# Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2016



County of Scott, Virginia

# COUNTY OF SCOTT, VIRGINIA COMPREHENSIVE ANNUAL FINANCIAL REPORT YEAR ENDED JUNE 30, 2016

# TABLE OF CONTENTS

# INTRODUCTORY SECTION:

Title Page	Contents	1
List of Pi	cinciple Officials	1
AUDITORS'	REPORTS:	
Report on And on (	Internal Control over Financial Reporting Compliance and Other Matters Based on an Audit of	2-4
Auditing Summary of Report on	al Statements Performed in Accordance with Governmental Standards  f Compliance Matters  Compliance with Requirement Applicable to jor Program and Internal Control over Compliance	5-6 7-9
	rdance with the Uniform Guidance	10-12
	t's Discussion and Analysis	13-22
FINANCIAL	SECTION:	
Governmen	t-Wide Financial Statements:	
EXHIBIT 1 EXHIBIT 2		23 24
Fund Fina	ncial Statements:	
EXHIBIT 3 EXHIBIT 4		25
EXHIBIT 5	Changes in Fund Balances - Governmental Funds Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of	26
	Activities	27
EXHIBIT 6	Statement of Net Position - Proprietary Fund - Discretely Presented Component Units	28
EXHIBIT 7	Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund -	22
EXHIBIT 8	Discretely Presented Component Units Statement of Cash Flows - Proprietary Fund - Discretely Presented Component Units	29 30

# COUNTY OF SCOTT, VIRGINIA COMPREHENSIVE ANNUAL FINANCIAL REPORT YEAR ENDED JUNE 30, 2016

# TABLE OF CONTENTS

# FINANCIAL SECTION (CONTINUED):

Fund Fir	nancia	al Statements (Continued):	
EXHIBIT	9	Statement of Fiduciary Net Assets	31
Notes to	) Fina	ancial Statements	32-92
Required	d Supp	plementary Information:	
Combinir	ng and	d Individual Fund Statements and Schedules:	
EXHIBIT	10	Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and	
		Actual - General Fund	93
EXHIBIT	11	Combining Schedule of Fiduciary Net Assets - Agency Funds	94
Discrete	ely Pi	resented Component Unit - School Board:	
EXHIBIT	12	Combining Balance Sheet	95
EXHIBIT	13	Combining Statement of Revenues, Expenditures and	
EXHIBIT	14	Changes in Fund Balances Statement of Revenues, Expenditures and	96
		Changes in Fund Balances - Budget and Actual	97-101
Propriet	ary E	Fund - Discretely Presented Component Unit:	
EXHIBIT	15	Statement of Net Position	102
EXHIBIT	16	Statement of Revenues, Expenditures and	
EXHIBIT	17	Changes in Net Position Statement of Cash Flows	103
EXHIBIT	1 /	Statement of Cash Flows	104
Non-Majo	or Gov	vernmental Funds:	
EXHIBIT	18	Combining Balance Sheet	105
EXHIBIT	19	Combining Statement of Revenues, Expenditures	
EXHIBIT	20	and Changes in Fund Balances Combining Statement of Revenues, Expenditures and	106
		Changes in Fund Balances - Budget and Actual	107-108

# COUNTY OF SCOTT, VIRGINIA COMPREHENSIVE ANNUAL FINANCIAL REPORT YEAR ENDED JUNE 30, 2016

# TABLE OF CONTENTS

# FINANCIAL SECTION (CONTINUED):

# Required Supplementary Information (Continued):

# Supporting Schedules:

SCHEDULE	1 Governmental Funds and Discretely Presented	
	Component Units Statements of Revenues - Budget	
	and Actual	109-113
SCHEDULE	2 Governmental Funds and Discretely Presented	
	Component Units Statements of Expenditures -	
	Budget and Actual	114-117
SCHEDULE	3 Schedule of Employer Contributions	118
SCHEDULE	4 Schedule of Expenditures of Federal Awards	119-120
SCHEDULE	5 Schedule of Findings and Questioned Costs	121
STATISTIC	CAL TABLES:	
TABLE 1	General Government Expenditures by Function -	
	Last Ten Fiscal Years	122
TABLE 2	General Government Revenues by Source -	
	Last Ten Fiscal Years	123
TABLE 3	Property Tax Levies and Collections -	
	Last Ten Fiscal Years	124
TABLE 4	Assessed and Estimated Actual Value of Taxable	
	Property - Last Ten Fiscal Years	125
TABLE 5	Property Tax Rates - Last Ten Fiscal Years	126
TABLE 6	Ratio of Net General Obligation Bonded Debt to	
	Assessed Value and Net General Obligation Bonded	
	Debt Per Capita - Last Ten Fiscal Years	127

#### COUNTY OF SCOTT, VIRGINIA

## BOARD OF SUPERVISORS

Danny P. Mann, Chairman

Darrel Jeter Jack Compton David Redwine Marshall Tipton Joe W. Herron Chad E. Hood

#### COUNTY SCHOOL BOARD

William R. Quillen, Jr., Chairman

David Templeton
L. Stephen Sallee, Jr.
Linda Gillenwater

Gail L. McConnell Larry Horton

#### COUNTY WELFARE BOARD

Joe Horton, Chairman

Beulah Herron

Cindy Coates

## OTHER OFFICIALS

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

Hon. Jonathan Robbins
Mark "Bo" Taylor
Marcus McClung
Debbie Dockery
Mitzi Owens
John Puckett
John Ferguson
Luanne McMurray
Kathie Noe

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

#### INDEPENDENT AUDITORS' REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Scott, Virginia, as of June 30, 2016 and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the Table of Contents.

#### Management's Responsibility for the Financial Statements

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

#### Auditor's Responsibility

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

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

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

#### 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, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Other Matters

#### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information on pages 13-22 and 93 and Schedule of Employer Contributions on page 118 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, We have applied certain limited economic, or historical context. procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### Other Information

Our audit was conducted for the purpose of forming an opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual non-major fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as

required by Title 2 U.S. Code of Federal Regulations CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basis financial statements.

The combining and individual non-major fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

#### Report on Other Legal and Regulatory Requirements

In accordance with Government Auditing Standards, we have also issued our report dated December 31, 2016, on our consideration of the County of Scott, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the County of Scott, Virginia's internal control over financial reporting and compliance.

Bastic, Lucker & Campany, PC

December 31, 2016 Lebanon, Virginia RONALD C. BOSTIC, CPA GREGORY D. TUCKER, CPA

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County of Scott, Virginia as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County of Scott, Virginia's basic financial statements, and have issued our report thereon dated December 31, 2016.

#### Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### Compliance and Other Matters

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

#### Purpose of this Report

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

Bastic, Lucker & Campany, PC

December 31, 2016 Lebanon, Virginia RONALD C. BOSTIC, CPA GREGORY D. TUCKER, CPA P.O. Box 505, Lebanon, VA 24266 (276) 889-3103 Fax: (276) 889-0229 www.bthcpa.com

December 31, 2016

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Scott, Virginia for the year ended June 30, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, Governmental Auditing Standards and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 31, 2016. Professional standards also require that we communicate to you the following information related to our audit.

#### 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 the County of Scott, Virginia are described in Note 1 to the financial statements. No new accounting policies were adopted and the application if existing policies was not changed during 2016. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

Management's estimate of the allowance for doubtful accounts of the primary government, as well as the component units, is

based on historical revenues. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

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

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

The disclosure of the Landfill Closure and Post-Closure Care Costs in Note 13 to the financial statements identifies state and federal laws requiring the county to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste. The county reports a portion of these closure and care costs as an operating expense in each period based on landfill capacity used at each balance sheet date. Actual costs may be higher due to inflation, changes in technology, or changes in These estimated amounts are based on what it regulations. would cost to perform all closure and post closure care in 2016.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant

to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 31, 2016.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

#### Other Matters

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

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

Very truly yours,

Bostic, Lucker & Company, PC

Bostic, Tucker and Company, P.C.

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

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

#### Report on Compliance for Each Major Federal Program

We have audited the County of Scott, Virginia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County of Scott, Virginia's major federal programs for the year ended June 30, 2016. The County of Scott, Virginia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

# Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

#### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County of Scott, Virginia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County of Scott, Virginia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County of Scott, Virginia's compliance.

#### Opinion on Each Major Federal Program

In our opinion, the County of Scott, Virginia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

#### Report on Internal Control Over Compliance

Management of the County of Scott, Virginia is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County of Scott, Virginia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County of Scott, Virginia's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Bostic, Lucker & Company, PC

December 31, 2016 Lebanon, Virginia

#### BOARD OF SUPERVISORS

DARREL W. JETER
MARSHALL D. TIPTON
GARLAND "JACK" COMPTON
JOE W. HERRON
DANNY P. MANN
CHAD E. HOOD
DAVID S. REDWINE, DVM





SCOTT COUNTY BOARD OF SUPERVISORS

COUNTY ADMINISTRATOR
Freda Starnes

190 Beech Street, Suite 201 GATE CITY, VIRGINIA 24251 PHONE: (276) 386-6521 FAX: (276) 386-9198

EMAIL: fstarnes@scottcountyva.com www.scottcountyva.com

#### 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, 2016. We encourage readers to consider the information presented here in conjunction with the basic audited financial statements.

# Financial Highlights:

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$4,250,884 (net position). Of this amount, \$(5,179,293) represents a deficit in unrestricted net position used to meet the government's ongoing obligation to citizens and creditors. This resulted from the implementation in 2015 of GASB Statement Number 68 related to pension obligations.
- As of the close of the current fiscal year, the County's funds reported combined ending fund balances of \$3,162,270, a decrease of \$(1,179,934) compared to the prior year. Approximately 98% of the combined fund balance, \$3,111,659, 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 \$3,111,659, or 18% of total general fund expenditures for the year.

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

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

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

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

Financial information for these component units 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 activities.

The County maintains three 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 position. The County excludes these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations. Agency funds and Expendable Trust funds are County custodial funds used to provide accountability of client or employee monies for which the County is custodian.

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

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

## Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a County's financial position. In the case of the County, assets exceed liabilities by \$4,250,884 at the close of the most recent fiscal year.

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

# Government-wide Financial Analysis (Continued):

# County of Scott, Virginia's Net Assets

	Governmental Activities		
	2016	2015	
	2016	2015	
Current and other assets	\$19,356,278	\$18,716,177	
Capital assets	8,918,071	9,030,211	
Deferred outflows	783,453	750,270	
Total assets	\$29,057,802	\$28,496,658	
Long-term liabilities outstanding	\$ 9,157,772	\$ 8,857,124	
Current liabilities	2,566,987	2,045,341	
Deferred inflows	13,082,159	12,650,243	
Total liabilities	\$24,806,918	\$23,552,708	
Net assets:			
Investment in capital assets,			
net of related debt	\$ 8,450,338	\$ 8,561,086	
Restricted	979 <b>,</b> 839	1,006,209	
Unrestricted	(5,179,293)	(4,623,345)	
Total net assets	\$ 4,250,884	\$ 4,943,950	

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

During the current fiscal year, the County's (including component units) net position increased by \$1,803,257.

Governmental Activities - Governmental activities decreased the County's net position by \$(693,066). Key elements of this increase are as follows:

County of Scott, Virginia's Change in Net Assets

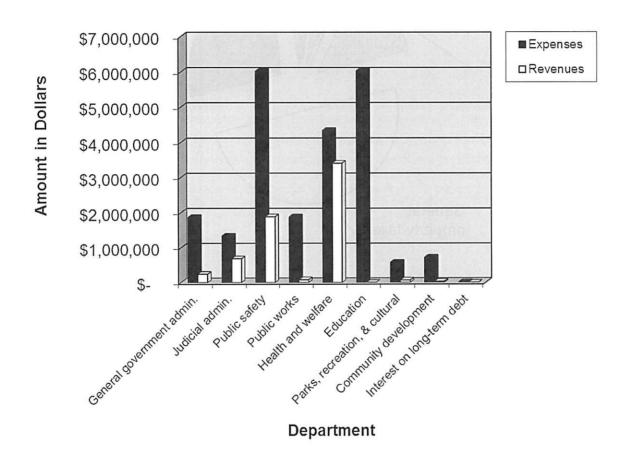
	Governmental Activities	
	2016	2015
Revenues:		
Program revenues:		
Charges for services	\$ 401,843	\$ 420,610
Operating grants and		
contributions	5,997,490	5,727,098
General revenues:		
Property taxes	11,019,378	10,625,340
Other local taxes	3,140,302	3,134,530
Other	1,549,749	1,911,070
Total revenues	\$22,108,762	\$21,818,648
Expenses:		
General government	\$ 1,868,806	\$ 2,130,214
Judicial administration	1,338,635	1,276,741
Public safety	6,023,702	5,678,972
Public works	1,883,363	2,462,624
Health and welfare	4,335,919	4,044,983
Education	6,032,073	4,570,655
Parks, recreation and culture	580,329	586,106
Community development	722,162	469,393
Interest	16,839	166,287
Total expenses	\$22,801,828	\$21,385,975
Increase in net assets	\$ (693,066)	\$ 432,673
Net assets - beginning, as previously reported	4,943,950	10,825,277
Prior period adjustment		(6,314,000)
Net assets - beginning, as restated	4,943,950	4,511,277
Net assets - ending	\$ 4,250,884	\$ 4,943,950

During the year, charges for services and operating grants and contributions decreased \$(18,767) and increased \$270,392, respectively, while property tax revenue increased \$394,038.

Expenditures for judicial administration, public safety, health and welfare, and education increased \$61,894, \$344,730, \$290,936, and \$1,461,418, respectively, while expenditures for general government and public works decreased \$(261,408) and \$(579,261), respectively.

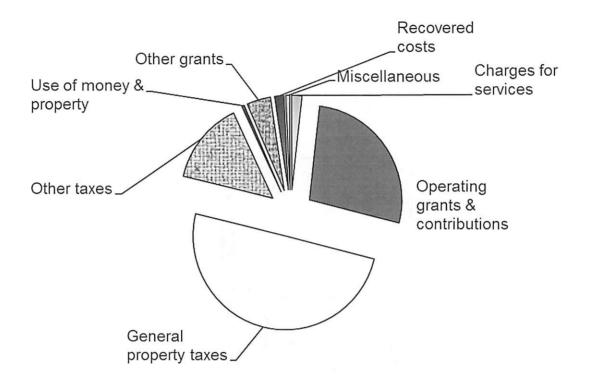
The following graphs illustrate expense and program revenues for each of the functional areas of governmental activities as well as illustrating revenues by source for governmental activities:

# **Expense & Revenues - Governmental Activities**



# Government-wide Financial Analysis (Continued):

# Revenues by Source - Governmental Activities



#### 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 \$3,162,270, a decrease of \$(1,179,934) in comparison with the prior year. \$3,111,659, approximately 98% of the total, is available for spending for the various functions of the County 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 \$3,111,659. As a measure of the general fund's liquidity, it may be useful to compare fund balance to total fund expenditures. The fund balance represents 18% of total general fund expenditures for the year.

The general fund balance decreased \$(1,180,850) during the current year.

The special revenue funds have a total fund balance of \$50,611, all of which is restricted. The fund balance increased \$916 during the current year.

#### General Fund Budgetary Highlights

During the 2016 fiscal year, the County had amendments which increased its original budgeted revenues \$282,984 and expenditures \$282,984.

## Capital Assets and Debt Administration

<u>Capital assets</u> - The County's investment in capital assets for its governmental funds as of June 30, 2016 amounts to \$8,918,071 (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 \$(112,140).

	Governmental Activities		
	2016	2015	
Land	\$ 1,105,829	\$ 1,105,829	
Buildings and improvements	8,514,280	8,199,935	
Equipment	9,057,116	8,921,510	
Tenancy in common			
Total capital assets	\$18,677,225	\$18,227,274	
Less: accumulated depreciation	9,759,154	9,197,063	
Net capital assets	\$ 8,918,071	\$ 9,030,211	

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

<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 \$1,392.

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

Net pension liability - The County implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions during 2015. As a result, the long-term pension liability increased \$5,479,000. During 2016, long-term pension liability increased \$385,855.

# Economic Factors and Next Year's Budgets and Rates

- Per the Bureau of Labor Statistics, the June 2016 unemployment rate for the County of Scott, Virginia was 4.9%, a decrease from the rate of 5.2% in June 2015. The County's unemployment rate is higher than the state's rate, but equal to the national rate; in June 2016, Virginia's unemployment rate was 4.0% and the national unemployment rate was 4.9%.
- Inflationary trends in the region are comparable to national indices.

These factors were considered in preparing the County's budget for the 2016 fiscal year.

#### Request for Information

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

Scott County Administrator 112 Water Street Gate City, Virginia 2425 Government-Wide Financial Statements

For the Year Ended June 30, 2016

		Component Units	
	Primary		
	Government Governmental	School	Other Component
	Activities	Board	Units
Assets:			
Current Assets			
Cash & cash equivalents	\$ 4,413,596	\$ 2,127,753	\$ 5,603,230
Receivables (net of allowance): Property taxes	13,732,624	_	_
Consumer utility taxes	13,732,024	_	_
Accounts receivable	117,846	_	496,546
Prepaid Expenses	20,160	-	-
Due from component unit	-	1,779,659	<del>-</del>
Inventory Other current assets	-	- -	81,231
Due from other governments	1,072,052	570,212 758,237	226,069 267,352
Total current assets	19,356,278	5,235,861	6,674,428
Noncurrent assets			
Capital assets:			
Land	1,105,829	1,597,912	8,186,115
Buildings & equipment, net of depreciation Total noncurrent assets	7,812,242 8,918,071	33,537,531 35,135,443	65,544,406 73,730,521
iotai noncuilent assets	0,710,0/1	35,135,443	/3,/30,521
Other assets:			
Restricted cash in bank	_	_	201,931
Notes receivable			106,936
Total other assets			308,867
Total assets	28,274,349	40,371,304	00 712 016
10141 433613	20,2/4,347	40,371,304	80,713,816
Deferred outflows of resources:			
Deferred pensions	783,453	2,868,599	68,870
Total outflows of resources	783,453	2,868,599	68,870
Liabilities:			
Current Liabilities			
Accounts payable & accrued expenses	619,822	301,476	2,223,492
Salaries payable	-	2,864,103	-
He Primary government	-	-	_
Due to other government			
Dulang-town obligations	1,779,659	-	-
Dulong-term obligations CuTotal current liabilities	1,773,037	-	-
	167,506	245,000	1,111,873
	2,566,987	3,410,579	3,335,365
Noncurrent liabilities Accrued leave	E00 360	(42 112	151 225
Amounts held for others	509,768 _	643,112	151,775 192,143
Landfill closure	979,839	_	-
Other Post - Employment Benefits	1,503,083	2,265,144	321,274
Ne long-term obligations	5,864,855	33,187,789	163,166
Nc Total noncurrent liabilities		0.540.040	
Total liabilities	300,227 9,157,772	3,542,242 39,638,287	25,884,752 26,713,110
iotal liabilities	7,137,172	37,030,207	20,713,110
	11,724,759	43,048,866	30,048,475
Deferred Inflows of Resources			
Un Total deferred inflows of resources	12,425,819		-
Deferred pensions	656,340 13,082,159	2,807,346	56,655
	13,002,137	2,007,346	56,655
Net Position			
Invested in capital assets,			
net of related debt	8,450,338	31,348,201	44,827,599
Restricted for:	070 030		
Landfill closure OtTotal net position	979,839 —	<del>-</del>	195,290
Unrestricted (deficit)	(5,179,293)	(33,964,510)	5,654,667
Total liabilities &	4,250,884	(2,616,309)	50,677,556
net position			
	\$ 29,057,802	\$ 43,239,903	\$ 80,782,686
	<u> </u>	7 40,207,703	3 33,702,000

