

**Annual Comprehensive  
Financial Report**

**Fiscal Year Ended  
June 30, 2022**



**County of Scott, Virginia**

County of Scott, Virginia  
Annual Comprehensive Financial Report  
Fiscal Year Ended June 30, 2022

---

Table of Contents

---

**INTRODUCTORY SECTION**

---

Title Page	
Table of Contents	
List of Principal Officials.....	1

---

**AUDITOR’S REPORTS**

---

Independent Auditor’s Report.....	2-4
Independent Auditor’s Report on Internal Control over Financial Reporting And on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Governmental Auditing Standards.....	5-6
Summary of Compliance Matters .....	7-9
Independent Auditor’s Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance In Accordance with the Uniform Guidance .....	10-12
Management’s Discussion and Analysis .....	13-21

---

**FINANCIAL SECTION**

---

Government-Wide Financial Statements:

EXHIBIT 1	Statement of Net Position .....	22-23
EXHIBIT 2	Statement of Activities.....	24

Fund Financial Statements:

EXHIBIT 3	Balance Sheet – Governmental Funds .....	25-26
EXHIBIT 4	Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	27
EXHIBIT 5	Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	28
EXHIBIT 6	Statement of Net Position – Proprietary Fund – Discretely Presented Component Units .....	29-30
EXHIBIT 7	Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund – Discretely Presented Component Units .....	31
EXHIBIT 8	Statement of Cash Flows - Proprietary Fund – Discretely Presented Component Units .....	32-33
EXHIBIT 9	Statement of Fiduciary Net Assets.....	34
Notes to Financial Statements.....		34-89

County of Scott, Virginia  
Annual Comprehensive Financial Report  
Fiscal Year Ended June 30, 2022

---

Table of Contents

---

**FINANCIAL SECTION (CONTINUED)**

---

Required Supplementary Information:

*Combining and Individual Fund Statements and Schedules:*

EXHIBIT 10	Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund.....	90
EXHIBIT 11	Combining Schedule of Fiduciary Net Assets – Agency Funds .....	91

*Analysis of Pension and OPEB and Related Ratios:*

EXHIBIT 12	Schedule of Changes in the Net Pension Liability And Related Ratios .....	92-93
EXHIBIT 13	Schedule of Changes in the Total OPEB Liability And Related Ratios .....	94
EXHIBIT 14	Schedule of Employer’s Share of Net GLI OPEB Liability .....	95

*Discretely Presented Component Unit – School Board:*

EXHIBIT 15	Combining Balance Sheet.....	96
EXHIBIT 16	Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	97
EXHIBIT 17	Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual .....	98-103

*Proprietary Fund – Discretely Presented Component Unit:*

EXHIBIT 18	Statement of Net Position .....	104-105
EXHIBIT 19	Statement of Revenues, Expenditures and Changes in Net Position.....	106
EXHIBIT 20	Statement of Cash Flows .....	107-108

*Non-Major Governmental Funds:*

EXHIBIT 21	Combining Balance Sheet.....	109
EXHIBIT 22	Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	110
EXHIBIT 23	Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual .....	111-113

County of Scott, Virginia  
Annual Comprehensive Financial Report  
Fiscal Year Ended June 30, 2022

---

Table of Contents

---

**FINANCIAL SECTION (CONTINUED)**

---

*Supporting Schedules:*

SCHEDULE 1	Governmental Funds and Discretely Presented Component Units Statements of Revenues –Budget and Actual.....	114-119
SCHEDULE 2	Governmental Funds and Discretely Presented Component Units Statements of Expenditures –Budget and Actual.....	120-124
SCHEDULE 3	Schedule of Employer Contributions.....	125
SCHEDULE 4	Schedule of Expenditures of Federal Awards.....	126-129
SCHEDULE 5	Schedule of Findings and Questioned Costs.....	130-131

---

**STATISTICAL INFORMATION**

---

TABLE 1	Government-Wide Expenses by Function .....	132
TABLE 2	Government-Wide Revenues .....	133
TABLE 3	General Government Expenditures by Function.....	134
TABLE 4	General Government Revenues by Source .....	135
TABLE 5	Property Tax Levies and Collections.....	136
TABLE 6	Assessed and Estimated Actual Value of Taxable Property .....	137
TABLE 7	Property Tax Rates.....	138
TABLE 8	Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita.....	139

County of Scott, Virginia  
Annual Comprehensive Financial Report  
Fiscal Year Ended June 30, 2022

---

List of Principal Officials

---

**BOARD OF SUPERVISORS**

---

Danny P. Mann (Chairman)

Darrel Jeter  
Marshall Tipton  
Stefanie Addington

Jeremy Herron  
Michael Brickey  
Selma Hood

---

**COUNTY SCHOOL BOARD**

---

David M. Templeton  
L. Stephen Sallee, Jr.  
Linda D. Gillenwater

William Houseright  
Gail L. McConnell  
Robin Hood

---

**COUNTY WELFARE BOARD**

---

Michael Brickey  
Cindy Coates  
Carol Culbertson

---

**OTHER OFFICIALS**

---

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

Hon. Jonathan Robbins  
Mark “Bo” Taylor  
Kyle Kilgore  
Debbie Dockery  
Mitzi Owens  
Jeff Edds  
John Ferguson  
Lana Mullins  
Freda R. Starnes



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

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

## **INDEPENDENT AUDITORS' REPORT**

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

### **Report on the Financial Statements**

#### ***Opinions***

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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the 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, 2022, 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.

#### ***Basis for Opinions***

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County of Scott, Virginia and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibility of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or

events, considered in the aggregate, that raise substantial doubt about the County of Scott, Virginia's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibility for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County of Scott, Virginia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County of Scott, Virginia's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information on pages 114-124 and Schedule of Employer Contributions on page 125 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

Management of the Scott County Public Service Authority has elected to omit the Management's Discussion and Analysis and the Schedule of Employer Contributions, but our opinion on the basic financial statements is not affected by the missing information. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming 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, statistical section, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

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

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2022, on our consideration of the County of Scott, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Scott, Virginia's internal control over financial reporting and compliance.

***Bostic, Tucker & Company, PC***

December 21, 2022  
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](http://www.bthcpa.com)

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County of Scott, Virginia as of and for the year ended June 30, 2022, 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 21, 2022.

**Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be

material weaknesses or, significant deficiencies. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs on page 130-131 of this report.

### **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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

*Bostic, Tucker & Company, PC*

December 21, 2022  
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](http://www.bthcpa.com)**

December 21, 2022

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, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Governmental Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 15, 2022. Professional standards also require that we communicate to you the following information related to our audit.

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County of Scott, Virginia are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2022. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

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

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

The disclosure of the Landfill Closure and Post-Closure Care Costs in Note 15 to the financial statements identifies state and federal laws requiring the county to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste. The county reports a portion of these closure and care costs as an operating expense in each period based on landfill capacity used at each balance sheet date. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. These estimated amounts are based on what it would cost to perform all closure and post closure care in 2022.

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 21, 2022.

### *Management Consultations with Other Independent Accountants*

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

### *Other Audit Findings or Issues*

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

### Other Matters

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

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

Very truly yours,

***Bostic, Tucker & Company, PC***

Bostic, Tucker and Company, P.C.

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

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

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

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

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

***Opinion on 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, 2022. 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.

In our opinion, 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, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding County of Scott, Virginia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of County of Scott, Virginia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of County of Scott, Virginia's internal control over compliance. Accordingly, no such opinion is expressed.

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

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

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

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

*Bostic, Tucker & Company, PC*

December 21, 2022  
Lebanon, Virginia



As management of the County of Scott, Virginia we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County of the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with the basic audited financial statements.

#### Financial Highlights:

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$7,344,577 (net position). Of this amount, \$(3,184,900) represents a deficit in unrestricted net position used to meet the government's ongoing obligation to citizens and creditors, which includes long-term obligations such as pensions and other post-employment benefits.
- As of the close of the current fiscal year, the County's funds reported combined ending fund balances of \$7,191,706, an increase of \$1,356,870 compared to the prior year. \$7,104,348 of the combined fund balance is available for spending for the various functions of the County as indicated.
- At the end of the current fiscal year, fund balance for the general fund was \$7,104,348, or 31% of total general fund expenditures for the year.

#### Overview of the Financial Statements:

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

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

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

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

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

## Overview of the Financial Statements (Continued)

### *Government-wide financial statements (continued)*

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

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

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

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

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

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

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

## Overview of the Financial Statements (Continued)

### *Governmental funds (continued)*

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

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

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

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

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

## Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a County's financial position. In the case of the County, assets exceed liabilities by \$7,344,577 at the close of the most recent fiscal year.

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

Government-wide Financial Analysis (Continued)

County of Scott, Virginia's Net Assets

	<u>Governmental Activities</u>	
	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Current and other assets	\$ 27,178,330	\$ 26,119,386
Capital assets	9,881,344	9,074,159
Deferred outflows	<u>3,060,656</u>	<u>2,852,170</u>
Total assets	<u>\$ 40,120,330</u>	<u>\$ 38,045,715</u>
<b>LIABILITIES</b>		
Current liabilities	\$ 2,806,764	\$ 3,121,148
Noncurrent liabilities	9,124,837	13,751,165
Deferred inflows	<u>20,844,152</u>	<u>16,318,319</u>
Total liabilities	<u>\$ 32,775,753</u>	<u>\$ 33,190,632</u>
<b>NET ASSETS</b>		
Investment in capital assets, net of related debt	\$ 9,575,931	\$ 8,577,168
Restricted	953,546	869,094
Unrestricted	<u>(3,184,900)</u>	<u>(4,591,179)</u>
Total net assets	<u>\$ 7,344,577</u>	<u>\$ 4,855,083</u>

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

During the current fiscal year, the County's net position increased by \$2,489,494.

