COUNTY OF SCOTT, VIRGINIA COMPREHENSIVE ANNUAL FINANCIAL REPORT YEAR ENDED JUNE 30, 2012

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COUNTY OF SCOTT, VIRGINIA

BOARD OF SUPERVISORS

Danny P. Mann, Chairman

Darrel Jeter Landon Odle Beryl E. Maness D. Joe Horton Joe W. Herron Chad E. Hood

COUNTY SCHOOL BOARD

James K. Jessee, Chairman

H. Kelly Spivey, Jr.L. Stephen Sallee, Jr.William R. Quillen, Jr.

Gail L. McConnell Jeffrey A. Kegley

COUNTY WELFARE BOARD

Joe Horton, Chairman

Carol Culbertson

Brenda Parks

OTHER OFFICIALS

Judge of the Circuit Court
Clerk of the Circuit Court
Commonwealth's Attorney
Commissioner of the Revenue
Treasurer
Sheriff
Superintendent of Schools
Director of Social Services
County Administrator

John C. Kilgore
Mark A. "Bo" Taylor
Marcus McClung
Gary Baker
Mitzi Owens
John Puckett
John Ferguson
Gary Blankenbecler
Kathie Noe

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RONALD C. BOSTIC, CPA GREGORY D. TUCKER, CPA P.O. Box 505, Lebanon, VA 24266 (276) 889-3103 Fax: (276) 889-0229 www.bthcpa.com

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Scott, Virginia, as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued the Comptroller General of the United States; Specifications for Audits of Counties, cities and Towns issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Scott, Virginia, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated December 31, 2012 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

generally accepted accounting principles require that Management's Discussion and Analysis on pages 13-21, Budgetary Comparison on pages 63-71 and 77-87, and the Schedules of Funding Progress on page 55 (Note 10) be presented to supplement the basic Such information, although not a part of the financial statements. 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 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, 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 procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Scott's financial statements as a whole. The introductory section, combining and individual non-major fund financial statements and statistical section, are presented for purposes of additional analysis and are not required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part if the financial statements. The combining and individual non-major fund financial statements and the schedule of expenditures of federal awards are the responsibility of management were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respected in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basis financial statements and, accordingly, we do not express an opinion or provide assurance on them.

Bostic, Jucker & Company, PC

Lebanon, Virginia December 31, 2012 This page intentionally left blank

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

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

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIALSTATEMENTS PERFORMED IN ACCORDANCE WITH

GOVERNMENT AUDITING STANDARDS

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Scott, Virginia, as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 31, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the County of Scott, Virginia is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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 misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is

a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended for the information of management, Board members, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties.

Bostic, Jucker & Company, PC

Lebanon, Virginia December 31, 2012 RONALD C. BOSTIC, CPA GREGORY D. TUCKER, CPA P.O. Box 505, Lebanon, VA 24266 (276) 889-3103 Fax: (276) 889-0229 www.bthcpa.com

December 31, 2012

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of County of Scott, Virginia for the year ended June 30, 2012, and have issued our report thereon dated December 31, 2012. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our audit contract dated March 2012, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our Responsibilities under U.S. Generally Accepted Auditing Standards and OMB Circular A-133

As stated in our audit contract letter dated March 2012 our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered County of Scott, Virginia's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether County of Virginia's financial statements are free · misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also in accordance with OMB Circular A-133, we examined, on a test basis, evidence about County of Scott, Virginia's compliance with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" applicable to each of its major federal programs for the purpose of expressing an opinion on County of Scott, Virginia's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on County of Scott, Virginia's compliance with those requirements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on October 25, 2012.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by County of Scott, Virginia are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2012. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

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

Management's estimate of the allowance for doubtful accounts of the primary government, as well as the component units, is based on historical revenues. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of depreciation of property, plant, and equipment of the primary government, as well as the

component units, is based on the estimated useful lives ranging from five to eighty years. We evaluated the key factors and assumptions used to develop the allowance in determining it is reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of the Landfill Closure and Post-Closure Care Costs in Note 12 to the financial statements identifies state and federal laws requiring the county to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste. county reports a portion of these closure and care costs as an operating expense in each period based on landfill capacity used at each balance sheet date. Actual costs may be higher due to inflation, changes in technology, changes in regulations. These estimated amounts are based on what it would cost to perform all closure and post closure care in 2012.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 31, 2012.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

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

Very truly yours,

Bostic, Jucker & Company, PC

Bostic, Tucker and Company, P.C.

RONALD C. BOSTIC, CPA GREGORY D. TUCKER, CPA P.O. Box 505, Lebanon, VA 24266 (276) 889-3103 Fax: (276) 889-0229 www.bthcpa.com

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR-133

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

Compliance

We have audited the County of Scott, Virginia's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2012. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County of Scott, Virginia complied, in all material respects, with the 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, 2012.

Internal Control Over Compliance

The management of the County of Scott, Virginia is responsible for establishing and maintaining effective internal control compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular Abut not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, ore detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance and its operation that we consider to be material weaknesses as defined above.

This report is intended solely for the information and use of management, the Board members, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Bostic, Jucker & Company, PC

December 31, 2012 Lebanon, Virginia

BOARD OF SUPERVISORS

PAUL S. FIELDS
D. JOE HORTON
DANNY S. PARKS
JOE W. HERRON
RANDALL S. "Buck" KINKEAD
CHAD E. HOOD
DAVID S. REDWINE, DVM





336 Water Street GATE CITY, VIRGINIA 24251 PHONE: (276) 386-6521 FAX: (276) 386-9198

MANAGEMENT'S DISCUSSION AND ANALYSIS

To the Honorable Members of the Board of Supervisors To the Citizens of Scott County County of Scott, Virginia

As management of the County of Scott, Virginia we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County of the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with the basic audited financial statements.

Financial Highlights:

- The assets of the County exceeded it's liabilities at the close of the most recent fiscal year by \$12,347,583 (net assets). Of this amount, \$2,738,652 may be used to meet the government's ongoing obligation to citizens and creditors.
- As of the close of the current fiscal year, the County's funds reported combined ending fund balances of \$3,726,965, an increase of \$1,271,072 in comparison with the prior year. Approximately 100% of this total amount, \$3,726,965 is available for spending for the various functions of the County as indicated.
- At the end of the current fiscal year, fund balance for the general fund was \$3,681,410, or 23% of total general fund expenditures.

Overview of the Financial Statements:

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

- Government-wide financial statements,
- Fund financial statements, and

• Notes to the financial statements.

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

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

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

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

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

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

Overview of the Financial Statements (Continued):

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

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

three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

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

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

Overview of the Financial Statements (Continued):

Fiduciary funds - The County is the trustee, or fiduciary, for the County's agency funds and expendable trust fund. It is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net assets. The County excludes these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations. Agency funds and Expendable Trust funds are County custodial funds used to provide accountability of client or employee monies for which the County is custodian.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

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

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a County's financial position. In the case of the County, assets exceed liabilities by \$12,347,583 at the close of the most recent fiscal year.

The largest portion of the County's net assets (78%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Government-wide Financial Analysis (Continued)

	2012	2011
Current and other assets	\$ 18,586,871	\$17,178,612
Capital assets	9,826,585	10,554,304
Total assets	\$ 28,413,456	\$27,732,916
Long-term liabilities outstanding	\$ 2,345,823	\$ 2,575,304
Current liabilities	13,720,050	13,772,520
Total liabilities	\$ 16,065,873	\$16,347,824
Net assets:		
Investment in capital assets,		
net of related debt	\$ 9,608,931	\$10,270,454
Unrestricted	2,738,652	1,114,638
Total net assets	\$ 12,347,583	\$11,385,092

At the end of the current fiscal year, the County is able to report positive balances in net assets.

During the current fiscal year, the County's (including component unit's) net assets increased by \$3,846,146.

Government-wide Financial Analysis (Continued)

Governmental Activities - Governmental activities increased the County's net assets by \$962,491. Key elements of this increase are as follows:

County of Scott, Virginia's Change in Net Assets

	Governmental	l Activities
	2012	2011
Revenues:		
Program revenues:		
Charges for services	\$ 386,542	\$ 452,612
Operating grants and		
contributions	5,830,471	6,039,317
General revenues:		
Property taxes	10,657,027	10,291,624
Other local taxes	3,158,479	3,190,210
Other	1,372,406	1,304,377
Total revenues	\$21,404,925	\$21,278,140
Expenses:		
General government	\$ 1,605,066	\$ 1,883,287
Judicial administration	1,196,716	1,191,161
Public safety	5,322,564	5,256,784
Public works	2,360,428	1,996,368
Health and welfare	4,518,977	4,572,927
Education	4,226,624	5,449,152
Parks, recreation and culture	633,734	620,533
Community development	496,329	421,772
Interest	81,996	267,760
Total expenses	\$20,442,434	\$21,659,744
Increase in net assets	\$ 962,491	\$ (381,604)

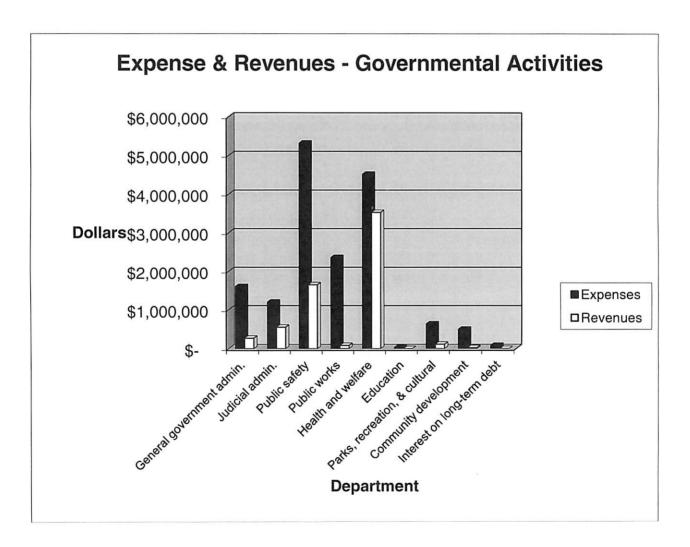
Net assets - beginning	11,385,092	11,766,696
Net assets - ending	\$12,347,583	\$11,385,092

Operating grants and contributions remained consistent during the year while property tax revenue increased \$365,403.

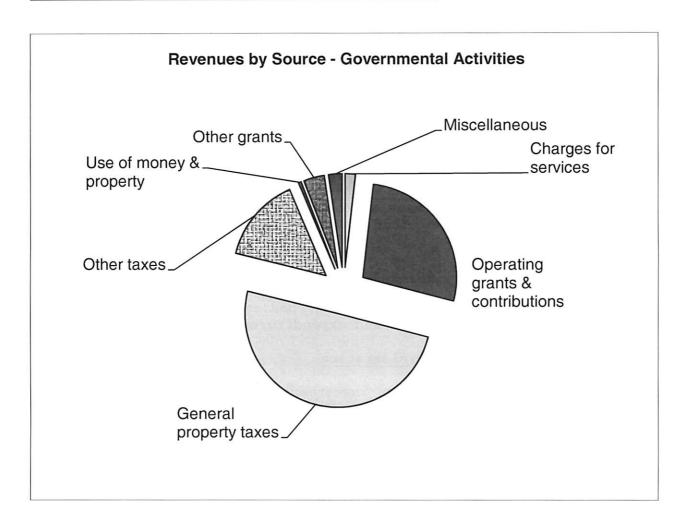
Government-wide Financial Analysis (Continued)

Expenditures for education showed a decrease of \$1,222,528.

The following graphs illustrate expense and program revenues for each of the functional areas of governmental activities as well as illustrating revenues by source for governmental activities:



Government-wide Financial Analysis (Continued)



Financial Analysis of the County's Funds

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

Governmental Funds - The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund

balance may serve as a useful measure of a County's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$3,726,965 an increase of \$1,271,072 in comparison with the prior year. Approximately 100% of this total amount, \$3,726,965 constitutes fund balance which is available for spending by the County for the various functions as indicated.

Financial Analysis of the County's Funds (Continued)

The general fund is the operating fund of the County. At the end of the current fiscal year fund balance of the general fund was \$3,681,410. As a measure of the general fund's liquidity, it may be useful to compare fund balance to total fund expenditures. Fund balance represents 23% of total general fund expenditures.

The general fund balance increased \$1,268,126 during the current year.

The special revenue funds have a total fund balance of \$45,555, all of which is committed. The fund balance increased \$2,649 during the current year.

General Fund Budgetary Highlights

During the 2012 fiscal year, the County had amendments which increased its original budgeted revenues and expenditures \$163,243.

Capital Assets and Debt Administration

<u>Capital assets</u> - The County's investment in capital assets for its governmental funds as of June 30, 2012 amounts to \$9,826,585 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery and equipment. The total decrease in the County's investment in capital assets for the current fiscal year was \$727,719.

County of Scott, Virginia's Net Assets

	Governmen	Governmental Activities		
	2012	2011		
Land	\$ 1,105,829	\$ 1,053,829		
Buildings and improvements	7,722,439	7,644,239		

Equipment	8,684,132	8,554,693
Tenancy in common		
matal assitud assats	¢17 E10 400	¢17 204 7C1
Total capital assets	\$17,512,400	\$17,304,761
Less: accumulated depreciation	7,685,815	6,750,457
Lebb. decamarated depreciation	7,003,013	
Net capital assets	\$ 9,826,585	\$10,554,304

Additional Information on the County's capital assets can be found in Note 5.

Capital Assets and Debt Administration (Continued)

<u>Long-term debt</u> - At the end of the current fiscal year, all bonded debt of the County had been retired.

During the fiscal year, the County's total debt decreased by \$242,665.

Additional information on the County of Scott, Virginia's long-term debt can be found in Note 6 of this report.

Economic Factors and Next Year's Budgets and Rates

- The June 2012 unemployment rate for the County of Scott, Virginia is 9.7%, which is a increase from a rate of 8.4% in June 2011. This exceeds the state's average unemployment rate by 4.0% and the national average rate by 1.5%.
- Inflationary trends in the region compare equally to national indices.

Economic Factors and Next Year's Budgets and Rates (Continued)

These factors were considered in preparing the County's budget for the 2012 fiscal year.

Request for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the County Administrator, 112 Water Street, Gate City, Virginia 24251.

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Basic Financial Statements

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COUNTY OF SCOTT, VIRGINIA STATEMENT OF NET ASSETS June 30, 2012

June 30, 2012		Component Units		
	Primary Government Governmental Activities	School Board	Other Component Units	
Assets:			411140	
Current Assets				
Cash & cash equivalents	\$ 5,001,748	\$ 710,889	\$ 1,910,773	
Receivables (net of allowance): Property taxes	12,315,260	_	_	
Consumer utility taxes	,,	_	-	
Accounts receivable	107,223		330,855	
Due from component unit Inventory	_	1,906,032	71 624	
Other current assets	_	344,334	71,624 222,720	
Due from other governments	1,162,640	532,777	764,594	
Total current assets	18,586,871	3,494,032	3,300,566	
Noncurrent assets Capital assets:				
Land	1,105,829	1,577,912	5,713,588	
Buildings & equipment, net of depreciation	8,720,756	33,614,485	59,398,700	
Total noncurrent assets	9,826,585	35,192,397	65,112,288	
Other assets:				
Restricted cash in bank	-	-	487,585	
Notes receivable Unamortized bond costs	- -	-	155,233 240,498	
Total other assets			883,316	
Total assets	\$ 28,413,456	\$ 38,686,429		
Liabilities: Current Liabilities Accounts payable & accrued expenses Salaries payable Health insurance payable Due to component unit Deferred revenue Prepaid taxes	\$ 519,796 - 1,906,032 11,030,367 210,843	\$ 174,653 2,590,575 169,574 - 30,076	\$ 1,436,975 - - - - -	
Current portion of				
long-term obligations	53,012		1,016,378	
Total current liabilities	13,720,050	2,964,878	2,453,353	
Noncurrent liabilities				
Accrued leave Amounts held for others	445,324	659,317	161,631	
Landfill closure	1,226,081	-	195,490	
Other Post - Employment Benefits	509,776	1,513,344	181,996	
Noncurrent portion of long-term obligations	164,642	_	21,089,806	
Total noncurrent liabilities		0.450.444		
	2,345,823		21,628,923	
Total liabilities	16,065,873	5,137,539	24,082,276	
Invested in capital assets,		A# .A#	40.00	
net of related debt Other net assets	9,608,931 2,738,652	35,192,397 (1,643,507)	43,006,104 2,207,790	
Total net assets				
	12,347,583	33,548,890	45,213,894	
Total liabilities & net assets	\$ 20 A12 AEC	6 30 606 400	6 60 306 430	
The accompanying notes to financial statements are	\$ 28,413,456 an integral part of	\$ 38,686,429 f this statement	\$ 69,296,170	
. , ,				

COUNTY OF SCOTT, VIRGINIA STATEMENT OF ACTIVITIES For the Year Ended June 30, 2012

STATEMENT OF ACTIVITIES For the Year Ended June 30, 2012			Program Revenues		Net ond	Net (Expense) Revenue and Changes in Net Assets	le sets Discretely
Functions/Programs	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	frimary Government Governmental Activities	School Board	Discretely Presented Component Units
Primary Government: Governmental activities: 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 government activities	\$ 1,605,066 1,196,716 5,322,564 2,360,428 4,226,624 633,734 633,734 496,329 81,296	\$ 831 7,031 192,702 72,191 - 113,787	\$ 269,150 544,290 1,457,981 9,857 3,527,493 - 21,700 5,830,471	· · · · · · ·	\$ (1,335,085) (645,395) (3,671,881) (2,278,380) (991,484) (4,226,624) (519,947) (474,629) (474,629)		v
Total primary government	20,442,434	386,542	5,830,471	1	(14,225,421)	1	•
Component units: School board Other component units Total component units	41,931,338 4,487,313 5,46,418,651	4,734,837 2,813,026 S 7,547,863	29,937,806 3,544,133 5 33,481,939	3,127,894 \$ 3,127,894	5 (14,225,421)	(7,258,695) <u>\$ (7,258,695)</u> \$ (7,258,695)	4,997,740 \$ 4,997,740 \$ 4,997,740
	General Revenues: General Property Other local taxes Unrestricted revenue money and property Miscellaneous Grants and contribut to specific progr County contribution Change in net assets Net assets - beginning Net assets - ending	General Revenues: General Property Other local taxes Unrestricted revenues from use of money and property Miscallaneous Grants and contributions not restricted to specific programs County contribution to School Board ange in net assets t assets - beginning t assets - ending	se of restricted Board		10,657,027 3,158,479 100,797 497,456 774,153 962,491 11,385,092 \$ 12,347,583	1,073 779,961 4,200,007 (2,277,654) 35,821,673 \$ 33,544,019	10,593 173,988 - 5,182,321 40,031,573 \$ 45,213,894

