	\$ -	\$ -	\$ 53,670
State income taxes			197,784	-	-	197,784
Asset forfeitures pending court results	-	-	-	100,694	-	100,694
Unrestricted	-	(278,337)	-	-	-	(278,337)
Total liabilities	<u>\$ 53,670</u>	<u>\$ (278,337)</u>	<u>\$ 197,784</u>	<u>\$ 100,694</u>	<u>\$ -</u>	<u>\$ 73,811</u>

County of Scott, Virginia
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Custodial Funds
For the Year Ended June 30, 2024

	<u>Special Welfare</u>	<u>Fringe Benefits</u>	<u>State Income Taxes</u>	<u>State and Federal Asset Forfeiture</u>	<u>Town Sales Taxes</u>	<u>Total</u>
ADDITIONS						
Contributions:						
State income tax payments	\$ -	\$ -	\$ 282,307	\$ -	\$ -	\$ 282,307
Social security and welfare receipts	89,684	-	-	-	-	89,684
Fringe benefit withholdings	-	2,469,837	-	-	-	2,469,837
Asset forfeitures	-	-	-	210,264	-	210,264
Total contributions	\$ 89,684	\$ 2,469,837	\$ 282,307	\$ 210,264	\$ -	\$ 3,052,092
DEDUCTIONS						
Fringe benefit payments	\$ -	\$ 2,732,195	\$ -	\$ -	\$ -	\$ 2,732,195
State income tax payments	-	-	97,061	-	-	97,061
Welfare payments	58,002	-	-	-	-	58,002
Remittance to state/federal asset forfeitures	-	-	-	169,810	-	169,810
Total deductions	\$ 58,002	\$ 2,732,195	\$ 97,061	\$ 169,810	\$ -	\$ 3,057,068
Net increase (decrease) in fiduciary net position	\$ 31,682	\$ (262,358)	\$ 185,246	\$ 40,454	\$ -	\$ (4,976)
Net position - beginning, as previously reported	21,988	(15,979)	-	-	13,857	\$ 19,866
Restatements	-	-	12,538	60,240	(13,857)	58,921
Net position - beginning, as restated	21,988	(15,979)	12,538	60,240	-	78,787
Net position - ending	\$ 53,670	\$ (278,337)	\$ 197,784	\$ 100,694	\$ -	\$ 73,811

County of Scott, Virginia
Combining Balance Sheet
Discretely Presented Component Unit - School Board
As of June 30, 2024

	School Operating Fund	School Food Service Fund	School Head Start Fund	School Activity Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 6,318	\$ 637,334	\$ 5,569	\$ -	\$ 649,221
Cash held at individual schools	-	-	-	824,833	824,833
Due from other funds	1,563,308	-	-	-	1,563,308
Due from other governmental units	3,485,272	29,133	41,811	-	3,556,216
Prepaid items	1,017,296	-	10,500	-	1,027,796
Total assets	<u>\$ 6,072,194</u>	<u>\$ 666,467</u>	<u>\$ 57,880</u>	<u>\$ 824,833</u>	<u>\$ 7,621,374</u>
LIABILITIES					
Accounts payable	\$ 274,650	17,040	\$ 9,030	\$ -	\$ 300,720
Accrued liabilities	3,987,382	141,779	-	-	4,129,161
Retainage payable	29,457	-	-	-	29,457
Due to other funds	-	321,876	-	-	321,876
Due to primary government	45,803	-	-	-	45,803
Unearned revenue	1,734,902	-	-	-	1,734,902
Total liabilities	<u>\$ 6,072,194</u>	<u>\$ 480,695</u>	<u>\$ 9,030</u>	<u>\$ -</u>	<u>\$ 6,561,919</u>
FUND BALANCES					
Nonspendable	\$ 1,017,296	-	\$ 10,500	\$ -	\$ 1,027,796
Restricted:					
Head Start program	-	-	38,350	-	38,350
Cafeteria operations	-	185,772	-	-	185,772
Committed					
School activities	-	-	-	824,833	824,833
Unassigned	(1,017,296)	-	-	-	(1,017,296)
Total fund balances	<u>\$ -</u>	<u>\$ 185,772</u>	<u>\$ 48,850</u>	<u>\$ 824,833</u>	<u>\$ 1,059,455</u>
Total liabilities and fund balances	<u>\$ 6,072,194</u>	<u>\$ 666,467</u>	<u>\$ 57,880</u>	<u>\$ 824,833</u>	<u>\$ 7,621,374</u>

Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:

Total fund balances per above \$ 1,059,455

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Land	\$ 1,947,912	
Construction in progress	5,910,814	
Buildings and improvements	26,056,828	
Machinery and equipment	9,753,494	
Lease assets - buildings and improvements	119,610	
Lease assets - machinery and equipment	20,447	43,809,105

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

Net pension asset 188,409

Internal service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.

(1,129,313)

Deferred outflows of resources are not available to pay for current-period expenditures, and therefore, are not reported in the funds.

Pension related items	\$ 8,004,737	
OPEB related items	1,135,668	9,140,405

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Compensated absences	\$ (1,118,986)	
Lease liabilities	(147,301)	
Net pension liability	(24,789,941)	
Net OPEB liabilities	(8,603,921)	(34,660,149)

Deferred inflows of resources are not due and payable in the current period, and, therefore, are not reported in the funds.

Pension related items	\$ (3,109,069)	
OPEB related items	(2,265,627)	(5,374,696)

Net position of governmental activities \$ 13,033,216

County of Scott, Virginia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds - Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2024

	School Operating Fund	School Food Service Fund*	School Head Start Fund	School Activity Fund*	Total Governmental Funds
REVENUES					
Revenue from the use of money and property	\$ -	\$ 3,716	\$ -	\$ -	\$ 3,716
Charges for services	43,739	141,236	-	-	184,975
Miscellaneous	141,591	8,217	692,990	2,032,935	2,875,733
Recovered costs	600,853	-	-	-	600,853
Intergovernmental:					
Local government	10,447,478	-	-	-	10,447,478
Commonwealth	48,323,385	68,613	-	-	48,391,998
Federal	5,575,564	2,750,287	2,438,694	-	10,764,545
Total revenues	\$ 65,132,610	\$ 2,972,069	\$ 3,131,684	\$ 2,032,935	\$ 73,269,298
EXPENDITURES					
Current:					
Education	\$ 64,040,573	\$ 3,285,705	\$ 3,086,746	\$ 2,891,389	\$ 73,304,413
Capital projects	15,836	-	-	-	15,836
Debt service:					
Principal retirement	1,992,695	-	14,687	-	2,007,382
Interest and other fiscal charges	73,120	-	3,119	-	76,239
Total expenditures	\$ 66,122,224	\$ 3,285,705	\$ 3,104,552	\$ 2,891,389	\$ 75,403,879
Excess (deficiency) of revenues over (under) expenditures	\$ (989,614)	\$ (313,636)	\$ 27,132	\$ (858,454)	\$ (2,134,572)
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ -	\$ 89,438	\$ -	\$ 932,902	\$ 1,022,340
Transfers out	(1,022,340)	-	-	-	(1,022,340)
Total other financing sources and uses	\$ (1,022,340)	\$ 89,438	\$ -	\$ 932,902	\$ -
Net change in fund balances	\$ (2,011,954)	\$ (224,198)	\$ 27,132	\$ 74,448	\$ (2,134,572)
Fund balances - beginning, as previously reported	\$ -	\$ 409,970	\$ 21,718	\$ 750,385	\$ 1,182,073
Restatements	2,011,954	-	-	-	2,011,954
Fund balances - beginning, as restated	-	409,970	21,718	750,385	1,182,073
Fund balances - ending	\$ (2,011,954)	\$ 185,772	\$ 48,850	\$ 824,833	\$ (952,499)

Amounts reported for governmental activities in the Statement of Activities (Exhibit 2) are different because:

Net change in fund balances - total governmental funds - per above \$ (2,134,572)

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 detail of items supporting this adjustment:

Capital outlays	\$ 6,853,680	
Depreciation and amortization expenses	(2,943,908)	3,909,772

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. 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 treatment of long-term debt and related items.