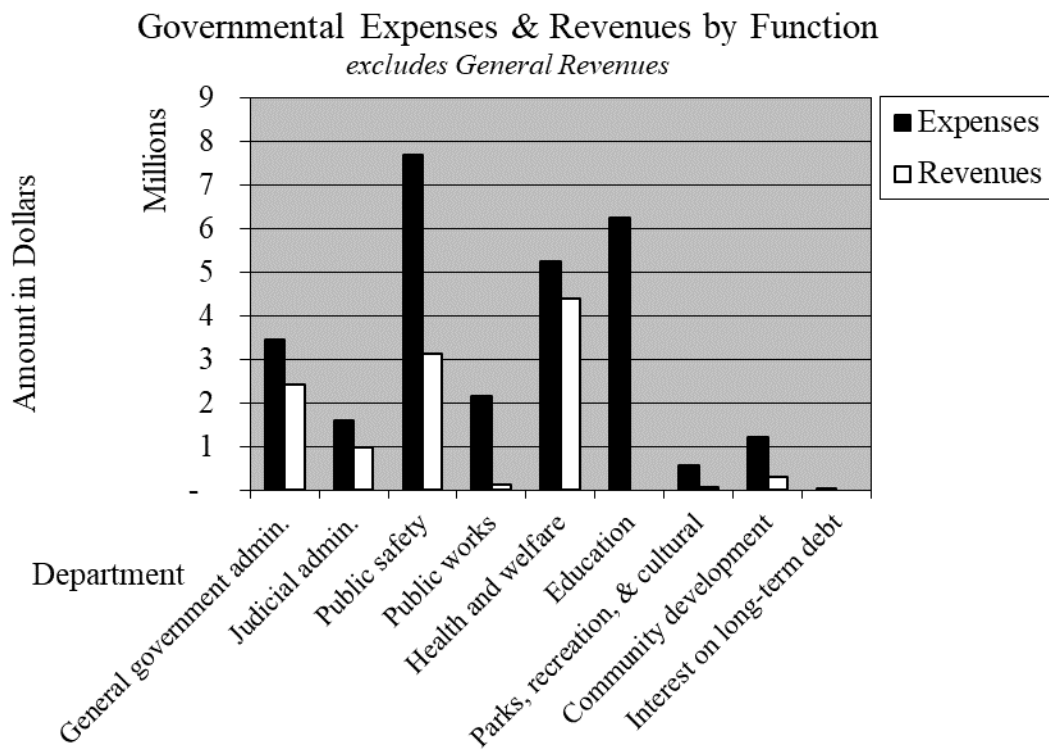
Government-wide Financial Analysis (Continued)

*Governmental Activities* – Governmental activities increased the County's net position by \$2,489,494. Key elements of this increase are as follows:

County of Scott, Virginia's Change in Net Assets			
	Governmental Activities		
	2022	2021	Change
<b>REVENUES</b>			
Program revenues:			
Charges for services	\$ 632,509	\$ 546,294	\$ 86,215
Operating grants and contributions	10,791,896	9,126,179	1,665,717
General revenues:			
Property taxes	13,523,696	13,084,173	439,523
Other local taxes	3,556,995	3,453,211	103,784
Other	2,141,183	2,289,743	(148,560)
Total revenues	30,646,279	28,499,600	2,146,679
<b>EXPENSES</b>			
General government	3,441,449	4,853,950	(1,412,501)
Judicial administration	1,603,433	1,510,361	93,072
Public safety	7,679,888	8,034,665	(354,777)
Public works	2,143,775	1,867,152	276,623
Health and welfare	5,235,284	4,812,702	422,582
Education	6,252,956	6,077,971	174,985
Parks, recreation and culture	571,633	572,794	(1,161)
Community development	1,220,836	1,128,393	92,443
Interest	7,531	11,043	(3,512)
Total expenses	28,156,785	28,869,031	(712,246)
Change in net assets	2,489,494	(369,431)	2,858,925
Net assets - beginning, as previously reported	4,855,083	5,224,514	
Prior period adjustment	-	-	
Net assets - beginning, as restated	4,855,083	5,224,514	
Net assets - ending	\$ 7,344,577	\$ 4,855,083	

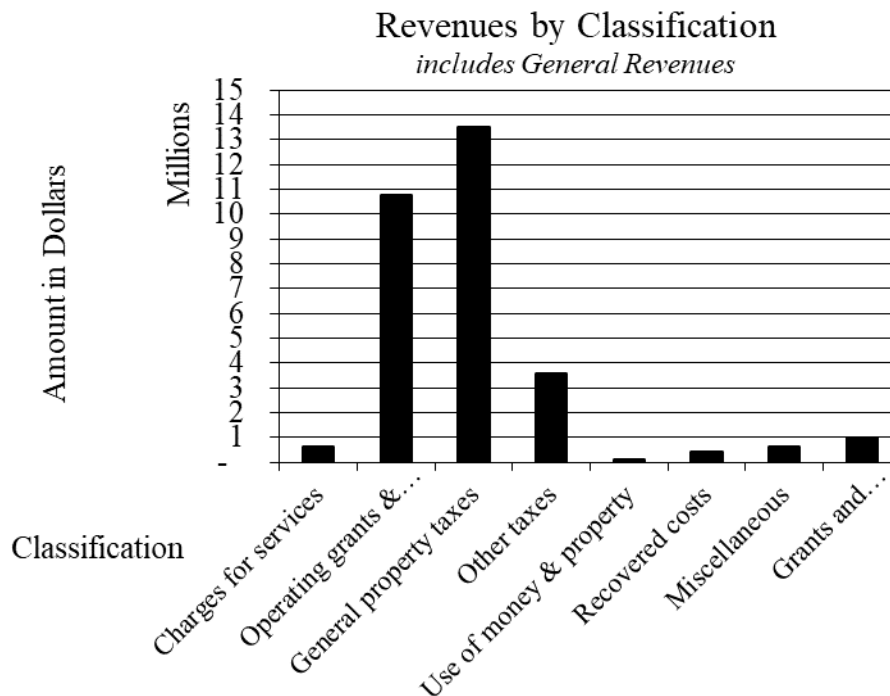
Government-wide Financial Analysis (Continued)

The following graph illustrates expense and revenue for primary government function. General revenues of \$19,221,874 are not attributable to a particular function and thus are excluded.



Government-wide Financial Analysis (Continued)

The following graph illustrates program and general revenues by classification.



Financial Analysis of the County's Funds

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

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$7,191,706, an increase of \$1,356,870 in comparison with the prior year. \$7,104,348, approximately 99% of the total, is available for spending for the various functions of the County as indicated.

The general fund is the operating fund of the County. At the end of the current fiscal year fund balance of the general fund was \$7,104,348. The general fund balance increased \$1,397,514 during the current year. As a measure of the general fund's liquidity, it may be useful to compare fund balance to total fund expenditures. The fund balance represents 31% of total general fund expenditures for the year.

Financial Analysis of the County's Funds (Continued)

The special revenue funds have purpose restrictions. At the end of the current fiscal year fund balance of the special revenue funds totaled \$49,549. Fund balance decreased \$1,322 during the current year.

The capital project fund also has purpose restrictions. At the end of the current fiscal year fund balance of the capital project fund totaled \$37,809. Fund balance increased \$39,322 during the current year.

General Fund Budgetary Highlights

During the 2022 fiscal year, the County had amendments which increased its original budgeted revenues by \$883,810 and expenditures and other financing uses by \$914,293.

Capital Assets and Debt Administration

*Capital assets* – The County's investment in capital assets for its governmental funds as of June 30, 2022, amounts to \$9,881,344 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery and equipment. The total increase in the County's investment in capital assets for the current fiscal year was \$807,185. Additional information on the County's capital assets can be found in Note 5.

County of Scott, Virginia's Capital Assets

	<u>Governmental Activities</u>	
	<u>2022</u>	<u>2021</u>
Land	\$ 1,211,289	\$ 1,211,289
Buildings and improvements	10,119,962	9,316,511
Equipment	10,897,602	10,426,081
Right to use assets	17,890	-
Construction in progress	414,286	243,074
Total capital assets	<u>22,661,029</u>	<u>21,196,955</u>
Less: accumulated depreciation	<u>(12,779,685)</u>	<u>(12,122,796)</u>
Net capital assets	<u>\$ 9,881,344</u>	<u>\$ 9,074,159</u>



Capital Assets and Debt Administration (Continued)

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

During the fiscal year, the County's long-term debt decreased by \$114,149. Noncurrent liabilities other than debt decreased by \$4,548,755. Additional information on the County of Scott, Virginia's long-term debt can be found in Note 6.

Economic Factors and Next Year's Budgets and Rates

- Per the Bureau of Labor Statistics, the June 2022 unemployment rate for the County of Scott, Virginia was 3.2%, a decrease from the rate of 1.1% from June 2021 primarily due to economic recovery from the impacts of COVID. The County's unemployment rate is higher than the state's rate and lower than the national rate; in June 2021, Virginia's unemployment rate was 2.8% and the national unemployment rate was 3.6%.
- Inflationary trends in the region are comparable to national indices.

These factors were considered in preparing the County's budget for the 2022 fiscal year.