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

Fund Financial Statements

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EXHIBIT 3

COUNTY OF SCOTT, VIRGINIA BALANCE SHEET GOVERNMENTAL FUNDS June 30, 2012

June 30, 2012				
		Oth		
	General	Gene		Tatal
Assets:	Fund	Fun	as	Total
Cash & cash equivalents Receivables (net of allowance):	\$ 4.956.156	\$	45,592	\$ 5.001.748
Property taxes Consumer utility taxes	12,315,260		_	12,315,260
Accounts receivable Due from other funds	107,046		177 -	107,223
Due from other governments	1,162,640			1,162,640
Total assets	\$ 18,541,102	\$.	45,769	\$ 18,586,871
Liabilities:				
Accounts payable & accrued expenses Due to other funds	\$ 519.582	\$	214	\$ 519,796
Component unit	1,906,032		-	1,906,032
Deferred taxes	12,223,235		_	12,223,235
Prepaid taxes	210,843	_		210,843
Total liabilities Fund Balance:	14,859,692	-	214	14,859,906
Restricted	41,606			41,606
Committed	16,962	,	45,555	62,517
Assigned	165,864	·	-	165,864
Unassigned	3,456,978		_	3,456,978
0	3,430,370	-		3,430,970
Total fund balances	3,681,410	-	45,555	3,726,965
Total liabilities &				
fund balances	\$ 18,541,102	\$	45,769	
Detailed explanation of adjustments frogovernment-wide statement of net asset.				
When capital assets (land, buildings, be used in governmental activities are the costs of those assets are reported governmental funds. However, the statincludes those capital assets among the	purchased or co as expenditure: ement of net as:	onstructed, s in sets		
as a whole.				9,826,585
Because the focus of governmental fundations financing, some assets will not be ava period expenditures. Those assets (redeferred revenues in the governmental fund balance.	ilable to pay foceivables) are o	or current		1,192,868
				= • • •
Long-term liabilities applicable to the activities are not due and payable in accordingly are not reported as fund liabilities - both current and long-terms.	the current per labilities. Al	iod and l		
the statement of net assets.				(2,398,835)
Fund balance of General Government Act	ivities			\$ 12,347,583

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

COUNTY OF SCOTT, VIRGINIA STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

For the Year Ended June 30, 2012

	Governmental	Fund Types	
	General	Other Funds	Total Governmental Funds
Revenues:			
General property taxes	\$ 10,385,555	\$ -	\$ 10,385,555
Other local taxes	3,153,963	4,516	3,158,479
Permits, privilege fees &			
regulatory licenses	71,233	_	71,233
Fines and forfeitures	122,300	_	122,300
Revenue from use of			
money & property	100,797	-	100,797
Charges for services	189,629	3,380	193,009
Miscellaneous	391,388	-	391,388
Recovered costs	201,067	-	201,067
Intergovernmental:			
Commonwealth	5,004,363	_	5,004,363
Federal	1,600,261		1,600,261
Total revenues	21,220,556	7,896	21,228,452
Expenditures: Current:			
General government administration	1,528,028	_	1,528,028
Judicial administration	1,142,660	2.692	1,145,352
Public safety	4,980,802		4,980,802
Public works	2,445,881	2.258	2,448,139
Health and welfare	4,518,977	-	4,518,977
Education	26,617	_	26,617
Parks, recreation, and cultural	594,934	_	594,934
Community development	498,724	_	498,724
Debt service:	470,724		150,.21
Principal retirement	15,000	_	15,000
Interest and other fiscal charges	800	_	800
interest and other riscar charges			
Total expenditures	15,752,423	4,950	15,757,373
Excess (deficiency) of revenues	5 460 100	2 246	E 471 070
over (under) expenditures	5,468,133	2,946	5,471,079
Other financing sources (uses):			
Operating transfers in		-	-
Operating transfers out	(4,200,007)	-	(4,200,007)
Proceeds from debt			
Total other financing sources (uses)	(4,200.007)		(4,200,007)
Net changes in fund balances	1,268,126	2,946	1,271,072
Fund balances at beginning of year	2,413,284	42,609	2,455,893
Fund balances at end of year	\$ 3,681,410	\$ 45.555	\$ 3,726,965

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

EXHIBIT 5

COUNTY OF SCOTT, VIRGINIA
RECONCILIATION OF STATEMENT OF REVENUES
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2012

	Go:	vernmental Funds
Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	\$	1,271,072
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceed depreciation in the current period.		(727,719)
Revenues on the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		176,473
School component unit general obligation debt guaranteed by the County is reported in governmental activities in statement of net assets. County has a tenancy-in-common for school assets with outstanding debt. This is the amount of debt that was paid for the year.		-
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 issuance of long-term debt and related items.		370,109
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.		(127,444)
Change in net assets of governmental activities	\$	962,491

COUNTY OF SCOTT, VIRGINIA EXHIBIT 6
STATEMENT OF NET ASSETS -

PROPRIETARY FUND - DISCRETELY PRESENTED COMPONENT UNITS
June 30, 2012

Julie 30, 2012	Discretely Presented Component Units
Assets:	
Current assets Cash and cash equivalents	\$ 1,910,773
Receivables (net of allowance for uncollectibles): Accounts receivable	330,855
Inventory	71,624
Other current assets	222.720
Due from other governments	764,594
Total current assets	3,300,566
Noncurrent assets	
Capital assets:	E 713 E00
Land	5,713,588
Buildings and equipment, net of depreciation	59,398,700
Total noncurrent assets	65,112,288
Other assets:	407 505
Restricted cash in bank	487,585 155,233
Notes receivable	240,498
Unamortized bond costs	-
Total other assets	883,316
Total assets	\$ 69,296,170
Liabilities:	
Current liabilities	4 4 404 055
Accounts payable and accrued expenses	\$ 1,436,975
Current portion of	1 016 278
long-term obligations	1,016,378
Total current liabilities	2,453,353
Noncurrent liabilities	
Compensated absences	161,631
Other post employement benefits	181,996
Amounts held for others	195,490
Noncurrent portion of long-term obligations	21,089,806
Total noncurrent liabilities	21,628,923
Total liabilities	24,082,276
Net assets:	
Invested in capital assets, net of related debt	43,006,104
Unrestricted assets	2,207,790
Total net assets	45,213,894
Total liabilities and net assets	\$ 69,296,170

EXHIBIT 7

COUNTY OF SCOTT, VIRGINIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS PROPRIETARY FUND - DISCRETELY PRESENTED COMPONENT UNITS
For the Year Ended June 30, 2012

FOR the rear Ended June 30, 2012	Discretely Presented Component Units
Operating revenues:	
Charges for services	\$ 2,813,026
Rental income	340,737
Grants	3,152,331
Miscellaneous	51,065
Total operating revenue	6,357,159
Operating expenses:	
Employee benefits	1,281,644
Materials and supplies	2,753,270
Total operating expense	4,034,914
Operating income (loss)	2,322,245
Nonoperating revenues (expenses):	
Interest earned	10,593
Connection fees	65,852
Other nonoperating revenues/expenses	108,136
Interest expense	(452,399)
Total nonoperating	
revenues (expenses)	(267,818)
Capital contributions	3,127,894
	3,121,031
Increase (decrease) in net	
assets	5,182,321
Net assets at beginning of year	40,031,573
Net assets at end of year	\$ 45,213,894

COUNTY OF SCOTT, VIRGINIA STATEMENT OF CASH FLOWS PROPRIETARY FUND - DISCRETELY PRESENTED COMPONENT UNITS For the Year Ended June 30, 2012 EXHIBIT 8

FOR the Year Ended June 30, 2012	Discretely Presented Component
Cash flows from operating activities: Receipts from customers & users Payments to suppliers Payments to employees	Units \$ 6,107,308 (1,127,033) (1,157,882)
Net cash provided(used) by operating activities	3,822,393
Cash flows from capital & related financing activities: Connection fee Other nonoperating revenues Purchase of fixed assets Principal on debt Proceeds from indebtness Interest on debt Proceeds from grants	97,944 (81,682) (6,760,737) (4,292,459) 4,872,917 (313,851) 3,162,327
Net cash used in capital & related financing activities	(3,315,541)
Cash flows from investing activities: Interest earned	3,802
Net cash provided by investing activities	3,802
Increase in cash & cash equivalents	450,043
Cash & cash equivalents at beginning of year	2,118,009
Cash & cash equivalents at end of year	\$ 2.568.052
Reconciliation of operating income to net cash provided (used) by operating activities: Operating income Adjustments to reconcile net income to net cash provided	\$ 2,274,477
by operations: Depreciation Imputed interest Donations	1,717,481 58,886 -
Gain on debt refinance Changes in operating assets & liabilities: Accounts receivable 'Inventory Other assets Accounts payable	(76.044) (65,353) 52.170 - (215.604)
Customer deposits Accrued leave & benefits	23,306 53,074
Total adjustments	1,547,916
Net cash provided (used) by operating activities	\$ 3.822,393

COUNTY OF SCOTT, VIRGINIA STATEMENT OF FIDUCIARY NET ASSETS June 30, 2012

		Agency Funds
Assets:		
Cash and cash equivalents	\$	9.726
Due from other government		
units		247,859
Amount due from others		18,898
Investments		2,436,062
Total assets	\$	2,712,545
Liabilities:		
Due to primary government	\$	228,501
Amounts due to others		18,898
Amounts held for others		2,465,146
Total liabilities	<u> \$ </u>	2,712,545

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Notes to Financial Statements

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Note 1 - Summary of Significant Accounting Policies

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

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

Financial Statement Presentation

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

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

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

Government-wide and Fund Financial Statements

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

The government-wide financial statement (i.e. the statement of net assets and the statement of changes in net assets) reports information on all of the nonfiduciary activities of the primary government and its component units. For the most part, effect of interfund activity has been removed from these statements. Governmental activities,

Note 1 - Summary of Significant Accounting Policies (Continued)

Government-wide and Fund Financial Statements (Continued)
Government-wide financial statements (Continued)

which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Statement of Net Assets - The Statement of Net Assets is designed to display financial position of the primary government (government and business-type activities) and it's discretely presented component units. Governments will report all capital assets, in the government-wide Statement of Net Assets, and will report depreciation expense - the cost of "using up" capital assets - in the Statements of Activities. The net assets of a government will be broken down into two categories - 1) invested in capital assets, net of related debt; and 2) unrestricted.

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

A. Financial Reporting Entity

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

B. Individual Component Unit Disclosures

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

Discretely Presented Component Units - The School Board members are elected by the voters and are responsible for the operations of the County's School System. The School Board is fiscally dependent on the County. The County has the ability to approve its budget and any amendments. The primary funding is from the General Fund of the County. The School Fund does not issue a

Note 1 - Summary of Significant Accounting Policies (Continued)

B. Individual Component Unit Disclosures (Continued)

separate financial report. The financial statements of the School Board are presented as a discrete presentation of the County financial statements for the fiscal year ended June 30, 2012.

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

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

Other Related Organizations Included in the County's Comprehensive Annual Financial Report

None

C. <u>Measurement Focus, Basis of Accounting and Financial Statement Presentation</u>

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Note 1 - Summary of Significant Accounting Policies (Continued)

C. <u>Measurement Focus</u>, <u>Basis of Accounting and Financial Statement</u> Presentation (Continued)

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

C. <u>Measurement Focus, Basis of Accounting and Financial Statement</u> Presentation (Continued)

carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The government reports the following major governmental funds.

General Fund:

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

Additionally, Scott County reports the following fund types:

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

D. Budget and Budgetary Accounting

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

- 1. Prior to March 30, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
- 2. Public hearings are conducted to obtain citizen comments.

Note 1 - Summary of Significant Accounting Policies (Continued)

D. Budgets and Budgetary Accounting (Continued)

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

E. Cash and Cash Equivalents

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

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

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

F. Investments

Investments are stated at fair value, which approximates market; no investments are valued at cost. Certificates of deposit and

Note 1 - Summary of Significant Accounting Policies (Continued)

F. Investments (Continued)

short-term repurchase agreements are reported in the accompanying financial statements as cash and cash equivalents. Investments consist of assets held by a trustee.

G. Receivable and payables

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

All trade and property tax receivables are shown net of an allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$140,130 at June 30, 2012, and is composed solely of property taxes.

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

H. Capital Assets

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Interest attributed to capitalized assets as of June 30, 2012 was immaterial.

Note 1 - Summary of Significant Accounting Policies (Continued)

H. Capital Assets (Continued)

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

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

I. Compensated Absences

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

J. Long-term Obligations

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

K. Fund Balances

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

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

L. Retirement Plan

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

M. 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

N. Jointly Governed Organizations

The County and the Counties of Wise and Lee, along with the City of Norton, participate in supporting the Planning District One Community Service Board. The governing body of this organization is supported by the respective governing bodies of the participating jurisdictions. For the year ended June 30, 2012, the County contributed \$72,010.

The County and the Counties of Wise, Dickenson, and Lee, along with the Towns of Wise, Big Stone Gap, Coeburn, St. Paul and the City of Norton participate in supporting the Lonesome Pine Regional Library. For the year ended June 30, 2012, the County contributed \$211,444.

The County and the Counties of Lee, Wise, Washington, Russell, Smyth, Buchanan, Dickenson, Tazewell, along with the City of Norton participate in supporting the Southwest Virginia Regional Jail Authority. For the year ended June 30, 2012, the County Contributed \$1,123,307.

Note 2 - Deposits and Investments

Deposits - All cash of the primary government and its discretely presented component unit is maintained in accounts collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.2-4400 et. seq. Of the Code of Virginia or covered by federal depository insurance.

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

The County's and its component unit's investments at June 30, 2012 were held by the County or its component unit or in the name of the County or its component units by the custodial banks; \$6,640 in U.S. Government Securities where the underlying securities were uninsured

Note 2 - Deposits and Investments (Continued)

and held by the investment's counterparty, not in the name of the County or its component unit.

Note 3 - Due To/From Primary Government/Component Units:

	Due To	
	Component	Due From
	Unit School	Primary
Fund	Board	Government
General	\$ 1,906,032	\$ -
School	<u> </u>	1,906,032
Totals	\$ 1,906,032	\$ 1,906,032

Note 4 - Due From Other Governmental Units

At June 30, 2012, the County and School Board had receivables from other governments as follows:

				Discretely Presented		Other
		Primary	Co	mponent Unit		Component
		Government		chool Board		Units
Local Governments:						
Other Misc. Funds	\$	-	\$	_	\$	764,594
Commonwealth of Virginia:					•	•
State sales taxes		-		495,693		_
Local sales taxes		228,501		_		_
Social service		108,073		_		_
CMPT		128,249		-		_
Geothermal energy		316,523		-		_
Shared expenses		255,303		_		_
Other		-		8,198		
Federal Government:						
School funds		_		28,886		_
Social service	_	125,991				
Total	<u>\$</u>	1,162,640	\$	532,777	;	\$ 764,59 <u>4</u>

Note 5 - Capital Assets

The following is a summary of changes in capital assets for the fiscal year ending June 30, 2012.

General Government:

Concrui Covernment.	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
Land & land improvements Buildings &	\$ 1,105,829	\$ -	\$ -	\$ 1,105,829
improvements	7,588,867	57,905	_	7,646,772
Equipment	8,554,693	186,639	57,200	
Construction	55,372	96,551	76,256	75,667
Tenancy in common				
Totals	\$17,304,761	<u>\$ 341,095</u>	<u>\$ 133,456</u>	\$17,512,400
Accumulated Depreciation	(_6,750,457)			(_7,685,815)
Net capital assets primary governmen	t <u>\$10,554,304</u>			<u>\$ 9,826,585</u>
Component Unit Scho	ool Board:			

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
Land & land improvements	\$ 1,577,912	\$ -	\$ -	\$ 1,577,912
Buildings & improvements	49,254,096	117,832	-	49,371,928
Equipment Construction	21,340,342 2,019,802	225,542 197,540	351,554	21,565,884 1,865,788
Tenancy in common Totals	- \$74,192,152	<u>\$ 540,914</u>	\$ 351,554	- \$74,381,512
Accumulated depreciation	(<u>37,273,590</u>)			(<u>39,189,115</u>)
Net capital assets School Board	<u>\$36,918,562</u>			<u>\$35,192,397</u>

Note 5 - Capital Assets (Continued)

Proprietary Funds:	Public Service Authority	Economic Development <u>Authority</u>	<u>Total</u>
Land & Improvements Building & Water Lines Equipment & Vehicles	\$ 857,744 53,562,470 1,122,006	\$ 5,226,835 10,032,526 1,227,002	\$ 6,084,579 63,594,996 2,349,008
Construction in Progress	5,392,031	3,245,870	8,637,901
Total Less: Accumulated	60,934,251	19,732,233	80,666,484
Depreciation	(13,968,938)	(1,585,258)	(15,554,196)
Totals	\$ 46,965,313	<u>\$18,146,975</u>	\$ 65,112,288

Legislation enacted during the year ended June 30, 2004, Section 15.2-1800.1 of the Code of Virginia (1950), as amended, has changed the reporting of local school capital assets and related debt for financial statement purposes. Historically, debt incurred by local governments "on behalf" of school boards was reported in the school board's discrete column along with the related capital assets. the law, local governments have a "tenancy in common" with the school board whenever the locality incurs any financial obligation for any school property which is payable over more than one fiscal year. financial reporting purposes, the legislation permits the locality to report the portion of school property related to any outstanding financial obligation, eliminating any potential deficit capitalizing assets financed with debt. The effect on the County of Scott, Virginia for the year ended June 30, 2012, is that assets and debt in the amount of \$0 have been transferred to the primary Government from the Component Unit School Board for financial reporting purposes.

Note 5 - Capital Assets (Continued)

Depreciation expenses were charged to functions/programs of the primary government as follows:

		Amount
Governmental activities:		
General government	\$	81,986
Judicial administration		51,364
Public safety		441,399
Public works		344,343
Health and welfare		-
Parks, recreation and cultural		47,163
Community development		26,302
Total	<u>\$</u>	992,557
Component Unit School Board:		
Education	<u>\$</u>	1,915,525

Depreciation expenses for the year ending June 30, 2012, for the Economic Development Authority amounted to \$448,770.