Principal Payments

Lease liabilities	\$ 15,382	
Financed purchase	1,992,000	2,007,382

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

(Increase) decrease in compensated absences	\$ (187,822)	
Decrease (increase) in accrued interest payable	12,060	
Non-employer contribution to net pension liability	361,668	
Change in net pension liabilities and related items	1,905,366	
Change in net OPEB liabilities and related items	347,093	2,438,365

Internal service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.

(1,371,635)

Change in net position of governmental activities	\$ 4,849,312
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*The School Activity Fund does not require a legally adopted budget.

County of Scott, Virginia
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2024

	School Operating Fund			School Head Start Fund			School Food Service Fund		
	Budgeted Amounts		Variance with Final Budget Positive (Negative)	Budgeted Amounts		Variance with Final Budget Positive (Negative)	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original	Final	Actual	Original	Final	Actual	Original	Final	Actual
REVENUES									
Revenue from the use of money and property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100	\$ 100	\$ 3,716
Charges for services	35,000	35,000	43,739	8,739	-	-	275,055	275,055	141,236
Miscellaneous	290,925	290,925	141,591	(149,334)	-	692,990	2,500	2,500	8,217
Recovered costs	300,000	300,000	600,853	300,853	-	-	-	-	-
Intergovernmental:									
Local government	9,268,495	9,671,385	10,447,478	776,093	-	-	-	-	-
Commonwealth	45,496,784	48,350,519	48,323,385	(27,134)	-	-	84,000	84,000	68,613
Federal	4,991,593	5,130,229	5,575,564	445,335	-	2,438,694	2,605,000	2,605,000	2,750,287
Total revenues	\$ 60,382,797	\$ 63,778,058	\$ 65,132,610	\$ 1,354,552	\$ -	\$ 3,131,684	\$ 2,966,655	\$ 2,966,655	\$ 2,972,069
EXPENDITURES									
Current:									
Education	\$ 60,132,252	\$ 63,527,513	\$ 64,040,573	\$ (513,060)	\$ -	\$ 3,086,746	\$ 2,866,655	\$ 2,866,655	\$ 3,285,705
Capital projects	-	-	15,836	(15,836)	-	-	-	-	-
Debt service:									
Principal retirement	321,000	321,000	1,992,695	(1,671,695)	-	14,687	-	-	-
Interest and other fiscal charges	29,545	29,545	73,120	(43,575)	-	3,119	-	-	-
Total expenditures	\$ 60,482,797	\$ 63,878,058	\$ 66,122,224	\$ (2,244,166)	\$ -	\$ 3,104,552	\$ 2,866,655	\$ 2,866,655	\$ 3,285,705
Excess (deficiency) of revenues over (under) expenditures	\$ (100,000)	\$ (100,000)	\$ (989,614)	\$ (889,614)	\$ -	\$ 27,132	\$ 44,938	\$ 100,000	\$ (313,636)
OTHER FINANCING SOURCES (USES)									
Transfers in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 89,438
Transfers out	100,000	100,000	(1,022,340)	(1,122,340)	-	-	(100,000)	(100,000)	-
Total other financing sources and uses	\$ 100,000	\$ 100,000	\$ (1,022,340)	\$ (1,122,340)	\$ -	\$ -	\$ (100,000)	\$ (100,000)	\$ 89,438
Net change in fund balances	\$ -	\$ -	\$ (2,011,954)	\$ (2,011,954)	\$ -	\$ 27,132	\$ -	\$ -	\$ (224,198)
Fund balances - beginning, as previously reported	-	-	-	-	-	21,718	-	-	409,970
Restatements	-	-	2,011,954	2,011,954	-	-	-	-	-
Fund balances - beginning, as restated	-	-	2,011,954	2,011,954	-	21,718	-	-	409,970
Fund balances - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,850	\$ -	\$ -	\$ 185,772

County of Scott, Virginia
Statement of Net Position
Discretely Presented Component Unit - School Board
Internal Service Fund
As of June 30, 2024

	Self- Insurance <u>Fund</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 592,475
Total assets	<u>\$ 592,475</u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 480,356
Due to other funds	1,241,432
Total liabilities	<u>\$ 1,721,788</u>
NET POSITION	
Restricted	\$ (1,129,313)
Total net position	<u>\$ (1,129,313)</u>

County of Scott, Virginia
Statement of Revenues, Expenses, and Changes in Net Position
Discretely Presented Component Unit - School Board
Internal Service Fund
For the Year Ended June 30, 2024

	Self- Insurance <u>Fund</u>
OPERATING REVENUES	
Charges for services:	
Insurance premiums	\$ 5,637,086
Total operating revenues	<u>\$ 5,637,086</u>
OPERATING EXPENSES	
Insurance claims and expenses	\$ 7,020,563
Total operating expenses	<u>\$ 7,020,563</u>
Operating income (loss)	<u>\$ (1,383,477)</u>
NONOPERATING REVENUES (EXPENSES)	
Investment income	\$ 11,842
Total nonoperating revenues (expenses)	<u>\$ 11,842</u>
Income before contributions and transfers	\$ (1,371,635)
Change in net position	\$ (1,371,635)
Total net position - beginning	242,322
Total net position - ending	<u><u>\$ (1,129,313)</u></u>

County of Scott, Virginia
Statement of Cash Flows
Discretely Presented Component Unit - School Board
Internal Service Fund
For the Year Ended June 30, 2024

	Self- Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts for insurance premiums	\$ 5,637,086
Payments for claims and expenses	(7,486,881)
Net cash provided by (used for) operating activities	<u>\$ (1,849,795)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	\$ 11,842
Transfers from other funds	1,241,432
Net cash provided by (used for) investing activities	<u>\$ 1,253,274</u>
 Net increase (decrease) in cash and cash equivalents	 \$ (596,521)
 Cash and cash equivalents - beginning	 1,188,996
Cash and cash equivalents - ending	<u><u>\$ 592,475</u></u>
 Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	<u>\$ (1,383,477)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Increase (decrease) in accounts payable	\$ (466,318)
Total adjustments	<u>\$ (466,318)</u>
Net cash provided by (used for) operating activities	<u><u>\$ (1,849,795)</u></u>

County of Scott, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024

Schedule 1
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 12,052,709	\$ 12,052,709	\$ 12,149,931	\$ 97,222
Real and personal public service corporation taxes	1,116,500	1,116,500	990,389	(126,111)
Personal property taxes	2,253,475	2,253,475	2,337,451	83,976
Mobile home taxes	93,085	93,085	78,470	(14,615)
Machinery and tools taxes	452,800	587,800	622,003	34,203
Merchant's capital	258,000	258,000	223,078	(34,922)
Penalties	115,000	115,000	165,842	50,842
Interest	120,000	120,000	152,488	32,488
Total general property taxes	\$ 16,461,569	\$ 16,596,569	\$ 16,719,652	\$ 123,083
Other local taxes:				
Local sales and use taxes	\$ 2,104,000	\$ 2,104,000	\$ 2,072,292	\$ (31,708)
Consumers' utility taxes	395,000	395,000	403,755	8,755
Meals taxes	300,000	300,000	351,389	51,389
Coal severance taxes	3,000	3,000	1,297	(1,703)
Consumption taxes	55,000	55,000	64,748	9,748
Vehicle license fees	380,000	380,000	430,195	50,195
Bank stock taxes	-	-	21,653	21,653
Taxes on recordation and wills	79,000	79,000	78,395	(605)
Hotel and motel room tax	2,200	2,200	7,258	5,058
Total other local taxes	\$ 3,318,200	\$ 3,318,200	\$ 3,430,982	\$ 112,782
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 500	\$ 500	\$ 338	\$ (162)
Transfer fees	800	800	795	(5)
Gun permits	16,000	16,000	19,617	3,617
Building permits	19,400	19,400	20,865	1,465
Other permits and fees	3,820	3,820	2,773	(1,047)
Total permits, privilege fees, and regulatory licenses	\$ 40,520	\$ 40,520	\$ 44,388	\$ 3,868
Fines and forfeitures:				
Court fines and forfeitures	\$ 54,800	\$ 54,800	\$ 170,256	\$ 115,456
Revenue from use of money and property:				
Revenue from use of money	\$ 10,000	\$ 143,220	\$ 866,127	\$ 722,907
Revenue from use of property	95,288	95,288	3,619	(91,669)
Total revenue from use of money and property	\$ 105,288	\$ 238,508	\$ 869,746	\$ 631,238
Charges for services:				
Charges for law enforcement and traffic control	\$ 69,900	\$ 77,060	\$ 60,454	\$ (16,606)
Charges for Commonwealth's Attorney	40,000	32,950	39,868	6,918
Charges for sanitation, waste removal and recycling	70,000	70,000	83,827	13,827
Charges for animal adoptions	5,000	5,000	4,781	(219)
Charges for parks and recreation	47,600	47,600	124,017	76,417
Charges for court appointed attorneys	2,500	2,500	770	(1,730)
Total charges for services	\$ 235,000	\$ 235,110	\$ 313,717	\$ 78,607