Request for Information

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

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

		Component Units	
	Primary Government	School Board	Other Component Units
Assets:			
Current Assets:			
Cash & cash equivalents	\$ 10,099,252	\$ 2,945,127	\$ 3,791,342
Receivables, net of allowance:			
Property taxes	15,125,483	-	-
Accounts receivable	597,032	12,494	751,902
Prepaid expenses	35,900	430,648	-
Inventory	-	-	78,665
Notes receivable, current, net of allowance	-	-	33,970
Due from component unit	-	2,391,923	-
Due from other governments	1,320,663	1,103,556	364,130
	<u>27,178,330</u>	<u>6,883,748</u>	<u>5,020,009</u>
Total current assets			
Noncurrent assets:			
Capital assets:			
Land	1,211,289	1,947,912	5,888,588
Construction in progress	414,285	1,751,236	10,125,359
Buildings & equipment, net of depreciation	8,255,770	33,188,281	66,969,370
Notes receivable	-	-	135,881
	<u>9,881,344</u>	<u>36,887,429</u>	<u>83,119,198</u>
Total noncurrent assets			
Other assets:			
Restricted cash in bank	-	-	362,708
Restricted investments	3,480,092	-	-
	<u>3,480,092</u>	<u>-</u>	<u>362,708</u>
Total other assets			
Deferred outflows of resources:			
Related to pensions	2,945,656	7,984,036	604,831
Related to OPEB	115,000	1,291,685	33,526
	<u>3,060,656</u>	<u>9,275,721</u>	<u>638,357</u>
Total outflows of resources			
Total assets	<u>\$ 43,600,422</u>	<u>\$ 53,046,898</u>	<u>\$ 89,140,272</u>

	Component Units		
	Primary Government	School Board	Other Component Units
Liabilities:			
Current Liabilities:			
Accounts payable and accrued expenses	\$ 247,396	\$ 654,194	\$ 645,566
Salaries payable	-	3,513,129	-
Due to component unit	2,391,923	-	-
Current portion of lease obligations	167,445	322,406	-
Current portion of long-term obligations	-	13,028	5,910,016
Total current liabilities	2,806,764	4,502,757	6,555,582
Noncurrent liabilities:			
Compensated absences	529,809	812,127	175,957
Amounts held for others	3,480,092	-	329,089
Landfill closure	909,073	-	-
Other postemployment benefits	3,950,550	8,804,153	68,925
Net pension liability, long-term	3,597,437	20,433,945	289,539
Noncurrent portion of lease obligations	137,968	2,092,921	-
Noncurrent portion of long-term obligations	-	-	22,347,479
Total noncurrent liabilities	12,604,929	32,143,146	23,210,989
Total liabilities	15,411,693	36,645,903	29,766,571
Deferred inflows of resources			
Unavailable revenue - property taxes	13,996,179	-	-
Unearned revenue - ARPA funds	2,094,472	-	-
Related to pensions	4,607,457	15,809,098	486,084
Related to OPEB	146,044	2,609,221	26,573
Total deferred inflows of resources	20,844,152	18,418,319	512,657
Net position:			
Invested in capital assets, net of related debt	9,575,931	36,874,401	49,117,397
Restricted for:			
Asset forfeiture funds	44,473		
Landfill closure	909,073	-	-
School cafeteria		873,580	
Other purposes	-	-	355,791
Unrestricted assets (deficit)	(3,184,900)	(39,765,305)	9,387,856
Total net position	7,344,577	(2,017,324)	58,861,044
Total liabilities and net position	\$ 43,600,422	\$ 53,046,898	\$ 89,140,272

County of Scott, Virginia  
Statement of Activities  
For the Year Ended June 30, 2022

Exhibit 2

For the Year Ended June 30, 2022		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government	School Board	Other Component Units
Primary Government:							
Governmental activities:							
General government administration	\$ 3,441,449	\$ 5,571	\$ 2,408,616	\$ -	\$ (1,027,262)	\$ -	\$ -
Judicial administration	1,603,433	2,496	983,307	-	(617,630)	-	-
Public safety	7,679,888	413,052	2,720,975	-	(4,545,861)	-	-
Public works	2,143,775	132,756	-	-	(2,011,019)	-	-
Health and welfare	5,235,284	-	4,377,023	-	(858,261)	-	-
Education	6,252,956	-	-	-	(6,252,956)	-	-
Parks, recreation, and cultural	571,633	78,634	-	-	(492,999)	-	-
Community development	1,220,836	-	301,975	-	(918,861)	-	-
Interest on long-term debt	7,531	-	-	-	(7,531)	-	-
Total government activities	28,156,785	632,509	10,791,896	-	(16,732,380)	-	-
Total primary government	\$ 28,156,785	\$ 632,509	\$ 10,791,896	\$ -	\$ (16,732,380)	\$ -	\$ -
Component units:							
School board	\$ 60,951,005	\$ 4,015,191	\$ 54,488,664	\$ -	\$ -	\$ (2,447,150)	\$ -
Other component units	6,934,978	4,870,868	912,758	1,184,935	-	-	33,583
Total component units	\$ 67,885,983	\$ 8,886,059	\$ 55,401,422	\$ 1,184,935	\$ -	\$ (2,447,150)	\$ 33,583
Total					\$ (16,732,380)	\$ (2,447,150)	\$ 33,583
General Revenues:							
General property taxes					13,523,696	-	-
Other local taxes					3,556,995	-	-
Unrestricted revenues from use of money and property					104,861	-	17,667
Miscellaneous					618,461	2,650,631	86,334
Recovered costs					423,301	453	-
Grants and contributions not restricted to specific programs					994,560	-	-
Gain (loss) on sale of capital assets					-	-	-
County contribution to school board					-	6,224,849	-
Change in net assets					2,489,494	6,428,783	137,584
Net position - beginning					4,855,083	(8,446,107)	58,723,460
Net position - ending					\$ 7,344,577	\$ (2,017,324)	\$ 58,861,044

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

County of Scott, Virginia  
Balance Sheet  
Governmental Funds  
June 30, 2022

Exhibit 3

	Governmental Fund Types		Total
	General	Other Funds	Governmental Funds
Assets:			
Cash & cash equivalents	\$ 10,012,087	\$ 87,165	\$ 10,099,252
Receivables (net of allowance):			
Property taxes	15,125,483	-	15,125,483
Accounts receivable	596,839	193	597,032
Prepaid expenses	35,900	-	35,900
Due from other governments	1,320,663	-	1,320,663
Investments	3,480,092	-	3,480,092
Total assets	<u>\$ 30,571,064</u>	<u>\$ 87,358</u>	<u>\$ 30,658,422</u>
Liabilities:			
Accounts payable and accrued expenses	\$ 245,594	\$ -	\$ 245,594
Amounts held for others	3,480,092		3,480,092
Due to other funds			
Component unit	2,391,923	-	2,391,923
Total liabilities	<u>6,117,609</u>	<u>-</u>	<u>6,117,609</u>
Deferred inflows of resources			
Unavailable revenue - property taxes	15,254,635	-	15,254,635
Unearned revenue - ARPA funds	2,094,472	-	2,094,472
Total deferred inflows of resources	<u>17,349,107</u>	<u>-</u>	<u>17,349,107</u>
Fund Balance:			
Nonspendable:			
Prepaid items	35,900	-	35,900
Restricted:			
Asset forfeiture funds	44,473	-	44,473
E-911	159,447	-	159,447
Committed:			
Law library	-	7,103	7,103
Coal and roads	-	42,446	42,446
Courthouse maintenance	44,133	-	44,133
Courthouse security	55,693	-	55,693
Capital projects	-	37,809	37,809
Assigned:			
Commonwealth attorney	103,105	-	103,105
Weapons permits	9,246	-	9,246
Technology	16,055	-	16,055
Unassigned	6,636,296	-	6,636,296
Total fund balances	<u>7,104,348</u>	<u>87,358</u>	<u>7,191,706</u>
Total liabilities, deferred inflows of resources & fund balances	<u>\$ 30,571,064</u>	<u>\$ 87,358</u>	<u>\$ 30,658,422</u>

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

Total fund balances	7,191,706
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	9,881,344
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	1,258,456
Deferred outflows of resources reported in the statement of net position.	3,060,656
Other liabilities are not required to be paid out of current financial resources and, therefore, are not reported in the governmental funds.	(5,558,679)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(3,735,405)
Deferred inflows of resources reported in the statement of net position.	<u>(4,753,501)</u>
Primary Government net position	<u><u>\$ 7,344,577</u></u>

County of Scott, Virginia  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2022

Exhibit 4

	Governmental Fund Types		Total
	General	Other Funds	Governmental Funds
Revenues:			
General property taxes	\$ 13,610,440	\$ -	\$ 13,610,440
Other local taxes	3,554,000	2,995	3,556,995
Permits, privilege fees & regulatory licenses	72,074	-	72,074
Fines and forfeitures	375,348	-	375,348
Revenue from use of money & property	104,861	-	104,861
Charges for services	182,591	2,496	185,087
Miscellaneous	618,461	-	618,461
Recovered costs	423,301	-	423,301
Intergovernmental:			
Commonwealth	6,924,988	-	6,924,988
Federal	4,861,468	-	4,861,468
Total revenues	30,727,532	5,491	30,733,023
Expenditures:			
Current:			
General government administration	3,876,498	-	3,876,498
Judicial administration	1,623,785	4,567	1,628,352
Public safety	7,529,606	39,322	7,568,928
Public works	2,750,664	2,246	2,752,910
Health and welfare	5,319,246	-	5,319,246
Education	6,252,956	-	6,252,956
Parks, recreation, and cultural	534,161	-	534,161
Community development	1,224,969	-	1,224,969
Debt service:			
Principal retirement	209,468	-	209,468
Interest and other fiscal charges	8,665	-	8,665
Total expenditures	29,330,018	46,135	29,376,153
Excess (deficiency) of revenues over (under) expenditures	1,397,514	(40,644)	1,356,870
Other financing sources (uses):			
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Proceeds from debt	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balances	1,397,514	(40,644)	1,356,870
Fund balances at beginning of year	5,706,834	128,002	5,834,836
Fund balances at end of year	\$ 7,104,348	\$ 87,358	\$ 7,191,706

County of Scott, Virginia  
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances  
To the Statement of Activities  
For the Year Ended June 30, 2022

Exhibit 5

	<u>Governmental Funds</u>
Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances - total governmental funds	\$ 1,356,870
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed depreciation in the current period.	807,184
Revenues on the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(86,744)
Issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the issuance of long-term debt.	191,578
Expenses on the statement of activities that do not require current financial resources are not reported as expenses in the funds.	<u>220,606</u>
Change in net position of governmental activities	<u><u>\$ 2,489,494</u></u>



County of Scott, Virginia  
Statement of Net Position  
Proprietary Fund - Discretely Presented Component Units  
June 30, 2022

Exhibit 6  
Page 1 of 2

	Discretely Presented Component Units
Assets:	
Current assets:	
Cash and cash equivalents	\$ 3,791,342
Accounts receivable, net of allowance	751,902
Prepaid expenses	-
Inventory	78,665
Notes receivable, current, net of allowance	33,970
Due from other governments	364,130
	<hr/>
Total current assets	5,020,009
	<hr/>
Noncurrent assets:	
Capital assets:	
Land	5,888,588
Construction in progress	10,125,359
Buildings and equipment, net of depreciation	66,969,370
Notes receivable, noncurrent, net of allowance	135,881
	<hr/>
Total noncurrent assets	83,119,198
	<hr/>
Other assets:	
Restricted cash in bank	362,708
	<hr/>
Total other assets	362,708
	<hr/>
Deferred outflows of resources:	
Related to pensions	604,831
Related to OPEB	33,526
	<hr/>
Total deferred outflows of resources	638,357
	<hr/>
Total assets	\$ 89,140,272
	<hr/>