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

Net (Expense) Revenue

and Changes in Net Position Program Revenues Discretely Primary Presented Charges Operating Capital Government Grants & Grants & Governmental School Component for Units Contributions Activities Board Functions/Programs Expenses Services Contributions Primary Government: Governmental activities: (1,628,138)General government administration 1,868,806 s 3,109 S 237,559 \$ 1,338,635 3,190 681.785 (653,660) Judicial administration (4,137,178) 6,023,702 245,027 1,641,497 Public safety (1.801.997)Public works 1,883,363 81,366 Health and welfare 4,335,919 3,405,033 (930,886)(6,032,073)6,032,073 Education 69,151 (511, 178)Parks, recreation, and cultural 580,329 (690,546)31,616 Community development 722,162 (16,839)16,839 Interest on long-term debt (16,402,495) 401,843 5,997,490 Total government activities 22,801,828 401,843 5,997,490 (16,402,495)\$ 22,801,828 Total primary government Component units: Ş \$ (4,976,311) School board \$ 40,735,056 \$ 5,137,453 30,621,292 699,192 827,704 Other component units 4,912,592 3,446,330 1,594,774 699,192 (4,976,311)827,704 Total component units \$ 45,647,648 8,583,783 32,216,066 S (16,402,495) \$ (4,976,311) 827,704 Total General Revenues: 11.019.378 General Property 3,140,302 Other local taxes Unrestricted revenues from use of 580 20.453 97,508 money and property 51,863 Miscellaneous 160,482 523,511 362,479 43,514 Recovered costs Grants and contributions not restricted 929,280 to specific programs 6,005,009 County contribution to School Board (693,066) 1,596,303 900,020 Change in net assets 49,777,536 Net position - beginning 4,943,950 (4,212,612)4,250,884 \$ (2,616,309) \$ 50,677,556 Net position - ending

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

Fund Financial Statements

	General Fund	Gove	Other rnmental Funds		Total
Assets: Cash & cash equivalents	\$ 4,363,128	\$	50,468	\$	4,413,596
Receivables (net of allowance): Property taxes	13,732,624		-		13,732,624
Consumer utility taxes Accounts receivable Prepaid expenses	117,553		- 293		117,846
Due from other funds	20,160 -		<u>-</u>		20,160 -
Due from other governments	1,072,052	-	<del>-</del>		1,072,052
Total assets Liabilities:	\$ 19,305,517	\$	50,761	<u> </u>	19,356,278
Accounts payable & accrued expenses Due to other funds	\$ 617,300	\$	150	\$	617,450
Component unit	1,779,659		<u> </u>		1,779,659
Total liabilities Deferred Inflows of Resources	2,396,959	•	150		2,397,109
Unavailable revenue - property taxes	13,796,899				13,796,899
Total deferred inflows of resources Fund Balance:	13,796,899				13,796,899
Designated for landfill closurer					
and postclosure care Restricted	- 46,881		- 50,611		97,492
Total fund balances	3,111,659		50,611		3,162,270
Total liabilities, deferred inflows of resources & fund balances	\$ 19,305,517	<u>\$</u>	50,761		
Detailed explanation of adjustments from government-wide statement of net position		0			
Capital assets used in governmental activ financial resources and therefore, are governmental funds					8,918,071
-					0,510,071
Other long-term assets are not available period expenditures and, therefore, are	to pay for curren e deferred in the	t funds			1,371,080
Deferred outflows of resources reported i net position	n the statement o	f			783,453
Other liabilities are not required to be financial resources and, therefore, are the governmental funds		nt			(3,162,568)
Long-term liabilities are not due and pay period and, therefore, are not reported funds					(6,165,082)
Deferred inflows of resources reported in net position	the statement of				(656 340)
-	**				(656,340)
Fund balance of General Government Activi	tles			<u> </u>	4,250,884

EXHIBIT 4

For the Year Ended June 30, 2016

	Governmental		
	General	Other Funds	Total Governmental <u>Funds</u>
Revenues:			
General property taxes	\$ 10,805,616	\$ <b>-</b>	\$ 10,805,616
Other local taxes	3,138,283	2,019	3,140,302
Permits, privilege fees &		-,	0,000,000
regulatory licenses	72,092	_	72,092
Fines and forfeitures	199,654	_	199,654
Revenue from use of			200,000
money & property	97,508	-	97,508
Charges for services	126,907	3,190	130,097
Miscellaneous	160,482	-	160,482
Recovered costs	362,479	_	362,479
Intergovernmental:			
Commonwealth	5,167,950	_	5,167,950
Federal	1,758,820	_	1,758,820
Total revenues	21,889,791	5,209	21,895,000
Expenditures:			
Current:			
General government administration	1,848,598	_	1,848,598
Judicial administration	1,369,524	3,284	1,372,808
Public safety	5,969,416	_	5,969,416
Public works	1,992,734	1,009	1,993,743
Health and welfare	4,413,669	_	4,413,669
Education	27,064	_	27,064
Parks, recreation, and cultural	520,613	***	520,613
Community development	726,951	_	726,951
Debt service:			
Principal retirement	182,596	_	182,596
Interest and other fiscal charges	14,467		14,467
Total expenditures	17.065.632	4,293	17,069,925
Excess (deficiency) of revenues			
over (under) expenditures	4.824.159	916	4,825,075
Other financing sources (uses):			
Operating transfers in	_	_	_
Operating transfers out	(6,005,009)	_	(6,005,009)
Proceeds from debt			
Total other financing sources (uses)	(6,005,009)		(6,005,009)
Net changes in fund balances	(1,180,850)	916	(1,179,934)
Fund balances at beginning of year	4,292,509	49,695	4,342,204
Fund balances at end of year	\$ 3,111,659	\$ 50.611	\$ 3.162.270

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

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

EXHIBIT 5

For the Year Ended June 30, 2016

	Go	vernmental Funds
Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	\$	(1,179,934)
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.		(112,140)
Revenues on the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		213,762
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of 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		1 200
related items.		1,392
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.		383,854
Change in net position of governmental activities	\$	(693,066)

oune 30, 2010	
	Discretely Presented
	Component Units
Assets:	011103
Current assets	
Cash and cash equivalents Receivables (net of allowance for uncollectibles):	\$ 5,603,230
Accounts receivable	496,546
Inventory Other current assets	81,231
Due from other governments	226,069 <u>267,352</u>
Total current assets	6,674,428
Noncurrent assets	
Capital assets:	
Land	8,186,115
Buildings and equipment, net of depreciation	65,544,406
Total noncurrent assets	73,730,521
Other assets:	
Restricted cash in bank	201,931
Notes receivable	106,936
Total other assets	308,867
Total assets	80,713,816
Deferred Outflows of Resources:	
Deferred pensions	68,870
Total deferred outflows of resources	68,870
Liabilities:	
Current liabilities	
Accounts payable and accrued expenses Current portion of	2,223,492
long-term obligations	1,111,873
Total current liabilities	2 225 265
Total Cultent Habilities	3,335,365
Noncurrent liabilities	
Compensated absences Other post employement benefits	151,775
Amounts held for others	321,274 192,143
Net pension liability, long-term	163,166
Noncurrent portion of long-term obligations	25,884,752
Total noncurrent liabilities	26,713,110
Total liabilities	30,048,475
Deferred Inflows of Resources:	
Deferred pensions	56,655
Total deferred inflows of resources	56,655
Net position:	
Invested in capital assets, net of related debt	44,827,599
Restricted for other purposes	195,290
Unrestricted assets	5,654,667
Total net position	50,677,556
Total liabilities and net position	\$80,782,686

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

	Discretely Presented Component Units
Operating revenues: Charges for services Rental income Grants Miscellaneous	\$ 3,446,330 328,053 1,179,769 86,952
Total operating revenue	5,041,104
Operating expenses:     Employee benefits     Materials and supplies      Total operating expense      Operating income (loss)  Nonoperating revenues (expenses):     Interest earned     Connection fees     Other nonoperating revenues/(expenses)     Interest expense      Total nonoperating         revenues (expenses)	1,366,475 3,099,227 4,465,702 575,402 20,453 51,863 (446,890) (374,574)
Capital contributions	699,192
Increase (decrease) in net position	900,020
Net position at beginning of year, as previously reported Prior period adjustment	49,777,536
Net position at beginning of year, as restated	49,777,536
Net position at end of year	\$ 50,677,556

Discretely

	Presented Component Units
Cash flows from operating activities: Receipts from customers & users Payments to suppliers Payments to employees	\$ 4.909.463 (1.389.407) (1.300.913)
Net cash provided(used) by operating activities	2,219,143
Cash flows from capital & related financing activities: Connection fee Other nonoperating revenues Loans to industries Purchase of fixed assets	51,863
Principal on debt Proceeds from indebtness Interest on debt Proceeds from grants	(4.367.466) (1.010.069) 2.228.830 (276.638) 745.197
Net cash used in capital & related financing activities	(2.628,283)
Cash flows from investing activities: Interest earned	9,758
Net cash provided by investing activities	9.758
Increase in cash & cash equivalents	(399,382)
Cash & cash equivalents at beginning of year	6,325,614
Cash & cash equivalents at end of year	\$ 5,926,232
Reconciliation of operating income to net cash provided (used) by operating activities: Operating income Adjustments to reconcile net income to net cash provided by operations:	\$ 388.723
Depreciation Imputed interest Donations	2,010,656 - -
Gain on debt refinance Post employment benefits Net pension obligation Changes in operating assets & liabilities:	5.412 (32.324)
Accounts receivable Inventory Other assets	(142,325) 1,700 -
Accounts payable Customer deposits Accrued leave & benefits	9,958 (11) (22,646)
Total adjustments	1,830,420
Net cash provided (used) by operating activities	\$ 2,219,143

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

	Agency Funds
Assets: Cash and cash equivalents Due from other government units Amount due from others Investments	\$ 9.952 259.701 45.244 2.752.819
Total assets	\$ 3.067.716
Liabilities: Due to primary government Amounts due to others Amounts held for others	\$ 239,418 45,244 2,783,054
Total liabilities	\$ 3,067,716

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

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).

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

Statement of net position - The Statement of Net Position is designed to display financial position of the primary government (government and business-type activities) and it's discretely presented component units. Governments will report all capital assets, in the government-wide Statement of Net Position, and will report depreciation expense - the cost of "using up" capital assets - in the Statements of Activities. The net position of a government will be broken down into three categories - 1) invested in capital assets, net of related debt; 2) restricted; and 3) unrestricted.

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

# B. Individual Component Unit Disclosures

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Board are presented as a discrete presentation of the County financial statements for the fiscal year ended June 30, 2015.

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</u>
Presentation

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

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

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

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

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

#### Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

The government reports the following major governmental funds.

#### General Fund:

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

Additionally, Scott County reports the following fund types:

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

#### D. Deferred Outflows/Inflows of Resources

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

# E. Budget and Budgetary Accounting

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

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

# E. Budgets and Budgetary Accounting (Continued)

8. All budget data presented in the accompanying financial statements is the original to the current comparison of the final budget and actual results.

#### F. Cash and Cash Equivalents

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

#### G. Investments

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

# H. Receivable and payables

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

All trade and property tax receivables are shown net of an allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$277,344 at June 30, 2016, 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.

#### I. Capital Assets

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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, 2016 was immaterial.

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

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

#### J. Compensated Absences

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

#### K. Long-term Obligations

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

#### L. Net Position

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

#### M. Fund Balances

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

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

# N. Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, Statement No. 63 of the Governmental Accounting Standards Board

The County implemented the financial reporting provisions of the above Statement for the fiscal year ended June 30, 2013. This Statement provides guidance for reporting deferred inflows and outflows of resources. The requirement of this Statement will improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on the entity's net position. With the implementation of this Statement, certain terminology has changes and financial statement descriptions have changes from "net assets" to "net position". The net equity reported in the financial statements was not changes as a result of implementing the Statement and no restatement of prior balances is required.

# O. <u>Items Previously Reported as Assets and Liabilities, Statement No.</u> 65 of the Governmental Accounting Standards Board

The County implemented the financial reporting provisions of the above Statement for the fiscal year ended June 30, 2013. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

#### P. 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.

#### Q. 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.

#### R. 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

Note 1 - Summary of Significant Accounting Policies (Continued)

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, 2016, the County contributed \$2,411.

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, 2016, the County contributed \$209,330.

# R. Jointly Governed Organizations (Continued)

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, 2016, the County Contributed \$1,715,024.

#### S. Pensions

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

#### T. New Accounting Pronouncements

The following Governmental Accounting Standards Board (GASB) Statements have been implemented in the current financial statements:

GASB Statement No. 72, Fair Value Measurement and Application, addresses accounting and financial reporting issues related to fair value measurements. The requirements of this Statement were effective for reporting periods beginning after June 15, 2015.

#### Note 2 - Deposits and Investments

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

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

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

Fund	Due To ponent Unit hool Board	Due From Primary overnment
General School	\$ 1,779,659	\$ - 1,779,659
Totals	\$ 1,779,659	\$ 1,779,659

Note 4 - Due From Other Governmental Units

At June 30, 2016, the County and School Board had receivables from other governments as follows:

		Discretely		
	Presented		Other	
	Primary Component Unit Government School Board		Component Units	
Local Governments:				
Other Misc. Funds	\$ -	\$ -	\$ 267,352	
Commonwealth of Virginia:				
State sales taxes	-	577 <b>,</b> 925	-	
Local sales taxes	239,418	_	-	
Social service	91,912	_	_	
CMPT	93,696	_	_	
Shared expenses	462,645	-	_	
Other	14,145	164,790	_	
Federal Government:				
School funds	_	15,522	_	
Social service	170,236			
Totals	\$ 1,072,052	\$ 758,237	\$ 267,352	

Note 5 - Capital Assets

The following is a summary of changes in capital assets for the fiscal year ending June 30, 2016.

#### General Government:

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
Land & land				
improvements	\$ 1,105,829	\$ -	\$ -	\$ 1,105,829
Buildings &				
improvements	8,100,963	413,317	-	8,514,280
Equipment	8,921,510	272,924	(137,318)	9,057,116
Construction	98,972	78,476	(177,448)	
Totals	18,227,274	\$ 764,717	\$ (314,766)	18,677,225
Accumulated				
depreciation	(9,197,063)	(699,409)	137,318	(9,759,154)
Net capital				
assets	\$ 9,030,211			\$ 8,918,071
				-
Component Unit	School Board:			
	Balance			Balance
	July 1, 2015	Additions	Deletions	June 30, 2016
Land & land				
improvements	\$ 1,597,912	ş <u>-</u>	\$ <b>-</b>	\$ 1,597,912
Buildings &	+ 1/03//312	7	7	+ 1,00,,012
improvements	49,735,672	183,918	_	49,919,590
Equipment	22,050,187	356,597	_	22,406,784
Construction	6,113,741	388,213	_	6,501,954
001101240022011				
Totals	79,497,512	\$ 928,728	\$ (314,766)	80,426,240
Accumulated depreciation	(43,821,489)	(1,469,308)	_	(45, 290, 797)
debrecration	(40,021,409)	(1,409,500)		(43,230,131)
Net capital				
assets	\$ 35,676,023			\$ 35,135,443

Note 5 - Capital Assets (Continued)

Proprietary Funds:

1100110001, 1411401	Public Service Authority	Economic Development Authority	Total
Land & improvements Building & water lines Equipment & vehicles Construction in progress	\$ 486,753 65,712,606 1,506,864 2,472,527	\$ 5,226,835 14,121,210 1,236,101 6,667,458	\$ 5,713,588 79,833,816 2,742,965 9,139,985
Total Less: Accumulated depreciation	70,178,750	27,251,604	97,430,354
Totals	\$ 49,845,139	\$ 23,885,382	\$ 73,730,521

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

		<u>Amount</u>
Governmental activities:		
General government	\$	64,886
Judicial administration		2,361
Public safety		292,966
Public works		251,374
Health and welfare		13,546
Parks, recreation and cultural		69,051
Community development		5,225
Total	<u>\$</u>	699,409
Component Unit School Board:		
Education	\$	1,469,308

Depreciation expenses for the year ending June 30, 2016, for the Public Service Authority amounted to \$1,721,165.

Depreciation expenses for the year ending June 30, 2016, for the Economic Development Authority amounted to \$289,491.

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Note 6 - Long-term Obligations

The following is a summary of changes in long-term obligations for the fiscal year ending June 30, 2016:

# Primary Government:

General Long-term Obligations:		Amount
Obligation payable at July 1, 2015		\$ 3,539,053
Retirements:		
Line of credit	\$ -	
Decrease in compensated absence	7,586	
Decrease in landfill closure		
postclosure monitoring estimates	26,370	
Decrease in other post-employee benefits	62 <b>,</b> 672	
Payments on capital lease	182,596	
Total retirements		( 279,224)
Additions:		
Line of credit draws	_	
Capital lease purchases	181,204	
Increase in compensated absences	19,390	
Total additions		200,594
Long-term Obligations payable at June 30,	2016	\$ 3,460,423

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

Year Ending June 30,	<u>]</u>	Capital Principal	Le	ase Interest
2017	\$	167,506	\$	10,837
2018		145,475		6,976
2019		126,258		3,349
2020		24,728		448
2021	_	3,766		28
Total	<u>\$</u>	467,733	\$_	21,638

Note 6 - Long-term Obligations (Continued)

mong order (consequent)	Amount standing
Capital Leases:	
\$50,190 capital lease issued September 14, 2012 for the purchase of a 2012 Fairway mower, due in monthly installments of \$805.11, principal and interest through August 12, 2017, interest payable at 5.01%.	\$ 20,196
\$25,123 capital lease issued November 15, 2014 for Purchase of a 2015 Ford Explorer, due in monthly installments of \$555.95, principal and interest through November 15, 2017, interest payable at 2.99%.	9,242
\$26,164 capital lease issued November 10, 2014 for the purchase of a 2014 Ford F150, due in monthly installments of \$570.37, principal and interest through November 10, 2018, interest payable at 2.40%.	16,087
\$21,535 capital lease issued September 5, 2014 for the purchase of a 2015 Ford Explorer, due in monthly installments of \$379.85, principal and interest through September 10, 2019, interest payable at 2.24%.	14,275
\$53,728 capital lease issued January 26, 2015 for the purchase of 2 2014 Dodge Chargers, due in monthly installments of \$1,172.30, principal and interest through February 10, 2019, interest payable at 2.24%.	36,383
\$147,186 capital lease issued June 27, 2014 for the purchase of a 911 Communication System, due in annual installments of \$32,415.88, principal and interest through March 1, 2019, interest payable at 3.70%.	90,487
\$205,108 capital lease issued December 2, 2014 for the purchase of a garbage truck, due in annual installments of \$42,811.61, principal and interest through March 15, 2019, interest payable at 1.90%.	123,705

Note 6 - Long-term Obligations (Continued)

nece o Long colin obligacione (concinuon,	Amount Outstanding
Capital Leases (continued):	
\$30,000 capital lease issued March 24, 2016 for the purchase of a Communications Complex, due in fifteen monthly installments of \$2,000.	\$ 22,000
\$26,240 capital lease issued January 27, 2016 for the purchase of a 2016 Ford F150, due in monthly installments of \$745.75, principal and interest through January 2019, interest payable at 1.49%.	22,665
\$52,029 capital lease issued September 1, 2015 for the purchase of golf carts, due in monthly installments of \$948.25, principal and interest through September 2021, interest payable at 3.58%.	45,617
\$72,935 capital lease issued March 1, 2016 for the purchase of three 2016 Dodge Chargers, due in monthly installments of \$1,582, principal and interest through March 2020, interest payable at 5.01%.	67,076
Total Capital Leases	467,733
Less: Current Maturities	(167,506)
Long-term Capital Leases	\$ 300,227
Primary Government: Accrued compensated absences	509,768
Landfill closure and post-closure care	979,839
Other post employee benefits	1,503,083
Net pension liability	5,864,855
Total long-term obligations	<u>\$ 9,157,772</u>

General obligation bonds are direct obligations and pledge the full faith and credit of the  $\operatorname{County}$ .

Note 6 - Long-term Obligations (Continued)

Component Unit School Board:

The following is a summary of changes in long-term obligations for the fiscal year ending June 30, 2016:

				mount
Obligation payable at July 1, 2015 Retirements:			\$ 6,	933,138
Capital lease payments	\$	237,000		
Amortization of debt issue costs	Y	(6,897)		
Decrease in other post employee benefits		31,039		
Increase in compensated absences		(23,502)		
Total retirements	_	<u></u>	(	237,640)
Long-term Obligations payable at June 30,	20	16	\$ 6,	695,498

Annual requirements to amortize capital lease, related interest and amortization of debt issue costs are as follows:

Year Ending	Capital	Lease	Debt Issue
_June 30,	Principal	Interest	Cost
2017	245,000	124,227	( 6,897)
2018	252,000	116,362	(6,897)
2019	260,000	108,273	( 6,897)
2020	269,000	99 <b>,</b> 927	(6,897)
2021	277,000	91,292	(6,897)
2022-2028	2,567,000	382,703	(48,273)
Total	\$ 3,870,000	\$ 922,784	\$ (82 <b>,</b> 758)

Amount Outstanding

#### Capital Leases:

\$4,321,000 capital lease issued December 20, 2014 for The purchase of a 2015 International Roll Off Truck, due in semi-annual installments, principal and interest through December 20, 2028, interest payable at 3.21%.