County of Scott, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2024

Schedule 1
Page 2 of 6

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Miscellaneous:				
Miscellaneous	\$ 181,679	\$ 900,489	\$ 511,155	\$ (389,334)
Opioid settlements	-	23,989	180,905	156,916
Payment in lieu of taxes	91,500	91,500	204,191	112,691
Asset forfeiture funds	-	-	26,765	26,765
Total miscellaneous	\$ 273,179	\$ 1,015,978	\$ 923,016	\$ (92,962)
Recovered costs:				
EDA reimbursements	\$ 35,000	\$ 35,000	54,730	\$ 19,730
School resource officer	498,762	503,225	575,385	72,160
Virtual education	1,452,181	1,747,106	2,111,635	364,529
Other recovered costs	672,249	898,524	992,884	94,360
Total recovered costs	\$ 2,658,192	\$ 3,183,855	\$ 3,734,634	\$ 550,779
Total revenue from local sources	\$ 23,146,748	\$ 24,683,540	\$ 26,206,391	\$ 1,522,851
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Casino tax	\$ 600,000	\$ 625,470	\$ 713,390	\$ 87,920
Mobile home titling tax	50,000	50,000	20,363	(29,637)
Rolling stock tax	130,000	130,000	153,522	23,522
State recordation tax	25,000	25,000	26,625	1,625
Personal property tax relief funds	734,025	734,025	734,026	1
Communications Taxes	540,000	540,000	500,176	(39,824)
Total noncategorical aid	\$ 2,079,025	\$ 2,104,495	\$ 2,148,102	\$ 43,607
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 649,814	\$ 715,004	\$ 707,464	\$ (7,540)
Sheriff	1,711,366	1,790,537	1,751,403	(39,134)
Commissioner of revenue	159,196	162,053	158,916	(3,137)
Treasurer	132,432	172,614	152,983	(19,631)
Medical examiner	82,881	82,881	95,847	12,966
Clerk of the Circuit Court	592,560	628,482	628,367	(115)
Total shared expenses	\$ 3,328,249	\$ 3,551,571	\$ 3,494,980	\$ (56,591)
Other categorical aid:				
Four-for-life payments	\$ 21,890	\$ 43,615	\$ 43,614	\$ (1)
Fire programs	70,000	78,843	78,843	-
Wireless E911	72,000	72,000	150,744	78,744
School resource officer	497,502	506,502	376,704	(129,798)
Children's services act	515,963	515,963	544,477	28,514
Public assistance and welfare administration	1,769,456	1,769,456	1,724,602	(44,854)
VDOT litter grant	20,942	21,942	22,120	178
Economic development grants	25,000	25,000	-	(25,000)
Commonwealth Opportunity Fund Grant	-	-	110,000	110,000
Other state aid	89,923	92,923	95,141	2,218
Total other categorical aid	\$ 3,082,676	\$ 3,126,244	\$ 3,146,245	\$ 20,001
Total categorical aid	\$ 6,410,925	\$ 6,677,815	\$ 6,641,225	\$ (36,590)
Total revenue from the Commonwealth	\$ 8,489,950	\$ 8,782,310	\$ 8,789,327	\$ 7,017

County of Scott, Virginia
Schedule of Revenues - Budget and Actual
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For the Year Ended June 30, 2024

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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the federal government:				
Categorical aid:				
State and Community Highway Safety	\$ -	\$ -	\$ 27,206	\$ 27,206
CDBG grants	-	-	772,894	772,894
Public assistance and welfare administration	2,586,637	2,586,637	2,586,637	-
Children's services act	142,999	142,999	142,999	-
Justice assistance grant	491,810	491,810	376,105	(115,705)
Domestic violence grant	45,000	45,000	39,044	(5,956)
Victim witness grant	54,284	54,284	55,608	1,324
Coronavirus State and Local Fiscal Recovery Funds	-	-	748,667	748,667
LATCF	147,441	109,006	178,211	69,205
Total categorical aid	\$ 3,468,171	\$ 3,429,736	\$ 4,927,371	\$ 1,497,635
Total revenue from the federal government	\$ 3,468,171	\$ 3,429,736	\$ 4,927,371	\$ 1,497,635
Total General Fund	\$ 35,104,869	\$ 36,895,586	\$ 39,923,089	\$ 3,027,503
Nonmajor Special Revenue Fund:				
Law Library Fund:				
Revenue from local sources:				
Miscellaneous				
Law library fees	\$ -	\$ 2,900	\$ 2,415	\$ (485)
Total revenue from local sources	\$ -	\$ 2,900	\$ 2,415	\$ (485)
Total Law Library Fund	\$ -	\$ 2,900	\$ 2,415	\$ (485)
Coal Road Improvement				
Revenue from local sources:				
Other local taxes				
Coal road severance taxes	\$ -	\$ -	\$ 698	\$ 698
Total revenue from local sources	\$ -	\$ -	\$ 698	\$ 698
Total Coal Road Improvement Fund	\$ -	\$ -	\$ 698	\$ 698
Total Primary Government	\$ 35,104,869	\$ 36,898,486	\$ 39,926,202	\$ 3,027,716

County of Scott, Virginia
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Revenue from local sources:				
Charges for services:				
Transportation of pupils	\$ 35,000	\$ 35,000	\$ 43,739	\$ 8,739
Total charges for services	\$ 35,000	\$ 35,000	\$ 43,739	\$ 8,739
Miscellaneous:				
Other miscellaneous	\$ 290,925	\$ 290,925	\$ 141,591	\$ (149,334)
Recovered costs:				
Medicaid reimbursements	\$ 300,000	\$ 300,000	\$ 600,853	\$ 300,853
Total recovered costs	\$ 300,000	\$ 300,000	\$ 600,853	\$ 300,853
Total revenue from local sources	\$ 625,925	\$ 625,925	\$ 786,183	\$ 160,258
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Scott, Virginia	\$ 9,268,495	\$ 9,671,385	\$ 10,447,478	\$ 776,093
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 4,723,129	\$ 5,343,136	\$ 4,494,607	\$ (848,529)
Basic school aid	19,620,463	20,192,246	20,766,547	574,301
Gifted and talented	175,688	175,688	177,510	1,822
Remedial education	830,707	830,707	818,421	(12,286)
Foster care	20,502	20,502	14,630	(5,872)
Special education	3,485,003	3,485,003	3,521,161	36,158
Textbook payment	422,864	422,864	427,251	4,387
Vocational SOQ payments	1,424,667	1,424,667	1,439,448	14,781
Vocational adult education	5,300	5,300	-	(5,300)
Homebound instruction	41,339	41,339	16,066	(25,273)
Social security fringe benefits	1,300,088	1,300,088	1,326,454	26,366
Retirement fringe benefits	3,028,215	3,028,215	3,059,634	31,419
Group life	92,635	92,635	93,596	961
GED prep program	8,203	8,203	8,173	(30)
Early reading intervention	175,707	175,707	157,530	(18,177)
Alternative education	489,801	488,099	505,672	17,573
Primary class size	839,697	839,697	801,489	(38,208)
Hold harmless	368,999	368,999	368,999	-
Special ed regional tuition	194,073	194,073	230,182	36,109
Vocation education	71,441	71,441	104,356	32,915
Salary supplement	2,838,665	3,193,155	3,227,008	33,853
Special education - foster children	5,126	5,126	33,703	28,577
At risk payments	1,693,312	1,902,776	2,986,395	1,083,619
Technology	414,000	592,914	680,510	87,596
Standards of Learning algebra readiness	141,529	141,529	128,774	(12,755)
Preschool initiative	548,908	786,090	660,487	(125,603)
At risk	1,192,662	1,053,569	166,570	(886,999)
English as a second language	41,949	41,949	49,352	7,403
Lottery proceeds	1,283,281	1,283,281	1,306,862	23,581
Other state funds	18,831	841,521	751,998	(89,523)
Total categorical aid	\$ 45,496,784	\$ 48,350,519	\$ 48,323,385	\$ (27,134)
Total revenue from the Commonwealth	\$ 45,496,784	\$ 48,350,519	\$ 48,323,385	\$ (27,134)