County of Scott, Virginia  
Statement of Net Position  
Proprietary Fund - Discretely Presented Component Units  
June 30, 2022

Exhibit 6  
Page 2 of 2

	Discretely Presented Component Units
Liabilities:	
Current liabilities:	
Accounts payable and accrued expenses	\$ 645,566
Current portion of long-term obligations	<u>5,910,016</u>
Total current liabilities	<u>6,555,582</u>
Noncurrent liabilities:	
Compensated absences	175,957
Amounts held for others	329,089
Other postemployment benefits	68,925
Net pension liability, long-term	289,539
Noncurrent portion of long-term obligations	<u>22,347,479</u>
Total noncurrent liabilities	<u>23,210,989</u>
Total liabilities	<u>29,766,571</u>
Deferred inflows of resources:	
Related to pensions	486,084
Related to OPEB	<u>26,573</u>
Total deferred inflows of resources	<u>512,657</u>
Net position:	
Invested in capital assets, net of related debt	49,117,397
Restricted for other purposes	355,791
Unrestricted assets	<u>9,387,856</u>
Total net position	<u>58,861,044</u>
Total liabilities and net position	<u><u>\$ 89,140,272</u></u>

County of Scott, Virginia  
Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Fund - Discretely Presented Component Units  
For the Year Ended June 30, 2022

Exhibit 7

	Discretely Presented Component Units
Operating revenues:	
Charges for services	\$ 4,870,868
Rental income	353,874
Grants	491,134
Miscellaneous	67,750
	<hr/>
Total operating revenue	5,783,626
	<hr/>
Operating expenses:	
Wages and benefits	1,794,253
Other operating expenses	4,718,176
	<hr/>
Total operating expense	6,512,429
	<hr/>
Operating income (loss)	(728,803)
	<hr/>
Nonoperating revenues (expenses):	
Interest earned	17,667
Connection fees	86,334
Interest expense	(395,035)
Other nonoperating revenues	-
Gain/(Loss) on sale of assets	-
Bad debt expense	(27,514)
	<hr/>
Total nonoperating revenues (expenses)	(318,548)
	<hr/>
Capital contributions	1,184,935
	<hr/>
Increase (decrease) in net position	137,584
	<hr/>
Net position at beginning of year	58,723,460
	<hr/>
Net position at end of year	\$ 58,861,044
	<hr/> <hr/>

County of Scott, Virginia  
Statements of Cash Flows  
Proprietary Fund - Discretely Presented Component Units  
For the Year Ended June 30, 2022

Exhibit 8  
Page 1 of 2

	Discretely Presented Component Units
Cash flows from operating activities:	
Receipts from customers & users	\$ 5,641,012
Payments to suppliers	(1,703,518)
Payments to employees	(1,978,295)
	<u>1,959,199</u>
Net cash provided (used) by operating activities	
Cash flows from investing activities:	
Interest earned	<u>16,577</u>
Net cash provided (used) by investing activities	<u>16,577</u>
Cash flows from financing activities:	
Connection fee	86,334
Loans to industries	(69,000)
Payments received on loans to industries	46,850
Purchase of fixed assets	(1,661,072)
Principal payments made on debt	(1,383,268)
Proceeds from indebtedness	480,332
Interest on debt	(238,124)
Proceeds from loans & grants	957,199
	<u>(1,780,749)</u>
Net cash provided (used) by financing activities	
Increase in cash & cash equivalents	195,027
Cash & cash equivalents at beginning of year	<u>3,959,023</u>
Cash & cash equivalents at end of year	<u>\$ 4,154,050</u>

County of Scott, Virginia  
Statements of Cash Flows  
Proprietary Fund - Discretely Presented Component Units  
For the Year Ended June 30, 2022

Exhibit 8  
Page 2 of 2

	Discretely Presented Component Units
Reconciliation of operating income to net cash provided (used) by operating activities:	
Operating income	\$ (879,332)
Adjustments to reconcile net income to net cash provided (used) by operations:	
Depreciation	2,683,592
Bad debt expense	27,514
Changes in operating assets & liabilities:	
Accounts receivable	(199,427)
Inventory	6,446
Accounts payable & accrued expenses	265,795
Wages payable & benefits	(39,003)
Customer deposits	50,742
Accrued leave	(9,449)
Net pension obligation	40,295
Post employment benefits	(16,520)
Deferred outflows of resources	(278,891)
Deferred inflows of resources	307,437
Total adjustments	2,838,531
Net cash provided (used) by operating activities	\$ 1,959,199

County of Scott, Virginia  
Statement of Fiduciary Net Position  
June 30, 2022

Exhibit 9

	<u>Custodial Funds</u>
Assets:	
Cash and cash equivalents	\$ 29,292
Due from other government units	355,058
Amount due from others	<u>55,764</u>
Total assets	<u><u>\$ 440,114</u></u>
Liabilities:	
Due to primary government	\$ 327,328
Amounts due to others	55,764
Amounts held for others	<u>57,022</u>
Total liabilities	<u><u>\$ 440,114</u></u>

## **Note 1 – Summary of Significant Accounting Policies**

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

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

### Financial Statement Presentation

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

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

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

### Government-wide and Fund Financial Statements

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

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

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

## **Note 1 – Summary of Significant Accounting Policies (Continued)**

### Government-wide and Fund Financial Statements (Continued)

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

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

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

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

#### **A. Financial Reporting Entity**

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



**Note 1 – Summary of Significant Accounting Policies (Continued)**

**B. Individual Component Unit Disclosures**

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

Discretely Presented Component Units – The School Board members are elected by the voters and are responsible for the operations of the County’s School System. The School Board is fiscally dependent on the County. The County has the ability to approve its budget and any amendments. The primary funding is from the General Fund of the County. The School Fund does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation of the County financial statements for the fiscal year ended June 30, 2022.

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

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

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

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

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

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

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

**Note 1 – Summary of Significant Accounting Policies (Continued)**

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

The County's proprietary funds utilize an economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. All assets and liabilities, whether current or noncurrent, associated with their activities are reported. Proprietary fund equity is classified as net position. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

The school board reports the following major fund types:

The School Operating Fund is the primary operating fund of the School Board and accounts for and reports all revenues and expenditures applicable to the general operations of the public school system. Revenues are derived primarily from appropriations from the County as well as state and federal grants.

The School Activity Fund is a special revenue fund that accounts for and reports all funds received from extracurricular school activities, such as entertainment, athletic contests, club dues, fundraisers, etc., and from any and all activities of the individual schools.

The government reports the following nonmajor governmental funds:

**Capital Projects Fund:**

The County CIP Fund accounts for and reports all financial resources used for the acquisition or construction of major capital facilities and is reported as a major fund.

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

**Special Revenue Funds:**

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

Additionally, Scott County reports the following fund types:

Proprietary Funds are accounted and financed in a manner similar to private business. The funds utilize the accrual basis of accounting, in which revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used.

**Note 1 – Summary of Significant Accounting Policies (Continued)**

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

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

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until consumed. This is comprised of certain items related to the measurement of the net pension liability and net OPEB liabilities and contributions to the pension and OPEB plans made during the current year and subsequent to the net pension liability and net OPEB liabilities measurement date. For more detailed information on these items, reference the related notes.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until acquired. The County has multiple items that qualify for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30, 2nd half installments levied during the fiscal year but due after June 30th and amounts prepaid on the 2<sup>nd</sup> half installments and is deferred and recognized as an inflow of resources in the period that the amount becomes available.

**D. Deferred Outflows/Inflows of Resources (Continued)**

Under the accrual basis, 2nd half installments levied during the fiscal year but due after June 30th and amounts prepaid on the 2nd half installments are reported as deferred inflows of resources. In addition, certain items related to the measurement of the net pension liability and net OPEB liabilities are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

**Note 1 – Summary of Significant Accounting Policies (Continued)**

**E. Budget and Budgetary Accounting**

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

1. Prior to March 30, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the departmental level. The appropriation for each department or category can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments. However, the School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, School Fund, and the Capital Projects Fund.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30 for all County units. Several supplemental appropriations were necessary during the year and at year-end.
8. All budget data presented in the accompanying financial statements is the original to the current comparison of the final budget and actual results.
9. Expenditures did not exceed appropriations during the year.

**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.

**G. Investments**

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

**Note 1 – Summary of Significant Accounting Policies (Continued)**

**H. Receivable and Payables**

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

All trade and property tax receivables are shown net of an allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$257,952 at June 30, 2022 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<sup>th</sup>. The County bills and collects its own property taxes.

At June 30, 2022, the Public Service Authority had an allowance for uncollectible accounts of \$0.

**I. Capital Assets**

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Interest attributed to capitalized assets as of June 30, 2022 was immaterial.

**I. Capital Assets (Continued)**

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

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

**Note 1 – Summary of Significant Accounting Policies (Continued)**

J. Compensated Absences

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

K. Long-term Obligations

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

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

L. Net Position

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

**Note 1 – Summary of Significant Accounting Policies (Continued)**

**M. Fund Balances**

The following classifications of fund balance describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in spendable form (such as inventory and prepaids) or are required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance – amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors or enabling federal, state, or local legislation. Restrictions may be changed or lifted only with the consent of the resource providers.
- Committed fund balance – amounts that can be used only for the specific purposes determined by the adoption of an ordinance committing fund balance for a specified purpose by the Board of Supervisors prior to the end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until the resources have been spent for the specified purpose or the Board adopts another ordinance to remove or revise the limitation.
- Assigned fund balance – amounts a government intends to use for a specific purpose but do not meet the criteria to be classified as committed; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. Unlike commitments, assignments general only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are only reported in the general fund. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

The County's highest decision-making level is the Board of Supervisors. Action from the Board of Supervisors is required to commit or release funds from commitment.