\$ 3,870,000

Total Capital Leases

\$ 3,870,000

Note 6 - Long-term Obligations (Continued)

Component Unit School Board:

Capital lease, net of debt issue costs	\$ 3,787,242
Accrued compensated absences	643,112
Other post employee benefits	2,265,144
Net pension liability	33,187,789
Total long-term obligations	\$39,638,287

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	Interest
2017	\$ 922,873	\$ 241,746
2018	915,960	230,969
2019	950,856	220,184
2020	960,964	208,725
2021	971,159	196,995
2022-2026	5,237,005	793 <b>,</b> 802
2027-2031	4,433,672	438,499
2032-2036	2,601,832	300,941
2037-2051	1,583,765	175 <b>,</b> 589
2042-2046	691,038	50 <b>,</b> 592
2052-2056	96,486	5,813
Total	\$ 19,365,610	\$ 2,863,855

Changes in Long-term obligations:

	Amount
Long-term obligations at July 1, 2015	\$19,921,254
Issuance of Revenue Bonds and Notes	326,085
Retirement of Revenue Bonds and Notes	( 881,729)
Long-term debt payable at June 30, 2016	\$19,365,610

Note 7 - Proprietary Debt (Continued)

# Description of Long Term Debt

			Final	Amount of		Amount
	Interest	Issue	Maturity	Original	Balance	Due Within
	Rate	Date	Date	Issue	6/30/2016	One Year
Line of Credit		9/25/2002	Open	\$2,000,000	\$ -	\$ -
Revenue Bond	0.00%	7/10/2003	8/1/2034	1,083,923	668,419	36,131
Revenue Bond	0.00%	8/9/2002	5/1/2033	444,154	251,687	14,805
Revenue Bond	0.00%	8/9/2002	4/1/2033	182,410	103,331	6,078
Revenue Bond	0.00%	12/21/2001	8/1/2033	399,237	219,580	13,308
Revenue Bond	0.00%	9/20/2001	7/1/2031	116,431	58,215	3,881
Revenue Bond	0.00%	10/22/2004	9/1/2034	96,391	59,441	3,213
Revenue Bond	0.00%	8/11/2004	9/1/2035	323,904	210,538	10,797
Revenue Bond	0.00%	2/24/2006	11/1/2036	1,010,816	690,512	33,694
Revenue Bond	0.00%	5/18/2007	11/1/2037	648,886	465,035	21,630
Revenue Bond	0.00%	9/27/2006	7/1/2033	2,637,350	1,793,398	105,494
Revenue Bond	0.00%	7/19/2007	2/1/2038	375,408	275,299	12,514
Revenue Bond	0.00%	9/14/2007	12/1/2037	554,730	382,823	17,806
Revenue Bond	0.00%	1/25/2008	2/2/2038	365,822	268,269	12,194
Revenue Bond	0.00%	6/1/2008	9/1/2038	334,252	250,689	11,142
Revenue Bond	0.00%	1/25/2008	6/1/2038	280,446	205,660	9,348
Revenue Bond	0.00%	2/10/2005	12/1/2035	542,227	352,447	18,074
Revenue Bond	0.00%	9/30/2009	8/1/2040	416,062	339,784	13,869
Revenue Bond	0.00%	9/30/2009	6/1/2040	267,510	128,534	5,356
Revenue Bond	0.00%	12/13/2010	9/1/2041	457,129	388,560	15,238
Revenue Bond	0.00%	12/9/2010	9/1/2041	1,586,490	1,348,516	52,883
Revenue Bond	0.00%	12/9/2010	3/1/2042	209,259	162,333	6,975
Revenue Bond	2.625%	4/13/2011	4/13/2051	480,000	455,137	8,142
Revenue Bond	0.00%	11/30/2011	6/1/2032	616,151	485,706	30,808
Revenue Bond	3.00%	10/27/2011	10/1/2042	752,464	615,866	15,777
Revenue Bond	2.62%	12/9/2011	6/30/2026	2,679,000	1,643,000	239,000
Revenue Bond	3.00%	10/18/2012	7/2/2042	1,161,033	1,051,697	27,124
Revenue Bond	0.00%	3/1/2013	4/1/2033	1,395,243	1,185,243	70,000
Revenue Bond	2.64%	9/25/2013	8/1/2027	2,930,000	2,900,000	10,000
Revenue Bond	3.00%	7/9/2013	8/1/2044	846,143	716,099	16,275
Revenue Bond	2.50%	5/8/2014	1/1/2046	1,125,999	971,481	22,058
Revenue Bond	2.50%	5/8/2014	1/1/2046	957,532	483,656	10,966
Revenue Bond	2.00%	10/29/2015	1/1/1947	536,578	183,554	4,318
Note Payable	3.20%	8/28/2013	7/28/2017	168,329	51,101	43,975
		• • • • • •		1.1.1	\$ 19,365,610	\$ 922,873

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Note 7 - Proprietary Debt (Continued)

Component Unit - Economic Development Authority

Revenue Note:	Amount
	Outstanding_
\$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. Imputed interest was calculated at 4.50%.	\$ 799 <b>,</b> 269
\$5,100,000 Lease Revenue Refunding Bond 2015 series, issued February 24, 2015, annual principal and semi-annual interest payments beginning October 1, 2015 through October 1, 2034, interest payable at 3.52%	4,963,000
\$2,853,000 Loan Agreement with Virginia Coalfield Economic Development Authority, issued December 11, 2015, principal due and payable in full on December 11, 2020. There is no interest payable with this loan.	1,352,746
\$550,000 Lease Revenue Refunding Bon 2015B series, issued July 31, 2015, semi-annual principal and interest payments beginning October 1, 2015 through April 1, 2030, interest payable at 4.10%.	516,000
Total Revenue Note	\$ 7,631,015

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

Year			
Ending			
June 30,	P	rincipal	 Interest
2017	\$	189,000	\$ 192,733
2018		196,000	185,812
2019		203,000	178,619
2020		211,000	171,174
2021		1,570,746	163,456
2022-2026		1,241,000	690,131
2027-2031		1,689,000	413,597
2032-2036		2,331,269	 104,860
Total	\$	7,631,015	\$ 2,100,382

Note 8 - Claims, Judgments, and Compensated Absences

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

County employees earn annual leave at various rates. Accumulated vacation up to thirty days is paid upon termination. Sick leave is paid at 25% of accrued sick leave at the rate of pay upon termination, up to a maximum of \$2,500. The County primary government has outstanding accrued vacation and sick pay totaling \$509,768.

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 \$643,112.

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, 2016 amounted to \$129,095.

Component Unit Economic Development Authority employees earn leave at various rates. Total accrued leave for the year ended June 30, 2016 amounted to \$22,680.

#### Note 9 - Unavailable Revenue

Unavailable revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Unavailable revenue totaling \$12,425,819 is comprised of property tax revenue of \$12,272,869 and prepaid taxes of \$152,950 representing uncollected tax billings not available for funding current expenditures.

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Note 10 - Defined Benefit Pension Plan

#### A. Plan Description

All full-time, salaried permanent employees of the County and public school divisions are automatically covered by VRS Retirement Plan upon employment. This plan is administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer are pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria a defined in the Code of Virginia, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

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

RETIREMENT PLAN PROVISIONS				
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN		
About Plan 1	About Plan 2	About the Hybrid		
Plan 1 is a defined	Plan 2 is a defined	Retirement Plan		
benefit plan. The	benefit plan. The	The Hybrid Retirement		
retirement benefit is	retirement benefit is	Plan combines the		
based on a member's	based on a member's	features of a defined		
age, creditable	age, creditable	benefit plan and a		
service and average	service and average	defined contribution		
final compensation at	final compensation at	plan. Most members		
retirement using a	retirement using a	hired on or after		
formula.	formula. Employees are	January 1, 2014 are in		
Employees are eligible	eligible for Plan 2 if	this plan, as well as		
for Plan 1 if their	their membership date	Plan 1 and Plan 2		
membership date is	is on or after July 1,	members who were		
before July 1, 2010,	2010, or their	eligible and opted		
and they were vested	membership date is	into the plan during a		
as of January 1, 2013.	before July 1, 2010,	special election		
do 01 0dillani, 1, 20101	and they were not	window. (See "Eligible		
	vested as of January	Members")		
	1, 2013.			
	1, 2010.			
		• The defined benefit		
		is based on a member's		

Note 10 - Defined Benefit Pension Plan (Continued)

Eligible Members Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.	Eligible Members Employees are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.	age, creditable service and average final compensation at retirement using a formula.  • The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions.  • In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.  Eligible Members Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:  • Political subdivision employees*  • Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014: the

Note 10 - Defined Benefit Pension Plan (Continued)

Hybrid Opt-In Election VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.

The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014.

If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.

Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP.

Retirement
Contributions
Employees contribute
5% of their
compensation each
month to their member
contribution account
through a pre-tax
salary reduction. Some
political subdivisions
elected to phase in

Hybrid Opt-In Election Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.

The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014.

If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.

Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP.

Retirement
Contributions
Employees contribute
5% of their
compensation each
month to their member
contribution account
through a pre-tax
salary reduction. Some
political subdivisions
elected to phase in

for opt-in members was July 1, 2014

\*Non-Eligible Members
Some employees are not
eligible to
participate in the
Hybrid Retirement
Plan. They include:

• Political subdivision employees who are covered by enhanced benefits for hazardous duty employees

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

Retirement Contributions
A member's retirement
benefit is funded
through mandatory and
voluntary
contributions made by
the member and the
employer to both the
defined benefit and
the defined
contribution

Note 10 - Defined Benefit Pension Plan (Continued)

the required 5% member	the required 5% member	components of the
contribution but all	contribution but all	plan. Mandatory
employees will be	employees will be	contributions are
paying the full 5% by	paying the full 5% by	based on a percentage
July 1, 2016. Member	July 1, 2016.	of the employee's
contributions are tax-		creditable
deferred until they		compensation and are
are withdrawn as part		required from both the
of a retirement		member and the
benefit or as a		employer.
refund. The employer		Additionally, members
		may choose to make
makes a separate		_
actuarially determined		voluntary contributions to the
contribution to VRS		§
for all covered		defined contribution
employees. VRS invests		component of the plan,
both member and		and the employer is
employer contributions		required to match
to provide funding for		those voluntary
the future benefit		contributions
payment.		according to specified
		percentages.
Creditable Service	Creditable Service	Creditable Service
Creditable service	Same as Plan 1.	<u>Defined Benefit</u>
includes active		<pre>Component:</pre>
service. Members earn		Under the defined
creditable service for		benefit component of
each month they are		the plan, creditable
employed in a covered		service includes
position. It also may		active service.
include credit for		Members earn
prior service the		creditable service for
member has purchased		each month they are
or additional		employed in a covered
creditable service the		position. It also may
member was granted. A		include credit for
member's total		prior service the
creditable service is		member has purchased
one of the factors		or additional
used to determine		creditable service the
their eligibility for		member was granted. A
retirement and to		member's total
calculate their		creditable service is
retirement benefit. It		one of the factors
also may count toward		used to determine
eligibility for the		their eligibility for
health insurance		retirement and to
credit in retirement,		calculate their
Cloud in locationer	1	1

Note 10 - Defined Benefit Pension Plan (Continued)

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

Note 10 - Defined Benefit Pension Plan (Continued)

Note 10 - Delined Benef.	it Pension Plan (Continued	1)
		Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan.
		Members are always 100% vested in the contributions that they make.
		Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.  • After two years, a member is 50% vested and may withdraw 50% of employer contributions.  • After three years, a member is 75% vested and may withdraw 75% of employer contributions.  • After four or more years, a member is 100% vested and may withdraw 100% of employer contributions.
		Distribution is not required by law until age 70½.

Note 10 - Defined Benefit Pension Plan (Continued)

		T
Calculating the	Calculating the	Calculating the
Benefit	Benefit	Benefit
The Basic Benefit is	See definition under	Defined Benefit
calculated based on a	Plan 1.	Component:
formula using the		See definition under
member's average final		Plan 1
compensation, a		1
· -		Defined Contribution
retirement multiplier		Defined Contribution
and total service		Component:
credit at retirement.		The benefit is based
It is one of the		on contributions made
benefit payout options		by the member and any
available to a member		matching contributions
at retirement.		made by the employer,
		plus net investment
An early retirement		earnings on those
reduction factor is		contributions.
applied to the Basic		
Benefit if the member		
retires with a reduced		
retirement benefit or		
selects a benefit		
payout option other		
than the Basic		
Benefit.		
Average Final	Average Final	Average Final
Compensation	Compensation	Compensation
A member's average	A member's average	Same as Plan 2. It is
final compensation is	final compensation is	used in the retirement
the average of the 36	the average of their	formula for the
consecutive months of	60 consecutive months	defined benefit
highest compensation	of highest	component of the plan.
as a covered employee.	compensation as a	
	covered employee.	
Service Retirement	Service Retirement	Service Retirement
Multiplier	Multiplier	Multiplier
VRS: The retirement	VRS: Same as Plan1 for	Defined Benefit
multiplier is a factor	service earned,	Component:
used in the formula to	purchased or granted	VRS: The retirement
determine a final	<del>-</del>	multiplier for the
	prior to January 1,	
retirement benefit.	2013. For non-	defined benefit
The retirement	hazardous duty members	component is 1.00%.
multiplier for non-	the retirement	
hazardous duty members	multiplier is 1.65%	For members who opted
is 1.70%.	for creditable service	into the Hybrid
	earned, purchased or	Retirement Plan from
	granted on or after January 1, 2013.	Plan 1 or Plan 2, the
		applicable multipliers

Note 10 - Defined Benefit Pension Plan (Continued)

		E
Sheriffs and regional	Sheriffs and regional	for those plans will be used to calculate the retirement benefit for service credited in those plans.
jail superintendents: The retirement multiplier for sheriffs and regional	jail superintendents: Same as Plan 1.	Sheriffs and regional jail superintendents: Not applicable.
jail superintendents is 1.85%	Political subdivision hazardous duty	Political subdivision
Political subdivision hazardous duty employees: The retirement multiplier of eligible political	employees: Same as Plan 1.	hazardous duty employees: Not applicable.
subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.70% or 1.85% as elected by the employer.		Defined Contribution Component: Not applicable.
Normal Retirement Age VRS: Age 65.	Normal Retirement Age VRS: Normal Social Security retirement age.	Normal Retirement Age Defined Benefit Component: VRS: Same as Plan 2.
Political subdivisions hazardous duty employees: Age 60.	Political subdivisions hazardous duty employees: Same as Plan 1.	Political subdivisions hazardous duty employees: Not applicable.
		Defined Contribution Component: Members are eligible
		to receive distributions upon leaving employment, subject to restrictions.
Earliest Unreduced	Earliest Unreduced	Earliest Unreduced
Retirement Eligibility	Retirement Eligibility	Retirement Eligibility

Note 10 - Defined Benefit Pension Plan (Continued)

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

circumstances:

Note 10 - Defined Benefit Pension Plan (Continued)

	·	·
Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.	Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.	Cost-of-Living Adjustment (COLA) in Retirement Defined Benefit Component: Same as Plan 2.  Defined Contribution Component: Not applicable.
Eligibility: For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of creditable service, the COLA will go into effect on July 1 after one full calendar year from the retirement date.  For members who retire	Eligibility: Same as Plan 1  Exceptions to COLA Effective Dates: Same as Plan 1	Eligibility: Same as Plan 1 and Plan 2.
with a reduced benefit and who have less than 20 years of creditable service, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.		
Exceptions to COLA  Effective Dates: The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following		Exceptions to COLA Effective Dates: Same as Plan 1 and Plan 2.

Note 10 - Defined Benefit Pension Plan (Continued)

• The member is within		
five years of		
qualifying for an		
unreduced retirement		
benefit as of January		
1, 2013.		
• The member retires		
on disability.		
• The member retires		
directly from short-		
term or long-term		
_		
disability under the		
Virginia Sickness and		
Disability Program		
(VSDP).		
• The member is		
involuntarily		
separated from		
employment for causes		
other than job		
performance or		
misconduct and is		
eligible to retire		
under the Workforce		
Transition Act or the		
Transitional Benefits		
Program.		
• The member dies in		
service and the		
member's survivor or		
beneficiary is		
eligible for a		
monthly death-in-		
service benefit. The		
COLA will go into		
effect on July 1		
following one full		
calendar year		
(January 1 to		
December 31) from the		
date the monthly		
benefit begins.		
Disability Coverage	Disability Coverage	Disability Coverage
Members who are	Members who are	Employees of political
eligible to be	eligible to be	subdivisions
considered for	considered for	(including Plan 1 and
disability retirement	disability retirement	Plan 2 opt-ins)
and retire on	and retire on	participate in the
	<u> </u>	1

Note 10 - Defined Benefit Pension Plan (Continued)

disability, the retirement multiplier is 1.7% on all service, regardless of when it was earned, purchased or granted.  VSDP members are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.	disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.  VSDP members are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.	Virginia Local Disability Program (VLDP) unless their local governing body provides an employer- paid comparable program for its members.  Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.
Purchase of Prior Service Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as creditable service in their plan. Prior creditable service counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. When buying service, members must purchase their most recent period of service first. Members also may be eligible to purchase periods of leave without pay.	Purchase of Prior Service Same as Plan 1.	Purchase of Prior Service Defined Benefit Component: Same as Plan 1, with the following exceptions: • Hybrid Retirement Plan members are ineligible for ported service. • The cost for purchasing refunded service is the higher of 4% of creditable compensation or average final compensation. • Plan members have one year from their date of hire or return from leave to purchase all but refunded prior service at approximate normal cost. After that one year period, the rate for most categories of service will

Note 10 - Defined Benefit Pension Plan (Continued)

change to actuarial cost.	
Defined Contribution Component: Not applicable.	

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## Employees Covered by Benefit Terms

As of the June 30, 2014 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

		Number School Board Non-
	County	Professional
Inactive members or their beneficiaries		
currently receiving benefits	91	65
Inactive members:		
Vested inactive members	7	4
Non-vested inactive members	21	16
Inactive members active elsewhere in VRS	29	8
Total Inactive members	57	27
Active members	132	85
Total covered employees	280	177

### Contributions

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

Note 10 - Defined Benefit Pension Plan (Continued)

The County's contractually required contribution rate for the year ended June 30, 2016 was 14.42% for general government covered employee compensation and 9.25% for school board non-professional employees. These rates were based on actuarially determined rates from actuarial valuations as of June 30, 2014.

These rates, when combined with employee contributions, were expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the general government were \$783,453 and \$750,270 for the years ended June 30, 2016 and June 30, 2015, respectively and for the school board \$195,934 and \$199,237 for the years ended June 30, 2016 and June 30, 2015, respectively.

## Net Pension Liability

The County's net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2014, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2015.

# Actuarial Assumptions - General Employees

The total pension liability for General Employees in the Political Subdivision's Retirement Plan was based on an actuarial valuation as of June 30, 2014, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2015.

Inflation 2.5 percent

Salary increases, including inflation 3.5 percent - 5.35 percent

Investment rate of return 7.0 percent, net of pension plan investment expense, including inflation\*

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

Note 10 - Defined Benefit Pension Plan (Continued)

expected rate of return on investments was assumed to be 7.0% to simplify preparation of pension liabilities.

Mortality rates: 14% of deaths are assumed to be service related

## Largest 10 - Non-LEOS:

### Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set forward 4 years and females were set back 2 years.

### Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year.

### Post-Disablement:

RP-2000 Disabled Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement.

# All Others (Non 10 Largest) - Non-LEOS:

### Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set forward 4 years and females set back 2 years.

### Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year.

#### Post-Disablement:

RP-2000 Disabled Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

## Largest 10 - Non-LEOS:

- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year All Others (Non 10 Largest) Non-LEOS:
  - Update mortality table

Note 10 - Defined Benefit Pension Plan (Continued)

- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

## Actuarial Assumptions - Public Safety Employees

The total pension liability for Public Safety employees in the Political Subdivision Retirement Plan was based on an actuarial valuation as of June 30, 2014, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2015.

Inflation

2.5 percent

Salary increases, including inflation

3.5 percent - 4.75 percent

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

Mortality rates: 60% of deaths are assumed to be service related

Largest 10 - LEOS:

Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set back 2 years and females set back 2 years.

Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year.

Post-Disablement:

RP-2000 Disabled Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement.

Note 10 - Defined Benefit Pension Plan (Continued)

All Others (Non 10 Largest) - LEOS:

Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set back 2 years and females set back 2 years.

### Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year.

### Post-Disablement:

RP-2000 Disabled Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement.