County of Scott, Virginia
Schedule of Revenues - Budget and Actual
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the federal government:				
Categorical aid:				
Forest reserve funds	\$ 44,128	\$ 44,128	\$ 51,561	\$ 7,433
Title I	848,079	944,219	1,167,140	222,921
Title VI-B, flow-through	872,357	872,357	885,579	13,222
Title VI-B, preschool	33,349	33,349	33,673	324
Vocational education	71,851	71,851	69,186	(2,665)
Improving teacher quality	125,364	125,771	153,287	27,516
Student support	66,108	66,484	42,556	(23,928)
21st Century	583,766	475,979	490,133	14,154
School safety programs	-	149,500	166,323	16,823
CARES	2,346,591	2,346,591	2,516,126	169,535
Total categorical aid	\$ 4,991,593	\$ 5,130,229	\$ 5,575,564	\$ 445,335
Total revenue from the federal government	\$ 4,991,593	\$ 5,130,229	\$ 5,575,564	\$ 445,335
Total School Operating Fund	\$ 60,382,797	\$ 63,778,058	\$ 65,132,610	\$ 1,354,552
Head Start Fund:				
Revenue from local sources:				
Miscellaneous:				
Other miscellaneous	\$ -	\$ -	\$ 692,990	\$ 692,990
Total miscellaneous	\$ -	\$ -	\$ 692,990	\$ 692,990
Total revenue from local sources	\$ -	\$ -	\$ 692,990	\$ 692,990
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
Head Start	\$ -	\$ -	\$ 2,234,846	\$ 2,234,846
USDA	-	-	203,848	203,848
Total categorical aid	\$ -	\$ -	\$ 2,438,694	\$ 2,438,694
Total revenue from the federal government	\$ -	\$ -	\$ 2,438,694	\$ 2,438,694
Total School Head Start Fund	\$ -	\$ -	\$ 3,131,684	\$ 3,131,684
School Food Service Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money and property	\$ 100	\$ 100	\$ 3,716	\$ 3,616
Total revenue from use of money and property	\$ 100	\$ 100	\$ 3,716	\$ 3,616
Charges for services:				
Cafeteria services	\$ 275,055	\$ 275,055	\$ 141,236	\$ (133,819)
Total charges for services	\$ 275,055	\$ 275,055	\$ 141,236	\$ (133,819)
Miscellaneous revenue:				
Other miscellaneous	\$ 2,500	\$ 2,500	\$ 8,217	\$ 5,717
Total miscellaneous revenue	\$ 2,500	\$ 2,500	\$ 8,217	\$ 5,717
Total revenue from local sources	\$ 277,655	\$ 277,655	\$ 153,169	\$ (124,486)

County of Scott, Virginia
Schedule of Revenues - Budget and Actual
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
School Food Service Fund: (Continued)				
Intergovernmental revenues:				
Revenue from the Commonwealth:				
Categorical aid:				
Other categorical aid	\$ 84,000	\$ 84,000	\$ 68,613	\$ (15,387)
Total revenue from the Commonwealth	<u>\$ 84,000</u>	<u>\$ 84,000</u>	<u>\$ 68,613</u>	<u>\$ (15,387)</u>
Revenue from the federal government:				
Categorical aid:				
School Food	\$ 2,605,000	\$ 2,605,000	\$ 2,750,287	\$ 145,287
Total revenue from the federal government	<u>\$ 2,605,000</u>	<u>\$ 2,605,000</u>	<u>\$ 2,750,287</u>	<u>\$ 145,287</u>
Total School Food Service Fund	<u>\$ 2,966,655</u>	<u>\$ 2,966,655</u>	<u>\$ 2,972,069</u>	<u>\$ 5,414</u>
School Activity Fund:				
Revenue from local sources:				
Miscellaneous revenue:				
Other miscellaneous	\$ -	\$ -	\$ 2,032,935	\$ 2,032,935
Total miscellaneous revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,032,935</u>	<u>\$ 2,032,935</u>
Total School Activity Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,032,935</u>	<u>\$ 2,032,935</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 63,349,452</u>	<u>\$ 66,744,713</u>	<u>\$ 73,269,298</u>	<u>\$ 6,524,585</u>

County of Scott, Virginia
Schedule of Expenditures - Budget and Actual
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<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 723,152	\$ 746,195	\$ 745,351	\$ 844
Total legislative	\$ 723,152	\$ 746,195	\$ 745,351	\$ 844
General and financial administration:				
County Administrator	\$ 271,891	\$ 276,672	\$ 267,298	\$ 9,374
Legal services	254,165	272,013	199,046	72,967
Auditing and financial consulting	87,000	94,500	70,269	24,231
Commissioner of the Revenue	371,446	409,325	383,831	25,494
Reassessment	-	-	9,037	(9,037)
Treasurer	333,989	369,589	332,822	36,767
Central accounting	145,632	146,895	145,036	1,859
Info Systems Manager	274,608	342,980	336,124	6,856
Central purchasing	171,737	173,139	171,807	1,332
CARES Expenses	-	-	3,467	(3,467)
ARPA Expenses	1,994,877	1,994,877	168,846	1,826,031
Total general and financial administration	\$ 3,905,345	\$ 4,079,990	\$ 2,087,583	\$ 1,992,407
Board of elections:				
Electoral board and officials	\$ 134,310	\$ 141,294	\$ 115,445	\$ 25,849
Registrar	195,317	199,560	180,442	19,118
Total board of elections	\$ 329,627	\$ 340,854	\$ 295,887	\$ 44,967
Total general government administration	\$ 4,958,124	\$ 5,167,039	\$ 3,128,821	\$ 2,038,218
Judicial administration:				
Courts:				
Circuit court	\$ 81,795	\$ 96,738	\$ 85,484	\$ 11,254
General district court	6,831	6,831	5,777	1,054
Special magistrates	2,025	2,025	1,666	359
Juvenile and domestic relations court	275,700	275,700	275,524	176
Clerk of the circuit court	813,572	860,659	837,345	23,314
Total courts	\$ 1,179,923	\$ 1,241,953	\$ 1,205,796	\$ 36,157
Commonwealth's attorney:				
Commonwealth's attorney	\$ 1,522,323	\$ 1,493,248	\$ 1,014,903	\$ 478,345
Total judicial administration	\$ 2,702,246	\$ 2,735,201	\$ 2,220,699	\$ 514,502
Public safety:				
Law enforcement and traffic control:				
Community work program	\$ 335,397	\$ 360,169	\$ 360,065	\$ 104
Sheriff	4,561,761	4,597,177	4,361,845	235,332
Operation cease fire	-	53,500	53,232	268
Courtroom security	143,713	143,713	59,302	84,411
Central dispatcher	1,200,822	1,223,362	974,687	248,675
Total law enforcement and traffic control	\$ 6,241,693	\$ 6,377,921	\$ 5,809,131	\$ 568,790