Depreciation expenses for the year ending June 30, 2012, for the Public Service Authority amounted to \$1,268,711.

Note 6 - Long-term Obligations

The following is a summary of changes in long-term obligations for the fiscal year ending June 30, 2012:

Primary Government:

General Long-term Obligations: Obligation payable at July 1, 2011		\$ Amount 2,641,500
Retirements:		
State Literacy Fund Loans	15,000	
Decrease in compensated absenses	_	
Decrease in landfill closure		
Postclosure monitoring estimates	303,913	
Payments on Capital Lease	51,196	
Total retirements		(370,109)
Additions:		
Increase in other post-employee benefits	<u>127,444</u>	
Total additions		<u>127,444</u>
Long-term Obligations payable at June 30,	2012	\$ <u>2,398,835</u>

Note 6 - Long-term Obligations (Continued)

Year

2013

Ending

June 30, Principal

\$

Long-term Obligations:

Primary Government:

Capital Leases:

Total Capital Leases

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

52,918

Capital Lease

\$

Interest

6,417

\$ 217,654

	2014	54,698	4,637		
	2015	56,539	2,795		
	2016	53,499	891		
	Total	<u>\$ 217,654</u>	<u>\$ 14,740</u>		Amount
					standing
apital Leases:				<u>out</u>	scanding
\$82,999 capital purchase of a 2 due in monthly and interest the payable at 3.05	2012 Intern installmen nrough June	ational Roll C ts of \$1,525.5	off Truck, 2, principal	\$	66,368
\$190,041 capita purchase of a 2 installments of	2012 Mack R	efuse Packer,	due in monthly		
through May 28					151,286

Note 6 - Long-term Obligations (Continued)

Primary Government:

Accrued compensated absences	<u>\$ 445,324</u>
Landfill closure and post-closure care	<u>\$ 1,226,081</u>
Other post employee benefits	<u>\$ 509,776</u>
Total long-term obligations	\$ 2,398,835

(1) Note: Section 15.2-1800.1, Code of Virginia, 1950, as amended, was enacted during the year ended June 30, 2004, which affected the reporting of local school capital assets and related debt for financial statement purposes. All debt historically reported by the Discretely Presented Component Unit - School Board, has been assumed by the Primary Government as a result of this legislation.

General obligation bonds are direct obligations and pledge the full faith and credit of the County.

Component Unit School Board

The following is a summary of changes in long-term obligations for the fiscal year ending June 30, 2012:

	<u>Amount</u>
Obligation payable at July 1, 2011	\$ 1,808,105
Additions:	
Increase in other post employee benefits \$ 325,888	
Decrease in compensated absences 38,668	
Total additions	<u>364,556</u>
Long-term Obligations payable at June 30, 2012	<u>\$ 2,172,661</u>

Note 7 - Proprietary Debt

Component Unit - Public Service Authority

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

Details of Long-term indebtedness:

Year Ending			
June 30,	Principal	I	nterest
2013	\$ 811,571	\$	198,278
2014	740,992		194,986
2015	749,906		191,363
2016	760,985	,	187,582
2017	772,238	,	183,636
2018-2022	3,549,517	;	852,745
2023-2027	3,464,248	•	724,993
2028-2032	3,037,701	!	566,897
2033-2037	2,428,601		372,078
2038-2042	1,545,574	•	168,635
2043-2047	351,636		31,998
Total	\$18,212,969	\$ 3,	673,191

Changes in Long-term obligations:

Long-term obligations at July 1, 2011	\$17,440,909
Issuance of Revenue Bonds	4,872,918
Retirement of Revenue Bonds	(4,100,858)
Long-term debt payable at June 30, 2012	\$18,212,969

Amount

Note 7 - Proprietary Debt (Continued)

Description of Long Term Debt

	Interest Rate	Issue Date	Final Maturity Date	Amount of Original Issue	Balance 6/30/2012	Amount Due Within One Year
Revenue bond	4.50%	12/5/1997	12/5/2037	841,600	680,111	16,080
Revenue bond	0.00%	11/30/2011	6/1/2032	616,151	91,313	4,566
Revenue bond	3.00%	10/27/2011	10/1/2042	752,498	551,498	15,179
Revenue bond	2.62%	12/9/2011	6/30/2026	2,679,000	2,537,000	217,000
Revenue bond	4.50%	6/1/2002	6/1/2035	1,955,000	1,734,851	29,037
Revenue bond	4.125%	2/20/2007	2/20/2037	1,457,000	1,399,784	18,667
Revenue bond	4.25%	7/10/2003	7/10/2043	440,100	402,438	6,420
Line of credit	5.20%	9/25/2002	Open	2,000,000	73,339	73,339
Revenue bond	0.00%	7/10/2003	8/1/2034	1,083,923	812,942	36,130
Revenue bond	0.00%	9/20/2001	7/1/2031	116,431	73,740	3,881
Revenue bond	0.00%	8/9/2002	5/1/2033	444,154	310,908	14,805
Revenue bond	0.00%	8/9/2002	4/1/2033	182,410	127,645	6,078
Revenue bond	0.00%	12/21/2001	8/1/2032	399,237	272,812	13,308
Revenue bond	0.00%	10/22/2004	9/1/2034	96,391	72,293	3,213
Revenue bond	0.00%	8/11/2004	9/1/2035	323,904	253,725	10,797
Revenue bond	0.00%	2/10/2005	12/1/2035	542,227	424,744	18,074
Revenue bond	0.00%	5/18/2007	11/1/2037	648,886	551,553	21,630
Revenue bond	0.00%	9/27/2006	7/1/2033	2,637,350	2,215,374	105,494
Revenue bond	0.00%	7/19/2007	2/1/2038	375,408	325,354	12,514
Revenue bond	0.00%	2/24/2006	11/1/2036	1,010,816	825,246	33,694
Revenue bond	0.00%	9/14/2007	12/1/2037	554,730	454,046	18,491
Revenue bond	0.00%	1/25/2008	2/2/2038	365,822	317,045	12,194
Revenue bond	0.00%	6/1/2008	9/1/2038	334,252	295,256	10,585
Revenue bond	0.00%	1/25/2008	6/1/2038	280,446	243,053	9,348
Revenue bond	0.00%	9/30/2009	8/1/2040	416,062	395,259	13,638
Revenue bond	0.00%	9/30/2009	6/1/2040	267,510	149,956	5,356
Revenue Bond	0.00%	12/13/2010	9/1/2041	457,129	449,510	14,984
Revenue Bond	0.00%	12/9/2010	9/1/2041	1,586,490	1,560,048	52,002
Revenue Bond	0.00%	12/9/2010	3/1/2042	209,259	132,126	4,404
Revenue bond	2.625%	4/13/2011	4/13/2051	480,000	480,000	10,663
Total					\$18,212,969	\$ 811,571

Note 7 - Proprietary Debt (Continued)

Component Unit - Economic Development Authority

Revenue Note:

\$2,065,825 Lease Revenue Refunding Bond 2011A se	eries,
issued March 4, 2011, annual principal and se	emi-
annual interest payments beginning October 1	, 2011
through October 1, 2030, interest payable at 4.	65%.

\$2,006,814

\$1,188,992 Lease Revenue Refunding Bond 2011B series, issued March 4, 2011, annual principal and semiannual interest payments beginning October 1, 2011 through October 1, 2018, interest payable at 3.25%.

1,056,401

\$830,000 Loan Agreement with Virginia Coalfield Economic Development Authority, issued May 14, 2004 principal due and payable in full on May 14, 2014. There is no interest payable with this loan.

830,000

Total Revenue Note

\$3,893,215

Component Unit - Economic Development Authority

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

	Principal	Interest	
Year	Payments	Payments	Total
2013	\$ 204,807	\$ 122,071	$\$ \overline{326,878}$
2014	1,042,408	114,380	1,156,788
2015	220,299	106,396	326,695
2016	228,493	98,105	326,598
2017	237,001	89,497	326,498
2018-20	22 794,544	331,793	1,126,337
2023-20	27 588,277	201,152	789,429
2028-20	31577,386	54,158	631,544
			-, ,
Totals	<u>\$3,893,215</u>	<u>\$1,117,552</u>	\$5,010,767

Note 8 - Claims, Judgments, and Compensated Absences

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

County employees earn annual leave at various rates. Accumulated vacation up to thirty days is paid upon termination. Sick leave is paid at 25% of accrued sick leave at the rate of pay upon termination, up to a maximum of \$2,500. The County primary government has outstanding accrued vacation and sick pay totaling \$445,324.

Component Unit School Board employees earn business and sick leave at various rates. The Component Unit School Board has an outstanding business and sick leave pay totaling \$637,941.

Component Unit Public Service Authority employees earn annual leave at the rate of ½ day per month during the first year of employment and 1 day per month after one year of service. Employees may accumulate up to 30 days of annual leave. Total accrued leave for the year ended June 30, 2012 amounted to \$140,372.

Note 9 - Deferred Revenue

Deferred revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Deferred revenue totaling \$11,241,210 is comprised solely of deferred property tax revenue representing uncollected tax billings not available for funding of current expenditures.

Note 10 - Defined Benefit Pension Plan

A. Plan Description

Name of Plan: Virginia Retirement System (VRS)

Identification of Plan: Agent and Cost-Sharing Multiple-Employer

Defined Benefit Pension Plan

Administering Entity: Virginia Retirement System (System)

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

Note 10 - Defined Benefit Pension Plan (Continued)

VRS administers two defined benefit plans for local government employees - Plan 1 and Plan 2:

Members hired before July 1, 2011 and who have service credits before July 1, 2011 are covered under Plan 1. Non-hazardous duty members are eligible for an unreduced retirement benefit at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. They may retire with a reduced benefit as early as age 55 with at least five years of service credit or age 50 with at least ten years of service credit.

Members hired or rehired on or after July 1, 2011 and who have no service credits before July 1, 2011 are covered under Plan 2. Non-hazardous duty members are eligible for an unreduced benefit beginning at their normal Social Security retirement age with at least five years of service credit or when the sum of their age and service equals 90. They may retire with a reduced benefit as early as age 60 with at least five years of service credit.

Eligible hazardous duty members in Plan 1 and Plan 2 are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. These members include sheriffs, deputy sheriffs and hazardous duty employees of political subdivisions that have elected to provide enhanced coverage for hazardous duty service. They may retire with a reduced benefit as early as age 50 with at least five years of service credit. All other provisions of the member's plan apply.

The VRS Basic Benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the member's average final compensation multiplied by the member's total service credit. Under Plan 1, average final compensation is the average of the member's 36 consecutive months of highest compensation. Under Plan 2 average final compensation is the average of the member's 60 consecutive months of highest compensation. The retirement multiplier for non-hazardous duty members is 1.70%. The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. The retirement multiplier for eligible political subdivision hazardous duty employees other than sheriffs and jail superintendents is 1.70% or 1.85% as elected by the employer. At retirement, members can elect the Basic Benefit, the Survivor Option, a Partial Lump-Sum Option Payment (PLOP) or the Advance Pension Option. A retirement reduction factor is applied to the Basic Benefit amount for member election the Survivor Option, PLOP or Advanced Pension Option or those retiring with a reduce benefit.

Note 10 - Defined Benefit Pension Plan (Continued)

Retirees are eligible for an annual cost-of-living adjustment (COLA) effective July 1 of the second calendar year of retirement. Under Plan 1, the COLA cannot exceed 5.00%; under Plan 2, the COLA cannot exceed 6.00%. During years of no inflation or deflation, the COLA is 0.00%. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

The System issues a publicly available comprehensive annual report that includes financial statements and required supplementary information for VRS.

A copy of the report may be obtained from the VRS Web site at http://www.varetire.org/Pdf/Publication/2011-annual-report.pdf or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

B. Funding Policy

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5% of their compensation toward their retirement. All or part of the 5% member contribution may be assumed by the employer. In addition, the County and School Board are required to contribute the remaining amounts necessary to fund participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The County contribution rate for the fiscal year ended 2012 was 16.87% of annual covered payroll for the County's government employees and 12.54% for Scott County School Board non-professional employees.

The public school divisions professional employees contribution rate for fiscal 2012 was 11.33% of covered payroll for year ended 2012.

The School Board's professional employees contributes \$2,061,796, \$1,649,858, and \$2,236,363 to the teacher cost-sharing pool for the fiscal years ended June 30, 2012, 2011 and 2010 respectively and these contributions represent the required contribution amounts.

C. Annual Pension Cost

For fiscal year 2012, the County's annual pension cost of \$831,085 was equal to the County's required and actual contributions. The required contributions were determined as part of the June 30, 2011 actuarial valuation using the entry age normal actuarial cost method.

Note 10 - Defined Benefit Pension Plan (Continued)

In fiscal year 2012, the County School Board's annual pension cost for the Board's non-professional employees was \$259,267 which was equal to Board's required and actuarial contributions. The required contributions were determined as part of the June 30, 2011 actuarial valuation using the entry age normal actuarial cost method.

The actuarial assumptions included (a) 7.00% investment rate of return, (net of administrative expenses) at June 30, 2011 (b) projected salary increases of ranging from 3.75% to 5.60% per year for general government employees and 3.50% to 4.75% for employees eligible for enhanced benefits available to law enforcement officers, firefighters and sheriffs and (c) 2.50% per year cost-of-living adjustments. (a) and (b) included an inflation component of 2.50%. The actuarial value of the County of Scott's assets is equal to the modified market value of assets. This method uses techniques that smooth the effects of short-term volatility in the market value of assets over a five-County of Scott's unfunded actuarial accrued liability is being amortized as a level percentage of payroll on an open basis. The remaining amortization period at June 30, 2011 for Unfunded Actuarial Accrued liability (UAAL) was 20 years.

Trend Information for County of Scott					
Fiscal Year	Annu	al Pension	Percentage of APC	Net Pe	nsion
Ending	_Co	st (APC)	Contributed	<u>Obliga</u>	<u>tion</u>
County:					
6/30/12	\$	831,085	100%	\$	_
6/30/11		828,297	100		_
6/30/10		757,842	100		-
School Board: Non-Professional	Employe	es:			
6/30/12 6/30/11 6/30/10	\$	259,267 268,016 304,273	100% 100 100	\$	- - -

As of June 30, 2011, the most recent actuarial valuation date the plan was 68.89% funded for the County and was 77.77% funded for the School Board non-professional employees.

Note 10 - Defined Benefit Pension Plan (Continued)

Required Supplementary Information:

Schedule of Funding for the County and School Board:

Fiscal Year Ending	Autuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio (2) (3)	Annual Covered Payroll	UAAL as % of Payroll (4) (6)
County:						
6/30/09 6/30/10 6/30/11	\$17,461,912 17,318,431 17,504,005	\$22,285,910 24,654,978 25,407,901	\$4,823,998 7,336,547 7,903,896	78.35% 70.24% 68.89%	\$4,946,940 5,072,266 4,878,511	97.51% 144.64% 162.01%
School Bo	oard: fessional Emp	oloyees				
6/30/09 6/30/10 6/30/11	\$6,367,336 6,418,858 6,506,716	\$7,427,347 8,234,170 8,366,545	\$1,060,011 1,815,312 1,859,829	85.73% 77.95% 77.77%	\$2,418,280 2,339,740 2,165,760	43.83% 77.59% 85.87%

Note 11 - Other Post-Employment Benefits

The Governmental Accounting Standards Board ("GASB") Statement No. 45, Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans, establishes standards for the measurement, recognition and display of other post-employment benefits ("OPEB") expense and related liabilities in the financial statements. The cost of post-employment healthcare benefits should be associated with the periods in which the cost occurs, rather than in the future years when it will be paid. The County and Schools prospectively adopted the requirements of GASB Statement No. 45 during the year ended June 30, 2009. Recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2009 liability.

Note 11 - Other Post-Employment Benefits (Continued)

Annual Other Post-Employment Benefit Cost and Net OPEB Obligation

For the fiscal year ended June 30, 2012, the County and School Board's annual OPEB costs of \$127,444 and \$325,888, respectively, were equal to the Annual Required Contribution (ARC).

	Primary Government	School Board	
Annual required contribution Interest on net OPEB obligation Adjustment to annual required contribution	\$ 122,543 4,901 l	\$ 320,925 4,963 ————————————————————————————————————	
Annual OPEB cost Contributions made	127,444	325,888	
Increase in net OPEB obligation Net OPEB obligation-beginning of year	127,444 382,332	325,888 1,187,456	
Net OPEB obligation-end of year	\$ 509,776	\$ 1,513,344	

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation are as follows. The County's first year for implementing GASB No. 45 was June 30, 2009.

Fiscal Year Ending	Annual OPEB	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2012	\$ 127,444	0.0%	\$ 509,776
June 30, 2011	\$ 127,444	0.0%	\$ 382,332
June 30, 2010	\$ 127,444	0.0%	\$ 254,888

The School Board's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation are as follows. The School Board's first year for implementing GASB No. 45 was June 30, 2009.

Note 11 - Other Post-Employment Benefits (Continued)

Fiscal Year Ending	Annual OPEB Cost	Percentage Annual OPEB Cost Contributed	Net-OPEB Obligation
June 30, 2012	\$ 325,888	0.0%	\$ 1,513,344
June 30, 2011	\$ 396,546	0.0%	\$ 1,187,456
June 30, 2010	\$ 394,364	0.0%	\$ 790,910

Funding Status and Funding Progress

The funding status of the plan as of July 1, 2012 was as follows:

	Primary Government	School Board
Actuarial Accrued Liability (AAL) Actuarial Value of Plan Assets	\$1,279,312 -	\$ 4,624,966 -
Unfunded Actuarial Accrued Liability (UAAL)	, 1,279,312	4,624,966
Funded Ratio (Actuarial Value of Plan Assets/AAL) Covered Payroll (Active Plan Members)	0%	0% 20,266,228
UAAL as a Percentage of Covered Payroll	28.91%	22.82%

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

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the type of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs

Note 11 - Other Post-Employment Benefits (Continued)

between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2011 actuarial valuation, the entry age normal cost method was used to determine liabilities. Under this method, actuarial present value of projected benefits of every active participant as if the plan's provisions on the valuation date had always been in effect, is determined as a level percentage of expected annual earnings for each future year of expected service. method, inactive participants have no normal cost, and their actuarial liability is the present value of the plan benefits to which they and their beneficiaries are entitled. The actuarial assumptions used a 4% discount rate and an initial annual healthcare cost trend of 6.5% reduced by decrements each year to arrive at an ultimate healthcare cost trend rate of 5%. The unfunded accrued liability is being amortized over 30 years. The remaining amortization period at June 30, 2012 is 27 years.