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

Largest 10 - LEOS:

- Update mortality table
- Decrease in male rates of disability

All Others (Non 10 Largest) - LEOS:

- Update mortality table
- Adjustments to rates of service retirement for females
- Increase in rates of withdrawal
- Decrease in male and female rates of disability

# Long-Term Expected Rate of Return

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

Note 10 - Defined Benefit Pension Plan (Continued)

	Arithmetic Long-Term		Weighted Average
		Expected	Long-Term
	Target	Rate of	Expected Rate
Asset Class (Strategy)	Allocation	Return	of Return
U.S. Equity	19.50%	6.46%	1.26%
Developed Non U.S. Equity	16.50%	6.28%	1.04%
Emerging Market Equity	6.00%	10.00%	0.60%
Fixed Income	15.00%	0.09%	0.01%
Emerging Debt	3.00%	3.51%	0.11%
Rate Sensitive Credit	4.50%	3.51%	0.16%
Non Rate Sensitive Credit	4.50%	5.00%	0.23%
Convertibles	3.00%	4.81%	0.14%
Public Real Estate	2.25%	6.12%	0.14%
Private Real Estate	12.75%	7.10%	0.91%
Private Equity	12.00%	10.41%	1.25%
Cash	1.00%	-1.50%	-0.02%
	100.00%		5.83%
	Inflation		2.50%
* Expected arithmetic nom			8.33%

<sup>\*</sup> Using stochastic projection results provides an expected range of real rates of return over various time horizons. Looking at one year results produces an expected real return of 8.33% but also has a high standard deviation, which means there is high volatility. Over larger time horizons, the volatility declines significantly and provides a median return of 7.44%, including expected inflation of 2.50%.

## Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that system member contributions will be made per the VRS statutes and the employer contributions will be made in accordance

with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30,

Note 10 - Defined Benefit Pension Plan (Continued)

2018, the rate contributed by the employer for the Political Subdivision Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2018 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

# Changes in Net Pension Liability

	Increase (Decrease)			
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	
General Government	(a)	(b)	(a) - (b)	
Balance at June 30, 2014	\$ 26,948,916	\$ 21,470,343	\$ 5,478,573	
Changes for the year:				
Service Cost	621,118		621,118	
Interest	1,831,199		1,831,199	
Differences between expected				
and actual experience	(101,261)		(101,261)	
Contributions - employer		750,456	(750,456)	
Contributions - employee		258,617	(258,617)	
Net investment income		969,541	(969,541)	
Benefit payments and refunds				
of employee contributions	(1,577,871)	(1,577,871)	-	
Administrative expenses		(13,637)	13,637	
Other changes		(203)	203	
Net changes	773,185	386,903	386,282	
Balance at June 30, 2015	\$ 27,722,101	\$ 21,857,246	\$ 5,864,855	

Note 10 - Defined Benefit Pension Plan (Continued)

# Changes in Net Pension Liability (Continued)

	Increase (Decrease)		
School Non-professional	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at June 30, 2014	\$ 8,716,557	\$ 8,028,553	\$ 688,004
Changes for the year:			
Service Cost	225,567		225,567
Interest	593,502		593,502
Differences between expected			
and actual experience	(18,675)		(18,675)
Contributions - employer		197,633	(197,633)
Contributions - employee		106,064	(106,064)
Net investment income		364,074	(364,074)
Benefit payments and refunds			
of employee contributions	(475,913)	(475,913)	_
Administrative expenses		(5,083)	5,083
Other changes	-	(79)	79
Net changes	324,481	186,696	137,785
Balance at June 30, 2015	\$ 9,041,038	\$ 8,215,249	\$ 825,789

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

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

	6.00%	7.00% 8.	
General Government			
Net Pension Liability	\$ 9,560,896	\$ 5,864,855	\$2,795,363

Note 10 - Defined Benefit Pension Plan (Continued)

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

	6.00%	7.00%	8.00%
School Non-professional			
Net Pension Liability	\$ 1,945,149	\$ 825,789	\$ (115,804)

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

For the year ended June 30, 2016, the County's general government recognized pension expense of \$(308,988). At June 30, 2016, the County's general government reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Defer	red Outflows	Defer	red Inflows
	of	Resources	of :	Resources
Differences between expected and actual experience	\$	-	\$	-
Change in assumptions		-		-
Net difference between projected and actual earnings on pension plan investments		-		656,340
Employer contributions subsequent to the measurement date		783,453		-
Total	\$	783,453	\$	656,340

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Note 10 - Defined Benefit Pension Plan (Continued)

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

\$783,453 reported as deferred outflows of resources related to pensions resulting from the County's general government contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

#### Year ended June 30

2017	\$ (249,773)
2018	(249,773)
2019	(249,772)
2020	92,978
Thereafter	
	\$ (656,340)

For the year ended June 30, 2016, the School Board recognized pension expense of \$(121,263) for non-professional employees. At June 30, 2016, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions for non-professional employees from the following sources:

	 red Outflows Resources	Deferred Inflows of Resources		
Differences between expected and actual experience	\$ -	\$	_	
Change in assumptions	-		-	
Net difference between projected and actual earnings on pension plan investments	-		229,346	
Employer contributions subsequent to the measurement date	195,934		-	
Total	\$ 195,934	\$	229,346	

Note 10 - Defined Benefit Pension Plan (Continued)

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

\$195,934 reported as deferred outflows of resources related to pensions resulting from the school board's contributions subsequent to the measurement date for nonprofessional employees will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

### Year ended June 30

\$ (89,309)
(89,309)
(89,073)
38,345
\$ (229,346)

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Note 10 - Defined Benefit Pension Plan (Continued)

# REQUIRED SUPPLEMENTARY INFORMATION

# Schedule of Changes in the Political Subdivision's Net Pension Liability and Related Ratios

General government		2015
Total pension liability		
Service cost	\$	621,118
Interest		1,831,199
Changes of benefit terms		_
Differences between expected and actual experience		(101,261)
Changes in assumptions		_
Benefit Payments, including refunds of employee contributions		(1,577,871)
Net change in total pension liability		773,185
Total pension liability - beginning		26,948,916
Total pension liability - ending (a)	\$	27,722,101
		<u> </u>
Plan fiduciary net position		
Contributions - employer	\$	750,456
Contributions - employee		258,617
Net investment income		969,541
Benefit Payments, including refunds of employee contributions		(1,577,871)
Administrative expense		(13,637)
Other		(203)
Net change in plan fiduciary net position		386,903
Plan fiduciary net position - beginning		21,470,343
Plan fiduciary net position - ending (b)	\$	21,857,246
Political subdivision's net pension liability-ending (a) - (b)	_\$	5,864,855
Plan fiduciary net position as a percentage of the total		
Pension liability		78.84%
Covered-employee payroll for year ended June 30, 2016	\$	6,021,135
Political subdivision's net pension liability as a percentage		
of covered-employee payroll		97.40%

Note 10 - Defined Benefit Pension Plan (Continued)

# REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

School Non-professional		2015
Total pension liability		_
Service cost	\$	225,567
Interest		593,502
Changes of benefit terms		_
Differences between expected and actual experience		(18,675)
Changes in assumptions		-
Benefit Payments, including refunds of employee contributions		(475,913)
Net change in total pension liability		324,481
Total pension liability - beginning		8,716,557
Total pension liability - ending (a)	\$	9,041,038
	-	
Plan fiduciary net position		
Contributions - employer	\$	197,633
Contributions - employee		106,064
Net investment income		364,074
Benefit Payments, including refunds of employee contributions		(475,913)
Administrative expense		(5,083)
Other		(79)
Net change in plan fiduciary net position		186,696
Plan fiduciary net position - beginning		8,028,553
Plan fiduciary net position - ending (b)	\$	8,215,249
Political subdivision's net pension liability-ending (a) - (b)	\$	825,789
Plan fiduciary net position as a percentage of the total		
Pension liability		90.87%
Covered-employee payroll for year ended June 30, 2016	\$	2,461,085
Political subdivision's net pension liability as a percentage		
of covered-employee payroll		33.55%

Note 10 - Defined Benefit Pension Plan (Continued)

## REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

# Schedule of Employer Contributions For the Year Ended June 30, 2016

Genera	1 G	overnment (	Contr	ributions i	n				Contributions
			Re	lation to			E	mployer's	as of % of
	Co	ntractually	Con	tractually	Cont	ribution		Covered	Covered
		Required	F	Required	Def	iciency		Employee	Employee
	Co	ntribution	Cor	tribution	(E	xcess)		Payroll	Payroll
Date	(1) (2)		(2)	(3)		(4)		(5)	
2015	\$	750,270	\$	750,270	\$	_	\$	5,479,756	13.69%
2016		783,453		783,453		_		6,021,135	13.01%

# Schedule of Employer Contributions For the Year Ended June 30, 2016

School	Non	<u>-</u>	Contr	ibutions i	n				Contribution	ons
profe	essi	onal	Re:	lation to			E	mployer's	as of % o	£
	Con	tractually	Con	tractually	Cont	ribution		Covered	Covered	
	F	Required	R	equired	Def	iciency		Employee	Employee	•
	Cor	ntribution	Con	tribution	(E:	xcess)		Payroll	Payroll	
Date		(1)		(2)		(3)		(4)	(5)	
2015	\$	199,237	\$	199,237	\$	-	\$	2,321,227	٤	3.58%
2016		195,934		195,934		-		2,461,085	7	7.96%

The Schedule of Employer Contributions is intended to show information for 10 years. Since 2016 is the second year for this presentation, no other data is available. Additional years will be included as they become available.

### For Reference Only:

Column 1 - Employer required contribution rate multiplied by the employer's covered employee payroll.

Column 2 - Actual employer contribution remitted to VRS.

Column 4 - Employer's actual covered employee payroll amount for the fiscal year ended June 30 of Date column.

Note 10 - Defined Benefit Pension Plan (Continued)

# Notes to Required Supplemental Information For the Year Ended June 30, 2016

Changes of benefit terms - There have been no significant changes to the System benefit provisions since the prior actuarial valuation. A hybrid plan with changes to the defined benefit plan structure and a new defined contribution component were adopted in 2012. The hybrid plan applies to most new employees hired on or after January 1, 2014 and not covered by enhanced hazardous duty benefits. The liabilities presented do not reflect the hybrid plan since it covers new members joining the System after the valuation date of June 30, 2014 and the impact on the liabilities as of the measurement date of June 30, 2015 are minimal.

Changes of assumptions - The following changes in actuarial assumptions were made effective June 30, 2013 based on the most recent experience study of the System for the four year period ending June 30, 2012:

Largest 10 - Non-LEOS:

- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

Largest 10 - LEOS:

- Update mortality table
- Decrease in male rates of disability

All Others (Non 10 Largest) - Non-LEOS:

- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

All Others (Non 10 Largest) - LEOS:

- Update mortality table
- Adjustments to rates of service retirement for females
- Increase in rates of withdrawal
- Decrease in male and female rates of disability

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.

Annual Other Post-Employment Benefit Cost and Net OPEB Obligation

For the fiscal year ended June 30, 2016, the County and School Board's annual OPEB costs of \$20,581 and \$390,506, respectively, were greater than the Annual Required Contribution (ARC).

	Primary _Government	School Board
Annual required contribution Interest on net OPEB obligation Adjustment to annual required contribution Adjustment to ARC for employees no longer on plan	\$ 207,068 36,012 (52,192) (170,307)	\$ 426,340 91,847 (127,681)
Annual OPEB cost Less contributions made	20,581 (83,253)	390,506 (31,039)
Increase in net OPEB obligation Net OPEB obligation-beginning of year	(62,672) 1,565,755	(31,039) 2,296,183
Net OPEB obligation-end of year	\$ 1,503,083	\$ 2,265,144

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Note 11 - Other Post-Employment Benefits (Continued)

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	Anı	nual OPEB	Percentage of Annual OPEB Cost	Net OPEB		
Ending		Cost	Contributed	Obligation		
June 30, 2016	\$	20,581	0.0%	\$ 1,503,083		
June 30, 2015	\$	351,993	0.0%	\$ 1,565,755		
June 30, 2014	\$	351,993	0.0%	\$ 1,213,762		

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.

		Percentage of Annual	
Fiscal Year Ending	Annual OPEB Cost	OPEB Cost Contributed	Net OPEB Obligation
June 30, 2016	\$ 390,506	107.95%	\$ 2,265,144
June 30, 2015	\$ 360 <b>,</b> 316	100.6%	\$ 2,296,183
June 30, 2014	\$ 409,239	0.0%	\$ 2,319,090

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Note 11 - Other Post-Employment Benefits (Continued)

Funding Status and Funding Progress

The funding status of the plan as of July 1, 2015 was as follows:

	General Government	School Board
Actuarial Accrued Liability (AAL)	\$2,835,584 \$:	4,518,789
Actuarial Value of Plan Assets	_	_
Unfunded Actuarial Accrued Liability (UAAL)	2,835,584	4,518,789
Funded Ratio (Actuarial Value of Plan Assets/AAL) Covered Payroll (Active Plan Members)	0%	0% 22,509,776
UAAL as a Percentage of Covered Payroll	56.06%	20.07%

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

# 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 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.

Note 11 - Other Post-Employment Benefits (Continued)

In the actuarial valuation for the year ended June 30, 2016, the entry age normal cost method was used to determine liabilities. method, the 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. Under this 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 included a 2.3% and a 4.0% discount rate for the primary government and the school board, respectively. The assumptions also included that retiree contributions would increase in future years at the healthcare cost trend rate. unfunded accrued liability is being amortized over 30 years. The remaining amortization period at June 30, 2016 is 23 years.

## Funding Policy

The County and Schools currently fund post-employment health care benefits on a pay-as-you-go basis. During fiscal year 2016, the Schools made contributions of \$421,545 for the OPEB liability.

## 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.

Note 11 - Other Post-Employment Benefits (Continued)

The number of participants at June 30, 2016 was as follows:

	Primary Government	School Board
Retirees currently receiving benefits Active employees	10 91	67 353
Total	101	420

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

## Note 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 \$979,839 reported as landfill closure and post closure care liability at June 30, 2016 represents the cumulative amount reported. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County expects closure on the landfill in the next few years. These estimated amounts are based on what it would cost to perform all closure and post closure care in 2016.

## 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 Board participates with other localities in a public entity risk pool, the Virginia Association of Counties Self Insurance, for all types of insurance. The Component Unit School Board participates with other localities in a public entity risk pool, the Virginia Municipal League, for all of its insurance coverage. The County and its Component Unit School Board pay an annual premium to these pools for their insurance coverage. The agreement for the formation of the pools provides that the pools will be self-sustaining through member premiums. The County continues to carry commercial insurance for all other risks of losses. For the three previous fiscal years, settled claims from these risks have not exceeded commercial coverage.

### Note 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 2016 a total of \$3,465,544 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 \$3,465,544. Inter-fund premiums are based primarily upon the insured funds claims experience and are reported as quasi-external interfund transactions. The fund had \$0 health insurance claims payable at June 30, 2016.

### Note 16 - Interfund Transfers

Interfund transfers for the year ended June 30, 2016, consisted of the following:

Fund	Transfers In	<u>Transfers Out</u>					
Primary Government: General Fund School Fund	\$ - 6,005,009	\$ 6,005,009 					
Total	\$ 6,005,009	\$ 6,005,009					

Note 17 - Surety Bonds

	Amount
Fidelity and Deposits Company of Maryland - Surety	<del></del>
Mark A. "BO" Taylor, Clerk of the Circuit Court	\$200,000
Mitzi Owens, Treasurer	400,000
Gary Baker, Commissioner of the Revenue	10,000
John Puckett, Sheriff	30,000
VACO Risk Management Programs	
All School Board employees - blanket	250,000
VACorp - Surety	
Kathie Noe, County Administrator	100,000
All General Government employees - blanket	100,000
All Social Service employees - blanket	100,000

Note 18 - Fund Balances

		General Fund_	_	chool Fund	Other <u>Funds</u>		Total
Fund balances:							
Restricted for:							
Federal Seizure	\$	6,301	\$	-	\$ _	\$	6,301
Inmates		-					_
Courthouse Security		28,093					28,093
E-911		12,487					12,487
Coal and Roads					38,209		38,209
Law Library					12,402		12,402
Assigned for:							
Commonwealth Attorney		100,221					100,221
Weapons Permits		44,738					44,738
Courthouse Maintenance		55,319					55,319
Technology		37,404					37,404
Cafeteria				91,245			91,245
Insurance			2,	030,089		2	2,030,089
Unassigned	2	2,827,096		_	-	4	2,827,096
							<u> </u>

Total fund balances \$3,111,659 \$ 2,121,334 \$ 50,611 \$5,283,604

# Note 19 - Subsequent Events

Subsequent events have been evaluated as of December 31, 2016 which is the date the financial statements were issued.

Note 20 - New Accounting Standards

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

Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, Accounting and Financial Reporting for Pensions, as well as for the assets accumulated for purposes of providing those pensions. The requirements of this Statement for pension plans that are within the scope of Statement 67 or for pensions that are within the scope of Statement 68 are effective for fiscal years beginning after June 15, 2015.

Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, improves the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement replaces Statements No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple Employer Plans. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, as amended, Statement 43, and Statement No. This Statement is effective for financial 50, Pension Disclosures. statements for fiscal years beginning after June 15, 2016.

Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pension, improves accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). This Statement replaces the requirements of Statements No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple Employer Plans, for OPEB. Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, establishes new accounting and financial reporting requirements for OPEB plans. This Statement is effective for fiscal years beginning after June 15, 2017.

Note 20 - New Accounting Standards (Continued)

Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments, identifies—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). This Statement supersedes Statement No. 55, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015, and should be applied retroactively.

Statement No. 77, Tax Abatement Disclosures, increases the disclosure of information about tax abatement agreements. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015.

Statement No. 78, Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans, addresses the scope and applicability of Statement No. 68, Accounting and Financial Reporting for Pensions, for pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. The requirements of this Statement are effective for reporting periods beginning after December 15, 2015.

Statement No. 79, Certain External Investment Pools and Pool Participants, addresses accounting and financial reporting for certain external investment pools and pool participants, as determined by criteria established in the Statement. External investment pools that do not meet the criteria should apply the provisions in Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, as amended. The requirements of this Statement are effective for reporting periods beginning after June 15, 2015.

Statement No. 80, Blending Requirements for Certain Component Units—An Amendment of GASB Statement No. 14, amends the blending requirements, established in Statement No. 14, The Financial Reporting Entity, for the financial statement presentation of component units of all state and local governments. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016.

Statement No. 81, Irrevocable Split-Interest Agreements, provides recognition and measurement guidance for situations in which a government is a beneficiary of irrevocable split-interest agreements. The requirements of this statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively.

Note 20 - New Accounting Standards (Continued)

Statement No. 82, Pension Issues—An Amendment of GASB Statements No. 67, No. 68, and No. 73, addresses issues in Statements No. 67, No. 68, and No. 73 regarding the presentation of payroll-related measures in required supplementary information, the selection of assumptions and treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and the classification of payments made by employers to satisfy employee contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016.