County of Scott, Virginia
Schedule of Expenditures - Budget and Actual
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<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Public safety: (Continued)				
Fire and rescue services:				
Volunteer fire department	\$ 463,500	\$ 472,343	\$ 472,343	\$ -
Volunteer rescue services	281,890	438,615	420,996	17,619
Forest fire services	20,000	20,000	19,728	272
SW VA Emergency Medical contribution	3,300	3,300	3,300	-
Total fire and rescue services	<u>\$ 768,690</u>	<u>\$ 934,258</u>	<u>\$ 916,367</u>	<u>\$ 17,891</u>
Correction and detention:				
Regional jail	\$ 2,414,507	\$ 2,414,507	\$ 2,789,656	\$ (375,149)
Total correction and detention	<u>\$ 2,414,507</u>	<u>\$ 2,414,507</u>	<u>\$ 2,789,656</u>	<u>\$ (375,149)</u>
Inspections:				
Building Official	\$ 185,080	\$ 186,689	\$ 169,888	\$ 16,801
Other protection:				
Animal control	\$ 154,124	\$ 154,868	\$ 132,208	\$ 22,660
Medical examiner	500	500	400	100
Emergency services	31,001	31,226	24,816	6,410
ARPA Expenses	546,484	546,484	546,484	-
Litter control	77,452	81,578	81,648	(70)
Total other protection	<u>\$ 809,561</u>	<u>\$ 814,656</u>	<u>\$ 785,556</u>	<u>\$ 29,100</u>
Total public safety	<u>\$ 10,419,531</u>	<u>\$ 10,728,031</u>	<u>\$ 10,470,598</u>	<u>\$ 257,433</u>
Public works:				
Sanitation and waste removal:				
Waste collection	\$ 532,099	\$ 590,935	\$ 607,366	\$ (16,431)
Solid waste sites	306,869	339,223	337,468	1,755
Transfer station	934,578	936,408	778,238	158,170
Total sanitation and waste removal	<u>\$ 1,773,546</u>	<u>\$ 1,866,566</u>	<u>\$ 1,723,072</u>	<u>\$ 143,494</u>
Maintenance of general buildings and grounds:				
General properties	\$ 698,864	\$ 710,355	\$ 655,769	\$ 54,586
Total maintenance of general buildings and grounds	<u>\$ 698,864</u>	<u>\$ 710,355</u>	<u>\$ 655,769</u>	<u>\$ 54,586</u>
Total public works	<u>\$ 2,472,410</u>	<u>\$ 2,576,921</u>	<u>\$ 2,378,841</u>	<u>\$ 198,080</u>
Health and welfare:				
Health:				
Health Department	\$ 255,957	\$ 255,957	\$ 255,957	\$ -
Mental health and mental retardation:				
Mental health	\$ 184,122	\$ 184,122	\$ 184,122	\$ -

County of Scott, Virginia
Schedule of Expenditures - Budget and Actual
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<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Health and welfare: (Continued)				
Welfare:				
Social Services Department	\$ 4,910,747	\$ 4,910,747	\$ 4,801,777	\$ 108,970
MECO Program	40,000	40,000	40,000	-
Children Services Act (CSA)	985,250	985,250	1,107,958	(122,708)
ARPA Expenses	-	-	4,119	(4,119)
Total welfare	\$ 5,935,997	\$ 5,935,997	\$ 5,953,854	\$ (17,857)
Total health and welfare	\$ 6,376,076	\$ 6,376,076	\$ 6,393,933	\$ (17,857)
Education:				
Other instructional costs:				
Mountain Empire Community College	\$ 69,550	\$ 69,550	\$ 69,550	\$ -
Contribution to County School Board	9,268,495	9,671,385	10,447,478	(776,093)
Total education	\$ 9,338,045	\$ 9,740,935	\$ 10,517,028	\$ (776,093)
Parks, recreation, and cultural:				
Parks and recreation:				
Parks and recreation	\$ 291,773	\$ 414,065	\$ 401,061	\$ 13,004
Recreation	137,880	130,997	128,791	2,206
Total parks and recreation	\$ 429,653	\$ 545,062	\$ 529,852	\$ 15,210
Library:				
Lonesome Pine Regional Library	\$ 203,050	\$ 203,050	\$ 203,050	\$ -
Total parks, recreation, and cultural	\$ 632,703	\$ 748,112	\$ 732,902	\$ 15,210
Community development:				
Planning and community development:				
Lenowisco Planning District	\$ 46,464	\$ 46,464	\$ 44,972	\$ 1,492
Contributions to EDA	710,342	720,430	711,330	9,100
Capital contributions to Public Service Authority	-	-	772,894	(772,894)
Chamber of commerce	8,500	8,500	8,358	142
Tourism	131,597	146,346	149,857	(3,511)
Total planning and community development	\$ 896,903	\$ 921,740	\$ 1,687,411	\$ (765,671)
Environmental management:				
Soil and Water Conservation District	\$ 44,500	\$ 44,500	\$ 44,500	\$ -
Cooperative extension program:				
VPI extension service	\$ 87,157	\$ 87,157	\$ 80,050	\$ 7,107
Total community development	\$ 1,028,560	\$ 1,053,397	\$ 1,811,961	\$ (758,564)

County of Scott, Virginia
Schedule of Expenditures - Budget and Actual
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<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Capital projects:				
Digital radio equipment	\$ -	\$ 749,600	\$ 120,233	\$ 629,367
LATCF vehicle	147,441	186,622	178,211	8,411
Other capital projects	264,035	85,257	49,707	35,550
Total capital projects	<u>\$ 411,476</u>	<u>\$ 1,021,479</u>	<u>\$ 348,151</u>	<u>\$ 673,328</u>
Debt service:				
Principal retirement	\$ 258,306	\$ 437,084	\$ 437,084	\$ -
Interest and other fiscal charges	87,631	87,631	77,332	10,299
Total debt service	<u>\$ 345,937</u>	<u>\$ 524,715</u>	<u>\$ 514,416</u>	<u>\$ 10,299</u>
Total General Fund	<u>\$ 38,685,108</u>	<u>\$ 40,671,906</u>	<u>\$ 38,517,350</u>	<u>\$ 2,154,556</u>
Nonmajor Special Revenue Fund:				
Law Library Fund:				
Judicial administration:				
Courts:				
Law library	\$ 5,220	\$ 8,120	\$ 4,771	\$ 3,349
Total Law Library Fund	<u>\$ 5,220</u>	<u>\$ 8,120</u>	<u>\$ 4,771</u>	<u>\$ 3,349</u>
Coal Road Improvement Fund				
Public works:				
Maintenance of highways, streets, bridges, sidewalks:				
Maintenance of Highways, etc	\$ 42,525	\$ 42,525	\$ 524	\$ 42,001
Total Coal Road Improvement Fund	<u>\$ 42,525</u>	<u>\$ 42,525</u>	<u>\$ 524</u>	<u>\$ 42,001</u>
Capital Projects Fund:				
Fire Training Facility Fund:				
Community development:				
Fire and rescue services:				
Capital projects	\$ 187,809	\$ 187,809	\$ 638	\$ 187,171
Total Fire Training Facility Fund	<u>\$ 187,809</u>	<u>\$ 187,809</u>	<u>\$ 638</u>	<u>\$ 187,171</u>
Total Primary Government	<u>\$ 38,920,662</u>	<u>\$ 40,910,360</u>	<u>\$ 38,523,283</u>	<u>\$ 2,387,077</u>
Discretely Presented Component Unit - School Board				
School Operating Fund:				
Education:				
Administration of schools:				
Administration and health	\$ 10,503,839	\$ 11,746,201	\$ 3,208,018	\$ 8,538,183
Instruction costs:				
Instruction	<u>\$ 34,438,060</u>	<u>\$ 36,177,128</u>	<u>\$ 45,052,253</u>	<u>\$ (8,875,125)</u>