Plan Description

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

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

COUNTY OF SCOTT, VIRGINIA NOTES TO FINANCIAL STATEMENTS JUNE 30, 2012

Note 11 - Other Post-Employment Benefits (Continued)

The number of participants at June 30, 2012 was as follows:

	Primary				
	Government	School Board			
Retirees currently receiving benefits	9	85			
Active employees	126	568			
Total	135	653			

Funding Policy

The County and Schools currently fund post-employment health care benefits on a pay-as-you-go basis. During fiscal year 2012, neither the County nor the Schools designated any funding for the OPEB liability.

Note 12 - Contingent Liabilities

Federal programs in which the County and its component units participate were audited in accordance with the provisions of U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Pursuant to the provisions of this circular all major programs and certain other compliance applicable programs were tested for with 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. opinion of management, any future disallowances of current grant program expenditures, if any, would be immaterial.

COUNTY OF SCOTT, VIRGINIA NOTES TO FINANCIAL STATEMENTS JUNE 30, 2012

Note 13 - Landfill Closure and Postclosure Care Cost

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post closure care costs as an operating expense in each period based on landfill capacity used at each balance sheet date. The \$1,226,081 reported as landfill closure and post closure care liability at June 30, 2012, 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 These estimated amounts are based on what it would cost to few vears. perform all closure and post closure care in 2012.

Note 14 - Risk Management

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

COUNTY OF SCOTT, VIRGINIA NOTES TO FINANCIAL STATEMENTS JUNE 30, 2012

NOTE 15 - Self-Funded Insurance

The Scott County School Board established a limited risk management program for health insurance in 1992. Premiums are paid into the School Health Insurance Fund by school employees and are available to pay claims, claim reserves and administrative costs of the program. During fiscal year 2012 a total of \$4,058,127 was paid in benefits and administrative costs. The risk assumed by the School Board is \$100,000 per person with a maximum attachment point of \$4,058,127. Inter-fund premiums are based primarily upon the insured funds claims experience and are reported as quasi-external interfund transactions. The fund had \$169,574 health insurance claims payable at June 30, 2012.

Note 16 - Interfund Transfers

Interfund transfers for the year ended June 30, 2012, consisted of the following:

Fund	Transfers In	Transfers Out
Primary Government: General Fund School Fund	\$ 4,200,007	\$ 4,200,007
Total	\$ 4,200,007	\$ 4,200,007

Note 17 - Surety Bonds

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COUNTY OF SCOTT, VIRGINIA NOTES TO FINANCIAL STATEMENTS JUNE 30, 2012

Note 18 - Fund Balances

	General Fund_	School _ Fund_	Other Funds	Total
Fund balances:				
Restricted for:				
State Seizure	\$ 9,554	\$ -	\$ -	\$ 9,554
Inmates	591	-	-	591
Nickelsville Recreation	31,461	-	-	31,461
Committed for:				
Courthouse Security	16,962	_	-	16,962
Coal and Roads	-	_	33,436	33,436
Law Library	_	_	12,119	12,119
Assigned for:				
Commonwealth Attorney	60,081	_	-	60,081
Weapons Permits	42,322	_	_	42,322
Motor Vehicle Violations	63,461	-	_	63,461
Cafeteria		280,410	-	280,410
Unassigned	3,456,978	_	-	3,456,978
Total fund balances	<u>\$3,681,410</u>	<u>\$ 280,410</u>	\$ 45,55 <u>5</u>	<u>\$4,007,375</u>

Required Supplementary Information

General Fund Variance With Amended Budget Budget Original Positive ÀS Budget Amended Actual (Negative) Revenues: General property taxes \$10,213,384 \$10,213,384 \$10,385,555 172,171 Other local taxes 3,161,500 3,161,500 3,153,963 (7.537)Permits, privilege fees & regulatory licenses 69,735 71,233 58.550 1.498 Fines and forfeitures 157,795 157,795 122,300 (35,495)Revenue from use of 104,000 104,000 100,797 (3,203)money & porperty Charges for services 192,400 192,400 189,629 (2,771)Miscellaneous 373,644 453,107 391,388 (61,719)194,400 Recovered costs 208,557 201,067 (7,490)Intergovernmental: 4.943.562 5,002,000 5,004,363 2,363 Commonwealth 1,574,807 1,574,807 1,600,261 25,454 Federal 21,220,556 Total revenues 20,974,042 21,137,285 83,271 Expenditures: Current: 188,786 General government administration 1,716,364 1,716,814 1,528,028 1,117,220 1,161,911 1,142,660 19,251 Judicial administration 33,893 Public safety 4,940,820 5,014,695 4,980,802 2,577,297 2,445,881 131,416 2,543,870 Public works Health and welfare 4,699,424 4,699,424 4,518,977 180,447 26,618 26,617 Education 26,618 1 25,196 Parks, recreation, & cultural 616,630 620,130 594,934 480,492 487,792 498,724 (10,932)Community development Debt service: 15,000 300 15,300 15,300 Principal retirement (800) 800 Interest & other fiscal charges 567,558 16,319,981 15,752,423 16,156,738 Total expenditures Excess (deficiency) of 4,817,304 4,817,304 5,468,133 650,829 revenues over expenditures Other financing sources (uses): Operating transfers in (4,817,304)(4.817,304)(4,200,007)617,297 Operating transfers out Transfers from primary government (4,817,304) (4,817,304) (4,200,007)617,297 Total other financing sources (uses) Excess (deficiency) of revenues & other sources over expenditures & other uses 1,268,126 1,268,126 2,413,284 2,413,284 Fund balances at beginning of year \$ 3,681,410 **\$ 3,681,410** Fund balances at end of year \$ \$

COUNTY OF SCOTT, VIRGINIA
COMBINING SCHEDULE OF FIDUCIARY NET ASSETS AGENCY FUNDS
June 30, 2012

	-	endable rust			Age	ncy Funds				
	(erred Comp Tund		pecial elfare	Wit	ayroll hholding Fund	Sal	ocal es Tax und		Totals
Assets:										
Cash and cash equivalents	\$	-	\$	9,726	\$	-	\$	-	\$	9,726
Cash with sheriff		-		-		-		-		-
Due from other government							_			
units		-		-		_	24	17,859		247,859
Amount due from others		-		_		18,898		-		18,898
Investments	2,	<u>436,062</u>								2,436,062
Total assets	\$ 2,	436,062	\$_	9,726	\$	18,898	\$ 24	17,859	_\$_	2,712,545
Liabilities:										
Due to primary government	\$	_	\$	_	\$	_	\$ 22	28,501	\$	228,501
Due to other government										
units		_		-		_		_		_
Amounts due to others						18,898				18,898
Amounts held for others	2,	436,062		9,726				L9,358		2,465,146
Total liabilities	\$ 2.	436.062	ŝ	9.726	s	18.898	\$ 24	47.859	s	2.712.545

Discretely Presented Component Unit - School Board

EXHIBIT 12

	Governmental Fund Types					oprietary und Type			
		School Operating Fund		hool Food Service Fund	Scott County Head Start		School nsurance Fund		Totals
Assets: Cash & cash equivalents Cash with head start Other current assets	\$	- - 344,334	\$	275,364 - -	\$ 17, <u>2</u> 07	\$	418,318 - -	, \$	693,682 17,207 344,334
Due from other governmental units Due from primary government		503,891 1,906,032		7,241	 21,645		<u>-</u>		532,777 1,906,032
Total Assets	\$	2,754,257	\$	282,605	\$ <u>38,852</u>	_\$_	418,318	\$	3,494,032
Liabilities: Accounts payable Accrued salaries Health insurance payable Deferred revenue	\$	163,682 2,590,575 —	\$	2,195 - - -	\$ 8,776 - 30,076	\$	_ _ 169,574 	\$	174,653 2,590,575 169,574 30,076
Total Liabilities		2,754,257		2,195	38,852		169,574		2,964,878
Retained earnings: Unreserved Fund balance:		-		-	(4,871)		248,744		243,873
Assigned		-		280,410	(4,871)				275,539
Total Fund Balance				280,410	(9,742)		248,744		519,412
Total Liabilities & Fund Balance	\$	2,754,257	_\$_	282,605	\$ 29,110	_\$_	418,318		

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

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

35,192,397

Long-term liabilities applicable to the locality's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net assets.

(2,172,661)

Net assets of General Government Activities

\$ 33,539,148

\$ (2,277,654)

COUNTY OF SCOTT, VIRGINIA STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD For the Year Ended June 30, 2012

Change in net assets of governmental activities

	Proj Governmental Fund Types Fun						
	School Operating Fund	School Food Service Fund	Scott County Head Start	School Insurance Fund	Totals		
Revenues: Revenue from use of money and property Charges for services Miscellaneous Recovered costs	\$ 980 37,733 379,042	\$ 93 689,195 2.088	\$ - 398,831	\$ _ 4,007,909 -	\$ 1.073 4.734.837 779,961		
Intergovernmental: Commonwealth Federal	24,146,798 3,155,009	12.168 1,269.613	1,354,218		24.158.966 5.778,840		
Total revenues	27,719,562	1,973,157	1,753,049	4,007,909	35,453,677		
Expenditures: Current Education	31,994,569	1,860,427	1,757,920	4,227,701	39,840,617		
Total expenditures	31,994,569	1,860,427	1,757,920	4,227,701	39.840.617		
Excess (deficiency) of revenues over(under) expenditures	(4.275.007)	112,730	(4.871)	(219.792)	(4.386,940)		
Other financing sources (uses): Operating transfers in Operating transfers out Proceeds from indebtness Transfer from/(to) primary debt	4,275,007 - -	(75,000) -	- - -	-	4,275,007 (75,000) -		
Total other financing sources	4,275,007	(75,000)			4,200,007		
Excess (deficiency) of revenues & other sources over expenditure & other uses	-	37.730	(4.871)	(219.792)	(186.933)		
Fund balances at beginning of year		242.680		468,536	711.216		
Fund balances at end of year	\$ -	\$ 280,410	\$ (4.871)	\$ 248,744	\$ 524,283		
Amount reported for governmental acti are different because:	vities in the sta	tement of activ	ities				
Net changes in fund balances - total	governmental fund	s			\$ (186.933)		
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 government 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 issuance, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the issuance of long-term debt and related items.							
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 activities. (364,556							
School component unit general obligat reported in governmental activities i a tenancy-in-common for school assets amount of debt that was paid for the	n statement of ne- with outstanding	t assets. Coun	ty has		-		
Governmental funds report capital out statement of activities the cost of t estimated useful lives and reported a amount by which depreciaton exceeded	hose assets is al s depreciation ex	located over the pense. This is	eir the		(1,726,165)		

	School Operating Fund							
	Original Budget	Budget As Amended	Actual	Variance From Amended Positive (Negative)				
Revenues:								
Revenue from use of money and property Charges for services Miscellaneous Recovered costs Intergovernmental:	\$ 500 24,000 180,804	\$ 500 24,000 180,804	\$ 980 37,733 379,042	\$ 480 13,733 198,238				
Commonwealth	24,356,366	24,356,366	24,146,798	(209,568)				
Federal	3,240,201	3,240,201	3,155,009	(85,192)				
Total revenues	27,801,871	27,801,871	27,719,562	(82,309)				
Expenditures: Current Education	32,694,175	32,694,175	31,994,569	699,606				
Total expenditures	32,694,175	32,694,175	31,994,569	699,606				
Excess (deficiency) of revenues over(under) expenditures	(4,892,304)	(4,892,304)	(4,275,007)	617,297				
Other financing sources (uses): Operating transfers in Operating transfers out Proceeds from indebtness Transfer from/(to) primary debt	4,892,304 - - -	4,892,304 - - - -	4,275,007 - - -	(617,297) - - - -				
Total other financing sources	4,892,304	4,892,304	4,275,007	(617,297)				
Excess (deficiency) of revenues & other sources over expenditure & other uses	-	-	-	-				
Fund balances at beginning of year	<u> </u>							
Fund balances at end of year	<u> </u>	<u>\$</u> -	_\$ -	\$ -				

	School Food Service Fund						
Revenues:	Original Budget	Budget As Amended	Actual	Variance From Amended Positive (Negative)			
Revenue from use of money							
and property	\$ 300	\$ 300	\$ 93	\$ (207)			
Charges for services	611,500	611,500	689,195	77,695			
Miscellaneous	-	· · - · - · - · - · - · - · -	2,088	2,088			
Recovered costs	-	-	-	· -			
Intergovernmental:							
Commonwealth	32,000	32,000	12,168	(19,832)			
Federal	979,698	1,351,698	1,269,613	(82,085)			
Total revenues	1,623,498	1,995,498	1,973,157	(22,341)			
Expenditures: Current							
Education	1,548,598	1,920,598	1,860,427	60,171			
Total expenditures	1,548,598	1,920,598	1,860,427	60,171			
Excess (deficiency) of revenues over(under) expenditures	74,900	74,900	112,730	37,830			
Other financing sources (uses):							
Operating transfers in	-	_	_	-			
Operating transfers out	-	-	(75,000)	(75,000)			
Proceeds from indebtness	-	-	-	-			
Transfer from/(to) primary debt							
Total other financing sources			(75,000)	(75,000)			
Excess (deficiency) of revenues & other sources over expenditure & other uses	74,900	74,900	37,730	(37,170)			
Fund balances at beginning of year	<u>-</u>	_	242,680	242,680			
	24 000	74.000					
Fund balances at end of year	\$ 74,900	\$ 74,900	\$ 280,410	\$ 205,510			

	School Construction Fund							
		Budget Original As Budget Amended		Act	ual	F Ame Pos	iance rom ended itive ative)	
Revenues:								
Revenue from use of money	_		_		_			
and property	\$	-	\$	-	\$	-	\$	-
Charges for services		-		-	20	8,831	2.0	98,831
Miscellaneous Recovered costs		-		-	39	8,831	3:	98,831
Intergovernmental:		-		-		-		_
Commonwealth		_		_		_		_
Federal	1 23	2,942	1 23	2,942	1 35	4,218	3 3	21,276
rederar		2, 142	1,23	2, 342		4,220		41,210
Total revenues	1,23	2,942_	1,23	2,942	1,75	3,049	52	20,107
Expenditures:								
Current								
Education	1,23	2,942	1,23	2,942	$\frac{1,75}{}$	7,920	(5)	2 4 ,978)
Total expenditures	1,23	2,942	1,23	2,942	1,75	7,920_	(52	24,978)
Excess (deficiency) of revenues over(under) expenditures		_		_	(4,871)		(4,871)
C.C. (analos), Componential and								
Other financing sources (uses): Operating transfers in								_
Operating transfers out		_		_		_		_
Proceeds from indebtness		_		-		-		-
Transfer from/(to) primary debt								
Total other financing sources								
Excess (deficiency) of revenues & other sources over expenditure & other uses		-		-	(4,871)		(4,871)
Fund balances at beginning of year								
	_		•		,	4 0711	4	// 0711
Fund balances at end of year	_\$		->		_ \$	4,871)	_ >	(4,871)

403702

	Scott County Head Start						
	Original Budget	Budget As Amended	Actual	Variance From Amended Positive (Negative)			
Revenues:	-						
Revenue from use of money and property	\$ -	\$ -	\$ -	\$ -			
Charges for services Miscellaneous	-	-	-	-			
Miscellaneous Recovered costs	-	-	403,702	403,702			
Intergovernmental:	-	-	-	-			
Commonwealth	-	_	-	_			
Federal	1,232,942	1,232,942	1,354,218	121,276			
Total revenues	1,232,942	1,232,942	1,757,920	524,978			
Expenditures: Current							
Education	1,232,942	1,232,942	1,757,920	(524,978)			
Total expenditures	1,232,942	1,232,942	1,757,920	(524,978)			
Excess (deficiency) of revenues over(under) expenditures	-	-	-	-			
Other financing sources (uses): Operating transfers in	_	_	_	_			
Operating transfers out	-	-	-	_			
Proceeds from indebtness	-	- .	-	-			
Transfer from/(to) primary debt							
Total other financing sources		 _					
Excess (deficiency) of revenues & other sources over expenditure & other uses	-	-	-	-			
Fund balances at beginning of year							
Fund balances at end of year	_\$	<u> </u>	_\$	\$ -			

	School Insurance Fund						
Revenues:	Original Budget	Budget As Amended	Actual	Variance From Amended Positive (Negative)			
Revenue from use of money							
and property	\$ -	\$ -	\$ -	\$ -			
Charges for services	-	· -	4,007,909	4,007,909			
Miscellaneous	-	-	· · · · · -	· -			
Recovered costs	-	-	-	-			
Intergovernmental:							
Commonwealth	-	=	-	-			
Federal							
Total revenues			4,007,909	4,007,909			
Expenditures:							
Current							
Education			4,227,701	(4,227,701)			
Total expenditures			4,227,701	(4,227,701)			
Excess (deficiency) of revenues over(under) expenditures	-	-	(219,792)	(219,792)			
Other financing sources (uses):							
Operating transfers in	-	_	_	_			
Operating transfers out	_	-	-	-			
Proceeds from indebtness	-	-	-	-			
Transfer from/(to) primary debt							
Total other financing sources							
Excess (deficiency) of revenues & other sources over expenditure & other uses	-	-	(219,792)	(219,792)			
Fund balances at beginning of year	<u> </u>		468,536	468,536			
Fund balances at end of year	<u> </u>	<u> </u>	\$ 248,744	\$ 248,744			

·				
Proprietary	Fund - Dis	cretely Pro	esented Con	mponent Unit
<u>Proprietar</u>	r Fund - Dis	cretely Pro	esented Con	mponent Unit
<u>Proprietar</u>	r Fund - Dis	cretely Pro	esented Com	mponent Unit
Proprietary	Fund - Dis	cretely Pro	esented Con	mponent Unit
Proprietary	Fund - Dis	cretely Pro	esented Com	mponent Unit
Proprietary	Fund - Dis	cretely Pro	esented Com	aponent Unit
Proprietary	Fund - Dis	cretely Pro	esented Com	aponent Unit
Proprietary	Fund - Dis	cretely Pro	esented Com	aponent Unit