Required Supplementary Information

Combining and Individual Fund Statements and Schedules

Revenues:   General property taxes   \$10.894.700   \$10.894.700   \$10.805.616   \$(89.084)   \$0.000   \$10.805.616   \$(89.084)   \$0.000   \$10.805.616   \$(89.084)   \$0.000   \$10.805.616   \$(89.084)   \$0.000   \$10.805.616   \$(89.084)   \$0.000   \$10.805.616   \$(89.084)   \$0.000   \$1.000.805.616   \$(89.084)   \$0.000   \$1.000.805.616   \$(89.084)   \$0.000   \$1.000.805.616   \$(89.084)   \$0.0000		General Fund						
General property taxes         \$10,894,700         \$10,894,700         \$10,805,616         \$ (89,084)           Other local taxes         3,274,500         3,274,500         3,138,283         (136,217)           Permits, privilege fees         49,291         50,800         72,092         21,292           Fines and forfeitures         63,200         130,556         199,654         69,098           Revenue from use of         97,000         97,000         97,508         508           Mary porperty         97,000         97,000         97,508         508           Charges for services         172,500         177,700         126,907         (50,793)           Miscellaneous         254,186         460,908         160,482         (300,426)           Recovered costs         1,338,914         1,331,714         362,479         (969,235)           Intergovernmental:         Commonwealth         7,395,045         7,399,942         5,167,950         (2,231,992)           Federal         27,544         32,044         1,758,820         1,726,776           Total revenues         23,566,880         23,849,864         21,889,791         (1,960,073)           Expenditures:         Current:           General government adm	Perrenues		Às	Actual	With Amended Budget Positive			
Other local taxes         3.274.500         3.274.500         3.138.283         (136.217)           Permits, privilege fees         49.291         50.800         72.092         21.292           Fines and forfeitures         63.200         130.556         199.654         69.098           Revenue from use of money & porperty         97.000         97.000         97.508         508           Charges for services         172.500         177.700         126.907         (50.793)           Miscellaneous         254.186         460.908         160.482         (300.426)           Recovered costs         1.338.914         1.331.714         362.479         (969.235)           Intergovernmental:         Commonwealth         7.395.045         7.399.942         5.167.950         (2.231.992)           Federal         27.544         32.044         1.758.820         1.726.776           Total revenues         23.566.880         23.849.864         21.889.791         (1.960.073)           Expenditures:         Current:         Current:         6eneral government administration         1.947.648         1.909.568         1.848.598         60.970           Judicial administration         1.496.388         1.515.254         1.369.524         145.730 <tr< td=""><td></td><td>\$ 10 894 700</td><td>\$ 10 894 700</td><td>\$ 10 905 £16</td><td>( ( ( 0 0 0 0 )</td></tr<>		\$ 10 894 700	\$ 10 894 700	\$ 10 905 £16	( ( ( 0 0 0 0 )			
Permits, privilege fees         49,291         50,800         72,092         21,292           Fines and forfeitures         63,200         130,556         199,654         69,098           Revenue from use of         money & porperty         97,000         97,000         97,508         508           Charges for services         172,500         177,700         126,907         (50,793)           Miscellaneous         254,186         460,908         160,482         (300,426)           Recovered costs         1,338,914         1,331,714         362,479         (969,235)           Intergovernmental:         Commonwealth         7,395,045         7,399,942         5,167,950         (2,231,992)           Federal         27,544         32,044         1,758,820         1,726,776           Total revenues         23,566,880         23,849,864         21,889,791         (1,960,073)           Expenditures:         Current:           General government administration         1,947,648         1,909,568         1,848,598         60,970           Judicial administration         1,496,388         1,515,254         1,369,524         145,730           Public safety         5,868,263         6,145,553         5,969,416	- · ·							
& regulatory licenses         49.291         50.800         72.092         21.292           Fines and forfeitures         63.200         130.556         199.654         69.098           Revenue from use of money & porperty         97.000         97.000         97.508         508           Charges for services         172,500         177.700         126,907         (50.793)           Miscellaneous         254.186         460.908         160.482         (300.426)           Recovered costs         1,338.914         1,331.714         362.479         (969.235)           Intergovernmental:         Commonwealth         7.395.045         7.399.942         5.167.950         (2.231.992)           Federal         27.544         32.044         1,758.820         1,726.776           Total revenues         23.566.880         23.849.864         21.889.791         (1.960.073)           Expenditures:         Current:         General government administration         1.947.648         1.909.568         1.848.598         60.970           Judicial administration         1.496.388         1.515.254         1.369.524         145.730           Public safety         5.868.263         6.145.553         5.969.416         176.137           Public works		3,274,300	3,274,300	3,130,203	(130,217)			
Fines and forfeitures Revenue from use of money & porperty 97.000 97.000 97.000 97.508 508 Charges for services 172.500 177.700 126.907 (50.793) Miscellaneous 254.186 460.908 160.482 (300.426) Recovered costs 1.338.914 1.331.714 362.479 (969.235) Intergovernmental: Commonwealth 7.395.045 7.399.942 5.167.950 (2.231.992) Federal 7.37.544 32.044 1.758.820 1.726.776  Total revenues 23.566.880 23.849.864 21.889.791 (1.960.073)  Expenditures: Current: General government administration 1.947.648 1.909.568 1.848.598 60.970 Judicial administration 1.496.388 1.515.254 1.369.524 145.730 Public safety 5.868.263 6.145.553 5.969.416 176.137 Public works 4.13.669 745.035 Education 27.064 27.064 27.064 27.064 27.064		49 291	50 800	72 092	21 292			
Revenue from use of money & porperty 97,000 97,000 97,508 508 Charges for services 172,500 177,700 126,907 (50,793) Miscellaneous 254,186 460,908 160,482 (300,426) Recovered costs 1,338,914 1,331,714 362,479 (969,235) Intergovernmental: Commonwealth 7,395,045 7,399,942 5,167,950 (2,231,992) Federal 27,544 32,044 1,758,820 1,726,776  Total revenues 23,566,880 23,849,864 21,889,791 (1,960,073)  Expenditures: Current: General government administration 1,947,648 1,909,568 1,848,598 60,970 Judicial administration 1,496,388 1,515,254 1,369,524 145,730 Public safety 5,868,263 6,145,553 5,969,416 176,137 Public works 2,079,592 2,099,418 1,992,734 106,684 Health and welfare 5,208,309 5,158,704 4,413,669 745,035 Education 27,064 27,064 27,064 -				•	,			
money & porperty         97,000         97,000         97,508         508           Charges for services         172,500         177,700         126,907         (50,793)           Miscellaneous         254,186         460,908         160,482         (300,426)           Recovered costs         1,338,914         1,331,714         362,479         (969,235)           Intergovernmental:         Commonwealth         7,395,045         7,399,942         5,167,950         (2,231,992)           Federal         27,544         32,044         1,758,820         1,726,776           Total revenues         23,566,880         23,849,864         21,889,791         (1,960,073)           Expenditures:         Current:           General government administration         1,947,648         1,909,568         1,848,598         60,970           Judicial administration         1,496,388         1,515,254         1,369,524         145,730           Public safety         5,868,263         6,145,553         5,969,416         176,137           Public works         2,079,592         2,099,418         1,992,734         106,684           Health and welfare         5,208,309         5,158,704         4,413,669         745,035		00,200	100,000	177,004	07,070			
Charges for services         172,500         177,700         126,907         (50,793)           Miscellaneous         254,186         460,908         160,482         (300,426)           Recovered costs         1,338,914         1,331,714         362,479         (969,235)           Intergovernmental:         Commonwealth         7,395,045         7,399,942         5,167,950         (2,231,992)           Federal         27,544         32,044         1,758,820         1,726,776           Total revenues         23,566,880         23,849,864         21,889,791         (1,960,073)           Expenditures:         Current:           General government administration         1,947,648         1,909,568         1,848,598         60,970           Judicial administration         1,496,388         1,515,254         1,369,524         145,730           Public safety         5,868,263         6,145,553         5,969,416         176,137           Public works         2,079,592         2,099,418         1,992,734         106,684           Health and welfare         5,208,309         5,158,704         4,413,669         745,035           Education         27,064         27,064         27,064         -7,064         -7,064		97.000	97.000	97 508	508			
Miscellaneous       254,186       460,908       160,482       (300,426)         Recovered costs       1,338,914       1,331,714       362,479       (969,235)         Intergovernmental:       Commonwealth       7,395,045       7,399,942       5,167,950       (2,231,992)         Federal       27,544       32,044       1,758,820       1,726,776         Expenditures:         Current:       300,426       32,849,864       21,889,791       (1,960,073)         Expenditures:       Current:         General government administration       1,947,648       1,909,568       1,848,598       60,970         Judicial administration       1,496,388       1,515,254       1,369,524       145,730         Public safety       5,868,263       6,145,553       5,969,416       176,137         Public works       2,079,592       2,099,418       1,992,734       106,684         Health and welfare       5,208,309       5,158,704       4,413,669       745,035         Education       27,064       27,064       27,064       -	• • •							
Recovered costs       1,338,914       1,331.714       362,479       (969,235)         Intergovernmental:       Commonwealth       7,395,045       7,399,942       5,167,950       (2,231,992)         Federal       27,544       32,044       1,758,820       1,726,776         Total revenues       23,566,880       23,849,864       21,889,791       (1,960,073)         Expenditures:         Current:       General government administration       1,947,648       1,909,568       1,848,598       60,970         Judicial administration       1,496,388       1,515,254       1,369,524       145,730         Public safety       5,868,263       6,145,553       5,969,416       176,137         Public works       2,079,592       2,099,418       1,992,734       106,684         Health and welfare       5,208,309       5,158,704       4,413,669       745,035         Education       27,064       27,064       27,064       -			•		• • •			
Intergovernmental:   Commonwealth   7,395,045   7,399,942   5,167,950   (2,231,992)     Federal   27,544   32,044   1,758,820   1,726,776     Total revenues   23,566,880   23,849,864   21,889,791   (1,960,073)     Expenditures:   Current:   General government administration   1,947,648   1,909,568   1,848,598   60,970     Judicial administration   1,496,388   1,515,254   1,369,524   145,730     Public safety   5,868,263   6,145,553   5,969,416   176,137     Public works   2,079,592   2,099,418   1,992,734   106,684     Health and welfare   5,208,309   5,158,704   4,413,669   745,035     Education   27,064   27,064   27,064   -					• • •			
Commonwealth Federal         7,395,045         7,399,942         5,167,950         (2,231,992)           Federal         27,544         32,044         1,758,820         1,726,776           Total revenues         23,566,880         23,849,864         21,889,791         (1,960,073)           Expenditures:           Current:           General government administration         1,947,648         1,909,568         1,848,598         60,970           Judicial administration         1,496,388         1,515,254         1,369,524         145,730           Public safety         5,868,263         6,145,553         5,969,416         176,137           Public works         2,079,592         2,099,418         1,992,734         106,684           Health and welfare         5,208,309         5,158,704         4,413,669         745,035           Education         27,064         27,064         27,064         -7,064         -	***************************************	-,,,,,,,,	2,002,123	002,1.7	(707,200)			
Federal 27,544 32,044 1,758,820 1,726,776  Total revenues 23,566,880 23,849,864 21,889,791 (1,960,073)  Expenditures: Current: General government administration 1,947,648 1,909,568 1,848,598 60,970 Judicial administration 1,496,388 1,515,254 1,369,524 145,730 Public safety 5,868,263 6,145,553 5,969,416 176,137 Public works 2,079,592 2,099,418 1,992,734 106,684 Health and welfare 5,208,309 5,158,704 4,413,669 745,035 Education 27,064 27,064 27,064 -		7 395 045	7 399 942	5 167 950	(2 231 992)			
Total revenues 23,566,880 23,849,864 21,889,791 (1,960,073)  Expenditures: Current: General government administration 1.947,648 1.909,568 1.848,598 60,970 Judicial administration 1.496,388 1.515,254 1.369,524 145,730 Public safety 5.868,263 6.145,553 5.969,416 176,137 Public works 2,079,592 2,099,418 1.992,734 106,684 Health and welfare 5,208,309 5,158,704 4,413,669 745,035 Education 27,064 27,064 27,064 -				• •				
Expenditures: Current: General government administration 1,947.648 1,909,568 1,848,598 60,970 Judicial administration 1,496,388 1,515,254 1,369,524 145,730 Public safety 5,868,263 6,145,553 5,969,416 176,137 Public works 2,079,592 2,099,418 1,992,734 106,684 Health and welfare 5,208,309 5,158,704 4,413,669 745,035 Education 27,064 27,064 27,064 -				271007020				
Current:       General government administration       1,947.648       1,909.568       1,848,598       60,970         Judicial administration       1,496,388       1,515.254       1,369,524       145,730         Public safety       5,868,263       6.145.553       5,969,416       176,137         Public works       2,079,592       2,099,418       1,992,734       106,684         Health and welfare       5,208,309       5,158,704       4,413,669       745,035         Education       27,064       27,064       27,064       -	Total revenues	23,566,880	23,849,864	21,889,791	(1,960,073)			
General government administration       1,947.648       1,909,568       1,848,598       60,970         Judicial administration       1,496,388       1,515,254       1,369,524       145,730         Public safety       5,868,263       6,145,553       5,969,416       176,137         Public works       2,079,592       2,099,418       1,992,734       106,684         Health and welfare       5,208,309       5,158,704       4,413,669       745,035         Education       27,064       27,064       27,064       -								
Judicial administration     1,496,388     1,515,254     1,369,524     145,730       Public safety     5,868,263     6,145,553     5,969,416     176,137       Public works     2,079,592     2,099,418     1,992,734     106,684       Health and welfare     5,208,309     5,158,704     4,413,669     745,035       Education     27,064     27,064     27,064     -								
Public safety       5,868,263       6.145,553       5,969,416       176,137         Public works       2,079,592       2,099,418       1,992,734       106,684         Health and welfare       5,208,309       5,158,704       4,413,669       745,035         Education       27,064       27,064       27,064       -	<del>-</del>				•			
Public works       2,079,592       2,099,418       1,992,734       106,684         Health and welfare       5,208,309       5,158,704       4,413,669       745,035         Education       27,064       27,064       27,064       -								
Health and welfare         5,208,309         5,158,704         4,413,669         745,035           Education         27,064         27,064         27,064         -					•			
Education 27,064 27,064 -				• •	•			
					745,035			
Parks, recreation, & cultural 532,585 539,301 520,613 18,688				•	-			
				•	•			
Community development 698,884 746,855 726,951 19,904  Debt service:		698,884	746,855	726,951	19,904			
Principal retirement 199,288 173,458 182,596 (9.138)				182,596	(9,138)			
Interest & other fiscal charges	Interest & other fiscal charges	15,789	41,619	14,467	27,152			
Total expenditures 18,073,810 18,356,794 17,065,632 1,291,162	Total expenditures	18,073,810	18,356,794	17,065,632	1,291,162			
Excess (deficiency) of	Excess (deficiency) of							
revenues over expenditures 5,493,070 5,493,070 4,824,159 (668,911)	* **	5,493,070	5,493,070	4,824,159	(668,911)			
Other financing sources (uses):								
Operating transfers in		<del>-</del>	<del>_</del>		-			
Operating transfers out         (5,746,858)         (5,746,858)         (6,005,009)         (258,151)           Transfers from primary government		(5,746,858)	(5,746,858)	(6,005,009)	(258,151)			
Total other financing sources (uses) (5,746,858) (5,746,858) (6,005,009) (258,151)	Total other financing sources (uses)	(5,746,858)	(5,746,858)	(6,005,009)	(258,151)			
Excess (deficiency) of revenues & other sources over expenditures & other uses (253,788) (253,788) (1.180,850) (927,062)	* * * * * * * * * * * * * * * * * * * *	(253,788)	(253,788)	(1,180,850)	(927,062)			
Fund balances at beginning of year (1,450,396) (1,450,396) 4,292,509 5,742,905	Fund balances at beginning of year	(1,450,396)	(1,450,396)	4,292,509	5,742,905			
Fund balances at end of year \$ (1,704,184) \$ (1,704,184) \$ 3,111,659 \$ 4,815,843	Fund balances at end of year	\$ (1,704,184)	\$ (1,704,184)	\$ 3,111,659	\$ 4,815,843			

Expendable Agency Funds Trust Deferred Payroll Local Comp Special Withholding Sales Tax <u>Velfare</u> Fund Fund Fund Totals Assets: \$ 9,952 Cash and cash equivalents 9,952 \$ ŝ \$ \$ Cash with sheriff Due from other government 259,701 units 259,701 45,244 Amount due from others 45,244 2,752,819 Investments 2,752,819 Total assets \$2,752,819 \$ 9,952 \$ 45,244 \$ 259,701 \$ 3,067,716 Liabilities: \$ \$ \$ \$ 239,418 Due to primary government \$ 239,418 Due to other government units Amounts due to others Amounts held for others 45,244 45,244 9,952 2,752,819 20,283 2,783,054 <u>\$ 9,952</u> <u>\$ 45,244</u> <u>\$ 259,701</u> <u>\$ 3,067,716</u> Total liabilities

\$2,752,819

Discretely Presented Component Unit - School Board

		Governmental	Fund Types		Proprietary Fund Type	
No. of the last of	School Operating Fund	School Food Service Fund	School Debt Fund	Scott County Head Start	School Insurance Fund	Totals
Assets: Cash & cash equivalents	\$ 6.318	\$ 91.346	s –	<b>\$</b> -	\$2.030.089	\$ 2,127,753
Cash with head start Other current assets Due from other governmental	548,436	-	-	21.776	- -	570,212
units	758,237	-	-	-	_	758,237
Due from primary government	1,779,659		<del></del>			1,779,659
Total Assets	\$3,092,650	\$ 91,346	\$ -	\$ 21,776	\$2,030.089	\$ 5,235,861
Liabilities: Accounts payable Accrued salaries Health insurance payable	\$ 228.547 2.864.103	\$ 101 - -	\$ - - -	\$ 21.776 	\$ - -	\$ 250.424 2.864.103
Total Liabilities	3.092.650	101		21.776	<del></del>	3.114.527
Fund balance: Assigned Unassigned		91.245		<u>-</u>	2.030.089	2.121.334
Total Fund Balance		91,245	<del>-</del>		2.030.089	2.121.334
Total Liabilities & Fund Balance	\$3,092.650	\$ 91,346	<u> </u>	\$ 21,776	\$2,030.089	

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.

38,004,042

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.

(42.741.685)

Net assets of General Government Activities

\$ (2.616.309)

		Governmental	Fund Tunne		Proprietary Fund Type	
	School Operating Fund	School Food Service Fund	School Debt Service	Scott County Head Start	School Insurance Fund	Totals
Revenues: Revenue from use of money					Fund	
and property Charges for services Miscellaneous	\$ 500 29,543 119,157	\$ - 538,408	s 80 -	\$ _ - 404.354	\$ _ 4,569,502	\$ 5,137,453 5,137,511
Recovered costs Intergovernmental:	43,514	-	=	404,354	- -	43,514
Conmonwealth Federal	26,169,671 1,856,853	33,139 1,199,081		1,362,548		26,202,810 4,418,482
Total revenues	28,219,238	1,770,628	80	1,766,902	4,569,502	36,326,350
Expenditures: Current Education	24 202 242	1 000 000	07. 704	4 844 000		
Total expenditures	34,203,263	1,923,829	87,721 87,721	1,766,902	3,465,544	41,447,259
Excess (deficiency) of revenues	34,203,203	1,723,027		1,768,302	3,405,544	41,447,237
over(under) expenditures	(5.984.025)	(153,201)	(87,641)	-	1,103,958	(5,120,909)
Other financing sources (uses): Operating transfers in Operating transfers out	5,984,025	20,984 -	- -	<u>-</u>	<u>-</u>	6,005,009
Proceeds from indebtness Transfer from/(to) primary debt						
Total other financing sources	5,984,025	20,984				6,005,009
Excess (deficiency) of revenues & other sources over expenditure & other uses	-	(132,217)	(87,641)	_	1,103,958	884,100
Fund balances at beginning of year		223,462	87,641		926,131	1,237,234
Fund balances at end of year	<u> </u>	\$ 91,245	<u> </u>	\$ -	\$2,030,089	s 2,121,334
Amount reported for governmental act are different because:	tivities in the st	atement of act	ivities			
Net changes in fund balances - total	l governmental fur	ds				\$ 884,100
Some expenses reported in the states current financial resources and, the governmental activities.						1 252 702
governmental activities.  1,252,783  Governmental funds report capital outlays as expenditures. However, in the						1,232,783
statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. (540.580)						
Change in net position of governmental activities						\$ 1,596,303

COUNTY OF SCOTT, VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD
For the Year Ended June 30, 2016

	School Operating Fund					
	Original Budget	Budget As Amended	Variance From Amended Positive (Negative)			
Revenues:						
Revenue from use of money						
and property	\$ 5,000	\$ 5,000	\$ 500	\$ (4.500)		
Charges for services Miscellaneous	35,000	35,000	29,543 119,157	(5.457)		
Recovered costs	278,675	278,675	(159.518)			
***************************************	12,000	12.000	43,514	31,514		
Intergovernmental:	26 402 227	26 402 007	26.169.671	(212 256)		
Commonwealth	26,483,027	26,483,027	(313,356)			
Federal	1,984,102	1,984,102	1,856,853	(127,249)		
Total revenues	28,797,804	28,797,804	(578,566)			
Expenditures:						
Current						
Education	34.005.098	34,005,098	34.203.263	(198.165)		
Total expenditures	34,005,098	34,005,098	34,203,263	(198,165)		
Excess (deficiency) of revenues						
over(under) expenditures	(5,207,294)	(5,207,294)	(5,984,025)	(776,731)		
Other financing sources (uses):						
Operating transfers in	5,576,130	5.576.130	5,984,025	407.895		
Operating transfers out	-	-	_	-		
Proceeds from indebtness	_	_	_	-		
Transfer from/(to) primary debt	(368,836)	(368,836)		368,836		
Total other financing sources	5.207.294	5,207,294	5,984,025	776,731		
Excess (deficiency) of revenues & other sources over expenditure & other uses	<del>-</del>	-	-	-		
Fund balances at beginning of year						
Fund balances at end of year	<u> </u>	<u>s -</u>	\$ -	\$ -		