County of Scott, Virginia
Schedule of Expenditures - Budget and Actual
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<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board (Continued)				
School Operating Fund: (Continued)				
Education: (Continued)				
Operating costs:				
Pupil transportation	\$ 2,587,975	\$ 2,577,900	\$ 2,334,567	\$ 243,333
Operation and maintenance of school plant	10,295,456	11,054,484	11,816,136	(761,652)
Technology	2,306,922	1,971,800	1,629,599	342,201
Total operating costs	<u>\$ 15,190,353</u>	<u>\$ 15,604,184</u>	<u>\$ 15,780,302</u>	<u>\$ (176,118)</u>
 Total education	 <u>\$ 60,132,252</u>	 <u>\$ 63,527,513</u>	 <u>\$ 64,040,573</u>	 <u>\$ (513,060)</u>
 Capital projects:				
School capital projects	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,836</u>	<u>\$ (15,836)</u>
 Debt service:				
Principal retirement	\$ 321,000	\$ 321,000	\$ 1,992,695	\$ (1,671,695)
Interest and other fiscal charges	29,545	29,545	73,120	(43,575)
Total debt service	<u>\$ 350,545</u>	<u>\$ 350,545</u>	<u>\$ 2,065,815</u>	<u>\$ (1,715,270)</u>
 Total School Operating Fund	 <u>\$ 60,482,797</u>	 <u>\$ 63,878,058</u>	 <u>\$ 66,122,224</u>	 <u>\$ (2,244,166)</u>
 Special Revenue Fund:				
School Head Start Fund:				
Education:				
Operating costs:				
Operation of Head Start program	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,086,746</u>	<u>\$ (3,086,746)</u>
 Debt service:				
Principal retirement	\$ -	\$ -	\$ 14,687	\$ (14,687)
Interest and other fiscal charges	-	-	3,119	(3,119)
Total debt service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,806</u>	<u>\$ (17,806)</u>
 Total School Head Start Fund	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 3,104,552</u>	 <u>\$ (3,086,746)</u>
 School Food Service Fund:				
Education:				
Operating costs				
School food services	\$ 2,866,655	\$ 2,866,655	\$ 3,285,705	\$ (419,050)
Total education	<u>\$ 2,866,655</u>	<u>\$ 2,866,655</u>	<u>\$ 3,285,705</u>	<u>\$ (419,050)</u>
 Total 21st Century Learning Center Fund	 <u>\$ 2,866,655</u>	 <u>\$ 2,866,655</u>	 <u>\$ 3,285,705</u>	 <u>\$ (419,050)</u>
 School Activity Fund:				
Education:				
Instructional services:				
Other instructional services	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,891,389</u>	<u>\$ (2,891,389)</u>
 Total School Activity Fund	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 2,891,389</u>	 <u>\$ (2,891,389)</u>
 Total Discretely Presented Component Unit - School Board	 <u>\$ 63,349,452</u>	 <u>\$ 66,744,713</u>	 <u>\$ 75,403,870</u>	 <u>\$ (8,641,351)</u>

Other Statistical Information

Table 1

County of Scott, Virginia
Government-Wide Expenses by Function
Last Ten Fiscal Years

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education	Parks, Recreation, and Cultural	Community Development	Interest on Long-Term Debt	Total
2014-15	\$ 2,130,214	\$ 1,276,741	\$ 5,001,154	\$ 2,462,624	\$ 4,044,983	\$ 4,570,655	\$ 586,106	\$ 469,393	\$ 166,287	\$ 20,708,157
2015-16	1,868,806	1,338,635	5,661,223	1,883,363	4,335,919	6,032,073	580,329	722,162	16,839	22,439,349
2016-17	1,990,763	1,339,480	6,176,490	1,950,740	4,522,110	5,713,754	557,932	1,431,416	20,520	23,703,205
2017-18	1,820,794	1,289,241	5,406,502	1,949,880	4,425,952	5,728,155	536,129	700,142	22,445	21,879,240
2018-19	2,012,569	1,280,684	6,694,106	2,039,394	5,208,536	5,471,300	485,168	1,204,173	15,172	24,411,102
2019-20	2,072,878	1,364,659	6,420,735	2,060,910	5,016,594	5,298,850	495,506	892,454	11,621	23,634,207
2020-21	4,853,950	1,510,361	7,549,671	1,867,152	4,812,702	6,077,971	572,794	1,128,393	11,043	28,384,037
2021-22	3,441,449	1,603,433	7,256,587	2,143,775	5,235,284	6,252,956	571,633	1,220,836	7,531	27,733,484
2022-23	2,870,337	1,766,138	7,838,764	2,573,009	5,760,297	5,592,456	598,986	968,979	8,229	27,977,195
2023-24	2,430,914	2,073,993	9,399,349	2,585,638	6,526,632	8,405,393	639,715	1,754,778	91,823	33,908,235

Table 2

County of Scott, Virginia
Government-Wide Revenues
Last Ten Fiscal Years

Fiscal Year	PROGRAM REVENUES				GENERAL REVENUES						
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		General Property Taxes	Other Local Taxes	Revenues from Use of Money and Property	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs	Total	
2014-15	\$ 420,610	\$ 5,727,098	\$ -	\$ -	\$ 10,625,340	\$ 3,134,530	\$ 96,357	\$ 162,528	\$ 974,367	\$ 21,140,830	
2015-16	401,843	5,997,490	-	-	11,019,378	3,140,302	97,508	160,482	929,280	21,746,283	
2016-17	392,263	6,789,493	-	-	11,742,865	3,262,651	106,678	147,455	938,462	23,379,867	
2017-18	401,667	6,307,599	-	-	11,816,476	3,301,761	102,176	248,350	792,744	22,970,773	
2018-19	379,022	7,360,560	-	-	11,758,514	3,291,038	99,256	189,830	1,062,266	24,140,486	
2019-20	456,019	8,653,689	-	-	12,915,555	3,369,427	118,605	242,376	983,847	26,739,518	
2020-21	546,294	9,136,679	-	-	13,084,173	3,453,211	83,813	758,994	951,442	28,014,606	
2021-22	632,509	10,791,896	-	-	13,523,696	3,556,995	104,861	618,461	994,560	30,222,978	
2022-23	607,166	9,787,046	-	-	17,392,361	3,962,790	21,041	232,717	1,591,924	33,595,045	
2023-24	531,980	10,641,718	926,878	-	16,913,497	3,431,680	866,127	1,183,893	2,148,102	36,643,875	

Table 3

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

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (2)	Parks, Recreation, and Cultural	Community Development	Capital Projects	Debt Service	Total
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	58,255,525
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	62,281,432
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	60,490,300	503,843	1,117,462	-	296,830	83,931,076
2021-22	3,876,498	1,628,352	7,568,928	2,752,910	5,319,246	58,998,215	534,161	1,224,969	-	218,133	82,121,412
2022-23	3,623,608	1,817,622	8,357,333	3,099,947	5,783,684	74,569,701	567,673	975,229	-	220,556	99,015,353
2023-24	3,128,821	2,225,470	10,471,236	2,379,365	6,393,933	73,373,963	732,902	1,811,961	348,151	2,598,037	103,463,839

(1) Includes General and Special Revenue Funds of the Primary Government and its Discretely Presented Component Units.

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

Table 4

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

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter- governmental (2)	Total
2014-15	\$ 10,768,184	\$ 3,134,530	\$ 61,121	\$ 202,900	\$ 98,042	\$ 4,771,809	\$ 896,774	\$ 713,887	\$ 37,625,174	\$ 58,272,421
2015-16	10,805,616	3,140,302	72,092	199,654	98,088	5,267,550	683,993	405,993	37,548,062	58,221,350
2016-17	11,907,890	3,262,651	67,099	215,584	112,743	4,244,690	235,362	473,862	38,194,440	58,714,321
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	7,411,947	523,893	50,216,273	79,316,959
2021-22	13,610,440	3,556,995	72,074	375,348	104,861	4,200,278	1,244,258	423,754	57,242,789	80,830,797
2022-23	16,910,613	3,962,790	75,152	329,294	21,041	5,301,177	997,407	683,962	65,530,241	93,811,677
2023-24	16,719,652	3,431,680	44,388	170,256	873,462	498,692	3,801,164	4,335,487	72,873,241	102,748,022

(1) Includes General and Special Revenue Funds of the Primary Government and its Discretely Presented Component Units.

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

Table 5

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

Fiscal Year	Total Tax Levy (1, 2)		Current Tax Collections (1)		Percent of Levy Collected		Delinquent Tax Collections (1)		Total Tax Collections		Percent of Total Tax Collections to Tax Levy		Outstanding Delinquent Taxes (1)		Percent of Delinquent Taxes to Tax Levy	
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%			
2021-22		17,182,640		12,511,598	72.82%		737,932		13,249,530	77.11%		1,345,288	7.83%			
2022-23		16,858,055		15,878,665	94.19%		632,048		16,510,713	97.94%		1,599,481	9.49%			
2023-24		16,937,085		16,606,558	98.05%		488,790		17,095,348	100.93%		2,180,181	12.87%			

(1) Exclusive of penalties and interest.