The County's Board of Supervisors has authorized the County Administrator to assign fund balance to a specific purpose as approved within the County fund balance policy.

The County considers restricted fund balance to be spent when an expenditure is incurred for purposes for which restricted and unassigned, assigned, or committed fund balances are available, unless prohibited by legal documents or contracts. When an expenditure is incurred for purposes for which committed, assigned or unassigned amounts are available, the County considers committed fund balance to be spent first, then assigned fund balance, and lastly unassigned fund balance.



**Note 1 – Summary of Significant Accounting Policies (Continued)**

N. Retirement Plan

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

O. Use of Estimates

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

P. Jointly Governed Organizations

The County and the Counties of Wise and Lee, along with the City of Norton, participate in supporting the Planning District One Community Service Board. The governing body of this organization is supported by the respective governing bodies of the participating jurisdictions. For the year ended June 30, 2022, the County contributed \$173,475.

Q. 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, 2022, the County contributed \$203,050.

The County and the Counties of Lee, Wise, Washington, Russell, Smyth, Buchanan, Dickenson, Tazewell, along with the City of Norton participate in supporting the Southwest Virginia Regional Jail Authority. For the year ended June 30, 2022, the County contributed \$2,139,751.

R. Pensions

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

S. Other Postemployment Benefits (OPEB)

For purposes of measuring the net VRS related OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense, information about the fiduciary net position of the VRS GLI OPEB Plans and the additions to/deductions from the VRS OPEB Plans' fiduciary net position have been determined on the same basis as they were reported

## **Note 1 – Summary of Significant Accounting Policies (Continued)**

### **R. Other Postemployment Benefits (OPEB) (Continued)**

by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### **S. New Accounting Pronouncements**

Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

Statement No. 92, Omnibus 2022, addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics such as LIBOR, disclosures of nonmonetary transactions, leases, and SBITAs. The effective dates differ by topic, ranging from April 2022 to periods beginning after June 15, 2023.

Statement No. 100, *Accounting Changes and Error Corrections*, aims to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023.

Statement No. 101, *Compensated Absences*, requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023.

## **Note 2 – Deposits and Investments**

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

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

**Note 3 – Due from Other Governmental Units**

At June 30, 2022, the County and School Board had receivables from other governments as follows:

	Primary Government	Discretely Presented Component Unit School Board	Other Component Units
Local Governments:			
Other misc. funds	\$ -	\$ -	\$ 364,130
Commonwealth of Virginia:			
State sales tax	-	749,727	-
Local sales tax	327,328	-	-
Social service	133,090	-	-
CMPT	65,125	-	-
Shared expenses	597,924	-	-
Other	-	12,360	-
Federal Government:			
School funds	-	341,469	-
Social service	197,196	-	-
Totals	<u>\$ 1,320,663</u>	<u>\$ 1,103,556</u>	<u>\$ 364,130</u>

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

At June 30, 2022, the County and School Board had reciprocal liability and receivable as follows:

Fund	Due to Component Unit School Board	Due from Primary Government
General	\$ 2,391,923	\$ -
School	-	2,391,923
Totals	<u>\$ 2,391,923</u>	<u>\$ 2,391,923</u>

## Note 5 – Capital Assets

The following is a summary of changes in capital assets for the fiscal year ending June 30, 2022.

<i>Primary Government</i>	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Land & land improvements	\$ 1,211,289	\$ -	\$ -	\$ 1,211,289
Building & improvements	9,316,511	803,451	-	10,119,962
Equipment	10,426,081	563,124	(91,603)	10,897,602
Right to use assets	-	17,890		17,890
Construction in progress	243,074	958,302	(787,090)	414,286
Total capital assets	21,196,955	2,342,767	(878,693)	22,661,029
Accumulated depreciation	(12,122,796)	(748,496)	91,607	(12,779,685)
Net capital assets	<u>\$ 9,074,159</u>	<u>\$ 1,594,271</u>	<u>\$ (787,086)</u>	<u>\$ 9,881,344</u>

<i>Component Unit School Board</i>	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Land & land improvements	\$ 1,597,912	\$ 350,000	\$ -	\$ 1,947,912
Building & improvements	51,372,656	5,820,532	-	57,193,188
Equipment	29,960,002	2,480,894	(464,907)	31,975,989
Right to use assets	159,826	-	-	159,826
Construction in progress	5,197,293	1,972,688	(5,418,745)	1,751,236
Total capital assets	84,872,770	10,624,114	(5,883,652)	93,028,151
Accumulated depreciation	(54,453,473)	(2,147,742)	460,493	(56,140,722)
Net capital assets	<u>\$ 32,321,860</u>	<u>\$ 8,476,372</u>	<u>\$ (5,423,159)</u>	<u>\$ 36,887,429</u>

**Note 5 – Capital Assets (Continued)**

<i>Proprietary Funds</i>	Economic Development Authority	Public Service Authority	Total Proprietary Funds
Land & land improvements	\$ 5,401,835	\$ 486,753	\$ 5,888,588
Building & water lines	23,044,979	77,497,499	100,542,478
Equipment & vehicles	2,260,462	1,762,874	4,023,336
Construction in progress	5,608,425	4,516,934	10,125,359
Total capital assets	36,315,701	84,264,060	120,579,761
Accumulated depreciation	(6,302,247)	(31,294,197)	(37,596,444)
Net capital assets	<u>\$ 30,013,454</u>	<u>\$ 52,969,863</u>	<u>\$ 82,983,317</u>

Depreciation expenses were charged to functions/programs as follows:

	Amount
<i>Primary Government:</i>	
General government administration	\$ 66,889
Judicial administration	6,635
Public safety	413,090
Public works	184,757
Health and welfare	29,542
Parks, recreation, and cultural	46,218
Community development	1,365
Total depreciation expense	<u>\$ 748,496</u>
<i>Component Unit School Board:</i>	
Education	<u>\$ 2,147,742</u>

Depreciation expenses for the year ending June 30, 2022, for the Economic Development Authority and Public Service Authority amounted to \$707,092 and \$1,976,500, respectively.

## Note 6 – Long-term Debt

### Primary Government

The following is a summary of changes in long-term debt for the fiscal year ending June 30, 2022:

<i>Primary Government</i>	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022
Compensated absences	\$ 492,359	\$ 37,450	\$ -	\$ 529,809
Landfill closure	869,094	39,979	-	909,073
Pension liability	7,986,082	-	(4,388,645)	3,597,437
Other postemployment benefits	4,110,660	-	(160,110)	3,950,550
Capital leases	<u>496,991</u>	<u>17,890</u>	<u>(209,468)</u>	<u>305,413</u>
Total long-term debt	<u>\$ 13,955,186</u>	<u>\$ 95,319</u>	<u>\$ (4,758,223)</u>	<u>\$ 9,292,282</u>

General obligation bonds are direct obligations and pledge the full faith and credit of the County. The County did not have any general obligation bonds outstanding at June 30, 2022.

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

Year Ending June 30,	Capital Lease Principal	Interest
2023	\$ 167,445	\$ 4,617
2024	136,508	1,663
2025	<u>1,460</u>	<u>3</u>
Total	<u>\$ 305,413</u>	<u>\$ 6,283</u>

Details of capital leases:

<i>Primary Government</i>	Amount Outstanding
Capital Leases:	
\$211,411 capital lease issued January 9, 2018 for the purchase of a 2018 Peterbilt Packer Truck, due in monthly installments of \$3,818, principal and interest through January 2023, interest payable at 3.20%.	\$ 26,441
\$39,300 capital lease issued July 28, 2017 for the purchase of an IBM Server, due in monthly installments of \$7,167, principal and interest through July 2022, interest payable at 2.698%.	6,976

**Note 6 – Long-term Debt (Continued)**

<i>Primary Government</i>	<u>Amount Outstanding</u>
Capital Leases (continued):	
\$52,334 capital lease issued August 19, 2019 for the purchase of a 2019 Rotary Mower, due in monthly installments of \$966, principal and interest through September 2024, interest payable at 4.10%.	\$ 23,110
\$470,000 capital lease issued August 1, 2020 for the purchase of county Sheriff's vehicles, due in yearly installments of \$120,577, principal and interest through January 2024, interest payable at 1.42%.	236,443
\$17,890 capital lease issued August 1, 2022 for the lease of Commonwealth Attorney's office, due in monthly installments of \$500, principal and interest through 2025, interest payable at 0.42%.	<u>12,443</u>
Total Capital Leases	305,413
Less: Current Maturities	<u>(167,445)</u>
Total Long-term Capital Leases	<u><u>\$ 137,968</u></u>

Component Unit School Board

The following is a summary of changes in long-term debt for the fiscal year ending June 30, 2022:

<i>Component Unit</i>	Balance			Balance
<i>School Board</i>	July 1, 2021	Increases	Decreases	June 30, 2022
Compensated absences	\$ 828,371	\$ -	\$ (16,244)	\$ 812,127
Pension liability	36,390,556	-	(15,956,611)	20,433,945
Other postemployment benefits	10,669,756	-	(1,865,603)	8,804,153
Capital leases & lines of credit	2,792,854	3,970,000	(4,293,122)	2,469,732
Capital lease issue costs	(48,274)	-	6,897	(41,377)
Total long-term debt	<u>\$ 46,677,410</u>	<u>\$ 3,970,000</u>	<u>\$ (22,124,683)</u>	<u>\$ 32,478,580</u>

**Note 6 – Long-term Debt (Continued)**

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

Year Ending June 30,	Capital lease & lines of credit		Debt Issue Cost
	Principal	Interest	
2023	\$ 342,330	\$ 36,914	\$ (6,897)
2024	329,998	32,040	(6,897)
2025	334,462	27,119	(6,897)
2026	339,329	22,117	(6,897)
2027	345,015	17,038	(6,897)
2028-2032	734,970	22,057	(6,892)
2033-2038	43,628	1,472	-
Total	<u>\$ 2,469,732</u>	<u>\$ 158,757</u>	<u>\$ (41,377)</u>