COUNTY OF SCOTT, VIRGINIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL

DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD
For the Year Ended June 30, 2016

	School Food Service Fund								
	Original Budget		Budget As Amended			Actual		Variance From Amended Positive (Negative)	
Revenues:									
Revenue from use of money	_		_		_		_		
and property	\$	770 505	\$	-	\$	-	\$	(000 447)	
Charges for services Miscellaneous		770,525		770,525		538,408		(232,117)	
Recovered costs		-		-		•		•	
Intergovernmental:		-		•		-		•	
Commonwealth		43,697		43,697		33,139		(10,558)	
Federal		1,225,700	1	,225,700		1,199,081		(26,619)	
		1,220,700		1220,700		1,100,001		(20,010)	
Total revenues		2,039,922	2	,039,922		1,770,628		(269,294)	
Expenditures:									
Current									
Education		2,039,922	2	,039,922		1,923,829		116,093	
Total expenditures		2,039,922	2	,039,922		1,923,829		116,093	
Excess (deficiency) of revenues									
over(under) expenditures		-		-		(153,201)		(153,201)	
Other financing sources (uses):									
Operating transfers in		-		-		20,984		20,984	
Operating transfers out		-		-		•		-	
Proceeds from indebtness		-		•		-		-	
Transfer from/(to) primary debt		-						-	
Total other financing sources		•				20,984		20,984	
Excess (deficiency) of revenues & other sources over expenditure & other uses		-		-		(132,217)		(132,217)	
Fund balances at beginning of year		<u>.</u>				223,462		223,462	
Fund balances at end of year	. \$		\$		\$	91,245	\$	91,245	
							_		

For the Year Ended June 30, 2016

School Debt Service Variance From Budget Amended Original As Positive Budget Amended Actual (Negative) Revenues: Revenue from use of money and property \$ 80 80 Charges for services Miscellaneous Recovered costs Intergovernmental: Commonwealth Federal 80 80 Total revenues Expenditures: Current Education 87,721 (87,721) Total expenditures 87,721 (87,721) Excess (deficiency) of revenues over(under) expenditures (87,641) (87,641) 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 (87,641) (87,641) Fund balances at beginning of year 87,641 87,641 Fund balances at end of year

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COUNTY OF SCOTT, VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL

DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD

For the Year Ended June 30, 2016

Fund balances at end of year

EXHIBIT 14
Page 4 of 5

Scott County Head Start Variance From Budget Amended Original Às Positive Budget Amended Actual (Negative) Revenues: Revenue from use of money and property \$ \$ \$ Charges for services Miscellaneous 404,354 404,354 Recovered costs Intergovernmental: Commonwealth 1,362,548 Federal 1,257,539 1,257,539 105,009 Total revenues 1,257,539 1,257,539 1,766,902 509,363 Expenditures: Current Education 1,257,539 1,257,539 1,766,902 (509, 363)Total expenditures 1,257,539 1,257,539 1,766,902 (509,363) 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

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COUNTY OF SCOTT, VIRGINIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL

DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD

For the Year Ended June 30, 2016

EXHIBIT 14
Page 5 of 5

	School Insurance Fund							
	Budget Original As Budget Amended		dget As	Actual		Variance From Amended Positive (Negative)		
Revenues:								
Revenue from use of money			_		_		_	
and property	\$	•	\$	-	\$		\$	
Charges for services		•		-		4,569,502		4,569,502
Miscellaneous		•		•		-		-
Recovered costs		•		•		-		-
Intergovernmental: Commonwealth								
Federal		_		-		-		-
1000101		<del></del>		<del>-</del> _				<del></del>
Total revenues				-		4,569,502		4,569,502
Expenditures:								
Current								
Education						3,465,544		(3,465,544)
Total expenditures						3,465,544		(3,465,544)
Excess (deficiency) of revenues								
over(under) expenditures		•		-		1,103,958		1,103,958
Other financing sources (uses):								
Operating transfers in		•		-		-		-
Operating transfers out		•		•		-		-
Proceeds from indebtness Transfer from/(to) primary debt		-		•		•		-
Transfer from/(to) primary debt		<del></del>		<del></del>		<del></del>		<u> </u>
Total other financing sources		<u> </u>		•		<u> </u>		-
Excess (deficiency) of revenues & other sources over expenditure								
& other uses		•		-		1,103,958		1,103,958
Fund balances at beginning of year				•		926,131		926,131
Fund balances at end of year	\$	_	\$	-	\$	2,030,089	\$	2,030,089

Proprietary Fund - Discretely Presented Component Unit

	Discretely Presented Component Units						
	Economic	Public					
	Development	Service					
Assets:	Authority	<u>Authority</u>	Total				
Current assets:							
Cash and cash equivalents Receivables (net of allowance)	\$ 3,887,084	\$ 1,716,146	\$ 5,603,230				
Accounts receivable	1,000	495,546	496,546				
Inventory Other current assets	104 000	81,231	81,231				
Due from other governments	104,998 197,171	121,071 70,181	226,069 267,352				
<u>-</u>							
Total current assets	4,190,253	2,484,175	6,674,428				
Noncurrent assets:							
Capital assets:							
Land	5,226,835	2,959,280	8,186,115				
Buildings & equipment, net of depreciation	18,658,547	46,885,859	65,544,406				
Motol non-money access	02 005 200	40 045 130	72 722 521				
Total noncurrent assets	23,885,382	49,845,139	73,730,521				
Other assets:							
Restricted cash in bank	6,641	195,290	201,931				
Notes receivable Unamortized bond costs	106,936	<b>_</b>	106,936				
Total other assets	113,577	195,290	308,867				
Total assets	28,189,212	52,524,604	80,713,816				
Deferred Outflows of Resources:		60.070	50.070				
Deferred pensions		68,870	68,870				
Total Deferred Outflows of Resource	<u> </u>	68,870	68,870				
Liabilities:							
Current liabilities:							
Accounts payable &							
accrued expenses	\$ 1,879,543	\$ 343,949	\$ 2,223,492				
Current portion of							
long-term obligations	189,000	922,873	1,111,873				
Total current liabilities	2,068,543	1,266,822	3,335,365				
Noneuwent lighilities.							
Noncurrent liabilities: Compensated absences	22,680	129,095	151,775				
Amounts held for others	4,074	188,069	192,143				
Other post employment benefits	-	321,274	321,274				
Net pension liability, long-term	-	163,166	163,166				
Noncurrent portion of long-term obligations	7,442,015	18,442,737	25,884,752				
			•				
Total noncurrent liabilities	7,468,769	19,244,341	26,713,110				
Total liabilities	9,537,312	20,511,163	30,048,475				
Deferred Inflows of Resources: Deferred pensions		56,655	56,655				
Total Deferred Inflows of Resource		56,655	56,655				
Net position: Invested in capital assets,							
net of related debt	14,348,070	30,479,529	44,827,599				
Restricted for other purposes Unrestricted	4,303,830	195,290 1,350,837	195,290 5,654,667				
Total net position	18,651,900	32,025,656	50,677,556				
Total liabilities & net position	\$28,189,212	\$52,593,474	\$80,782,686				

	Discretely Presented Component Units						
	Economic	Public					
	Development Authority	Service	Total				
	Authority	Authority	10141				
Operating revenues:							
Charges for services	\$ -	\$ 3,446,330	\$ 3,446,330				
Rental income	328,053	_	328,053				
Grants	1,179,769	_	1,179,769				
Miscellaneous	6,766	80,186	86,952				
Total operating revenue	1,514,588	3,526,516	5,041,104				
Operating expenses:							
Wages and benefits	169,264	1,197,211	1,366,475				
Other operating expenses	458,309	2,640,918	3,099,227				
			<del></del>				
Total operating expense	627,573	3,838,129	4,465,702				
Operating income (loss)	887,015	(311,613)	575,402				
Nonoperating revenues (expenses):							
Interest earned	10,695	9,758	20,453				
Connection fees	-	51,863	51,863				
Other non operating revenues/expense	-	-	_				
Interest expense	<u>(197,374)</u>	(249,516)	(446,890)				
Total nonoperating							
revenues (expenses)	(186,679)	(187,895)	(374,574)				
Capital contributions		699,192	699,192				
Increase (decrease) in net							
position	700,336	199,684	900,020				
•							
Prior Period Adjustment	-	-	-				
Net position at beginning of year	17,951,564	31,825,972	49,777,536				
Net position at end of year	\$ 18,651,900	\$ 32,025,656	\$ 50,677,556				

	Discretely	Presented Compo	ment Units
	Economic Development	Public Service	
	Authority	<u>Authority</u>	Total
Cash flows from operating activities:			
Receipts from customers & users	\$ 1,442,340	\$ 3,467,123	\$ 4,909,463
Payments to suppliers	(562,676)	(826,731)	(1,389,407)
Payments to employees for services		(1,300,913)	(1,300,913)
Net cash provided(used) by operating activities	879,664	1,339,479	2,219,143
Cash flows from capital & related			
financing activities:			
Connection fee	-	51,863	51,863
Other nonoperating revenues  Loans to industries	-	-	-
Purchase of fixed assets	(3,411,535)	(955,931)	(4,367,466)
Principal on debt	(128,341)	(881,728)	(1,010,069)
Proceeds from indebtness	1,902,745	326,085	2,228,830
Interest on debt	-	(276,638)	(276,638)
Proceeds from loans & grants		745,197	745,197
Net cash used in capital & related financing activities	(1,637,131)	(991,152)	(2,628,283)
Cash flows from investing activities:			
Interest earned		9,758	9,758
Net cash provided by investing activities		9,758	9,758
Increase (decrease) in cash & cash equivalents	(757,467)	358,085	(399,382)
Cash & cash equivalents at beginning of year	4,651,192	1,674,422	6,325,614
Cash & cash equivalents at end of year	\$ 3,893,725	\$ 2,032,507	\$ 5,926,232
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 700,336	\$ (311,613)	\$ 388,723
Adjustments to reconcile net income (loss) to net cash			
provided by operations: Depreciation	289,491	1,721,165	2,010,656
Amortization	-	1,721,103	-
Bad debts	_	_	-
Gain on sale of assets	-	_	_
Post employment benefits	_	5,412	5,412
Net pension obligation	-	(32,324)	(32,324)
Changes in operating assets & liabilities:			
Accounts receivable	(82,943)	(59,382)	(142,325)
Inventory	-	1,700	1,700
Other assets	/14 2043	- 24,352	9,958
Accounts payable Customer deposits	(14,394)	(11)	(11)
Accrued leave & benefits	(12,826)	(9,820)	(22,646)
Total adjustments	179,328	1,651,092	1,830,420
Net cash provided (used) by operating activities	\$ 879,664	\$ 1,339,479	\$ 2,219,143

Non-Major Governmental Funds

COUNTY OF SCOTT, VIRGINIA NON-MAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET June 30, 2016

	Special Revenue Funds						
	Coal Road Improvement Fund	Law Library Fund	Totals				
Assets:							
Cash & cash equivalents Accounts receivable	\$ 38,209 	\$ 12,259 293	\$ 50,468 293				
Total assets	\$ 38,209	\$ 12,552	\$ 50,761				
Liabilities: Accounts payable Accrued expenses	\$ <u>-</u>	\$ 150 	\$ 150 				
Total liabilities		150	150				
Fund balance:							
Restricted	38,209	12,402	50,611				
Total fund balance	38,209	12,402	50,611				
Total liabilities & fund balance	\$ 38,209	\$ 12.552	\$ 50,761				

	Special Revenue Funds					
	Coal Road Improvement Fund	Law Library Fund	Totals			
Revenues: Revenues from local sources:						
Other taxes Permits, privilege fees	\$ 2.019	\$ -	\$ 2.019			
& regulatory licenses	_	_	-			
Charges for services Intergovernmental	_	3,190	3,190			
Intergovernmentar						
Total revenues	2,019	3,190	5,209			
Expenditures:						
Judicial administration	_	3,284	3,284			
Public safety Public works	-	_	-			
Fublic works	1,009		1,009			
Total expenditures	1,009	3,284	4.293			
Excess (deficiency) of						
revenues over expenditures	1,010	(94)	916			
Other financing sources (uses):						
Operating transfers in	_	-	-			
Operating transfers out		<del></del>				
Total other financing sources						
Excess (deficiency) of revenues & other sources over expenditure						
& other uses	1,010	(94)	916			
Fund balance at beginning						
of year	37,199	12.496	49,695			
Fund balance at end						
of year	\$ 38,209	\$ 12,402	\$ 50,611			

COUNTY OF SCOTT, VIRGINIA
NON-MAJOR GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL

Note		Coal Road Improvement Fund							
Revenues from local sources:     Other taxes		-	As	Actual	From Amended Positive				
Other taxes         \$ 35,000         \$ 35,000         \$ 2,019         \$ (32,981)           Permits, privilege fees         -         -         -         -           & regulatory licenses         -         -         -         -           Charges for services         -         -         -         -           Intergovernmental         -         -         -         -           Total revenues         35,000         35,000         2,019         (32,981)           Expenditures:         Judicial administration         -         -         -         -           Judicial administration         -         -         -         -         -         -           Public safety         -	Revenues:				-				
Charges for services   -   -   -   -   -	Other taxes Permits, privilege fees	\$ 35,000	\$ 35,000	\$ 2,019	\$ (32,981)				
Total revenues		-	-	-	_				
Total revenues   35,000   35,000   2,019   (32,981)		-	-	-	-				
Expenditures:   Judicial administration   -   -   -   -	Intergovernmental								
Judicial administration         -	Total revenues	35,000	35,000	2,019	(32,981)				
Judicial administration         -	Expenditures:								
Public safety         -         <		_	_	_	_				
Public works         35,000         35,000         1,009         33,991           Total expenditures         35,000         35,000         1,009         33,991           Excess (deficiency) of revenues over expenditures         -         -         1,010         1,010           Other financing sources (uses):		_	_	_	_				
Total expenditures 35,000 35,000 1,009 33,991  Excess (deficiency) of revenues over expenditures - 1,010 1,010  Other financing sources (uses): Operating transfers in		35 000	35 000	1 000	22 001				
Excess (deficiency) of revenues over expenditures 1,010 1,010  Other financing sources (uses): Operating transfers in	rubiic works	33,000	35,000	1,009	33,331				
revenues over expenditures 1,010 1,010  Other financing sources (uses): Operating transfers in Operating transfers out  Total other financing sources  Excess (deficiency) of revenues & other sources over expenditure & other uses 1,010 1,010  Fund balances at beginning of year 37,199 37,199  Fund balance at end	Total expenditures	35,000	35,000	1,009	33,991				
revenues over expenditures 1,010 1,010  Other financing sources (uses): Operating transfers in Operating transfers out  Total other financing sources  Excess (deficiency) of revenues & other sources over expenditure & other uses 1,010 1,010  Fund balances at beginning of year 37,199 37,199  Fund balance at end	Excess (deficiency) of								
Operating transfers in		-	_	1,010	1,010				
Operating transfers in				•	·				
Operating transfers out									
Total other financing sources  Excess (deficiency) of revenues & other sources over expenditure & other uses 1,010 1,010  Fund balances at beginning of year 37,199 37,199  Fund balance at end		-	-	-	-				
Excess (deficiency) of revenues & other sources over expenditure & other uses 1,010 1,010  Fund balances at beginning of year 37,199 37,199  Fund balance at end	Operating transfers out								
other sources over expenditure & other uses 1,010 1,010  Fund balances at beginning of year 37,199 37,199  Fund balance at end	Total other financing sources	-							
Fund balances at beginning of year 37,199 37,199  Fund balance at end	other sources over expenditure								
of year 37,199 37,199  Fund balance at end	& other uses	-	-	1,010	1,010				
Fund balance at end									
	of year			37,199	37,199				
	Fund balance at end								
	of year	<u> </u>	\$ -	\$ 38,209	\$ 38,209				

EXHIBIT 20 Page 2 of 2

	Law Library Fund							
		Budget Original As Budget Amended		As	Ac	ctual	Ar Po	riance From mended sitive gative)
Revenues:			•					
Revenues from local sources: Other taxes Permits, privilege fees & regulatory licenses	\$	-	\$	-	\$	-	\$	<del></del>
Charges for services	:	12,384		12,384		3,190		(9,194)
Intergovernmental								
Total revenues		12,384		12,384		3,190		(9,194)
Expenditures:								
Judicial administration	:	12,384		12,384		3,284		9,100
Public safety		· <del>-</del>		· <b>-</b>		-		<b>-</b>
Public works		<u> </u>		<del></del>				
Total expenditures	:	12,384		12,384		3,284		9,100
Excess (deficiency) of								
revenues over expenditures		-		-		(94)		(94)
Other financing sources (uses):								
Operating transfers in Operating transfers out		_		<del>-</del>		<u>-</u>		<u>-</u>
Operacing cransiers out								
Total other financing sources		<del></del>						
Excess (deficiency) of revenues & other sources over expenditure								
& other uses		-		-		(94)		(94)
Fund balances at beginning						12 406		12 400
of year		<del>-</del>				12,496		12,496
Fund balance at end						10.400		12 402
of year	<del>===</del>		\$		<del>-</del>	12,402	<del>\$</del>	12,402

Supporting Schedules

For the Year Ended June 30, 2016  $\,$ 

Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended Positive (Negative)
Primary Government:				
General Fund:				
Revenue from local sources: General property taxes:				
Real property taxes	\$ 8.212.700	\$ 8,212,700	\$ 8,094,349	\$ (118,351)
Real & personal public service	V 0,212,700	V 0,212,700	V 0,071,017	V (110,001)
corporation property taxes	870,000	870,000	909,165	39,165
Personal property taxes	1,050,000	1,050,000	1,057,042	7,042
Machinery and tools taxes	205,000	205,000	156,135	(48,865)
Merchants capital	222,000	222,000	209,230	(12,770)
Mobile home taxes Penalties	85,000 150,000	85,000 150,000	86,066 159,168	1,066 9,168
Interest	100,000	100,000	134,461	34,461
TOTAL GENERAL PROPERTY TAXES	10,894,700	10,894,700	10,805,616	(89,084)
Other local taxes:				
Local sales & use taxes	1,500,000	1,500,000	1,368,195	(131,805)
Consumer utility tax	410,000	410,000	401,571	(8,429)
Local cell phone tax	800,000	800,000	755,526	(44,474)
Gross receipts - utility	75,000	75,000	68,840	(6,160) 16,953
Motor vehicle licenses Bank franchise taxes	400,000 25,000	400,000 25,000	416,953 20.075	(4,925)
Transient lodging tax	3,500	3,500	3,003	(497)
Tax on wills	5,000	5,000	4,027	(973)
Recordation tax	50,000	50,000	95,686	45,686
Coal severance tax	6,000	6,000	4,407	(1,593)
TOTAL OTHER LOCAL TAXES	3,274,500	3,274,500	3,138,283	(136,217)
Permits, privilege fees &				
regulatory license: Animal licenses	3,000	3,000	1.870	(1,130)
Transfer fees	1,000	1,000	868	(132)
Building and related permits	24,450	24,450	23,981	(469)
Veapons permits	16,041	17,550	16,649	(901)
Permits and other licenses	4,800	4,800	28.724	23,924
TOTAL PERMITS, PRIVILEGE FEES				
& REGULATORY LICENSES	49,291	50,800	72,092	21,292
Fines and forfeitures:				
Court fines and forfeitures	63,200	130,556	199,654	69,098
TOTAL FINES & FORFEITURES	63,200	130,556	199,654	69,098
Revenue from use of money & property:				
Revenue from use of money	1,000	1,000	1,426	426
Revenue from use of property	96,000	96,000	96,082	82
TOTAL REVENUE FROM USE OF				
MONEY & PROPERTY	97,000	97,000	97,508	508
Charges for services:				
Charges for recreation	97,000	97,000	69,138	(27,862)
Charges for NARF collections	· <del>-</del>	5,200	13	(5,187)
Charges for waste				
collection & disposal	75,000	75,000	57,385	(17,615)
Room and board animals	500	500	371	(129)
TOTAL CHARGES FOR SERVICES	172,500	177,700	126,907	(50,793)