	Discretely Presented Component Units					
	Economic	Public				
	Development	Service				
	Authority	<u>Authority</u>	Total			
Assets:						
Current assets:						
Cash and cash equivalents Receivables (net of allowance)	\$ 1,651,371	\$ 259,402	\$ 1,910,773			
Accounts receivable	368	330,487	330,855			
Inventory	-	71,624	71,624			
Other current assets	53,026	169,694	222,720			
Due from other governments	252,057	512,537	764,594			
Total current assets	1,956,822	1,343,744	3,300,566			
Noncurrent assets:						
Capital assets:						
Land	5,226,835	486,753	5,713,588			
Buildings & equipment,						
net of depreciation	12,920,140	46,478,560	59,398,700			
-						
Total noncurrent assets	18,146,975	46,965,313	65,112,288			
Other assets:						
Restricted cash in bank	6,640	480,945	487,585			
Notes receivable	155,233	-	155,233			
Unamortized bond costs	164,262	76,236	240,498			
onamorerzed bond coses	104/202					
Total other assets	326,135	557,181	883,316			
Total assets	\$ 20,429,932	\$ 48,866,238	\$ 69,296,170			
Liabilities:						
Current liabilities:						
Accounts payable &						
accrued expenses	\$ 422,021	\$ 1,014,954	\$ 1,436,975			
Current portion of	••					
long-term obligations	204,807	811,571	1,016,378			
Tong Colm Obligations						
Total current liabilities	626,828	1,826,525	2,453,353			
Noncurrent liabilities:						
Compensated absences	21,259	140,372	161,631			
Amounts held for others	7,321	188,169	195,490			
Other post employment benefits		181,996	181,996			
Noncurrent portion of						
long-term obligations	3,688,408	17,401,398	21,089,806			
Total noncurrent liabilities	3,716,988	17,911,935	21,628,923			
Total liabilities	4,343,816	19,738,460	24,082,276			
Net assets:						
Invested in capital assets,						
net of related debt	14,253,760	28,752,344	43,006,104			
Unrestricted assets	1,832,356	375,434	2,207,790			
omrestricted assets	1,002,000	3131232	2,20,,,00			
Total net assets	16,086,116	29,127,778	45,213,894			
Total liabilities & net assets	\$ 20,429,932	\$ 48,866,238	\$ 69,296,170			

COUNTY OF SCOTT, VIRGINIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS PROPRIETARY FUND - DISCRETELY PRESENTED COMPONENT UNITS
For the Year Ended June 30, 2012

	Discretely Presented Component Units					
	Economic	Public				
	Development	Service	maka 1			
	Authority	Authority	Total			
Operating revenues:						
Charges for services	\$ -	\$ 2,813,026	\$ 2,813,026			
Rental income	340,737	-	340,737			
Grants	3,152,331	-	3,152,331			
Miscellaneous	2,924	48,141	51,065			
Total operating revenue	3,495,992	2,861,167	6,357,159			
Operating expenses:						
Wages and benefits	140,826	1,140,818	1,281,644			
Other operating expenses	584,618	2,168,652	2,753,270			
Total operating expense	725,444	3,309,470	4,034,914			
Operating income (loss)	2,770,548	(448,303)	2,322,245			
Nonoperating revenues (expenses):						
Interest earned	6,791	3,802	10,593			
Connection fees	-	65,852	65,852			
Other non operating revenues/expense	76,044	32,092	108,136			
Interest expense	(130,603)	(321,796)	(452,399)			
Total nonoperating						
revenues (expenses)	(47,768)	(220,050)	(267,818)			
Capital contributions		3,127,894	3,127,894			
Increase (decrease) in net						
assets	2,722,780	2,459,541	5,182,321			
Net assets at beginning of year	13,363,336	26,668,237	40,031,573			
Net assets at end of year	\$ 16,086,116	\$ 29,127,778	\$ 45,213,894			

Cash flows from operating activities: Receipts from customers & users \$ 3. Payments to suppliers (292,688 398,557)	Presented Compo Public Service Authority \$ 2,814,620 (728,476) (1,157,882)	Total \$ 6,107,308 (1,127,033)
Cash flows from operating activities: Receipts from customers & users \$ 3. Payments to suppliers (292,688 398,557)	Service Authority \$ 2,814,620 (728,476)	\$ 6,107,308 (1,127,033)
Cash flows from operating activities: Receipts from customers & users \$ 3. Payments to suppliers (292,688 398,557)	\$ 2,814,620 (728,476)	\$ 6,107,308 (1,127,033)
Cash flows from operating activities: Receipts from customers & users \$ 3. Payments to suppliers (292,688 398,557) —	\$ 2,814,620 (728,476)	\$ 6,107,308 (1,127,033)
Receipts from customers & users \$ 3. Payments to suppliers (398,557)	(728,476)	(1,127,033)
Receipts from customers & users \$ 3. Payments to suppliers (398,557)	(728,476)	(1,127,033)
Payments to suppliers (398,557)	(728,476)	(1,127,033)
	894,131	(1,157,882)	44 455 555
Payments to employees for services	894,131		(1,157,882)
Net cash provided(used) by operating activities		928,262	3,822,393
Cash flows from capital & related			
financing activities:			
Connection fee		97,944	07 044
	_		97,944
Other nonoperating revenues	_	(81,682)	(81,682)
Loans to Industries	(60,611)	-	(60,611)
Purchase of fixed assets (2,	315,549)	(4,445,188)	(6,760,737)
Principal on debt (191,602)	(4,100,857)	(4,292,459)
Proceeds from indebtness		4,872,917	4,872,917
	_		
Interest on debt	-	(313,851)	(313,851)
Proceeds from loans & grants	14,440	3,147,887	3,162,327
Net cash used in capital & related financing activities (2,	553,322)	(822,830)	(3,376,152)
Cash flows from investing activities:			
Interest earned		3,802	3,802
Net cash provided by investing activities		3,802	3,802
Increase (decrease) in cash & cash equivalents	340,809	109,234	450,043
Cash & cash equivalents at beginning of year	317,202	800,807	2,118,009
Cash & cash equivalents at end of year \$ 1.	658,011	\$ 910,041	\$ 2,568,052
Reconciliation of operating income to net cash provided (used) by operating activities: Operating income (loss) \$ 2,	722,780	\$ (448,303)	\$ 2,274,477
Adjustments to reconcile net income (loss) to net cash provided by operations:			
Depreciation	448,770	1,268,711	1,717,481
•	8,800	50,086	58,886
Amortization	0,000	00,000	-
Donations		_	(26 044)
Gain on sale of assets	(76,044)	_	(76,044)
Changes in operating assets & liabilities:			
Accounts receivable	4,500	(69,853)	(65,353)
Inventory	_	52,170	52,170
•	_	-	-
Other assets	(214,675)	(929)	(215,604)
**************************************	(214,0/5)	• •	
Customer deposits	-	23,306	23,306
Accrued leave & benefits		53,074	53,074
Total adjustments	171,351	1,376,565	1,547,916
Net cash provided (used) by operating activities \$ 2,	894,131	\$ 928,262	\$ 3,822,393

Non-Major Governmental Funds

EXHIBIT 18

COUNTY OF SCOTT, VIRGINIA NON-MAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET June 30, 2012

	Special Revenue Funds					
	Coal Road Improvement Fund	Law Library Fund	Totals			
Assets: Cash & cash equivalents Accounts receivable	\$ 33,436	\$12,156 	\$ 45.592 177			
Total assets	\$ 33,436	\$12,333	\$ 45,769			
Liabilities: Accounts payable Accrued expenses	\$ - 	\$ 214 	\$ 214			
Total liabilities	-	214	214			
Fund balance:						
Committed	33,436	12,119	45,555			
Total fund balance	33,436	12,119	45,555			
Total liabilities & fund balance	\$ 33,436	\$12,333	\$ 45,769			

COUNTY OF SCOTT, VIRGINIA NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES For the Year Ended June 30, 2012

	Special Revenue Funds					
	Coal Road Improvement Fund	Law Library Fund	Totals			
Revenues: Revenues from local sources: Other taxes Permits, privilege fees & regulatory licenses Charges for services Intergovernmental	\$ 4,516 - -	\$ - 3,380	\$ 4,516 - 3,380			
Total revenues	4,516_	3,380	7,896			
Expenditures: Judicial administration Public safety Public works	- - 2,258	2,692	2,692 - 2,258			
Total expenditures	2,258	2.692	4,950			
Excess (deficiency) of revenues over expenditures	2,258	688	2.946			
Other financing sources (uses): Operating transfers in Operating transfers out	<u>-</u>		_ 			
Total other financing sources						
Excess (deficiency) of revenues & other sources over expenditure & other uses	2,258	688	2.946			
Fund balance at beginning of year	31,178	11,431	42,609			
Fund balance at end of year	\$ 33,436	\$12,119	\$ 45,555			

COUNTY OF SCOTT, VIRGINIA
NON-MAJOR GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL
For the Year Ended June 30, 2012

	Coal Road Improvement Fund				
	Original Budget	Budget As Amended	Actual	Variance From Amended Positive (Negative)	
Revenues: Revenues from local sources: Other taxes Permits, privilege fees	\$ 4,000	\$ 4,000	\$ 4,516	\$ 516	
& regulatory licenses Charges for services Intergovernmental		<u>-</u>			
Total revenues	4,000	4,000	4,516	516	
Expenditures: Judicial administration Public safety Public works	- - 4,000	- - 4,000	- - 2,258	- - 1,742	
Total expenditures	4,000	4,000	2,258	1,742	
Excess (deficiency) of revenues over expenditures	-	-	2,258	2,258	
Other financing sources (uses): Operating transfers in Operating transfers out					
Total other financing sources					
Excess (deficiency) of revenues & other sources over expenditure & other uses	-	-	2,258	2,258	
Fund balances at beginning of year			31,178	31,178	
Fund balance at end of year	\$ -	<u>\$</u> -	\$ 33,436	\$ 33,436	

COUNTY OF SCOTT, VIRGINIA
NON-MAJOR GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL
For the Year Ended June 30, 2012

	Law Library Fund				
	Original Budget	Budget As Amended	Actual	Variance From Amended Positive (Negative)	
Revenues:					
Revenues from local sources: Other taxes Permits, privilege fees & regulatory licenses	\$ - -	\$ - -	\$ - -	\$ - -	
Charges for services Intergovernmental	11,500	11,500	3,380	(8,120)	
Total revenues	11,500_	11,500	3,380	(8,120)	
Expenditures: Judicial administration Public safety Public works	11,500	11,500	2,692	8,808 - -	
Public Works					
Total expenditures	11,500	11,500	2,692	8,808	
Excess (deficiency) of revenues over expenditures	-	-	688	688	
Other financing sources (uses): Operating transfers in Operating transfers out	<u>-</u>		<u>-</u>	<u>-</u>	
Total other financing sources					
Excess (deficiency) of revenues & other sources over expenditure & other uses	-	-	688	688	
Fund balances at beginning of year	8,500	8,500	11,431	2,931	
Fund balance at end of year	\$ 8,500	\$ 8,500	\$ 12,119	\$ 3,619	