Details of long-term debt:

*Component Unit School Board*

Amount  
Outstanding

---

Capital Leases:

\$4,321,000 capital lease issued December 20, 2013 for the purchase of energy conservation measures pursuant to energy performance contract through December 20, 2028, interest payable at 3.21%.	\$ 2,309,000
\$179,200 capital lease issued April 30, 2017 for the lease of Head Start office space, due in monthly installments, principal and interest through November 28, 2035, interest payable at 1.91%.	\$ 142,853
\$12,410 capital lease issued August 6, 2022 for the lease of copiers, due in monthly installments, principal and interest through August 20, 2023, interest payable at 0.61%.	\$ 4,851
Total Capital Leases	2,456,704
Less: Current Maturities	<u>(329,301)</u>
Long-term Capital Leases	<u>\$ 2,127,403</u>



**Note 6 – Long-term Debt (Continued)**

*Component Unit School Board*

Amount  
Outstanding

Lines of Credit:

Line of credit through Powell Valley National Bank for construction. Credit limit \$300,000. Interest rate of 3.50% as of May 22, 2019. Current-year principal advances of \$247,507. Payments of \$517,924 principal and \$7,828 interest. \$ 13,028

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

Total Lines of Credit, Current Maturities \$ 13,028

**Note 7 – Proprietary Debt**

Component Unit – Economic Development Authority

The following is a summary of changes in long-term debt for the fiscal year ending June 30, 2022:

<i>Component Unit</i>	Balance			Balance
<i>Economic Development</i>	July 1, 2021	Increases	Decreases	June 30, 2022
Compensated absences	\$ 17,037	\$ 436	\$ -	\$ 17,473
Long-term obligations	9,154,886	57,273	(352,032)	8,860,127
Total long-term debt	\$ 9,537,731	\$ 57,709	\$ (352,032)	\$ 8,877,600

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

Year Ending	Principal	Interest	Premium
June 30,			
2023	\$ 4,317,240	\$ 159,860	\$ 40,222
2024	314,000	147,451	40,222
2025	326,000	134,802	40,222
2026	288,000	122,800	40,222
2027	300,000	111,157	40,222
2028-2032	1,699,000	356,747	201,110
2033-2037	1,093,000	58,841	120,667
Total	\$ 8,337,240	\$ 1,091,658	\$ 522,887

**Note 7 – Proprietary Debt (Continued)**

Details of long-term obligations:

<i>Component Unit</i>	Interest	Issue	Maturity	Amount of	Balance
<i>Economic Development</i>	Rate	Date	Date	Original Issue	June 30, 2022
Line of Credit - PVNB	4.375%	1/24/2017	6/30/2018	\$ 172,947	\$ -
VCEDA Loan 1	4.500%	5/14/2004	5/14/2014	830,000	799,269
VCEDA Loan 2	0.000%	12/11/2015	12/11/2020	2,853,000	2,332,870
VCEDA Loan 3	0.000%	6/18/2015	6/18/2020	100,000	-
VCEDA Loan 4	0.000%	4/1/2019	4/1/2024	300,000	132,819
VCEDA Loan 5	2.250%	7/10/2018	7/10/2023	1,000,000	751,280
2015 Series Revenue Bond	3.125%	2/24/2015	10/1/2034	5,100,000	3,785,000
2015 Series Bond Premium	0.000%	8/10/2016	4/1/2035	724,000	522,889
2017 Series Revenue Bond	2.700%	10/30/2017	10/1/2026	500,000	386,000
Tobacco Revitalization Loan	0.000%	10/7/2019	8/1/2024	250,000	150,000
Total Long-term Obligations					<u>\$ 8,860,127</u>

Component Unit – Public Service Authority

<i>Component Unit</i>	Balance			Balance
<i>Public Service Authority</i>	July 1, 2021	Additions	Deletions	June 30, 2022
Compensated absences	\$ 168,369	\$ -	\$ (9,885)	\$ 158,484
Amounts held for others	278,347	50,742	-	329,089
Pension liability	249,244	40,295	-	289,539
Other postemployment benefits	85,445	-	(16,520)	68,925
Long-term obligations	<u>20,005,545</u>	<u>423,059</u>	<u>(1,031,236)</u>	<u>19,397,368</u>
Total long-term obligations	<u>\$ 20,786,950</u>	<u>\$ 514,096</u>	<u>\$ (1,057,641)</u>	<u>\$ 20,243,405</u>

**Note 7 – Proprietary Debt (Continued)**

Component Unit – Public Service Authority (Continued)

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

Year Ending June 30,	Principal	Interest
2023	\$ 1,592,776	\$ 174,647
2024	1,151,644	162,021
2025	1,164,141	148,385
2026	1,373,704	132,298
2027	1,337,340	113,756
2028-2032	4,471,434	418,868
2033-2037	2,728,863	339,391
2038-2042	1,715,573	262,051
2043-2047	1,134,451	179,570
2048-2052	910,423	106,551
2053-2057	843,671	56,149
2058-2062	565,322	10,500
Bonds in draw down phase	408,026	-
Total	<u>\$ 19,397,368</u>	<u>\$ 2,104,187</u>

County of Scott, Virginia  
Notes to Financial Statements  
For the Year Ended June 30, 2022

**Note 7 – Proprietary Debt (Continued)**

Component Unit – Public Service Authority (Continued)

Details of long-term obligations:

<i>Component Unit PSA</i>	<i>Interest Rate</i>	<i>Issue Date</i>	<i>Final Maturity Date</i>	<i>Amount of Original Issue</i>	<i>Balance 6/30/2022</i>	<i>Amount Due Within One Year</i>
Line of Credit	3.40%	2/22/2017	Open	\$ -	\$ -	\$ -
Line of Credit	3.25%	9/18/2018	Open	-	455,565	455,565
Revenue Bond	0.00%	7/10/2003	8/1/2034	1,083,923	451,635	36,129
Revenue Bond	0.00%	8/9/2002	5/1/2033	444,154	162,856	14,805
Revenue Bond	0.00%	8/9/2002	4/1/2033	182,410	66,861	6,078
Revenue Bond	0.00%	12/21/2001	8/1/2033	399,237	139,733	13,308
Revenue Bond	0.00%	9/20/2001	7/1/2031	116,431	37,538	3,881
Revenue Bond	0.00%	10/22/2004	9/1/2034	96,391	40,163	3,213
Revenue Bond	0.00%	8/11/2004	9/1/2035	323,904	145,757	10,797
Revenue Bond	0.00%	2/24/2006	11/1/2036	1,010,816	488,411	33,694
Revenue Bond	0.00%	5/18/2007	11/1/2037	648,886	335,258	21,630
Revenue Bond	0.00%	9/27/2006	7/1/2033	2,637,350	1,213,181	105,494
Revenue Bond	0.00%	7/19/2007	2/1/2038	375,408	200,218	12,514
Revenue Bond	0.00%	9/14/2007	12/1/2037	554,730	275,989	17,806
Revenue Bond	0.00%	1/25/2008	2/2/2038	365,822	195,104	12,194
Revenue Bond	0.00%	6/1/2008	9/1/2038	334,252	183,839	11,142
Revenue Bond	0.00%	1/25/2008	6/1/2038	280,446	149,571	9,348
Revenue Bond	0.00%	2/10/2005	12/1/2035	542,227	244,002	18,074
Revenue Bond	0.00%	9/30/2009	8/1/2040	416,062	256,571	13,869
Revenue Bond	0.00%	9/30/2009	6/1/2040	267,510	96,400	5,356
Revenue Bond	0.00%	12/13/2010	9/1/2041	457,129	297,134	15,238
Revenue Bond	0.00%	12/9/2010	9/1/2041	1,586,490	1,031,218	52,883
Revenue Bond	2.63%	12/9/2010	3/1/2042	209,259	120,481	6,975
Revenue Bond	0.00%	4/13/2011	4/13/2051	480,000	402,924	9,529
Revenue Bond	2.620%	11/30/2011	6/1/2032	616,151	300,861	30,808
Revenue Bond	0.00%	12/9/2011	6/30/2026	2,679,000	591,000	173,000
Revenue Bond	2.64%	3/1/2013	4/1/2033	1,395,243	765,243	70,000
Revenue Bond	2.50%	9/25/2013	8/1/2027	2,930,000	2,123,000	172,000
Revenue Bond	2.00%	5/8/2014	1/1/2046	957,532	284,826	39,208
Revenue Bond	2.25%	10/29/2015	1/1/2047	498,284	431,828	15,610
Revenue Bond	0.00%	3/28/2017	1/1/2048	925,480	844,607	24,224
Revenue Bond	0.00%	11/21/2017	11/1/2043	753,550	648,053	30,142
Revenue Bond	0.00%	10/17/2019	11/1/2033	271,614	223,112	19,401
Revenue Bond	1.13%	10/17/2019	11/1/2040	222,688	200,420	11,134
Revenue Bond	1.13%	9/14/2020	8/14/2060	720,000	694,713	14,639
Revenue Bond	1.13%	9/14/2020	8/14/2060	4,800,130	4,632,400	97,613
Revenue Bond	0.00%	9/14/2020	8/14/2060	269,200	258,870	5,475
Revenue Bond	0.00%	12/31/2021	Open	1,570,720	293,653	-
Revenue Bond	1.13%	4/28/2022	Open	456,543	114,373	-
					<u>\$ 19,397,368</u>	<u>\$ 1,592,776</u>

## **Note 8 – Claims, Judgments, and Compensated Absences**

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

County employees earn annual leave at various rates. Accumulated vacation up to thirty days is paid upon termination. Sick leave is paid at 25% of accrued sick leave at the rate of pay upon termination, up to a maximum of \$2,500. The County primary government has outstanding accrued vacation and sick pay totaling \$529,809.

Component Unit School Board employees earn business and sick leave at various rates. The Component Unit School Board has outstanding business and sick leave pay totaling \$812,127.

Component Unit Economic Development Authority employees earn leave at various rates. The Component Unit Economic Development Authority has outstanding business and sick leave pay totaling \$17,473.