COUNTY OF SCOTT, VIRGINIA

GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS

STATEMENT OF REVENUES - BUDGET AND ACTUAL

For the Year Ended June 30, 2016

Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended Positive (Negative)
Miscellaneous revenue: Miscellaneous Payments in lieu of taxes for	170,186	376,908	46,147	\$ (330,761)
enterprise activities	84,000	84,000	114,335	30,335
TOTAL MISCELLANEOUS REVENUE	254,186	460,908	160,482	(300,426)
Recovered costs:				
Other recovered cost	1,338,914	1,331,714	362,479	(969,235)
TOTAL RECOVERED COSTS	1,338,914	1,331,714	362,479	(969,235)
TOTAL REVENUE FROM LOCAL SOURCES	16,144,291	16,417,878	14,963,021	(1,454,857)
Revenue from the Commonwealth: Noncategorical aid:				
Mobile home titling taxes	70,000	70,000	44,510	(25,490)
Tax on deeds	15,000	15,000	21,737	6,737
Rolling stock tax	141,000	141,000	129,007	(11,993)
Personal property tax relief	734,026	734.026	734,026	
TOTAL NONCATAGORICAL AID	960,026	960,026	929,280	(30,746)
Categorical aid:				
Shared expenses: Commonwealth's attorney	360,003	361,394	352,207	(9,187)
Sheriff	1,343,523	1,343,523	1,338,623	(4,900)
Commissioner of the Revenue	102,838	102,838	98,597	(4,241)
Treasurer	103,816	103,816	102,372	(1,444)
Clerk of the Circuit Court	309,010	309,010	329,578	20,568
Registrar/electoral board	37,740	37,740	36,590	(1,150)
Office of emergency services	6,000	6,000	_	(6,000)
Four for life	40,000	40,000	19,920	(20,080)
TOTAL SHARED EXPENSES	2,302,930	2,304,321	2,277,887	(26,434)
Other categorical aid:				
Welfare administration and				
assistance	3,287,406	3,287,406	1,095,946	(2,191,460)
CMPT Domestic Violance	658,962 40,000	658,962 40,000	613,591 51,832	(45,371) 11,832
Victim witness grant	44,221	44,221	45,548	1,327
Local law enforcement	30,000	30,000	31,547	1,547
Litter control	11,500	11,500	12,002	502
Fire programs	60,000	60,000	60,728	728
Wireless E911 grant	_	3,506	45,867	42,361
Asset forfeiture grant			3,722	3,722
TOTAL OTHER CATEGORICAL AID	4,132,089	4,135,595	1,960,783	(2,174,812)
TOTAL CATEGORICAL AID	6,435,019	6,439,916	4,238,670	(2,201,246)
TOTAL REVENUE FROM THE COMMONWEALTH	7,395,045	7,399,942	5,167,950	(2,231,992)

SCHEDULE 1 Page 3 of 5

Fund, Major and Minor Revenue Source	Original Budget		Budget Ås Amended		<u>Actual</u>		A Po	ariance From mended ositive egative)
Revenue from the Federal Government:								
Categorical aid:								
Welfare public assistance	\$	-	\$	_	\$ 1	,675,576	\$ 1	,675,576
Homeland Security & Terrorism		22 544		22 544		22 544		-
VAW outreach grant Law enforcement grant		27,544 -		27,544		27,544 23,455		23,455
Forestry reimbursement		_		_		629		629
Community Development Block Grant				4,500		31,616		27,116
TOTAL CATEGORICAL AID		27,544		32,044	1	,758,820	1	,726,776
TOTAL REVENUE FROM FEDERAL GOVERNMENT		27,544		32,044	1	,758,820	1	.,726,776
TOTAL GENERAL FUND	\$ 23	3,566,880	\$ 23	,849,864	\$ 21	.889.791	\$ (1	.,960,073)
Special Revenue Fund:								
Law Library Revenue from local sources:								
Charges for services Law library fees	\$	12,384	ŝ	12,384	\$	3,190	s	(9,194)
Zuw 1121dry 1000	<u> </u>	12,004	<u> </u>	12,001		0,1,0	<u> </u>	(7,233)
Coal Road Improvement Fund Revenue from local sources: Other taxes								
Coal road tax		35,000		35,000		2,019		(32,981)
								(12/12/
TOTAL SPECIAL REVENUE FUNDS	\$	47,384	\$	47,384	\$	5,209	<u>\$</u>	(42,175)
GRAND TOTAL REVENUES, ALL PRIMARY GOVERNMENTAL FUNDS	\$ 23	3,614,264	\$ 23	1,897,248	\$ 21	,895,000	\$ (2	2,002,248)
Component Unit - School Board: Special Revenue Funds: School Operating Fund: Revenue from local sources:								
Revenue from use of money & property: Revenue from use of property	\$	5,000	\$	5,000	\$	500	\$	(4,500)
Charges for services:								
Transportation		35,000		35,000		29,543		(5,457)
Miscellaneous revenue: Miscellaneous		220 475		270 675		110 157		/1E0 E10\
utacettamenaa		278,675		278,675		119,157		(159,518)
Recovered costs:								
Other `		12,000		12,000		43,514		31,514
TOTAL REVENUE FROM LOCAL SOURCES		330,675		330,675		192,714		(137,961)

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

Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended Positive (Negative)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 3,195,371	\$ 3,195,371	\$ 3,216,449	\$ 21,078
Basic school aid	14,187,074	14,187,074	13,918,536	(268,538)
Primary class size	499,722	499,722	499,328	(394)
Medicaid	250,000	250,000	300,526	50,526
GED funding	7,859	7,859	9,953	2,094
Foster care	15,323	15,323	8,187	(7,136)
Early intervention	99,668	99,668	99,668	<b>-</b>
Gifted & talented children	136,375	136,375	134,105	(2,270)
SOL	65,687	65,687	62,874	(2,813)
At - risk	591,636	591,636	581,663	(9,973)
Special education	2,149,327	2,149,327	2,117,204	(32,123)
English second language	8,507	8,507	11,009	2,502
Preschool initiative	314,340	314,340	314,340	-
Vocational education	450,662	450,662	438,593	(12,069)
Fringe benefits	2,663,668	2,663,668	2,619,334	(44,334)
Remedial education/summer school	579,519	579,519	509,848	(69,671)
Textbooks	91,516	91,516	158,418	66,902
VPSA technology grant	414,000	414,000	481,240	67,240
Alternative education	327,552	327,552	327,552	-
Textbook lottery	187,675	187,675	116,127	(71,548)
Other revenue	247,546	247.546	244,717	(2,829)
TOTAL REVENUE FROM THE COMMONWEALTH	26,483,027	26,483,027	26,169,671	(313,356)
Revenue from the federal government: Categorical aid:				
Title I	898,836	898,836	788,914	(109,922)
Title II	169,718	169,718	152,588	(17,130)
Title VI - B	763,237	763,237	763,237	_
Academic Achieve	-	<del>-</del>	6,754	6,754
Preschool handicapped allocation	30,214	30,214	30,214	-
Vocational education	66,699	66,699	63,167	(3,532)
Forest reserve	55,298	55,298	51,979	(3,319)
Other revenue	100	100		(100)
TOTAL REVENUE FROM THE FEDERAL GOVERNMENT	1 004 102	1 004 103	1 054 052	/127 2401
GOVERNHENI	1,984,102	1,984,102	1,856,853	(127,249)
TOTAL SCHOOL OPERATING FUND	\$ 28,797,804	\$ 28,797,804	\$ 28,219,238	\$ (578,566)

Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended Positive (Negative)
School Food Service Fund: Revenue from local sources: Charges for services:				
Cafeteria sales	770,525	770,525	538,408	(232,117)
TOTAL REVENUE FROM LOCAL SOURCES	770,525	770,525	538,408	(232,117)
Revenue from the government: Categorical aid: Federal funds State funds	1,225,700 43,697	1,225,700 43,697	1,199,081 33,139	(26,619) (10,558)
TOTAL REVENUE FROM THE GOVERNMENT	1,269,397	1,269,397	1,232,220	(37,177)
TOTAL SCHOOL FOOD SERVICE FUND	\$ 2,039,922	\$ 2,039,922	\$ 1,770,628	\$ (269,294)
School Insurance Fund: Charges for services: Insurance premiums	\$ -	\$ -	\$ 4,569,502	\$ 4,569,502
Scott County Headstart: Revenue from local sources: Miscellaneous	<u> </u>	<u> </u>	\$ 404,354	\$ 404,354
Revenue from the federal government: Categorical aid: Headstart grant	1,257,539	1,257,539	1,362,548	105,009
TOTAL SPECIAL REVENUE FUNDS	\$ 1,257,539	\$ 1,257,539	\$ 1,766,902	\$ 509,363
School Debt Fund: Revenue from use of money & property: Revenue from use of money	\$ -	\$ -	\$ 80	\$ 80
GRAND TOTAL REVENUES - COMPONENT UNIT - SCHOOL BOARD	\$ 32,095,265	\$ 32,095,265	\$ 36,326,350	\$ 4,231,085

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

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	\$ 413,463	\$ 353,241	\$ 353,813	(572)
General & financial administration: County administrator	175,241	175,241	174,980	261
Legal services & assessment	160,290	160,290	148,412	11,878
Independent auditors report	47,300	50,500	45,500	5,000
Commissioner of revenue	187,315	203,508	199,872	3,636
Treasurer	202,181	202,795	201,947	848
Info Systems Manager	138,906	141,041	141,169	(128)
Central accounting	106,712	103,637	91,465	12,172
General assessment	243,031	243,031	216,392	26,639
Purchasing	107,850	110,925	110,619	306
TOTAL GENERAL & FINANCIAL ADMINISTRATION	1,368,826	1,390,968	1,330,356	60,612
Board of elections:				
Electoral board & officials	165,359	165,359	164,429	930
TOTAL GENERAL GOVERNMENT ADMINISTRATION	1,947,648	1,909,568	1,848,598	60,970
Judicial administration: Courts:				
Clerk of the circuit court	453,579	440,124	421,645	18,479
Circuit court	78,011	78,011	76,258	1,753
General district court	6,700	6,700	5,099	1,601
Magistrate	1,965	1,965	1,052	913
IT funds from comp board	33,061	54,301	11,473	42,828
Juvenile & domestic relations	366,613	366,733	366,042	691
TOTAL COURTS	939,929	947,834	881,569	66,265
Commonwealth's attorney:				
Commonwealth's attorney	556,459	567,420	487,955	79,465
TOTAL JUDICIAL ADMINISTRATION	1,496,388	1,515,254	1,369,524	145,730
Public safety:				
Law enforcement & traffic control:				
Sheriff	2,121,079	2,235,700	2,210,502	25,198
VAV outreach	30,342	31,793	31,791	2
Criminal investigation	25,815	25,815	15,857	9,958
Mental Health Transport	1,613	8,230	8,230	
Victim vitness	49,197	49,197	48,779	418
Wireless continuation of service Class Action on VA Laws	125,632	38,245 222,388	38,245 222,388	_
E-911 grant	30,000	77,350	69,400	7,950
Selective enforcement grant	30,000	19,312	19,311	7,730
Domestic violence grant	45,584	61,961	48,925	13,036
Asset forfeiture grant	34,028	34,028	16,913	17,115
Byrne grant	-	1,575	1,575	-
Central dispatcher	674,085	613,838	589,043	24,795
TOTAL LAW ENFORCEMENT & TRAFFIC CONTROL	3,137,375	3,419,432	3,320,959	98,473
		<del></del>		

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

For	the	Year	Ended	June	30,	2016
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Fund, Function, Activities and Elements	Original Budget	Budget As Amended	Actual	Variance From Amended Positive (Negative)
Fire & rescue services:				
Volunteer fire department	\$ 439,500	\$ 443,035	\$ 389,225	\$ 53,810
Ambulance & rescue services	220,000	221,311	274,111	(52,800)
Southwest Virginia EMS, Inc. Forest fire service	3,203 18,703	3,203 18,703	3,203 18,659	- 44
101001 1110 0011100			10,007	***
TOTAL FIRE & RESCUE SERVICES	681,406	686,252	685,198	1,054
Correction and detention: Sheriff - jail	1,782,032	1,782,163	1,715,024	67,139
Inspections:				
Board of building appeals	92,935	89,142	84,979	4,163
Other protection:				
Emergency services	24,134	22,823	19,477	3.346
Medical examiner	300	300	240	60
Concealed weapon	16,041	17,550	17,549	1
Litter control	51,751	51,751	49,395	2,356
Animal control	82,289	76,140	76,595	(455)
TOTAL OTHER PROTECTION	174,515	168,564	163,256	5,308
TOTAL PUBLIC SAFETY	5,868,263	6,145,553	5,969,416	176,137
Public works:				
Sanitation & waste removal:				
Refuse collection	406,674	365,882	313,226	52,656
Refuse disposal	738,901	735,707	737,834	(2,127)
Manned solid waste sites	223,479	230,696	230,987	(291)
TOTAL CANTELLON ( NACTE				
TOTAL SANITATION & WASTE REMOVAL	1,369,054	1,332,285	1,282,047	50,238
Maintenance of general buildings				
& grounds:	105 520	E40 100	104 100	45 305
General properties	485,538	542,133	496,408	45,725
TOTAL MAINTENANCE OF GENERAL PROPERTIES & GROUNDS	485,538	542,133	496,408	45,725
Capital Outlays	225,000	225,000	214,279	10,721
•				
TOTAL PUBLIC WORKS	2,079,592	2,099,418	1.992.734	106,684
Health & welfare: Health:				
Supplement of local health				
department	243,777	194,172	254,997	(60,825)
Mental health & mental retardation:				
Chapter X board	96,823	96,823	97,529	(706)
•				
State & local hospitalization:		A 200 000	6 50 000	A 150 000
Older American program	\$ 200,000	\$ 200,000	\$ 50,000	\$ 150,000
TOTAL STATE & LOCAL				
HOSPITALIZATION	200,000	200,000	50,000	150,000

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

Fund, Function, Activities and Elements	Original Budget	Budget As Amended	Actual	Variance From Amended Fositive (Negative)
Welfare:	1 052 400	1 052 400	2 005 552	(140 150)
Welfare administration Public assistance	1,953,400	1,953,400	2,095,553 1,061,347	(142,153)
Community service act	1,689,059	1,689,059	1,061,347	627,712
CMPT	985,250	985.250	844,243	141.007
Other social services	40,000	40,000	10,000	30,000
00101 300101 301V1003	40,000	40,000	10,000	
TOTAL WELFARE	4,667,709	4,667,709	4.011.143	656,566
TOTAL HEALTH & WELFARE	5,208,309	5,158,704	4,413,669	745,035
Education:				
Community colleges:				
Contributions to community				
colleges	27,064	27,064	27,064	_
Parks, recreation & cultural:				
Parks & recreation:				
Recreation centers & playgrounds	231,848	233,364	219,767	13,597
Non-park recreation	91,407	96,607	91,516	5,091
TOTAL PARKS & RECREATION	323,255	329,971	311.283	18,688
	020,200	027,772		
Library:				
Lonesome Pine Regional Library	209,330	209,330	209,330	
TOTAL PARK, RECREATION & CULTURAL	532,585	539,301	520,613	18,688
Community development: Planning & community development: LENOWISCO	38,424	38,424	38,424	_
Planning district commission	2,600	2,600	2,411	189
Economic Development Authority	485,776	532,201	526,028	6,173
Chamber of commerce	7,300	7,300	7,300	-
Tourism	58,296	59,842	<u>59,459</u>	383
TOTAL PLANNING & COMMUNITY DEVELOPMENT	592,396	640,367	633,622	6,745
	3,2,3,0	040,007		0,743
Environmental management: Soil and water conservation district	37,904	37,904	37,904	_
				<del></del>
Cooperative extension program: VPI extension	68.584	68,584	55,425	13,159
TOTAL COMMUNITY DEVELOPMENT	698,884	746,855	726,951	19,904
				· —
Debt service:				
Principal retirement	\$ 199,288	\$ 173,458	\$ 182,596	\$ (9,138)
Interest & fiscal charges	15,789	41,619	14,467	27,152
TOTAL DEBT SERVICE	215,077	215,077	197,063	18,014
TOTAL GENERAL FUND	\$ 18,073,810	\$ 18,356,794	\$ 17,065,632	\$ 1,291,162
				<del></del>

Fund, Function, Activities and Elements	Original Budget	Budget As Amended	Actual	Variance From Amended Positive (Negative)	
Special Revenue Fund: Law Library Fund: Judicial administration: Courts:					
Law library	\$ 12,384	\$ 12,384	\$ 3,284	\$ 9,100	
Coal Road Improvement Fund: Public works Maintenance of highways, streets, bridges & sidewalks:					
Coal road	35,000	35,000	1,009	33,991	
TOTAL SPECIAL REVENUE FUND	\$ 47.384	\$ 47,384	\$ 4,293	\$ 43,091	
GRAND TOTAL EXPENDITURES, ALL PRIMARY GOVERNMENTAL FUNDS	\$ 18,121,194	\$ 18,404,178	\$ 17,069,925	\$ 1,334,253	
Component unit - School Board Special revenue funds: School Operating Fund: Education: Administration & health services	\$ 1,391,365	\$ 1,391,365	\$ 1,495,423	\$ (104,058)	
Instruction costs:		2,072,000	2,470,120	(201,000)	
Instruction costs: Instructional costs	26,676,053	26,676,053	26,558,020	118,033	
Operating costs: Pupil transportation Operation & maintenance of	1,711,535	1,711,535	1,760,940	(49,405) - (163,735)	
school plant	4,226,145	4,226,145	4,388,880	(162,735)	
TOTAL OPERATING COSTS	5,937,680	5,937,680	6,149,820	(212,140)	
TOTAL SCHOOL OPERATING FUND	\$ 34,005,098	\$ 34,005,098	\$ 34,203,263	\$ (198,165)	
School Food Service Fund: Education Cafeteria operation	\$ 2,039,922	\$ 2,039,922	\$ 1.923.829	\$ 116,093	
·		2,007,722		110,075	
School Debt Fund: Education Construction	<u> </u>	<u> </u>	\$ 87,721	\$ (87,721)	
School Health Insurance: Education Insurance cost	•	•	A 2 465 544	0 (2 ((5 544)	
Insurance cost	-	<u> </u>	\$ 3,465,544	\$ (3,465,544)	
Scott County Headstart Fund: Education					
Instruction costs	\$ 1,257,539	\$ 1,257,539	\$ 1,766,902	\$ (509,363)	
GRAND TOTAL EXPENDITURES - COMPONENT UNIT - SCHOOL BOARD		\$ 37,302,559	\$ 41,447,259	\$ (4.144.700)	

Fiscal Year Ending	F	ractually equired stribution	Re: Con: R	ributions in lation to tractually equired tribution	Contribution Deficiency / (Excess)	 Employer's Covered Employee Payroll	Contributions as of % of Covered Employee Payroll
General Gov	ernme	nt:					
6/30/2015	\$	750,270	\$	750,270	-	\$ 5,479,756	13.69%
6/30/2016		783,453		783,453	-	5,433,100	14.42%
School Non-	profe	ssional:					
6/30/2015	\$	199,237	\$	199,237	-	\$ 2,321,227	8.58%
6/30/2016		195,934		195,934	-	2,118,205	9.25%

#### Notes to Schedule:

<sup>1)</sup> Schedule is intended to show information for 10 years. Since 2015 amd 2016 are the only years for this presentation, no other data is available. Additional years will be included as they become available.