(2) Adjusted for tax supplements and exonerations

Table 6

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

Fiscal Year	Real Estate (2) (4)	Personal Property, Machinery & Tools, Merchants' Capital, and Mobile Homes (3)	Public Utility (1) <u>Real Estate and Personal Property</u>	Total
2014-15	\$ 1,193,119,123	\$ 197,694,447	\$ 85,038,615	\$ 1,475,852,185
2015-16	1,194,843,423	189,039,770	130,723,205	1,514,606,398
2016-17	1,230,983,823	193,464,087	136,533,946	1,560,981,856
2017-18	1,224,046,823	189,872,988	127,349,589	1,541,269,400
2018-19	1,105,352,532	244,177,009	122,193,132	1,471,722,673
2019-20	1,169,383,316	261,769,088	131,018,709	1,562,171,113
2020-21	1,178,748,185	267,783,507	131,018,709	1,577,550,401
2021-22	1,368,394,107	331,044,871	163,509,698	1,862,948,676
2022-23	1,590,279,900	313,106,937	146,461,703	2,049,848,540
2023-24	1,555,703,500	285,098,309	127,545,841	1,968,347,650

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

(2) Includes minerals.

(3) Includes business property.

(4) Original assessments presented above.

Table 7

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

Fiscal Year	Real Estate	Personal Property	Machinery and Tools	Merchant's Capital
2014-15	\$ 0.69	\$ 1.40	\$ 0.72	\$ 0.72
2015-16	0.69	1.40	0.72	0.72
2016-17	0.74	1.40	0.72	0.72
2017-18	0.74	1.40	0.72	0.72
2018-19	0.74	1.40	0.72	0.72
2019-20	0.69	1.40	0.72	0.72
2020-21	0.69	1.40	0.72	0.72
2021-22	0.80	1.65	1.15	0.72
2022-23	0.77	1.65	1.15	0.72
2023-24	0.77	1.65	1.15	0.72

(1) Per \$100 of assessed value.

Table 8

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

Fiscal Year	Population (1)	Assessed Value (in thousands)	Gross Bonded Debt (2)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2014-15	23,177	\$ 1,475,852	\$ -	\$ -	0.00%	\$ -
2015-16	23,177	1,514,606	-	-	0.00%	-
2016-17	23,177	1,560,982	-	-	0.00%	-
2017-18	23,177	1,541,269	-	-	0.00%	-
2018-19	23,177	1,471,723	-	-	0.00%	-
2019-20	23,177	1,562,171	-	-	0.00%	-
2020-21	21,566	1,577,550	-	-	0.00%	-
2021-22	21,419	1,862,949	-	-	0.00%	-
2022-23	21,476	2,049,849	-	-	0.00%	-
2023-24	21,476	1,968,348	-	-	0.00%	-

(1) Bureau of the Census.

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

Excludes revenue bonds, secured notes payable, landfill closure/post-closure care liability, financed purchases, and compensated absences.

Table 9

County of Scott, Virginia
Ratio of Annual Debt Service Expenditures for General Bonded Debt to
Total General Governmental Expenditures (1)
Last Ten Fiscal Years (3)

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
2022-23	\$ 212,131	\$ 8,425	\$ 220,556	\$ 99,015,353	0.22%
2023-24	437,084	77,332	514,416	103,463,839	0.50%

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

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

(3) Only two years available

COMPLIANCE SECTION



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

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

**To the Honorable Members of the Board of Supervisors
County of Scott, Virginia
Gate City, Virginia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Scott, Virginia, as of and for the year ended June 30, 2024, 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 April 3, 2025.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-001, 2024-002, and 2024-003 that we consider to be material weaknesses.

Report on Compliance and Other Matters

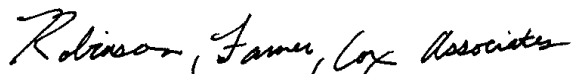
As part of obtaining reasonable assurance about whether the County of Scott, Virginia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as 2024-004.

County of Scott, Virginia's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on County of Scott, Virginia's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The County of Scott, Virginia's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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



Blacksburg, Virginia
April 3, 2025

**Independent Auditors' Report on Compliance for Each Major Program and on
Internal Control over Compliance Required by the Uniform Guidance**

To the Honorable Members of the Board of Supervisors
County of Scott, Virginia
Gate City, Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the County of Scott, Virginia's compliance with the types of compliance requirements identified as subject to audit 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, 2024. The County of Scott, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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, 2024.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of County of Scott, Virginia's and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of County of Scott, Virginia's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to County of Scott, Virginia's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on County of Scott, Virginia's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about County of Scott, Virginia's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding County of Scott, Virginia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of County of Scott, Virginia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 County of Scott, Virginia's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2024-005. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on County of Scott, Virginia's response to the noncompliance findings identified in our compliance audit and described in the accompanying schedule of findings and questioned costs. County of Scott, Virginia's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.



Blacksburg, Virginia
April 3, 2025

County of Scott, Virginia
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal ALN	Pass-through Entity Identifying Number	Federal Expenditures
Department of Health and Human Services:			
Direct Payments:			
Head Start Cluster:			
Head Start	93.600	Not applicable	\$ 2,234,846
Pass Through Payments:			
Virginia Department of Social Services:			
MaryLee Allen Promoting Safe and Stable Families	93.556	0950122, 0950123	\$ 6,563
Temporary Assistance for Needy Families	93.558	0400123, 0400124	318,534
Refugee and Entrant Assistance - State/Replacement Designee Administered Programs	93.566	0500123, 0500124	1,466
Low-Income Home Energy Assistance	93.568	0600423, 0600424	75,222
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900122, 0900123	287
Social Services Block Grant	93.667	1000123, 1000124	469,969
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150122, 9150123	6,413
Chafee Education and Training Vouchers Program	93.599	9160122, 9160123	573
Children's Health Insurance Program	93.767	0540123, 0540124	5,127
Medicaid Cluster:			
Medical Assistance Program	93.778	1200123, 1200124	451,645
Foster Care - Title IV-E	93.658	1100123, 1100124	294,660
Adoption Assistance	93.659	1120123, 1120124	407,052
Adoption and Legal Guardianship Incentive Payments	93.603	130120, 130122	882
CCDF Cluster:			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760123, 0760124	70,515
Title IV-E Prevention Program	93.472	1140123, 1140124	6,017
Guardianship Assistance	93.090	1110123, 1110124	421
Elder Abuse Prevention Interventions Program	93.747	8000321	3,501
Total Department Health and Human Services-pass through			\$ 2,118,847
Total Department of Health and Human Services			\$ 4,353,693
Department of Agriculture:			
Direct Payments:			
Child and Adult Care Food Program	10.558	Not applicable	\$ 430,025
Pass Through Payments:			
Child Nutrition Cluster:			
Virginia Department of Agriculture and Consumer Services:			
Food Distribution (Note C)	10.555	Not available	\$ 154,294
Virginia Department of Education:			
School Nutrition Program (SNP) Supply Chain Assistance (SCA) Funds	10.555	APE411080	71,383
National School Lunch Program	10.555	APE402540	1,468,208
School Breakfast Program	10.553	APE40253	582,912
Fresh Fruit and Vegetable Program	10.582	APE40252	93,925
Summer Food Service Program for Children	10.559	APE603020, APE603030	29,583
COVID-19 Pandemic EBT	10.649	DOE865560	3,256
Child Nutrition Discretionary Grants Limited Availability	10.579	DOE86804	120,549
Forest Service Schools and Roads Cluster:			
Schools and Roads - Grants to States	10.665	APE438410	51,561
Virginia Department of Social Services:			
SNAP Cluster:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0010123, 0010124 0040123, 0040124	578,212
Total Department of Agriculture			\$ 3,583,908
Department of Justice:			
Pass Through Payments:			
Virginia Department of Criminal Justice Services:			
Crime Victim Assistance	16.575	15POVC22GG00681ASSI	\$ 55,608
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA23GG03038MUMU	5,779
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	20VDBX0141	45,066
Violence Against Women Formula Grants	16.588	15JOVW23GG00605STOP	39,044
Total Department of Justice			\$ 145,497

County of Scott, Virginia
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2024