Component Unit Public Service Authority employees earn annual leave at the rate of ½ day per month during the first year of employment and 1 day per month after one year of service. Employees may accumulate up to 30 days of annual leave. The Component Unit Public Service Authority has outstanding business and sick leave pay totaling \$158,484.

## **Note 9 – Unavailable Revenue / Unearned Revenue**

Unavailable revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Unavailable revenue totaling \$13,996,179 is comprised of property tax revenue of \$13,754,368 and prepaid taxes of \$241,811 representing uncollected tax billings not available for funding current expenditures.

Unearned revenue are amounts that are received but in which revenue recognition and eligibility requirements have not been met. During fiscal year 2022, the County received American Rescue Plan Act (ARPA) funds of \$2,094,472. The revenue recognition criteria have also not been met with these funds. The total amount of \$2,094,472 is reported as Unearned revenue - ARPA funds in the Statement of Net Position.

## **Note 10 – Defined Benefit Pension Plan**

### Plan Description

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

#### Note 10 – Defined Benefit Pension Plan (Continued)

Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the *Code of Virginia*, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and, Hybrid. Each of these benefit structures has a different eligibility criterion. The specific information for each plan and the eligibility for covered groups within each plan are available at:

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

#### Employees Covered by Benefit Terms

As of the June 30, 2020 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Primary Government	Component Unit School Board Non-Professional
Inactive members or their beneficiaries currently receiving benefits	132	72
Inactive members:		
Vested inactive members	15	6
Non-vested inactive members	41	17
Inactive members active elsewhere in VRS	24	4
Total Inactive members	80	27
Active members	145	92
Total covered employees	357	191

#### 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.

## **Note 10 – Defined Benefit Pension Plan (Continued)**

### Contributions (Continued)

The County's contractually required contribution rate for the year ended June 30, 2022 was 13.20% for general government covered employee compensation and 4.38% for school board non-professional employees. These rates were based on actuarially determined rates from actuarial valuations as of June 30, 2019. The rates do not include the employer matching contribution to the defined contribution portion of the hybrid plan.

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 \$934,075 and \$829,680 for the years ended June 30, 2022 and June 30, 2021, respectively. Contributions from the school board were \$112,499 and \$108,089 for the years ended June 30, 2022 and June 30, 2021, respectively.

### Net Pension Liability

The County's net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2020, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

### Actuarial Assumptions

The total pension liability for General Employees and Public Safety Employees in the Political Subdivision's Retirement Plan was based on an actuarial valuation as of June 30, 2020, 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, 2021.

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

**Note 10 – Defined Benefit Pension Plan (Continued)**

Actuarial Assumptions (Continued)

*Participants with General Employees Benefit Coverage:*

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

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

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

Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; males set back 3 years, 95% of rates; females 90% of rates set back 3 years

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

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

*Participants with Enhanced Hazardous Duty Benefit Coverage:*

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

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

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

Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; males set back 3 years, 95% of rates; females 90% of rates set back 3 years

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

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



## **Note 10 – Defined Benefit Pension Plan (Continued)**

### Changes in Actuarial Assumptions

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

#### For Non-Hazardous Duty Members:

- Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
- Adjusted retirement rates at older ages and changed final retirement age.
- Adjusted withdrawal rates to better fit experience at each age and service through 9 years of service

#### For Hazardous Duty Members:

- Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
- Adjusted rates to better fit experience and changed final retirement age from 65 to 70.
- Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience.

### 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)**

<u>Asset Class (Strategy)</u>	<u>Target Allocation</u>	<u>Arithmetic Long-Term Expected Rate of Return</u>	<u>Weighted Average Long-Term Expected Rate of Return</u>
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS	6.00%	3.29%	0.20%
PIP	3.00%	6.84%	0.21%
	<u>100.00%</u>		<u>4.89%</u>
	Inflation		2.50%
* Expected arithmetic nominal return			<u>7.39%</u>

\* The above allocation provides a one-year return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%.

On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2021, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017, actuarial valuations, whichever was greater. From July 1, 2021 on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to

**Note 10 – Defined Benefit Pension Plan (Continued)**

Discount Rate (Continued)

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)		
<i>Primary Government</i>	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at June 30, 2020	\$ 33,677,349	\$ 25,691,267	\$ 7,986,082
Changes for the year:			
Service Cost	766,851	-	766,851
Interest	2,212,396	-	2,212,396
Changes in benefit terms	-	-	-
Changes of assumptions	1,220,176	-	1,220,176
Differences between expected and actual experience	(541,674)	-	(541,674)
Contributions - employer	-	798,069	(798,069)
Contributions - employee	-	298,424	(298,424)
Net investment income	-	6,966,791	(6,966,791)
Benefit payments and refunds of employee contributions	(1,802,234)	(1,802,234)	-
Administrative expenses	-	(17,545)	17,545
Other changes	-	655	(655)
Net changes	1,855,515	6,244,160	(4,388,645)
Balance at June 30, 2021	\$ 35,532,864	\$ 31,935,427	\$ 3,597,437

**Note 10 – Defined Benefit Pension Plan (Continued)**

Changes in Net Pension Liability (Continued)

<i>Component Unit School Board Non-Professional</i>	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at June 30, 2020	\$ 10,044,223	\$ 9,589,922	\$ 454,301
Changes for the year:			
Service Cost	196,896	-	196,896
Interest	658,574	-	658,574
Changes in benefit terms	-	-	-
Changes of assumptions	305,903	-	305,903
Differences between expected and actual experience	8,734	-	8,734
Contributions - employer	-	89,819	(89,819)
Contributions - employee	-	112,462	(112,462)
Net investment income	-	2,578,114	(2,578,114)
Benefit payments and refunds of employee contributions	(575,130)	(575,130)	-
Administrative expenses	-	(6,595)	6,595
Other changes	-	242	(242)
Net changes	594,977	2,198,912	(1,603,935)
Balance at June 30, 2021	\$ 10,639,200	\$ 11,788,834	\$ (1,149,634)

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

The following presents the net pension liability of the political subdivision using the discount rate of 6.75%, as well as what the political subdivision's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease 5.75%	Current Rate 6.75%	1% Increase 7.75%
<i>Primary Government</i>			
Net Pension Liability	\$ 8,319,112	\$ 3,597,437	\$ (295,028)

**Note 10 – Defined Benefit Pension Plan (Continued)**

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

<i>Component Unit School Board Non-Professional</i>	1% Decrease <u>5.75%</u>	Current Rate <u>6.75%</u>	1% Increase <u>7.75%</u>
Net Pension Liability	<u>\$ 88,676</u>	<u>\$ (1,149,634)</u>	<u>\$ (210,988)</u>

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

For the year ended June 30, 2022, the County's primary government recognized pension expense of \$(245,483). At June 30, 2022, the County's primary government reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<i>Primary Government</i>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 204,691	\$ 381,415
Change in assumptions	1,032,774	-
Net difference between projected and actual earnings on pension plan investments	774,116	4,226,042
Employer contributions subsequent to the measurement date	<u>934,075</u>	<u>-</u>
Total	<u>\$ 2,945,656</u>	<u>\$ 4,607,457</u>

\$934,075 is reported as deferred outflows of resources related to pensions resulting from the County's general government contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2023	\$ (266,187)
2024	(550,478)
2025	(727,808)
2026	(1,051,403)
2026	-
Thereafter	<u>-</u>
Total	<u>\$ (2,595,876)</u>

**Note 10 – Defined Benefit Pension Plan (Continued)**

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

For the year ended June 30, 2021, the School Board recognized pension expense of \$(255,261) for non-professional employees. At June 30, 2021, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions for non-professional employees from the following sources:

<i>Component Unit School Board Non-Professional</i>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 6,047	\$ 130,734
Change in assumptions	254,198	-
Net difference between projected and actual earnings on pension plan investments	288,194	1,562,340
Employer contributions subsequent to the measurement date	112,499	-
Total	<u>\$ 660,938</u>	<u>\$ 1,693,074</u>

\$112,499 is reported as deferred outflows of resources related to pensions resulting from the school board's contributions subsequent to the measurement date for nonprofessional employees will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2023	\$ (267,017)
2024	(216,503)
2025	(272,395)
2026	(388,720)
Thereafter	-
Total	<u>\$ (1,144,635)</u>

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2021 Annual Report. A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at [varetire.org/pdf/publications/2021-annual-report.pdf](http://varetire.org/pdf/publications/2021-annual-report.pdf), or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

## **Note 10 – Defined Benefit Pension Plan (Continued)**

### **Component Unit School Board (Professional)**

#### Pensions

The Virginia Retirement System (VRS) Teacher Employee Retirement Plan is a multiple employer, costsharing plan. 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 Virginia Retirement System (VRS) Teacher Retirement Plan and the additions to/deductions from the VRS Teacher Retirement Plan's fiduciary net position have been determined on the same basis as they were reported by VRS. In addition, 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.

#### Plan Description

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

#### Contributions

The contribution requirement for active employees is governed by § 51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division's contractually required employer contribution rate for the year ended June 30, 2022, was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contribution to the pension plan from the School Board were \$3,720,873 and \$3,591,786 for the years ended June 30, 2022, and June 30, 2021, respectively.

In June 2021, the Commonwealth made a special contribution of approximately \$61.3 million to the VRS Teacher Employee Plan. This special payment was authorized by a budget amendment included in Chapter 552 of the 2021 Appropriation Act, and is classified as a non-employer contribution.

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

At June 30, 2022, the School Board reported a liability of \$ 19,284,311 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2021, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2020, and rolled forward to the measurement date of June 30, 2021. Scott County School

**Note 10 – Defined Benefit Pension Plan (Continued)**

**Component Unit School Board (Professional) (Continued)**

Board's proportion of the Net Pension Liability was based on the School Board's actuarially determined employer contributions to the pension plan for the year ended June 30, 2021, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the School Board's proportion was 0.24841% as compared to 0.24694% at June 30, 2020.