Supporting Schedules

Pund, Major and Minor Revenue Source Budget Amended Actual Primary Covernment:	For the Year Ended June 30, 2012				
Pund, Major and Minor Revenue Sources					Variance
Pund, Major and Minor Revenue Source Rudget Amended Actual Regative					
Primary Government: Revenue from local sources Section Sec			Budget		
Primary Government: General Fund: General Fund: Revenue from local sources: General progenty taxes: General progenty taxes Real & personal public service corporation property taxes 700,000 700,000 718,708 18,708 Real a personal public service corporation property taxes 785,000 785,000 923,494 138,494 Machinery and tools taxes 195,000 195,000 133,720 (2,280) Merchants capital 181,000 181,000 135,720 (2,280) Merchants capital 181,000 181,000 195,600 195,600 195,700 132,720 (2,280) Merchants capital 181,000 181,000 195,600 195,720 (2,280) Merchants capital 181,000 112,000 144,426 32,426 Interest 30,000 30,000 110,181 80,381 TOTAL GENERAL PROPERTY TAXES 10,213,384 10,213,384 10,385,555 172,171 Other local taxes: Local sales a use taxes 1,340,000 1,340,000 1,364,382 24,382 Consumer utility tax 415,000 415,000 409,379 (5,621) Local cell phone tax 840,000 840,000 777,429 (62,571) Parimutuel - Colonial Downs 18,000 18,000 16,467 (1,533) Gross receipts - utility 62,000 62,000 773,200 11,200 Metor vehicle licenses 400,000 400,000 13,200 11,200 Metor vehicle licenses 400,000 400,000 13,955 19,950 Transient lodging tax 5,000 400,000 73,200 11,200 Metor vehicle licenses 400,000 400,000 13,955 19,950 Transient lodging tax 5,000 63,000 71,653 8,653 Coal severance tax 11,000 11,000 3,750 (3,571) Tax on wills 40,000 4,000 5,117 1,117 Recordation tax 6,000 63,000 71,653 8,653 Coal severance tax 11,000 11,000 3,750 (3,549) TOTAL OTHER LOCAL TAXES 3,161,500 3,161,500 3,153,963 (7,537) Permits, privilege fees & regulatory license: Animal licenses 7,000 7,000 3,760 (3,240) Transfer fees 6 7,000 7,000 3,760 (3,240) Total Premits and other licenses 13,750 14,070 32,618 18,549 TOTAL PREMUE FROM USE OF MORE FR		Original	As		
General Fund: Revenue from local sources: General property taxes: Seneral property taxes: Real property taxes: 700,000 700,000 718,708 18,708 Real & personal public service corporation property Real & personal public service Real property taxes: Real property taxes: Real & personal public service services: Charges for services: Charges for commonwealth Attorney Revenue from use of property Revenue from use of money & property Reve	Fund, Major and Minor Revenue Source	Budget	<u>Amended</u>	<u>Actual</u>	(Negative)
General Fund: Revenue from local sources: General property taxes: Seneral property taxes: Real property taxes: 700,000 700,000 718,708 18,708 Real & personal public service corporation property Real & personal public service Real property taxes: Real property taxes: Real & personal public service services: Charges for services: Charges for commonwealth Attorney Revenue from use of property Revenue from use of money & property Reve	Primary Government:				
Revenue from local sources: General property taxes: Real property taxes:					
Ceneral property taxes Sale Sal					
Real property taxes Real & personal public service corporation property taxes Real & personal public service corporation property taxes 700,000 700,000 718,708 785,000 785,000 785,000 193,734 118,434 Machinery and tools taxes 196,000 136,000 137,000 139,730 Merchants capital 18,000 180,000 180,737 Merchants capital 180,000 180,000 180,000 180,477 Merchants capital 180,000 1					
Real & personal public service corporation property taxes Personal property taxes Personal property taxes 178,000 178,000 193,720 138,494 Machinery and tools taxes 18,000 181,720 Merchants capital 181,000 181,000 181,720 186,628 186,000 182,000 184,765 186,628 186,000 181,765 Penaltites 12,000 110,000 110,1961 186,031 TOTAL GENERAL PROPERTY TAXES 10,213,384 10,213,384 10,385,555 172,171 Other local taxes: Local sales & use taxes 1,340,000 1,340,000 1,364,382 Consumer utility tax 415,000 130,000 130,000 177,429 166,2571) Parimutuel - Colonial Downs 18,000 180,000 180,000 177,429 166,2571) Parimutuel - Colonial Downs 18,000 180,000 180,000 180,000 170,00		\$ 8,127,384	\$ 8.127.384	\$ 8.013.411	\$ (113.973)
18,708 19,700 195,628 15,628 15,628 15,628 15,628 15,628 18,709 18,709 18,709 18,709 18,709 18,709 19,728 18,728		* -,	, .,	, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	, ,==,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Personal property taxes 785,000 785,000 193,494 138,494 Machinery and tools taxes 196,000 196,000 193,720 (2,280) Merchants capital 181,000 181,000 196,628 15,628 Mobile home taxes 82,000 82,000 84,787 2,787 Penalties 112,000 112,000 144,426 32,426 Interest 30,000 30,000 110,331 80,361		700.000	700.000	718.708	18,708
Machinery and tools taxes 196,000 196,000 193,720 (2,280) Merchants capital 181,000 181,000 196,628 15,628 Mobile home taxes 82,000 82,000 84,787 2,771 2,771					
Merchants capital 181,000 181,000 196,628 15,628 Mobile home taxes 82,000 82,000 84,787 2,787 Penalties 112,000 112,000 114,426 32,426 1nterest 30,000 30,000 110,381 80,381 TOTAL GENERAL PROPERTY TAXES 10,213,384 10,213,384 10,385,555 172,171					
Mobile home taxes 82,000 82,000 84,787 2,787 Penalties 112,000 112,000 144,26 32,426 Interest 30,000 30,000 110,381 80,381 TOTAL GENERAL PROPERTY TAXES 10,213,384 10,213,384 10,385,555 172,171 172,171 172,171 173,172 173,173 174,172 1			- · · · · ·	·	
Penalties			•	•	
Interest					
Other local taxes: Local sales & use taxes					
Other local taxes: Local sales & use taxes Local cell phone tax 415,000 415,000 409,379 (5,621) Local cell phone tax 840,000 840,000 777,429 (62,571) Rarimtuel - Colonial Downs 18,000 18,000 16,467 (1,533) Gross receipts - utility 62,000 62,000 73,200 11,200 Motor vehicle licenses 400,000 400,000 419,950 19,950 19,950 Bank franchise taxes 3,500 3,500 3,230 (270) Transient lodging tax 5,000 5,000 3,925 (1,075) Tax on wills 4,000 4,000 5,317 1,317 Recordation tax 63,000 63,000 7,1653 8,653 Coal severance tax 11,000 11,000 9,031 (1,969) TOTAL OTHER LOCAL TAXES 3,161,500 3,161,500 3,153,963 (7,537) Tamsits Fees Permits Recordation tax	111001000	307000	30,000		
Local sales & use taxes	TOTAL GENERAL PROPERTY TAXES	10,213,384	10,213,384	10,385,555	172,171
Local sales & use taxes	Other local taxes:				
Consumer utility tax		1 340 000	1 340 000	1 364 382	24 382
Local cell phone tax					
Parimutuel - Colonial Downs 18,000 16,467 (1,533) Gross receipts - utility 62,000 62,000 73,200 11,200 Motor vehicle licenses 400,000 400,000 419,950 19,950 Bank franchise taxes 3,500 3,500 3,230 (270) Transient lodging tax 5,000 5,000 3,230 (270) Tax on wills 4,000 4,000 5,317 1,317 Recordation tax 63,000 63,000 71,653 8,653 Coal severance tax 11,000 11,000 9,031 (1,969) TOTAL OTHER LOCAL TAXES 3,161,500 3,161,500 3,153,963 (7,537) Permits, privilege fees & regulatory license: 7,000 7,000 3,760 (3,240) Transfer fees 900 900 831 (69) Building and related permits 28,900 28,900 25,113 (3,787) Weapons permits 8,000 18,865 8,911 (9,954) Permits and other licenses 13,750 14,070 32,618 18,548 TOTAL PERMITS, PRIVILECE FEES & REGULATORY LICENSES 58,550 69,735 71,233 1,498 Fines and forfeitures: 157,795 157,795 122,300 (35,495) Revenue from use of money 6,000 98,000 96,699 (1,902) Revenue from use of money 6,000 98,000 96,699 (1,301) TOTAL REVENUE FROM USE OF MONEY 6 PROPERTY 104,000 104,000 100,797 (3,203) Charges for services: Charges for recreation 116,000 116,000 113,784 (2,216) Charges for services: Charges for recreation 16,000 104,000 100,797 (3,203) Charges for services: Charges for Commonwealth Attorney 1,200 1,200 3,264 2,064 Room and board animals 200 200 387 187 Charges for Commonwealth Attorney 1,200 1,200 3,264 2,064 Room and board animals 200 200 387 187 Charges for pail work release					
Gross receipts - utility				·	
Motor vehicle licenses 400,000 400,000 419,950 19,950 Bank franchise taxes 3,500 3,500 3,230 (270) Transient lodging tax 5,000 5,000 3,925 (1,075) Tax on wills 4,000 4,000 5,317 1,317 Recordation tax 63,000 63,000 71,653 8,653 Coal severance tax 11,000 11,000 9,031 (1,269) TOTAL OTHER LOCAL TAXES 3,161,500 3,161,500 3,153,963 (7,537) Permits, privilege fees & regulatory license: Animal licenses 7,000 7,000 3,760 (3,240) Transfer fees 900 900 831 (69) Building and related permits 28,900 28,900 25,113 (3,787) Weapons permits 8,000 18,865 8,911 (9,954) Permits and other licenses 13,750 14,070 32,618 18,548 TOTAL PERMITS, PRIVILEGE FEES 8,550 <t< td=""><td></td><td></td><td></td><td>·</td><td></td></t<>				·	
Bank franchise taxes 3,500 3,500 3,230 (270)					
Transient lodging tax 5,000 5,000 3,925 (1,075) Tax on wills 4,000 4,000 5,317 1,317 Recordation tax 63,000 63,000 71,653 8,653 Coal severance tax 11,000 11,000 9,031 (1,969) TOTAL OTHER LOCAL TAXES 3,161,500 3,161,500 3,153,963 (7,537) Permits, privilege fees & regulatory license: Animal licenses 7,000 7,000 3,760 (3,240) Transfer fees 900 900 831 (69) Building and related permits 28,900 28,900 25,113 (3,787) Weapons permits 8,000 18,865 8,911 (9,954) Permits and other licenses 13,750 14,070 32,618 18,548 TOTAL PERMITS, PRIVILEGE FEES & REGULATORY LICENSES 58,550 69,735 71,233 1,498 Fines and forfeitures: Court fines and forfeitures 157,795 157,795 122,300 (35,495) Revenue from use of money & property: Revenue from use of money & property: Revenue from use of forperty 98,000 98,000 96,699 (1,301) TOTAL REVENUE FROM USE OF MONEY & PROPERTY 104,000 104,000 100,797 (3,203) Charges for services: Charges for recreation 116,000 116,000 113,784 (2,216) Charges for recreation 116,000 75,000 72,191 (2,809) Charges for NARF collections - 3 3 Charges for recreation 16,000 75,000 72,191 (2,809) Charges for Services: Collection & disposal 75,000 75,000 72,191 (2,809) Charges for Commonwealth Attorney 1,200 1,200 3,264 2,064 Room and board animals 200 200 387 187 Charges for correction					
Tax on wills		•	· ·		
Recordation tax		•	· ·	·	
TOTAL OTHER LOCAL TAXES 3,161,500 3,161,500 3,153,963 (7,537)			•		
Permits, privilege fees & regulatory license: Animal licenses 7,000 7,000 3,760 (3,240) Transfer fees 900 900 831 (69) Building and related permits 28,900 28,900 25,113 (3,787) Meapons permits 8,000 18,865 8,911 (9,954) Permits and other licenses 13,750 14,070 32,618 18,548 TOTAL PERMITS, PRIVILEGE FEES & FACGULATORY LICENSES 58,550 69,735 71,233 1,498 Fines and forfeitures: Court fines and forfeitures 157,795 157,795 122,300 (35,495) TOTAL FINES & FORFEITURES 157,795 157,795 122,300 (35,495) Revenue from use of money & property: Revenue from use of money & property: Revenue from use of property 98,000 98,000 96,699 (1,301) TOTAL REVENUE FROM USE OF MONEY & PROPERTY 104,000 104,000 100,797 (3,203) Charges for services: Charges for recreation 116,000 116,000 113,784 (2,216) Charges for NARF collections - 3 3 Charges for waste collections - 3 3 Charges for commonwealth Attorney 1,200 75,000 72,191 (2,809) Charges for Jail work release					
Permits, privilege fees & regulatory license: Animal licenses 7,000 7,000 3,760 (3,240) Transfer fees 900 900 831 (69) Building and related permits 28,900 28,900 25,113 (3,787) Weapons permits 8,000 18,865 8,911 (9,954) Permits and other licenses 13,750 14,070 32,618 18,548 TOTAL PERMITS, PRIVILEGE FEES & REGULATORY LICENSES 58,550 69,735 71,233 1,498 Fines and forfeitures: Court fines and forfeitures 157,795 157,795 122,300 (35,495) TOTAL FINES & FORFEITURES 157,795 157,795 122,300 (35,495) Revenue from use of money & property: Revenue from use of money 6,000 6,000 4,098 (1,902) Revenue from use of property 98,000 98,000 96,699 (1,301) TOTAL REVENUE FROM USE OF MONEY & PROPERTY 104,000 104,000 100,797 (3,203) Charges for services: Charges for NAFF collections 3 3 Charges for NAFF collections 3 3 Charges for waste collection 4 disposal 75,000 75,000 72,191 (2,809) Charges for Commonwealth Attorney 1,200 1,200 3,264 2,064 Room and board animals 200 200 387 187 Charges for jail work release	Coal severance tax	11,000	11,000	9,031	(1,969)
regulatory license: Animal licenses 7,000 7,000 3,760 (3,240) Transfer fees 900 900 831 (69) Building and related permits 28,900 28,900 25,113 (3,787) Weapons permits 8,000 18,865 8,911 (9,954) Permits and other licenses 13,750 14,070 32,618 18,548 TOTAL PERMITS, PRIVILEGE FEES & REGULATORY LICENSES 58,550 69,735 71,233 1,498 Fines and forfeitures: Court fines and forfeitures 157,795 157,795 122,300 (35,495) TOTAL FINES & FORFEITURES 157,795 157,795 122,300 (35,495) Revenue from use of money 6,000 6,000 4,098 (1,902) Revenue from use of money 6,000 98,000 96,699 (1,301) TOTAL REVENUE FROM USE OF MONEY & PROPERTY 104,000 104,000 100,797 (3,203) Charges for services: Charges for NARF collections - 3 3 Charges for NARF collections - 5 3 Charges for waste collection & disposal 75,000 75,000 72,191 (2,809) Charges for Commonwealth Attorney 1,200 1,200 3,264 2,064 Room and board animals 200 200 387 187 Charges for correction - 6 Charges for correction - 7 - 7 Charges for jail work release - 7 Charges for correction - 7 - 7 Charges for cor	TOTAL OTHER LOCAL TAXES	3,161,500	3,161,500	3,153,963	(7,537)
regulatory license: Animal licenses 7,000 7,000 3,760 (3,240) Transfer fees 900 900 831 (69) Building and related permits 28,900 28,900 25,113 (3,787) Weapons permits 8,000 18,865 8,911 (9,954) Permits and other licenses 13,750 14,070 32,618 18,548 TOTAL PERMITS, PRIVILEGE FEES & REGULATORY LICENSES 58,550 69,735 71,233 1,498 Fines and forfeitures: Court fines and forfeitures 157,795 157,795 122,300 (35,495) TOTAL FINES & FORFEITURES 157,795 157,795 122,300 (35,495) Revenue from use of money 6,000 6,000 4,098 (1,902) Revenue from use of money 6,000 98,000 96,699 (1,301) TOTAL REVENUE FROM USE OF MONEY & PROPERTY 104,000 104,000 100,797 (3,203) Charges for services: Charges for NARF collections - 3 3 Charges for NARF collections - 5 3 Charges for waste collection & disposal 75,000 75,000 72,191 (2,809) Charges for Commonwealth Attorney 1,200 1,200 3,264 2,064 Room and board animals 200 200 387 187 Charges for correction - 6 Charges for correction - 7 - 7 Charges for jail work release - 7 Charges for correction - 7 - 7 Charges for cor	Permits privilege fees &				
Animal licenses 7,000 7,000 3,760 (3,240) Transfer fees 900 900 831 (69) Building and related permits 28,900 28,900 25,113 (3,787) Weapons permits 8,000 18,865 8,911 (9,954) Permits and other licenses 13,750 14,070 32,618 18,548 TOTAL PERMITS, PRIVILEGE FEES & REGULATORY LICENSES 58,550 69,735 71,233 1,498 Fines and forfeitures: Court fines and forfeitures 157,795 157,795 122,300 (35,495) TOTAL FINES & FORFEITURES 157,795 157,795 122,300 (35,495) Revenue from use of money & property: Revenue from use of money 6,000 6,000 4,098 (1,902) Revenue from use of property 98,000 98,000 96,699 (1,301) TOTAL REVENUE FROM USE OF MONEY & PROPERTY 104,000 104,000 100,797 (3,203) Charges for services: Charges for vaste collection & disposal 75,000 75,000 72,191 (2,809) Charges for Commonwealth Attorney 1,200 1,200 3,264 2,064 Room and board animals 200 200 387 187 Charges for correction					
Transfer fees 900 900 831 (69) Building and related permits 28,900 28,900 25,113 (3,787) Weapons permits 8,000 18,865 8,911 (9,954) Permits and other licenses 13,750 14,070 32,618 18,548 TOTAL PERMITS, PRIVILEGE FEES & REGULATORY LICENSES 58,550 69,735 71,233 1,498 Fines and forfeitures: Court fines and forfeitures 157,795 157,795 122,300 (35,495) TOTAL FINES & FORFEITURES 157,795 157,795 122,300 (35,495) Revenue from use of money & property: Revenue from use of money & property: Revenue from use of property 98,000 96,699 (1,301) TOTAL REVENUE FROM USE OF MONEY & PROPERTY 104,000 104,000 100,797 (3,203) Charges for services: Charges for vaste collections - 3 3 3 Charges for waste collections - 3 3 3 Charges for waste collections 75,000 75,000 72,191 (2,809) Charges for commonwealth Attorney 1,200 1,200 3,264 2,064 Room and board animals 200 200 387 187 Charges for correction		7 000	7 000	3 760	(3.240)
Building and related permits 28,900 28,900 25,113 (3,787) Weapons permits 8,000 18,865 8,911 (9,954) Permits and other licenses 13,750 14,070 32,618 18,548					
Weapons permits 8,000 18,865 8,911 (9,954) Permits and other licenses 13,750 14,070 32,618 18,548 TOTAL PERMITS, PRIVILEGE FEES & REGULATORY LICENSES 58,550 69,735 71,233 1,498 Fines and forfeitures:					
### TOTAL PERMITS, PRIVILEGE FEES & REGULATORY LICENSES			•	•	
TOTAL PERMITS, PRIVILEGE FEES & REGULATORY LICENSES 58,550 69,735 71,233 1,498 Fines and forfeitures: Court fines and forfeitures 157,795 157,795 122,300 (35,495) TOTAL FINES & FORFEITURES 157,795 157,795 122,300 (35,495) Revenue from use of money & property: Revenue from use of money & property: Revenue from use of property 98,000 6,000 4,098 (1,902) Revenue from use of property 98,000 98,000 96,699 (1,301) TOTAL REVENUE FROM USE OF MONEY & PROPERTY 104,000 104,000 100,797 (3,203) Charges for services: Charges for recreation 116,000 116,000 113,784 (2,216) Charges for NARF collections 3 3 3 Charges for waste collection & disposal 75,000 75,000 72,191 (2,809) Charges for Commonwealth Attorney 1,200 1,200 3,264 2,064 Room and board animals 200 200 387 187 Charges for jail work release		•	•		
## REGULATORY LICENSES 58,550 69,735 71,233 1,498 Fines and forfeitures: Court fines and forfeitures 157,795 157,795 122,300 (35,495) TOTAL FINES & FORFEITURES 157,795 157,795 122,300 (35,495) Revenue from use of money & property: Revenue from use of money & property 6,000 6,000 4,098 (1,902) Revenue from use of property 98,000 98,000 96,699 (1,301) TOTAL REVENUE FROM USE OF 104,000 104,000 100,797 (3,203) Charges for services: Charges for recreation 116,000 116,000 113,784 (2,216) Charges for waste 2	refinites and other fittenses	13,730	14,070	32,010	
## REGULATORY LICENSES 58,550 69,735 71,233 1,498 Fines and forfeitures: Court fines and forfeitures 157,795 157,795 122,300 (35,495) TOTAL FINES & FORFEITURES 157,795 157,795 122,300 (35,495) Revenue from use of money & property: Revenue from use of money & property 6,000 6,000 4,098 (1,902) Revenue from use of property 98,000 98,000 96,699 (1,301) TOTAL REVENUE FROM USE OF 104,000 104,000 100,797 (3,203) Charges for services: Charges for recreation 116,000 116,000 113,784 (2,216) Charges for waste 2	TOTAL PERMITS. PRIVILEGE FEES				
Fines and forfeitures: Court fines and forfeitures		58,550	69.735	71,233	1,498
Court fines and forfeitures 157,795 157,795 122,300 (35,495) TOTAL FINES & FORFEITURES 157,795 157,795 122,300 (35,495) Revenue from use of money & property: 6,000 6,000 4,098 (1,902) Revenue from use of money & property 98,000 98,000 96,699 (1,301) TOTAL REVENUE FROM USE OF MONEY & PROPERTY 104,000 104,000 100,797 (3,203) Charges for services: Charges for recreation 116,000 116,000 113,784 (2,216) Charges for NARF collections - - 3 3 Charges for waste - - 3 3 Charges for Commonwealth Attorney 1,200 75,000 72,191 (2,809) Charges for jail work release - - - - Charges for correction - - - - Excess fees of health department - - - -					=123
TOTAL FINES & FORFEITURES 157,795 157,795 122,300 (35,495) Revenue from use of money & property: Revenue from use of money 6,000 6,000 4,098 (1,902) Revenue from use of property 98,000 98,000 96,699 (1,301) TOTAL REVENUE FROM USE OF MONEY & PROPERTY 104,000 104,000 100,797 (3,203) Charges for services: Charges for recreation 116,000 116,000 113,784 (2,216) Charges for NARF collections 3 3 3 Charges for waste collection & disposal 75,000 75,000 72,191 (2,809) Charges for Commonwealth Attorney 1,200 1,200 3,264 2,064 Room and board animals 200 200 387 187 Charges for jail work release Charges for correction Excess fees of health department	Fines and forfeitures:				
Revenue from use of money & property: Revenue from use of money 6,000 6,000 4,098 (1,902) Revenue from use of property 98,000 98,000 96,699 (1,301) TOTAL REVENUE FROM USE OF MONEY & PROPERTY 104,000 104,000 100,797 (3,203) Charges for services: Charges for recreation 116,000 116,000 113,784 (2,216) Charges for NARF collections 3 3 3 Charges for waste collection & disposal 75,000 75,000 72,191 (2,809) Charges for Commonwealth Attorney 1,200 1,200 3,264 2,064 Room and board animals 200 200 387 187 Charges for jail work release	Court fines and forfeitures	157,795	<u>157,795</u>	122,300	(35, 495)
Revenue from use of money & property: Revenue from use of money 6,000 6,000 4,098 (1,902) Revenue from use of property 98,000 98,000 96,699 (1,301) TOTAL REVENUE FROM USE OF MONEY & PROPERTY 104,000 104,000 100,797 (3,203) Charges for services: Charges for recreation 116,000 116,000 113,784 (2,216) Charges for NARF collections 3 3 3 Charges for waste collection & disposal 75,000 75,000 72,191 (2,809) Charges for Commonwealth Attorney 1,200 1,200 3,264 2,064 Room and board animals 200 200 387 187 Charges for jail work release					
Revenue from use of money Revenue from use of property 6,000 98,000 4,098 96,699 (1,902) (1,301) TOTAL REVENUE FROM USE OF MONEY & PROPERTY 104,000 104,000 100,797 (3,203) Charges for services:	TOTAL FINES & FORFEITURES	157,795	157,795	122,300	(35, 495)
Revenue from use of money Revenue from use of property 6,000 98,000 4,098 96,699 (1,902) (1,301) TOTAL REVENUE FROM USE OF MONEY & PROPERTY 104,000 104,000 100,797 (3,203) Charges for services:	Revenue from use of money & property	•			
TOTAL REVENUE FROM USE OF MONEY & PROPERTY 104,000 104,000 100,797 (3,203)			6 000	4 000	(1 902)
TOTAL REVENUE FROM USE OF MONEY & PROPERTY 104,000 104,000 100,797 (3,203) Charges for services: Charges for recreation Charges for NARF collections Charges for waste collection & disposal Charges for Commonwealth Attorney Room and board animals Charges for jail work release Charges for correction Excess fees of health department 104,000 104,000 100,797 (3,203) 113,784 (2,216) 75,000 75,000 75,000 72,191 (2,809) 75,000 75,		•	•		
MONEY & PROPERTY 104,000 104,000 100,797 (3,203) Charges for services: Charges for recreation 116,000 116,000 113,784 (2,216) Charges for NARF collections - - - 3 3 Charges for waste collection & disposal 75,000 75,000 72,191 (2,809) Charges for Commonwealth Attorney 1,200 1,200 3,264 2,064 Room and board animals 200 200 387 187 Charges for jail work release - - - - Charges for correction - - - - Excess fees of health department - - - - -	kevende from use of property	30,000	30,000	30,033	(1,301)
MONEY & PROPERTY 104,000 104,000 100,797 (3,203) Charges for services: Charges for recreation 116,000 116,000 113,784 (2,216) Charges for NARF collections - - - 3 3 Charges for waste collection & disposal 75,000 75,000 72,191 (2,809) Charges for Commonwealth Attorney 1,200 1,200 3,264 2,064 Room and board animals 200 200 387 187 Charges for jail work release - - - - Charges for correction - - - - Excess fees of health department - - - - -	TOTAL REVENUE FROM USE OF				
Charges for services: Charges for recreation 116,000 116,000 113,784 (2,216) Charges for NARF collections - - - 3 3 Charges for waste - - - 1,200 72,191 (2,809) Charges for Commonwealth Attorney 1,200 1,200 3,264 2,064 Room and board animals 200 200 387 187 Charges for jail work release - - - - Charges for correction - - - - Excess fees of health department - - - - -		104.000	104.000	100.797	(3.203)
Charges for recreation 116,000 116,000 113,784 (2,216) Charges for NARF collections - - 3 3 Charges for waste - - 3 3 Collection & disposal 75,000 75,000 72,191 (2,809) Charges for Commonwealth Attorney 1,200 1,200 3,264 2,064 Room and board animals 200 200 387 187 Charges for jail work release - - - - Charges for correction - - - - Excess fees of health department - - - -					1372337
Charges for NARF collections - - 3 3 Charges for waste collection & disposal 75,000 75,000 72,191 (2,809) Charges for Commonwealth Attorney 1,200 1,200 3,264 2,064 Room and board animals 200 200 387 187 Charges for jail work release - - - - Charges for correction - - - - Excess fees of health department - - - - -	Charges for services:				
Charges for waste collection & disposal 75,000 75,000 72,191 (2,809) Charges for Commonwealth Attorney 1,200 1,200 3,264 2,064 Room and board animals 200 200 387 187 Charges for jail work release - - - - Charges for correction - - - - Excess fees of health department - - - -	Charges for recreation	116,000	116,000	113,784	(2,216)
collection & disposal 75,000 75,000 72,191 (2,809) Charges for Commonwealth Attorney 1,200 1,200 3,264 2,064 Room and board animals 200 200 387 187 Charges for jail work release - - - - Charges for correction - - - - Excess fees of health department - - - -	Charges for NARF collections	_	-	3	3
Charges for Commonwealth Attorney 1,200 1,200 3,264 2,064 Room and board animals 200 200 387 187 Charges for jail work release - - - - Charges for correction - - - - Excess fees of health department - - - -	Charges for waste				
Charges for Commonwealth Attorney 1,200 1,200 3,264 2,064 Room and board animals 200 200 387 187 Charges for jail work release - - - - Charges for correction - - - - Excess fees of health department - - - -	collection & disposal	75,000	75,000	72.191	(2.809)
Room and board animals 200 200 387 187 Charges for jail work release - - - - Charges for correction - - - - Excess fees of health department - - - -					
Charges for jail work release					
Charges for correction Excess fees of health department					
Excess fees of health department		-	_	-	-
			<u> </u>		
TOTAL CHARGES FOR SERVICES 192,400 192,400 189,629 (2,771)					
	TOTAL CHARGES FOR SERVICES	192,400	192,400	189,629	(2,771)