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal ALN	Pass-through Entity Identifying Number	Federal Expenditures
Department of Treasury:			
Direct Payments:			
Local Assistance and Tribal Consistency Fund	21.032	Not applicable	\$ 178,211
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	Not applicable	\$ 748,667
Pass Through Payments:			
Virginia Department of Social Services:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	9122222	32,577
Virginia Department of Criminal Justice:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Not available	325,260
Virginia Department of Education:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	APE45277	71,274 \$ 1,177,778 1,177,778
Total Department of Treasury			\$ 1,355,989
Department of Transportation:			
Pass Through Payments:			
Virginia Department of Motor Vehicles:			
Highway Safety Cluster:			
State and community highway safety program	20.600	BPT-2024-54029-24029	\$ 10,832
Alcohol Open Container Requirements	20.607	ENF_AL-2024-54028-24028	16,374
Total Department of Transportation			\$ 27,206
Appalachian Regional Commission:			
Pass Through Payments:			
Virginia Department of Housing and Community Development:			
Appalachian Area Development	23.002	HCD49301	\$ 395,635
Department of Housing and Urban Development:			
Pass Through Payments:			
Virginia Department of Housing and Community Development:			
CDBG - Entitlement Grants Cluster:			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	120928	\$ 377,259
Department of Education:			
Pass Through Payments:			
Virginia Department of Education:			
Career and Technical Education - Basic Grants to States	84.048	APE600310, APE600311	\$ 69,186
School Safety National Activities	84.184	APE45285	166,323
Twenty-First Century Community Learning Centers	84.287	APE60565	490,133
Student Support and Academic Enrichment Program	84.424	APE602810	42,556
Supporting Effective Instruction State Grants	84.367	APE614800	153,287
COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief (ESSER) III	84.425U	APE501830, APE501930, APE601710, APE601730	2,444,852
Title I: Grants to Local Educational Agencies	84.010	APE429010	1,167,140
Special Education Cluster (IDEA):			
Special Education - Grants to States	84.027	APE430710	\$ 885,579
Special Education - Preschool Grants	84.173	APE625210	33,673 919,252
Total Department of Education			\$ 5,452,729
Total Expenditures of Federal Awards			\$ 15,691,916

County of Scott, Virginia
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2024

Notes to the Schedule of Expenditures of Federal Awards

Note A -- Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the County of Scott, Virginia and its discretely presented component unit - School Board under programs of the federal government for the year ended June 30, 2024. 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 County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

Note B -- Summary of Significant Accounting Policies

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Pass-through entity identifying numbers are presented where available.
- (3) The County did not elect the 10% de minimis indirect cost rate because they only request direct costs for reimbursement.

Note C -- Food Donation

Nonmonetary assistance is reported in the schedule at the fair value of the commodities received and disbursed. At June 30, 2024, the Scott County School Board had food commodities totaling \$0 in inventory.

Note D -- Subrecipients

The County did not have any subrecipients during 2024.

Note E -- Relationship to the Financial Statements:

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

Intergovernmental federal revenues per the basic financial statements:

Primary government:

General Fund	\$ 4,927,371
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Total primary government	<u>\$ 4,927,371</u>
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Component Unit School Board:

School Operating Fund	\$ 5,575,564
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School Food Service Fund	2,750,287
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School Head Start Fund	<u>2,438,694</u>
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Total Component Unit School Board	<u>\$ 10,764,545</u>
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Total expenditures of federal awards per the Schedule of Expenditures of Federal Awards	<u><u>\$ 15,691,916</u></u>
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County of Scott, Virginia
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

Section I - Summary of Auditors' Results
Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	Yes

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified?	None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	Yes

Identification of major programs:

ALN	Name of Federal Program or Cluster
10.553/10.555/10.559/ 10.558	Child Nutrition Cluster
10.561	State Admin Matching Grants for the Supplemental Nutrition Assistance Program
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds
84.425	COVID-19 Education Stabilization Fund
84.010	Title I: Grants to Local Educational Agencies

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

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County of Scott, Virginia
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

Section II - Financial Statement Findings

2024-001 - Material Weakness

Criteria:	An auditee should have sufficient controls in place to produce financial statements in accordance with applicable standards. Furthermore, reliance on the auditor to propose adjustments necessary to comply with reporting standards is not a component of such controls.
Condition:	The financial statements as presented for audit, did not contain all necessary adjustments to comply with generally accepted accounting principles (GAAP). As such, the auditor proposed adjustments that were material to the financial statements.
Cause:	The County and School Board do not have proper controls in place to detect and correct adjustments in closing their year end financial statements.
Effect:	There is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected by the County's or School Board's internal controls over financial reporting.
Recommendation:	The County and School Board should review the auditors' proposed audit adjustments for the fiscal year and develop a plan to ensure the trial balances and related schedules are accurately presented for audit going forward.
Management's Response:	The County and School Board will review the auditors' proposed audit adjustments for the fiscal year and will develop a plan of action to ensure that all adjusting entries are made prior to final audit fieldwork next year.

2024-002 - Material Weakness

Criteria:	The County should have sufficient monitoring procedures to mitigate certain internal control risks. These procedures include providing accurate and timely monthly reports to the Board of Supervisors. A completed and reviewed bank reconciliation is a vital piece of ensuring the overall accuracy of information provided to the Board.
Condition:	The County hired a consultant to update bank reconciliations through June 2024 for the audit but subsequent months remain unreconciled.
Cause:	The County changed accounting software in July 2023 and bank reconciliations have not been completed timely since that implementation.
Effect:	There is reasonable possibility that a material misstatement of the financial statements will not be prevented or detected by the entity's internal controls over financial reporting.

County of Scott, Virginia
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

Section II - Financial Statement Findings (Continued)

2024-002 - Material Weakness (Continued)

Recommendation:	We recommend the County and the Treasurer's office implement steps to catch up the bank reconciliations and ensure they are done monthly prior to the end of the following month.
Management's Response:	The County will continue to work to improve its financial closing process in order to improve timeliness going forward.

2024-003 - Material Weakness

Criteria:	Controls should be in place to ensure that grant funds are requested for reimbursement in a timely manner in accordance with the matching principle.
Condition:	The School Board is not submitting reimbursement requests for federal grant programs in a timely manner.
Cause:	The School Board does not have adequate staffing to ensure that reimbursement requests are filed in a timely manner.
Effect:	There is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected by the School Board's internal controls over financial reporting.
Recommendation:	The School Board should review its processes to see if there are any efficiencies that can be gained with the current staff to ensure that reimbursement requests are filed timely.
Management's Response:	The School Board agrees with the finding and recommendation, but with the current staffing feels that is is unable to implement the above recommendation.

2024-004 - Material Noncompliance

Criteria:	The School Board is required to ensure all expenditures have the necessary appropriation budgeted prior to incurring the expenditure.
Condition:	The Headstart Department does not have a fiscal year budget that is appropriated by the Board of Supervisors. However, the School Board processes all payroll, accounts payable, and is a fund of the School Board financial statements.
Cause:	Headstart believed they were exempt from the appropriation laws.
Effect:	The Headstart Department may not be in compliance with the Code of Virginia § 22.1-91.

County of Scott, Virginia
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

Section II - Financial Statement Findings (Continued)

2024-004 - Material Weakness (Continued)

Recommendation: Headstart should begin to include it's budget in a fiscal year format for the School Board to approve and send to the Board of Supervisors for appropriation annually.

Management's Response: Headstart will begin to include it's budget in a fiscal year format for the School Board to approve and send to the Board of Supervisors for appropriation annually.

Section III - Federal Award Findings and Questioned Costs

2024-005 - School Nutrition Cluster (10.553/10.555/10.556/10.559/10.582)

Agency: Department of Agriculture

Federal Award Number/Year: APE40253 - 2024, APE41111 - 2024, APE40254- 2024, APE41106 - 2024, APE41108 - 2024

Program & ALN: School Nutrition Cluster (10.553/10.555/10.556/10.559/10.582)

Pass-through Entities: Virginia Department of Education

Compliance Requirement: Reporting

Finding Type: Noncompliance

Criteria: The School Board must submit monthly claims for reimbursement for meals served to eligible students.

Condition: The School Board submitted claims for the February 2024 reimbursement that were inaccurate.

Context: There are 13 schools that submit reimbursement each month of the school year. We reviewed 26 school submissions out of the 130 annual submissions and noted 2 errors.

Questioned Costs: There are likely questioned costs of \$124,430 (consisting of \$24,886 in known questioned costs) related to under claiming school nutrition reimbursements.

Cause: Reimbursements require manual data entry and amounts were requested in error.

Effect: The School Board requested reimbursement for less meals than actually served.

Recommendation: We recommend the School Board implement a review process to ensure the manually entered meal counts agree to the supporting documentation.

Views of Responsible Officials and Planned Corrective Action: The School Board will implement a review process to ensure the manually entered meal counts agree to the supporting documentation.

County of Scott, Virginia
Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2024

No prior year findings reported.