Federal Granting Agency / Recipient State Agency / Grant Program / Grant Number	Federal Catalogue Number		penditures
DEPARTMENT OF AGRICULTURE: Direct Payments:			
Child and Adult Care Food Program	10.558	\$	138,326
Pass Through Payments:			
Virginia Resources Authority Grant/Loan: Capitalization Grants for Drinking Water State Revolving Fund	66.468		326,085
Capitalization Grants for Drinking Water State Revolving Fund (Loan)	66.468		343,258
Pass Through Payments: State Department of Agriculture: Child Nutrition Cluster:			
Food Distribution - Schools	10.555		129,883
Fresh Fruit and Vegetables	10.582		3,108
Department of Social Services:			
Administrative Grant for Food Stamps	10.561		267,891
Department of Environmental Quailty:			
Forestry Reimbursements	10.000		629
Department of Education:			
Child Nutrition Cluster:			
National School Lunch Program (SL-11)	10.555	*	1,043,140
National School Breakfast Program (SL-4)	10.553		152,833
Forest Reserve Funds	10.665		51,979
TOTAL DEPARTMENT OF AGRICULTURE		\$	2,457,132
DEPARTMENT OF HEALTH & HUMAN SERVICES: Direct Payments:			
Administration to Children, Youth and Families			
Head Start	93.600	* \$	1,224,222
Pass Through Payments:			
Department of Social Services:			
Independent Living	93.674		3,309
Social Service Block Grant	93.667		188,366
Foster Care - Title IV - E	93.658		243,243
Temporary Assistance to Needy Families	93.558		314,561
Adoption Assistance	93.659		219,792
Child Care and Development Fund Child Welfare Services	93.596		43,570
State Children's Insurance Program	93.645 93.767		1,467 11,254
Chafee Education & Training	93.599		4,450
Family Preservation	93.556		2,737
Pass Through Payments:	22.330		2,/3/
State Administered Program:			
Low - Income Home Energy Assistance	93.568	\$	33,897
Refugee and Entrant Assistance	93.566	•	319
Medicaid Assistance	93.778		340,720
Corporation for National & Community Services: Vista's	94.006		
	- 2		2 621 627
TOTAL DEPARTMENT OF HEALTH & HUMAN SERVICES:		\$	2,631,907

### COUNTY OF SCOTT, VIRGINIA SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended June 30, 2016

DEPARTMENT OF HOUSING & URBAN DEVELOPMENT Pass Through Payments:  Virginia Department of Housing & Community Development:  Community Development Block Grant  DEPARTMENT OF EDUCATION: Pass Through Payments: Department of Education: Title I: Educationally Deprived Children's - LEA	Federal Granting Agency / Recipient State Agency / Grant Program / Grant Number	Federal Catalogue Number	Ex	penditures
Virginia Department of Housing & Community Development: Community Development Block Grant  14.228 \$ 31,616  DEPARTMENT OF EDUCATION: Pass Through Payments: Department of Education: Title I: Educationally Deprived Children's - LEA Improving the Academic Achievement of the Disadvantage: At 1 Improving Teacher Quality Title II: Improving Teacher Quality Title VI-B: Assistance to States for Education of Handicapped Children: Handicapped State Grants (5-E002581) (6-E002585) S4.027 * 763,237  Safe & Drug Free Schools and Communities Title VI-D: Vocational Education: Basic Grant to States B4.048 63,167 Preschool Handicapped Preschool Handicapped Tventy-First Century Community Learning Center  TOTAL DEPARTMENT OF EDUCATION  U.S DEPARTMENT OF JUSTICE Pass Through Payments: Department of Criminal Justice Services: Violence Against Woman Grant  DEPARTMENT OF TRANSPORTATION Pass Through Payments: Department of Motor Vehiles: State and Community Safety  20.601 \$ 23,455				
Community Development Block Grant  DEPARTMENT OF EDUCATION: Pass Through Payments: Department of Education: Title I: Educationally Deprived Children's - LEA Improving the Academic Achievement of the Disadvantaged Title II: Improving Teacher Quality Title II: Improving Teacher Quality Title VI-B: Assistance to States for Education of Handicapped Children: Handicapped State Grants (5-E002581) (6-E002585) 84.027 * 763,237 Safe & Drug Free Schools and Communities 84.186 Title VI-D: Vocational Education: Basic Grant to States Preschool Handicapped Total Department of States TOTAL DEPARTMENT OF EDUCATION  U.S DEPARTMENT OF JUSTICE Pass Through Payments: Department of Criminal Justice Services: Violence Against Woman Grant  DEPARTMENT OF TRANSPORTATION Pass Through Payments: Department of Motor Vehiles: State and Coummunity Safety  20.601 \$ 23,455				
DEPARTMENT OF EDUCATION: Pass Through Payments: Department of Education: Title I: Educationally Deprived Children's - LEA				
Pass Through Payments: Department of Education: Title I: Educationally Deprived Children's - LEA Improving the Academic Achievement of the Disadvantaged Improving the Academic Achievement of the Disadvantaged Itile II: Improving Teacher Quality Stitle VI-B: Assistance to States for Education of Handicapped Children: Handicapped State Grants (5-E002581) (6-E002585) S4.027 * 763,237 Safe & Drug Free Schools and Communities Title VI-D: Vocational Education: Basic Grant to States S4.048 63,167 Preschool Handicapped S4.173 30,214 Twenty-First Century Community Learning Center TOTAL DEPARTMENT OF EDUCATION  U.S DEPARTMENT OF JUSTICE Pass Through Payments: Department of Criminal Justice Services: Violence Against Woman Grant  DEPARTMENT OF TRANSPORTATION Pass Through Payments: Department of Motor Vehiles: State and Coummunity Safety  20.601 \$ 23,455	Community Development Block Grant	14.228	_\$_	31,616
Department of Education: Title I:  Educationally Deprived Children's - LEA Improving the Academic Achievement of the Disadvantaged Improving the Academic Achievement of the Disadvantaged A: 367  Title II: Improving Teacher Quality 84.367  Title VI-B: Assistance to States for Education of Handicapped Children: Handicapped State Grants (5-E002581) (6-E002585) A: 186  Title VI-D: Vocational Education: Basic Grant to States Basic Grant to S	DEPARTMENT OF EDUCATION:			
Department of Education: Title I:  Educationally Deprived Children's - LEA Improving the Academic Achievement of the Disadvantaged Improving the Academic Achievement of the Disadvantaged A: 367  Title II: Improving Teacher Quality 84.367  Title VI-B: Assistance to States for Education of Handicapped Children: Handicapped State Grants (5-E002581) (6-E002585) A: 186  Title VI-D: Vocational Education: Basic Grant to States Basic Grant to S	Pass Through Payments:			
Title I:  Educationally Deprived Children's - LEA Improving the Academic Achievement of the Disadvantage: 84.010 * \$ 788,914 Improving the Academic Achievement of the Disadvantage: 84.010 6,754 Title II: Improving Teacher Quality 84.367 152,588 Title VI-B: Assistance to States for Education of Handicapped Children: Handicapped State Grants (5-E002581) (6-E002585) 84.027 * 763,237 Safe & Drug Free Schools and Communities 84.186 Title VI-D: Vocational Education: Basic Grant to States 84.048 63,167 Preschool Handicapped 84.173 30,214 Twenty-First Century Community Learning Center 84.287 -  TOTAL DEPARTMENT OF EDUCATION \$ 1,804,874  U.S DEPARTMENT OF JUSTICE Pass Through Payments: Department of Criminal Justice Services: Violence Against Woman Grant 16.588 \$ 27,544  DEPARTMENT OF TRANSPORTATION Pass Through Payments: Department of Motor Vehiles: State and Community Safety 20.601 \$ 23,455				
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Title II: Improving Teacher Quality Title VI-B: Assistance to States for Education of Handicapped Children: Handicapped State Grants (5-E002581) (6-E002585) Safe & Drug Free Schools and Communities Title VI-D: Vocational Education: Basic Grant to States Preschool Handicapped Total Department Of EDUCATION  U.S DEPARTMENT OF JUSTICE Pass Through Payments: Department of Criminal Justice Services: Violence Against Woman Grant  DEPARTMENT OF TRANSPORTATION Pass Through Payments: Department of Motor Vehiles: State and Community Safety  20.601 \$ 23,455		84.010	•	•
Title VI-B:     Assistance to States for Education of Handicapped     Children:     Handicapped State Grants (5-E002581) (6-E002585)				•
Children: Handicapped State Grants (5-E002581) (6-E002585) 84.027 * 763,237 Safe & Drug Free Schools and Communities 84.186 Title VI-D: Vocational Education: Basic Grant to States 84.048 63,167 Preschool Handicapped 84.173 30,214 Twenty-First Century Community Learning Center 84.287 -  TOTAL DEPARTMENT OF EDUCATION \$ 1,804,874  U.S DEPARTMENT OF JUSTICE Pass Through Payments: Department of Criminal Justice Services: Violence Against Woman Grant 16.588 \$ 27,544  DEPARTMENT OF TRANSPORTATION Pass Through Payments: Department of Motor Vehiles: State and Coummunity Safety 20.601 \$ 23,455				
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Safe & Drug Free Schools and Communities Title VI-D: Vocational Education: Basic Grant to States 84.048 63,167 Preschool Handicapped 84.173 30,214 Twenty-First Century Community Learning Center 84.287  TOTAL DEPARTMENT OF EDUCATION \$ 1,804,874  U.S DEPARTMENT OF JUSTICE Pass Through Payments: Department of Criminal Justice Services: Violence Against Woman Grant 16.588 \$ 27,544  DEPARTMENT OF TRANSPORTATION Pass Through Payments: Department of Motor Vehiles: State and Coummunity Safety 20.601 \$ 23,455	Handicapped State Grants (5-E002581) (6-E002585)	84.027	*	763.237
Title VI-D:     Vocational Education:     Basic Grant to States		84.186		
Basic Grant to States 84.048 63,167 Preschool Handicapped 84.173 30,214 Twenty-First Century Community Learning Center 84.287 -  TOTAL DEPARTMENT OF EDUCATION \$ 1,804,874  U.S DEPARTMENT OF JUSTICE Pass Through Payments: Department of Criminal Justice Services: Violence Against Woman Grant 16.588 \$ 27,544  DEPARTMENT OF TRANSPORTATION Pass Through Payments: Department of Motor Vehiles: State and Coummunity Safety 20.601 \$ 23,455	· · · · · · · · · · · · · · · · · · ·			
Preschool Handicapped 84.173 30,214 Twenty-First Century Community Learning Center 84.287 -  TOTAL DEPARTMENT OF EDUCATION \$ 1,804,874  U.S DEPARTMENT OF JUSTICE Pass Through Payments: Department of Criminal Justice Services: Violence Against Woman Grant 16.588 \$ 27,544  DEPARTMENT OF TRANSPORTATION Pass Through Payments: Department of Motor Vehiles: State and Community Safety 20.601 \$ 23,455	Vocational Education:			
Preschool Handicapped 84.173 30,214 Twenty-First Century Community Learning Center 84.287  TOTAL DEPARTMENT OF EDUCATION \$ 1,804,874  U.S DEPARTMENT OF JUSTICE Pass Through Payments: Department of Criminal Justice Services: Violence Against Woman Grant 16.588 \$ 27,544  DEPARTMENT OF TRANSPORTATION Pass Through Payments: Department of Motor Vehiles: State and Coummunity Safety 20.601 \$ 23,455	Basic Grant to States	84.048		63.167
Twenty-First Century Community Learning Center 84.287  TOTAL DEPARTMENT OF EDUCATION \$ 1,804,874  U.S DEPARTMENT OF JUSTICE Pass Through Payments: Department of Criminal Justice Services: Violence Against Woman Grant 16.588 \$ 27,544  DEPARTMENT OF TRANSPORTATION Pass Through Payments: Department of Motor Vehiles: State and Coummunity Safety 20.601 \$ 23,455	Preschool Handicapped	84.173		•
TOTAL DEPARTMENT OF EDUCATION \$ 1,804,874  U.S DEPARTMENT OF JUSTICE Pass Through Payments: Department of Criminal Justice Services: Violence Against Woman Grant 16.588 \$ 27,544  DEPARTMENT OF TRANSPORTATION Pass Through Payments: Department of Motor Vehiles: State and Coummunity Safety 20.601 \$ 23,455	Twenty-First Century Community Learning Center	84.287		
U.S DEPARTMENT OF JUSTICE  Pass Through Payments: Department of Criminal Justice Services: Violence Against Woman Grant  DEPARTMENT OF TRANSPORTATION Pass Through Payments: Department of Motor Vehiles: State and Coummunity Safety  20.601 \$ 23,455				
Pass Through Payments: Department of Criminal Justice Services: Violence Against Woman Grant  DEPARTMENT OF TRANSPORTATION Pass Through Payments: Department of Motor Vehiles: State and Coummunity Safety  20.601 \$ 23,455	TOTAL DEPARTMENT OF EDUCATION		\$	1,804,874
Pass Through Payments: Department of Criminal Justice Services: Violence Against Woman Grant  DEPARTMENT OF TRANSPORTATION Pass Through Payments: Department of Motor Vehiles: State and Coummunity Safety  20.601 \$ 23,455	U.S DEPARTMENT OF JUSTICE			
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DEPARTMENT OF TRANSPORTATION  Pass Through Payments:  Department of Motor Vehiles:  State and Coummunity Safety  20.601 \$ 23,455		16 588	á	27 544
Pass Through Payments: Department of Motor Vehiles: State and Coummunity Safety 20.601 \$ 23,455	Topolog inguinos nomas crairo	10.500	<del></del>	27,344
Department of Motor Vehiles: State and Coummunity Safety 20.601 \$ 23,455	DEPARTMENT OF TRANSPORTATION			
Department of Motor Vehiles: State and Coummunity Safety 20.601 \$ 23,455	Pass Through Payments:			
State and Coummunity Safety 20.601 \$ 23,455				
		20.601	Ś	23.455
TOTAL FEDERAL FINANCIAL ASSISTANCE	• •			
<del></del>	TOTAL FEDERAL FINANCIAL ASSISTANCE		_\$_	6,976,528

#### Notes to Schedule:

- 1) \* Denotes major program
- Basis of Accounting Federal Programs are accounted for using the accrual basis of accounting.
- 3) Reporting Entity The Schedule of Expenditures of Federal Awards includes all grants awarded to the County of Scott, Virginia. The reporting entity is defined in Note 1 of the County's basic financial statements.

#### Section I - Summary of Auditor Results

#### Financial Statements

Type of auditor's opinion issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

No

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

None Reported

Noncompliance material to financial statements noted?

No

#### Federal Awards

Internal control over major programs:

Material weakness(es) identified?

No

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

None Reported

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

Unmodified

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

No

Major programs identified:	CFDA
National School Lunch Program (SL-11)	10.555
Administration to Children, Youth and Families	
Head Start	93.600
Educationally Deprived Children's - LEA	84.010
Handicapped State Grants	84.027

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

\$ 750,000

Auditee qualified as low risk under 2 CFR\$200.520?

Yes

#### Section II - Financial Statement Findings:

None Reported

#### Section III - Federal Awards Findings and Questioned Costs

None Reported

#### Prior Year Findings

None Reported

Statistical Tables

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

TABLE 1

Fiscal Year	General Adminis- tration	Judicial Adminis- tration	Public Safety	Public Works	Health and Welfare	Education	Recreation and Cultural	Community Develop- ment	Capital Project	Debt Service	Total
2006-07	1,411,505	1.062.366	4.053.538	2.003.468	3.819.479	40,193,389	575,524	633,755	_	372,209	54,125,233
2007-08	1,688,423	1,215,016	4.218.258	2,596,794	4,445,892	42,568,404	567,446	1,192,484	_	278,804	58,771,521
2008-09	1.715.417	1,232,552	4.505.877	2.771.975	4.541.706	43,518,037	648,707	876,362	_	243,244	60,053,877
2009-10	1,896,713	1,144,923	4,784,534	2,432,311	4.333.286	42,923,626	604,540	420,441	_	176,520	58,716,894
2010-11	1.720.085	1.142.159	5.074.851	2,288,840	4,559,638	40,642,270	603,510	424,745	_	67,875	56,523,973
2011-12	1.528.028	1,145,352	4,980,802	2.448.139	4.518.977	39,867,234	594,934	498,724	_	15,800	55,597,990
2012-13	1.582.006	1,142,076	5,509,866	2,403,108	4.301.356	41,270,451	646.309	1,135,319	_	· <del>-</del>	57,990,491
2013-14	1,648,455	1,163,964	5,503,599	2,239,556	4.291.851	43,611,343	576.080	601,965	_	96,706	59,733,519
2014-15	1,755,280	1,302,035	5,675,137	2,227,647	4,109,408	41,643,575	531,985	441,873	_	602,794	58,289,734
2014-16	1,848,598	1,372,808	5,969,416	1,993,743	4,413,669	41,474,323	520,613	465,292	_	197,063	58,255,525

<sup>(1)</sup> 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 REVENUE BY SOURCE (1)
LAST TEN FISCAL YEARS

Fiscal Year	General Property Taxes	Other Local Taxes	Permit Privilege Fees & Regulatory Licenses	Fines & Forfei- tures	Revenues from the Use of Money & Property	Charges for Services	Miscell- aneous	Recovered Costs	Inter- govern- mental	Total
2006-07	8,134,460	3,093,915	54,294	38,346	440,081	4,086,299	467,481	151,539	38,121,547	54,587,962
2007-08	8,186,961	3,332,751	57,903	85,077	289,442	3,912,939	481,535	199,766	39,401,408	55,947,782
2008-09	9,021,659	3,061,724	66,006	119,118	136,711	4,254,414	967,403	290,161	40,881,401	58,798,597
2009-10	7,845,243	3,119,899	48,642	185,820	101,279	5,323,624	297,840	350,720	40,596,723	57,869,790
2010-11	10,048,135	3,190,210	57,986	139,181	104,685	4,390,092	513,576	145,582	37,484,945	56,074,392
2011-12	10,385,555	3,158,479	71,233	122,300	101,870	4,927,846	777,389	201,067	36,941,261	56,687,000
2012-13	10,328,263	3,237,175	85,239	193,027	104,025	5,861,257	800,162	207,854	37,236,030	58,053,032
2013-14	10,484,330	3,170,027	71,939	207,646	100,348	5,096,716	609,109	201,090	36,849,405	56,790,610
2014-15	10,768,184	3,134,530	61,121	202,900	98,042	4,771,809	896,774	713,887	37,625,174	58,272,421
2015-16	10,805,616	3,140,302	72,092	199,654	98,088	5,267,550	683,993	405,993	37,548,062	58,221,350

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

Fiscal Year	Total (1) Tax Levy	Current Tax (1)(4) Collections	Percent of Levy Collected	Delinquent (1) Tax (2) Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding (1,3) Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
2006-07	9,087,515	8,615,034	94.80%	359,802	8,974,836	98.76%	839.089	9.23%
2007-08	9,125,956	7,758,586	85.02%	428,375	8,186,961	89.71%	902,641	9.89%
2008-09	9,181,540	8,521,892	92.82%	499,767	9,021,659	98.26%	1,007,824	10.98%
2009-10	9,347,822	8,745,340	93.55%	835,563	9,580,903	102.49%	1,124,013	12.02%
2010-11	10,021,408	9,463,614	94.43%	342,130	9,805,744	97.85%	781,142	7.79%
2011-12	10,835,570	9,646,437	89.03%	484,311	10,130,748	93.50%	1,078,013	9.95%
2012-13	11,030,367	9,557,872	86.65%	549,373	10,107,245	91.63%	1,170,192	10.61%
2013-14	11,157,307	9,809,688	87.92%	464,866	10,274,554	92.09%	1,149,449	10.30%
2014-15	11,071,423	9,994,974	90.28%	489,003	10,483,977	94.69%	1,200,771	10.85%
2015-16	11,019,480	10,019,545	90.93%	492,442	10,511,987	95.39%	1.234.448	11.20%

<sup>(1)</sup> Exclusive of penalties and interest.

<sup>(2)</sup> Does not include land redemptions.

<sup>(3)</sup> Includes three years taxes.

<sup>(4)</sup> Includes revenue from the commonwealth for personal property tax relief act.

			Public Se		
Fiscal <u>Year</u>	Real Estate	Personal Property	Real Estate	Personal Property	Total
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
2012-13	1,180,192,223	190,142,164	101,691,872	507,706	1,472,533,965
2013-14	1,186,258,823	190,246,489	114,327,136	807,472	1,491,639,920
2014-15	1,193,119,123	197,694,447	84,131,357	907, 258	1,475,852,185
2015-16	1,194,843,423	189,039,770	129,914,602	808,603	1,514,606,398

<sup>(1)</sup> 100% fair market value. (2) Assessed values are established by the State Corporation Commission.

Fiscal Year	Real Estate	Personal Property	Mobile Momes	Machinery and Tools	Merchants' <u>Capital</u>
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
2011-12	0.69	1.40	0.69	0.72	0.72
2012-13	0.69	1.40	0.69	0.72	0.72
2013-14	0.69	1.40	0.69	0.72	0.72
2014-15	0.69	1.40	0.69	0.72	0.72
2015-16	0.69	1.40	0.69	0.72	0.72

<sup>(1)</sup> Per \$100 of assessed value.

Fiscal Year	Population (1)	Assessed Value (in thousands) (2)	Gross Bonded Debt (3)	Ratio of Net General Obligation Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2006-07	23,403	1,202,893,289	707,165	0.06%	30.22
2007-08	23,403	1,211,188,089	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	1,453,071,913	_	_	_
2012-13	23,177	1,472,533,965	_	_	_
2013-14	23,177	1,491,639,920	_	_	_
2014-15	23,177	1,475,852,185	_	<del>-</del>	-
2015-16	23,177	1,514,606,398	-	-	-

<sup>(1)</sup> Bureau of the Census.

<sup>(2)</sup> From Table 4.

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