SCHEDULE 1

Variance

From Budget Amended Original As Positive Fund, Major and Minor Revenue Source Budget Amended Actual (Negative) Miscellaneous revenue: Miscellaneous 303,644 383,107 296,389 Ś (86,718)Payments in lieu of taxes for enterprise activities 70,000 70,000 94,999 24,999 TOTAL MISCELLANEOUS REVENUE 453,107 373,644 391,388 (61,719)Recovered costs: 194,400 Other recovered cost 208,557 201,067 (7,490)TOTAL RECOVERED COSTS 194,400 208,557 201,067 (7,490)TOTAL REVENUE FROM LOCAL SOURCES 14,455,673 14,560,478 14,615,932 55.454 Revenue from the Commonwealth: Noncategorical aid: ABC profits Wine taxes Mobile home titling taxes 60,000 60,000 23,495 (36,505)Tax on deeds 1,489 15,000 15,000 16.489 Rolling stock tax 22,000 22,000 143 (21,857) Personal property tax relief 734,026 734,026 734,026 TOTAL NONCATAGORICAL AID 831,026 831,026 774,153 (56, 873)Categorical aid: Shared expenses: 258,146 Commonwealth's attorney 258,146 248,346 (9,800) Sheriff 1,233,279 1,233,279 1,244,595 11,316 Commissioner of the Revenue 96,148 96,148 96,256 108 Treasurer 96,222 96,222 96,270 48 Medical examiner 500 500 (500)Clerk of the Circuit Court 269,052 269,052 295,944 26,892 Registrar/electoral board 61,000 61,000 (15,409) 45,591 Office of emergency services 13,000 13,000 (13,000)Four for life 20,893 20,893 TOTAL SHARED EXPENSES 2,027,347 2,027,347 2,047,895 20,548 Other categorical aid: Welfare administration and assistance 1,256,367 1,256,367 1,239,954 (16,413)СМРТ 658,962 658,962 (60,781) 598,181 Domestic Violance 20,000 21,187 23,792 2,605 Victim witness grant 43,354 44,097 44,221 124 3,180 Local law enforcement 7,143 10,323 11,000 11,000 Liter control 9,857 (1, 143)Fire programs 48,000 54,260 50,630 (3,630)62,037 Wireless E911 grant 40,000 74,458 12,421 CDBG 99,866 99,866 Other aid 7,506 28,574 31,033 2,459 TOTAL OTHER CATEGORICAL AID 2,085,189 2,143,627 2,182,315 38,688 TOTAL CATEGORICAL AID 4,112,536 4,170,974 4,230,210 59,236 TOTAL REVENUE FROM THE 5,002,000 5,004,363 COMMONWEALTH 4,943,562 2,363

For the Year Ended June 30, 2012				'
Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended Positive (Negative)
Revenue from the Federal Government:				
Categorical aid:				
Welfare public assistance Homeland Security & Terrorism	\$ 1,544,807	\$ 1,544,807	\$ 1,544,807 1,681	\$ - 1,681
VAW	30,000	30,000	29,980	(20)
Law enforcement grant Federal Asset Seizure	-	-	2,093	2,093
Community Development Block Grant			21,700	21,700
TOTAL CATEGORICAL AID	1,574,807	1,574,807	1,600,261	25,454
TOTAL REVENUE FROM FEDERAL GOVERNMENT	1,574,807	1,574,807	1,600,261	25,454
TOTAL GENERAL FUND	¢20 974 042	¢21 137 285	¢21 220 556	¢ 83 271
TOTAL GENERAL FUND	\$20,974,042	\$21,137,265	\$21,220,556	\$ 63,271
Special Revenue Fund: Law Library Revenue from local sources:				
Charges for services Law library fees	s 11.500	s 11,500	\$ 3,380	\$ (8,120)
Coal Road Improvement Fund Revenue from local sources: Other taxes Coal road tax	\$ 4,000	\$ 4,000	\$ 4,516	\$ 516
coal load cax				
TOTAL SPECIAL REVENUE FUNDS	\$ 15,500	\$ 15,500	\$ 7,896	\$ (7,604)
GRAND TOTAL REVENUES, ALL PRIMARY GOVERNMENTAL FUNDS	\$20,989,542	\$21,152,785	\$21,228,452	\$ 75,667
Component Unit - School Board: Special Revenue Funds: School Operating Fund: Revenue from local sources: Revenue from use of money & property			4 000	4.00
Revenue from use of money	\$ 500	\$ 500	\$ 980	\$ 480
Charges for services: Transportation	24,000	24,000	37,733	13,733
Transportation	24,000	24,000	31,133	13,755
Miscellaneous revenue: Miscellaneous	180,804	180,804	379,042	198,238
Recovered costs: Other				
TOTAL REVENUE FROM LOCAL SOURCES	205,304	205,304	417,755	212,451

SCHEDULE 1

Variance

Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	From Amended Positive (Negative)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 3,359,663	\$ 3,359,663	\$ 3,304,374	\$ (55,289)
Basic school aid	13,798,903	13,798,903	13,746,066	(52,837)
Primary class size	453,400	453,400	476,610	23,210
Medicaid	320,000	320,000	226,954	(93,046)
GED funding	7,859	7,859	7,859	- (00.550)
Foster care	28,382	28,382	7,822	(20,560)
Early intervention Gifted & talented children	69,583	69,583	74,553	4,970
SOL SOL	134,892	134,892	134,801	(91)
At - risk	58,518	58,518	58,641	123
Special education	485,949 1,757,561	485,949 1,757,561	485,614	(335)
English second language	21,912	21,912	1,767,416 13,059	9,855
Incentive funds	21,912	21, 312	13,033	(8,853)
Vocational education	457,405	457,405	451,035	(6,370)
Fringe benefits	1,594,725	1,594,725	1,593,642	(1,083)
Remedial education/summer school	571,364	571,364	531,403	(39,961)
School construction	571,504	3/1,304	551,405	(33,361)
Textbook rentals	2,428	2,428	151,844	149,416
VTSF grant	35,872	35,872	36,671	799
VPSA technology grant	414,000	414,000	414,000	-
Alternative education	269,689	269,689	269,689	_
Enrollment loss	205,005	-	205,005	_
Clinical faculty & mentor teacher	3,501	3,501	2,815	(686)
Supplemental support	388,205	388,205	388,285	80
Other revenue	122,555	122,555	3,645	(118,910)
0001 10/000		120/000		(110/310/
TOTAL REVENUE FROM THE				
COMMONWEALTH	24,356,366	24,356,366	24,146,798	(209, 568)
Revenue from the federal government:				
Categorical aid:				
Title I	980,145	980,145	876,765	(103,380)
E-rate				-
Title II	209,569	209,569	158,490	(51,079)
Title VI - B	857,541	857,541	846,778	(10,763)
Fiscal Stability	-	-	-	-
Academic Achieve	-	-	-	-
Assistive Technology				-
Education Technology	46 765	46 765	45 705	(070)
Gear-up	46,765	46,765	45,795	(970)
Preschool grant	31,453	31,453	31,398	(55)
Vocational education	67,851	67,851	65,816	(2,035)
Forest reserve	57,738	57,738	57,408	(330)
Title IV - A Title IV - B	220 406	328,486	1,700 399,734	1,700
Federal jobs funds	328,486 654,223	654,223	671,125	71,248 16,902
Other revenue	6,430	6,430	6/1,125	(6, 430)
Ocher resende	0,430	0,430		(0,430)
TOTAL REVENUE FROM THE FEDERAL				
GOVERNMENT	3,240,201	3,240,201	3,155,009	(85, 192)
V V mes to to come! &	0,220,201			
TOTAL SCHOOL OPERATING FUND	\$27,801,871	\$27,801,871	\$27,719,562	\$ (82,309)

Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	<u>Actual</u>	Variance From Amended Positive (Negative)
School Food Service Fund: Revenue from local sources: Revenue from use of money & property Revenue from use of money	/: \$ 300	\$ 300	\$ 93	\$ (207)
Charges for services: Cafeteria sales	611,500	611,500	689,195	77,695
Miscellaneous revenue: Miscellaneous revenue			2,088	2,088
TOTAL REVENUE FROM LOCAL SOURCES	611,800	611,800	691,376	79,576
Revenue from the government: Categorical aid: Federal funds State funds	\$ 979,698 32,000	\$ 1,351,698 32,000	\$ 1,269,613 12,168	\$ (82,085) (19,832)
TOTAL REVENUE FROM THE GOVERNMENT	1,011,698	1,383,698	1,281,781	(101,917)
TOTAL SCHOOL FOOD SERVICE FUND	\$ 1,623,498	\$ 1,995,498	\$ 1,973,157	\$ (22,341)
School Insurance Fund: Charges for services: Insurance premiums	<u> </u>	\$ -	\$ 4,007,909	<u>\$ 4,007,909</u>
Scott County Headstart: Revenue from local sources: Miscellaneous	\$ -	<u>\$</u>	\$ 398,831	\$ 398,831
Revenue from the federal government: Categorical aid: Headstart grant	\$ 1,232,942	\$ 1,232,942	\$ 1,354,218	\$ 121,276
TOTAL SPECIAL REVENUE FUNDS	\$ 1,232,942	\$ 1,232,942	\$ 1,753,049	\$ 520,107
GRAND TOTAL REVENUES - COMPONENT UNIT - SCHOOL BOARD	\$30,658,311	\$31,030,311	\$35,453,677	\$ 4,423,366

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COUNTY OF SCOTT, VIRGINIA
GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED
COMPONENT UNITS
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
For the Year Ended June 30, 2012

Fund, Function, Activities and Elements	Original Budget	Budget As Amended	Actual	Variance From Amended Positive (Negative)
Primary Government:				
General Fund: General government administration:				
Legislative:				
Board of supervisors	\$ 439,375	\$ 439,505	\$ 316,586	122,919
General & financial administration:				
County administrator	153,872	153,872	153,284	588
Legal services & assessment	135,461	135,461	132,167	3,294
Independent auditors report	41,000	41,000	50,500	(9,500)
Commissioner of revenue	213,225	213,225	198,430	14,795
Treasurer	213,725	214,045	211,904	2,141
Info Systems Manager	74,678	74,678	72,645	2,033
Central accounting	136,229	136,229	136,392	(163)
General assessment	100 547	100 547	- 00 003	44,667
Purchasing	100,547	100,547	98,893	1,654
TOTAL GENERAL & FINANCIAL				4.4.040
ADMINISTRATION	1,068,737	1,069,057	1,054,215	14,842
Board of elections:				
Electoral board & officials	208,252	208,252	157,227	51,025
TOTAL GENERAL GOVERNMENT				
ADMINISTRATION	1,716,364	1,716,814	1,528,028	188,786
Judicial administration:				
Courts:				
Clerk of the circuit court	394,532	438,255	429,776	8,479
Circuit court	63,709	63,709	62,697	1,012
General district court	7,085	7,085	5,837	1,248
Magistrate	2,600	2,600	2,189	411
Lib for VA President	-	-	-	_
Commissioner of Accounts Technology trust fund	_	_	-	<u>-</u>
Juvenile & domestic relations	246,346	246,346_	245,496	850
	714,272	757,995	745,995	12,000
TOTAL COURTS	114,212		143,333	12,000
Commonwealth's attorney:	400 040	402 016	206 665	7,251
Commonwealth's attorney	402,948	403,916	396,665	1,231
TOTAL JUDICIAL ADMINISTRATION	1,117,220	1,161,911	1,142,660	19,251
Public safety:				
Law enforcement & traffic control:				
Sheriff	2,066,271	2,073,414	2,046,119	27,295
Regional Information Sharing	-	17,000	17,000	-
VAW outreach	23,029	23,029	41,931	(18,902)
Criminal investigation	22,200	22,200	20,057 7,327	2,143 4,673
Mental Health Transport	12,000 43,478	12,000 44,221	44,060	161
Victim witness VA Domestic Violense grant	20,000	20,000	39,044	(19,044)
Class Action on VA Laws	122,084	122,084	115,539	6,545
E-911 grant	25,970	48,007	45,309	2,698
Traffic safety & accident redution	-	-	_	. -
Other law enforcement	-	-	2,668	(2,668)
Recovery act	-	-	-	- (26.460)
Byrne grant	-	- 	36,460	(36,460)
Central dispatcher	630,163	639,403	574,739	64,664
TOTAL LAW ENFORCEMENT &				
TRAFFIC CONTROL	2,965,195	3,021,358	2,990,253	31,105

COUNTY OF SCOTT, VIRGINIA
GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED
COMPONENT UNITS
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
For the Year Ended June 30, 2012

For the Year Ended June 30, 2012				
Fund, Function, Activities and Elements Fire & rescue services:	Original Budget	Budget As Amended	Actual	Variance From Amended Positive (Negative)
Volunteer fire department Ambulance & rescue services Southwest Virginia EMS, Inc.	\$ 396,500 200,000 3,203	\$ 402,760 200,000 3,203	\$ 398,235 215,893 3,203	\$ 4,525 (15,893) -
Forest fire service	18,265	18,265	18,265	
TOTAL FIRE & RESCUE SERVICES	617,968	624,228	635,596	(11,368)
Correction and detention: Sheriff - jail	1,111,133	1,111,133	1,123,307	(12,174)
Inspections: Board of building appeals	84,331	84,331	81,624	2,707
Other protection: Emergency services Medical examiner Federal asset Concealed weapon Litter control	29,896 500 - 8,000 47,723	29,896 500 - 18,865 48,310	20,500 440 - 9,670	9,396 60 - 9,195
Animal control	76,074	76,074	46,986 72,426	1,324 3,648
Allinai Concioi	70,074	70,074	12,420	3,040
TOTAL OTHER PROTECTION	162,193	173,645	150,022	23,623
TOTAL PUBLIC SAFETY	4,940,820	5,014,695	4,980,802	33,893
Public works: Maintenance of highways, streets, Bridges and sidewalks: Road administration	<u>-</u>	<u>-</u>	-	<u> </u>
Sanitation & waste removal: Refuse collection Refuse disposal Manned solid waste sites	468,164 784,583 478,842	468,164 818,010 478,842	477,161 840,145 438,835	(8,997) (22,135) 40,007
TOTAL SANITATION & WASTE REMOVAL	1,731,589	1,765,016	1,756,141	8,875
Maintenance of general buildings & grounds:				
General properties Crooked road tech center Community service building	456,385 54,684 301,212	456,385 54,684 301,212	342,814 50,304 296,622	113,571 4,380 4,590
TOTAL MAINTENANCE OF GENERAL PROPERTIES & GROUNDS	812,281	812,281	689,740	122,541
Capital Outlays				
TOTAL PUBLIC WORKS	2,543,870	2,577,297	2,445,881	131,416
Health & welfare: Health: Supplement of local health				
department	244,260	244,260	222,657	21,603
Mental health & mental retardation: Chapter X board	72,010	72,010	72,010	

COUNTY OF SCOTT, VIRGINIA GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL

SCHEDULE 2

For the Year Ended June 30, 2012

Variance From Budget Amended Original As Positive Fund, Function, Activities and Elements Budget Amended Actual (Negative) State & local hospitalization: State & local hospitalization \$ \$ \$ Ś Older American program 50,000 50,000 52,500 (2.500)Lenowisco disability services 750 750 750 TOTAL STATE & LOCAL HOSPITALIZATION 50,750 50,750 53,250 (2,500)Welfare: Welfare administration 2,038,463 2,038,463 1,987,142 51,321 Public assistance 1,298,691 1,298,691 1,251,825 46,866 Community service act 924,593 60.657 985,250 985,250 CMPT 10,000 10,000 7,500 2,500 Other social services 4,171,060 TOTAL WELFARE 4,332,404 4,332,404 161,344 4,699,424 4,699,424_ 4,518,977 180,447 TOTAL HEALTH & WELFARE Education: Community colleges: Contributions to community 26,618 26,618 26,617 colleges Parks, recreation & cultural: Parks & recreation: 226,361 6,718 219.643 Recreation centers & playgrounds 226,361 163,847 18,478 178,825 182,325 Non-park recreation 383,490 25,196 408,686 405,186 TOTAL PARKS & RECREATION Library: 211,444 Lonesome Pine Regional Library 211,444 211,444 TOTAL PARK, RECREATION 594,934 25,196 616,630 620,130 & CULTURAL Community development: Planning & community development: 38,424 38,424 38,424 LENOWISCO 2,845 5,155 Planning district commission 8,000 8,000 207,656 198,050 9,606 Economic Development Authority 207,656 7,500 7,500 7,500 Chamber of commerce 2,221 83,209 78,130 85,430 Tourism (81,565) 40,000 121,565 Community development general 40,000 TOTAL PLANNING & COMMUNITY 387,010 413,169 (26, 159)DEVELOPMENT 379,710 Environmental management: Soil and water conservation 31,000 31,000 31,000___ district Cooperative extension program: 69,782 69,782 54,555 15,227 VPI extension 480,492 487,792 498,724 (10,932)TOTAL COMMUNITY DEVELOPMENT

COUNTY OF SCOTT, VIRGINIA
GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED
COMPONENT UNITS
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
For the Year Ended June 30, 2012

For the Year Ended June 30, 2012							7	ariance
Fund, Function, Activities and Elements		riginal Budget		Budget As mended		Actual	F	From Amended Positive Jegative)
Debt service: Principal retirement Interest & fiscal charges	\$	15,300	\$	15,300	\$	15,000 800	\$	300 (800)
TOTAL DEBT SERVICE		15,300		15,300		15,800		(500)
TOTAL GENERAL FUND	\$16	5,156,738	\$16	,319,981	\$ 15	5,752,423	_\$_	567,558
Special Revenue Fund: Law Library Fund: Judicial administration: Courts:		11 500		11 500		0.500		
Law library	<u>\$</u>	11,500	_\$	11,500	_\$	2,692	<u> </u>	8,808
Coal Road Improvement Fund: Public works Maintenance of highways, streets, bridges & sidewalks: Coal road	_\$	4,000	_\$	4,000	<u>\$</u>	2,258	<u>\$</u>	1,742_
TOTAL SPECIAL REVENUE FUND	\$	15,500	\$	15,500	\$	4,950	\$	10,550
GRAND TOTAL EXPENDITURES, ALL PRIMARY GOVERNMENTAL FUNDS	\$ 16	-				5,757,373		578,108
Component unit - school board Special revenue funds: School Operating Fund: Education:								
Administration & health services	\$ 1	,185,003	\$ 1	<u>,185,003</u>	\$ 1	,254,262	_\$_	(69, 259)
Instruction costs: Instructional costs	25	,718,961	25	,718,961	25	,157,950		561,011
Operating costs: Pupil transportation Operation & maintenance of school plant		,602,930 ,187,281		,602,930 ,187,281		,663,597		(60,667) - 268,521
TOTAL OPERATING COSTS	5	,790,211	5	,790,211	5	,582,357		207,854
TOTAL SCHOOL OPERATING FUND			\$ 32	,694,175	,			699,606
School Food Service Fund: Education Cafeteria operation						,860,427	<u>\$</u>	
School Construction Fund: Education Construction	\$		<u>\$</u>	<u>-</u>	<u>\$</u>		\$	
School Health Insurance: Education Insurance cost	\$		\$		\$ 4	,227,701	\$ (4	1,227,701)
Scott County Headstart Fund: Education Instruction costs	¢ 1	232 942	ċ 1	232 042	ė 1	757 020	÷	/524 070)
	_ 2	1434,344	_3_T	, 436, 344	<u> </u>	,757,920	_\$_	(324,9/8)
GRAND TOTAL EXPENDITURES - COMPONENT UNIT - SCHOOL BOARD	\$ 35	,475,715	\$ 35	,847,715	\$39	,840,617	_\$ (3	,992,902)

COUNTY OF SCOTT, VIRGINIA SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended June 30, 2012

Federal Granting Agency / Recipient State Agency / (Grant Program / Grant Number	Federal Catalogue Number	Expenditures
DEPARTMENT OF AGRICULTURE:	27033300	2.150.142.04
Direct Payments: Child and Adult Care Food Program	10.558	ė 126 E7E
Water and Waste Disposal Systems for Rural Communitie		\$ 126,575 1,491,965
water and waste bisposar systems for Narai Communicie	10.700	1,491,903
Pass Through Payments:		
Virginia Resources Authority Grant/Loan:		
Capitalization Grants for Drinking Water	66.468	1,419,880
Pass Through Payments:		
State Department of Agriculture: Child Nutrition Cluster:		
Food Distribution - Schools	10.555	99,738
Fresh Fruit and Vegetables	10.582	50,171
riesh ridic and vegetables	10.302	30,1.1
Department of Social Services:		
Administrative Grant for Food Stamps	10.561	286,077
Department of Education:		
Child Nutrition Cluster:		
National School Lunch Program (SL-11)	10.555	859,865
National School Breakfast Program (SL-4)	10.553	353,118
AARA - Child Nutrition Discretionary	10.579	6,459
Forest Reserve Funds	10.665	57,408
TOTAL DEPARTMENT OF AGRICULTURE		\$ 4,751,256
DEPARTMENT OF HEALTH & HUMAN SERVICES: Direct Payments:		
Administration to Children, Youth and Families		A 1 207 643
Head Start	93.600	\$ 1,227,643
December 1		
Pass Through Payments: Department of Social Services:		
Independent Living	93.674	10,133
Social Service Block Grant	93.667	199,418
Foster Care - Title IV - E	93.658	304,899
Temporary Assistance to Needy Families	93.558	320,978
Adoption Assistance	93.659	136,188
Child Care and Development Fund	93.596	47,553
Child Welfare Services	93.645	990
State Children's Insurance Program	93.767	8,742
Chafee Education & Training	93.599	18,768
Family Preservation	93.556	979
Pass Through Payments:		
State Administered Program:	03 560	27,952
Low - Income Home Energy Assistance	93.568	27,952 452
Refugee and Entrant Assistance	93.566 93.575	7,533
Payments to State for Child Care Assistance	93.778	174,145
Medicaid Assistance	33.776	
TOTAL DEPARTMENT OF HEALTH & HUMAN SERVICES:		\$ 2,486,373
DEPARTMENT OF HOUSING & URBAN DEVELOPMENT		
Pass Through Payments:		
Virginia Department of Housing & Community Developmen	t:	
Community Development Block Grant	14.228	\$ 21,700
cammutal paracement production		
DEPARTMENT OF EDUCATION:		
Pass Through Payments:		
Department of Education:		
Title I:		
Educationally Deprived Children's - LEA	84.010	\$ 876,765

COUNTY OF SCOTT, VIRGINIA SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended June 30, 2012

Federal Granting Agency / Recipient State Agency / Grant Program / Grant Number	Federal Catalogue <u>Number</u>	Expenditures
Improving Teacher Quality	84.367	158,490
Title VI-B: Assistance to States for Education of Handicapped Children:		
Handicapped State Grants (5-E002581) (6-E002585)	84.027	846,778
Safe & Drug Free Schools and Communities Title VI-D:	84.186	1,700
Vocational Education:		
Basic Grant to States	84.048	65,816
Preschool Handicapped	84.173	31,398
Twenty-First Century Community Learning Center	84.287	399,734
Education Jobs Fund	84.410	671,125
Gear-Up Programs	84.334	45,795_
TOTAL DEPARTMENT OF EDUCATION		\$ 3,097,601
DEPARTMENT OF EMERGENCY MANAGEMENT		
Pass Through Payments:		
Department of Emergency Services:		
State Homeland Security Grant Program	97.073	\$ 1,681
U.S DEPARTMENT OF JUSTICE Pass Through Payments:		
Department of Criminal Justice Services: Violence Against Woman Grant	16.588	\$ 29,980
DEPARTMENT OF TRANSPORTATION Pass Through Payments: Department of Motor Vehiles:		
State and Coummunity Safety	20.601	\$ 2,093
TOTAL FEDERAL FINANCIAL ASSISTANCE		\$ 10,390,684

Notes to Schedule:

- *Denotes Major Program
- Basis of Accounting Federal Programs are accounted for using the accrual ba of accounting.
- 3) Reporting Entity The Schedule of Expenditures of Federal Awards includes al grants awarded to County of Scott, Virginia. The reporting entity is defir in Note 1 of the County's basis financial statements.

^{*} Denotes major program

COUNTY OF SCOTT, VIRGINIA

SCHEDULE 4

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended June 30, 2012

Financial Statements:

	Type of auditor's opinion issued:	Unqualified
	Internal control over financial reporting:	
	Material weakness(es) identified?	No
	Significant deficiencies in internal control were disclosed by the audit of the financial statements:	No
	Noncompliance material to financial statements noted?	No
Fe	deral Awards	
	Internal control over major programs:	
	Material weakness(es) identified?	No
	Significant deficiencies in internal control were disclosed by the audit of the financial statements:	No
	Type of auditor's opinion issued on compliance for major programs:	Unqualified
	Any findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	No

Major programs identified:	<u>CFDA</u>
Capitalization Grants for Drinking Water	
State Revolving Fund	66.468
National School Lunch Program	10.555
National School Breakfast Program	10.553
Water and Waste Disposal Systems for Rural	
Communities	10.760
Foster Care - Title IV - E	93.658
Temporary Assistance to Needy Families	93.558
Educationally Deprived Children's - LEA	84.010
Handicapped State Grants	84.027
Twenty-First Century Community Learning Center	84.287
Education Jobs Fund	84.410

(CONTINUED)

SCOTT COUNTY PUBLIC SERVICE AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended June 30, 2012

SCHEDULE 4 PAGE 2

Dollar threshold used to distinguish between Type A and Type B programs:

\$300,000

Auditee qualified as low risk?

Yes

Section II - Financial Statement Findings:

None Reported

Section III - Federal Award Findings and Questioned Costs

None Reported

Prior Year Findings:

None Reported

Statistical Tables

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COUNTY OF SCOTT, VIRGINIA GENERAL GOVERNMENT EXPENDITURES BY FUNCTION (1) LAST TEN FISCAL YEARS

Total	39,066,366	42,035,006	48,428,026	54, 125, 233	58,771,521	60,053,877	58,716,894	56,523,973	55,597,990
Debt Service	487,611	482,136	420,035	372,209	278,804	243,244	176,520	67,875	15,800
Capital Project	ı	1 1	ı	ı	1	ı	1	ı	ı
Community Develop- ment	425,897	1,131,831	329,769	633,755	1,192,484	876,362	420,441	424,745	498,724
Recreation and Cultural	485,069	521,386	626,166	575,524	567,446	648,707	604,540	603,510	594,934
Education	28,378,948	32,996,510	34,978,514	40,193,389	42,568,404	43,518,037	42,923,626	40,642,270	39,867,234
Health and Welfare	•	3,444,678	3,705,025	3,819,479	4,445,892	4,541,706	4,333,286	4,559,638	4,518,977
Public Works	1,072,398	1,310,358	1,608,541	2,003,468	2,596,794	2,771,975	2,432,311	2,288,840	2,448,139
Fublic Safety	2,933,395	4,163,791	4,665,028	4,053,538	4,218,258	4,505,877	4,784,534	5,074,851	4,980,802
Judicial Adminis- tration	790,366	775,645	818,881	1,062,366	1,215,016	1,232,552	1,144,923	1,142,159	1,145,352
General Adminis- tration	1,191,607	1,319,429	1,276,067	1,411,505	1,688,423	1,715,417	1,896,713	1,720,085	1,528,028
Fiscal	2002-03								

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

COUNTY OF SCOTT, VIRGINIA GENERAL GOVERNMENT REVENUES BY SOURCE (1) LAST TEN FISCAL YEARS

Total	40,868,782 42,553,214 48,696,256 47,874,988 54,587,962 55,947,782 58,798,597 57,869,790 56,074,392 56,074,392
Inter- govern- nental	28, 222, 104 30, 472, 364 33, 352, 978 33, 346, 999 38, 121, 547 39, 401, 408 40, 596, 723 40, 596, 723 37, 484, 945
Recovered Costs	34,010
Miscell- angous	372,924 351,945 461,952 485,503 467,481 481,535 967,403 297,840 513,576
Charges for Services	2, 788, 377 2, 235, 504 3, 623, 291 2, 295, 623 4, 086, 299 3, 912, 939 4, 254, 414 5, 323, 624 4, 927, 846
Revenues from the Use of Money & Property	168,942 154,221 241,053 363,072 440,081 289,442 136,711 101,279 104,685
Fines & Forfei- tures	2,545 28,493 40,072 39,128 38,346 85,077 119,118 185,820 139,181
Permit Privilege Fess & Regulatory Licenses	57,507 65,896 52,404 51,517 54,294 57,903 66,006 48,642 71,233
Other Local Taxes	3,080,337 3,038,223 3,061,142 3,272,318 3,093,915 3,332,751 3,322,751 3,119,899 3,119,899 3,158,479
General Property Taxes	6, 142, 036 6, 206, 568 7, 609, 147 7, 870, 574 8, 134, 460 8, 186, 961 9, 021, 659 7, 845, 243 10, 048, 135 10, 385, 555
Fiscal Year	2002-03 2003-04 2004-05 2005-06 2006-07 2007-08 2009-10 2010-11

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

COUNTY OF SCOTT, VIRGINIA PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

Percent of Delinquent Taxes to Tax Levy	12.81% 11.95% 9.82% 9.55% 9.23% 9.89% 10.98% 7.79% 9.95%
Outstanding (1,3) Delinquent Taxes	919,785 864,872 865,369 859,105 839,089 902,641 1,007,824 1,124,013 781,142 1,078,013
Percent of Total Tax Collections to Tax Levy	95 . 70% 97 . 49% 95 . 57% 97 . 74% 98 . 76% 102 . 49% 97 . 85% 93 . 50%
Total Tax Collections	6, 871, 512 7, 057, 719 8, 422, 220 8, 792, 472 8, 974, 836 8, 186, 961 9, 021, 659 9, 580, 903 9, 580, 903
Delinquent (1) Tax (2) Collections	169,407 270,900 316,351 296,178 359,802 428,375 499,767 835,563 342,130
Percent of Levy Collected	93.34% 93.75% 91.98% 94.45% 94.80% 85.02% 92.82% 93.55% 94.43%
Current Tax (1)(4) Collections	6, 702, 105 6, 786, 819 8, 105, 869 8, 496, 294 8, 615, 034 7, 758, 586 8, 521, 892 8, 521, 892 8, 745, 340 9, 463, 614 9, 646, 437
Total (1) Tax Levy	7, 180, 166 7, 239, 551 8, 812, 823 8, 995, 810 9, 087, 515 9, 125, 956 9, 181, 540 9, 347, 822 10, 021, 408 10, 835, 570
Fiscal Year	2002-03 2003-04 2004-05 2005-06 2006-07 2007-08 2008-09 2010-11

(1) Exclusive of penalties and interest.

(2) Does not include land redemptions.

(3) Includes three years taxes.

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

COUNTY OF SCOTT, VIRGINIA ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS

			Public Se	ervice		
Fiscal Year	Real Estate	Personal Property	Real Estate	Personal Property	Total	
2002-03	658,012,800	170,995,259	63,187,714	653,126	892,848,899	
2003-04	659,413,600	173,108,981	47,952,780	653,126	881,128,487	
2004-05	903,007,200	170,445,802	102,112,811	406,826	1,175,972,639	
2005-06	916,916,750	192,747,069	82,425,959	425,141	1,192,514,919	
2006-07	926.449.800	196,166,314	73,554,085	363,789	1,196,533,988	
2007-08	932,487,800	196.487.615	73,554,085	363,789	1,202,893,289	
2008-09	945,918,300	188,842,338	76,153,851	273,600	1,211,188,089	
2009-10	963,334,181	182.691.109	78,556,795	267,229	1,224,849,314	
2010-11	1,158,959,900	151,617,277	101,854,725	408,747	1,412,840,649	
2011-12	1,169,659,723	179,697,295	103,281,813	433,082	1,453,071,913	

^{(1) 100%} fair market value.(2) Assessed values are established by the State Corporation Commission.

Fiscal Year	Real Estate	Personal Property	Mobile Homes	Machinery and Tools	Merchants' Capital
2002-03	0.73	1.40	0.72	0.72	0.72
2003-04	0.73	1.40	0.72	0.72	0.72
2004-05	0.69	1.40	0.69	0.72	0.72
2005-06	0.69	1.40	0.69	0.72	0.72
2006-07	0.69	1.40	0.69	0.72	0.72
2007-08	0.72	1.40	0.69	0.72	0.72
2008-09	0.72	1.40	0.69	0.72	0.72
2009-10	0.69	1.40	0.69	0.72	0.72
2010-11	0.69	1.40	0.69	0.72	0.72
2001-12	0.69	1.40	0.69	0.72	0.72

⁽¹⁾ Per \$100 of assessed value.

COUNTY OF SCOTT, VIRGINIA
RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE AND
NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

TABLE 6

Fiscal <u>Year</u>	Popula- tion (1)	Assessed Value (in thousands) (2)	Gross Bonded Debt (3)	Ratio of Net General Obligation Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2002-03	23,403	850,468,421	1,974,830	0.23%	84.38
2003-04	23,403	892,848,899	1,645,960	0.18%	70.33
2004-05	23,403	1,175,972,639	1,338,210	0.11%	57.18
2005-06	23,403	1,192,514,919	1,024,960	0.09%	43.80
2006-07	23,403	1,196,533,988	707,165	0.06%	30.22
2007-08	23,403	1,202,893,289	463,165	0.04%	19.79
2008-09	23,403	1,211,188,089	247,816	0.02%	10.59
2009-10	23,403	1,224,849,314	80,000	0.01%	3.42
2010-11	23,177	1,412,840,649	15,000	0.00%	0.65
2011-12	23,177	1,412,840,649	-	-	-

⁽¹⁾ Bureau of the Census.

⁽²⁾ From Table 4.

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