For the year ended June 30, 2022, the School Board recognized pension expense of \$(1,390,710). Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

At June 30, 2022, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<i>Component Unit School Board Professional</i>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,642,522
Net difference between projected and actual earnings on pension plan investments	-	12,152,456
Change in assumptions	3,378,561	-
Changes in proportion and differences between between employer contributions and proportionate share of contributions	223,664	321,046
Employer contributions subsequent to the measurement date	3,720,873	-
Total	<u>\$ 7,323,098</u>	<u>\$ 14,116,024</u>



**Note 10 – Defined Benefit Pension Plan (Continued)**

**Component Unit School Board (Professional) (Continued)**

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

\$3,720,873 reported as deferred outflows of resources related to pensions resulting from the School Board's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the Fiscal Year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2023	\$ (2,491,460)
2024	(22,308,833)
2025	(2,422,556)
2026	(3,372,595)
Thereafter	3,695
Total	<u>\$ (30,591,749)</u>

Actuarial Assumptions

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2020, 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, 2021.

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

Mortality rates:

- Pre-retirement: Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males
- Post-retirement: Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females
- Post-disablement: Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females
- Beneficiaries and Survivors: Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

## Note 10 – Defined Benefit Pension Plan (Continued)

### Component Unit School Board (Professional) (Continued)

#### Actuarial Assumptions (Continued)

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

The actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

#### Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67, less that system's fiduciary net position. As of June 30, 2021, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows:

	<b>Teacher Employee Retirement Plan</b>
Total Pension Liability	\$ 53,381,141
Plan Fiduciary Net Position	45,617,878
Employers' Net Pension Liability (Asset)	<u>7,763,263</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.46%

**Note 10 – Defined Benefit Pension Plan (Continued)**  
**Component Unit School Board (Professional) (Continued)**

Net Pension Liability (Continued)

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

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

Sensitivity of the School Board’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents Scott County School Board’s proportionate share of the net pension liability using the discount rate of 6.75%, as well as what the School Board’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

<i>Component Unit School Board Professional</i>	<u>1% Decrease 5.75%</u>	<u>Current Rate 6.75%</u>	<u>1% Increase 7.75%</u>
Net Pension Liability	<u>\$ 37,217,675</u>	<u>\$ 19,284,311</u>	<u>\$ 4,531,723</u>

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan’s Fiduciary Net Position is available in the separately issued *VRS 2021 Annual Comprehensive Financial Report* (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at [varetire.org/pdf/publications/2021-annualreport.pdf](http://varetire.org/pdf/publications/2021-annualreport.pdf), or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

**Note 11 – Other Postemployment Benefits – Health Insurance**

Plan Description

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

### Plan Description (Continued)

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

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

### Employees Covered by Benefit Terms

	Primary Government	Component Unit School Board
Active participants	88	606
Retired participants	11	18
Total covered employees	99	624

### Funding Policy and Contributions

The County and Schools currently fund postemployment health care benefits on a pay-as-you-go basis. The County and Schools do not accumulate assets in a trust. During fiscal year 2022, the County and Schools made OPEB benefit payments of \$89,899 and \$9,630, respectively.

### Total OPEB Liability

The County's total OPEB liability was measured as of June 30, 2022. The total OPEB liability was determined by an actuarial valuation performed as of June 30, 2022.

### Actuarial Methods and Assumptions

*Primary Government* – The County uses the alternative measurement method in accordance with GASB methodology. In the valuation for the year ended June 30, 2022, the cost method used to determine OPEB liability was entry age normal level percentage of payroll. All active and former employees who are potentially eligible to receive healthcare benefits as a retiree were included in the calculations. All assumptions attempt to represent the best estimate of anticipated experience under the plan. Employer future premium contribution is assumed to remain a level percentage of the total cost over time. Mortality

rates are the RP2000 Mortality Table for Males and Females Projected 18 years; this assumption does not include a margin for future improvements in longevity. Turnover rates are derived from data maintained by the U.S. Office of Personnel Management regarding the most recent experience of the employee group covered by the Federal Employees Retirement System. Other assumptions are as follows.

Average retirement age	62 years
Salary increases	2.46 percent
Amortization period	20 years

*Component Unit School Board* – In the actuarial valuation for the year ended June 30, 2022, the cost method used to determine OPEB liability was individual entry age normal level percent of salary. All active and former employees who are potentially eligible to receive healthcare benefits as a retiree were included in the calculations. All assumptions attempt to represent the best estimate of anticipated experience under the plan. Retirement, mortality, and termination rates are the rates used for the June 30, 2021 Actuarial Valuation of the Virginia Retirement System. No disability rates were assumed. Per capita claims costs include medical, dental, and prescription drug coverages and are based on the 2019 healthcare premiums provided by the School Board. It is assumed that 85% of eligible retirees will elect to receive coverage upon retirement. Spouse coverage is not available for participants that retire on or after July 1, 2009. It is assumed that 80% of active employees are married at retirement. Female spouses are assumed to be 3 years younger than their husbands. Other assumptions are as follows.

Inflation	2.50 percent
Salary increases	3.0 percent

#### Funding Status and Funding Progress

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

#### Discount Rate and Municipal Bond Rate

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

#### Healthcare Trend Rates

*Primary Government*

<u>Year</u>	<u>Medical</u>	<u>Pharmacy</u>	<u>Dental</u>	<u>Vision</u>
Year 1	4.70%	5.20%	3.50%	3.00%
Year 2	4.80%	4.80%	3.50%	3.00%
Year 3	4.70%	4.70%	3.00%	3.00%
Year 4	4.60%	4.60%	3.00%	3.00%
Year 5	4.50%	4.50%	3.00%	3.00%
Year 6	4.40%	4.40%	3.00%	3.00%
Year 7	4.30%	4.30%	3.00%	3.00%
Year 8	4.20%	4.20%	3.00%	3.00%
Year 9	4.20%	4.20%	3.00%	3.00%
Thereafter	4.20%	4.20%	3.00%	3.00%

*Component Unit School Board*

<u>Year</u>	<u>Medical</u>	<u>Dental</u>
2022	7.50%	3.00%
2023	7.25%	3.00%
2024	7.00%	3.00%
2025	6.75%	3.00%
2026	6.50%	3.00%
Thereafter	4.25% - 6.25%	3.00%

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

The following presents the total OPEB liability using the discount rate of 4.09% and 3.54% for the county and schools, respectively, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.09%/2.54%) or one percentage point higher (5.09%/4.54%) than the current rate:

<i>Primary Government</i>	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$ 3,898,697</u>	<u>\$ 3,592,886</u>	<u>\$ 3,323,843</u>
<i>Component Unit School Board</i>	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$ 4,690,767</u>	<u>\$ 4,306,126</u>	<u>\$ 3,947,814</u>

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

<i>Primary Government</i>	<u>1% Decrease</u>	<u>Current Trend</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$ 3,293,574</u>	<u>\$ 3,592,886</u>	<u>\$ 3,936,545</u>
<i>Component Unit School Board</i>	<u>1% Decrease</u>	<u>Current Trend</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$ 3,830,933</u>	<u>\$ 4,306,126</u>	<u>\$ 4,857,060</u>

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

For the year ended June 30, 2022, the County's primary government recognized OPEB – health insurance expense of \$(27,136). At June 30, 2022, the County's primary government did not report deferred outflows of resources or deferred inflows of resources related to OPEB – health insurance because the County is on a pay-as-you-go basis.

For the year ended June 30, 2022, the School Board recognized OPEB – health insurance expense of \$85,054. At June 30, 2022, the School Board reported deferred outflows of resources of \$516,685 related to OPEB – health insurance due to a change in assumptions. The Board reported deferred inflows of \$1,881,578 due to differences between expected and actual experience. Deferred outflows and inflows will be recognized in OPEB – health insurance expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
2023	\$ 91,107	\$ (313,122)
2024	91,107	(313,122)
2025	91,107	(313,122)
2026	91,107	(313,122)
2027	91,107	(313,122)
Thereafter	61,150	(315,968)
Total	<u>\$ 516,685</u>	<u>\$ (1,881,578)</u>

## **Note 12 – Other Postemployment Benefits – Group Life Insurance**

The Virginia Retirement System (VRS) Group Life Insurance (GLI) Program is a multiple employer, cost-sharing plan. It provides coverage to state employees, teachers, and employees of political subdivision. The GLI Program was established pursuant to §51.1-500 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. The GLI Program is a defined benefit plan that provides a basic group life insurance benefit for employees of participating employers. For purposes of measuring net GLI OPEB liability, deferred outflows of resources and deferred inflows of resources related to the GLI OPEB, GLI OPEB expense, information about the fiduciary net position of the VRS GLI OPEB and the additions to/deductions from the VRS GLI Program OPEB's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### Plan Description

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

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



The specific information for Group Life Insurance Program OPEB, including eligibility, coverage and benefits is available at <https://www.varetire.org/benefits-and-programs/benefits/life-insurance/>

### Contributions

The contribution requirements for the Group Life Insurance Program are governed by § 51.1-506 and § 51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the Group Life Insurance Program was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% X 60%) and the employer component was 0.54% (1.34% X 40%). Employers may elect to pay all or part of the employee contribution, however the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2022, was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. County contributions to the GLI Program were \$38,235 and \$34,253 for the years ended June 30, 2022 and June 30, 2021, respectively. School Board Non-professional contributions to the GLI Program were \$13,913 and \$13,384. School Board Professional contributions to the GLI Program were \$120,895 and \$117,002.

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

At June 30, 2022, the County reported a liability of \$357,664 for its proportionate share of the Net GLI OPEB Liability. School Board Non-professional reported a liability of \$139,712. School Board Professional reported a liability of \$1,221,786. The Net GLI OPEB Liability was measured as of June 30, 2021 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation as of that date. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Program for the year ended June 30, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the County's proportion was 0.03072% as compared to 0.02940% at June 30, 2020. School Board Non-professional proportion was 0.01200% as compared to 0.01145%. School Board professional proportion was 0.10494% as compared to 0.10346%.

For the year ended June 30, 2022, the County recognized GLI OPEB expense of \$(24,281). School Board Non-professional recognized GLI OPEB expense of \$(8,146). School Board Professional recognized GLI OPEB expense of \$(75,958). Since there was a change in the proportionate share between measure dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

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

Contributions (Continued)

At June 30, 2022, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	<u>County</u>		<u>School Board Non-prof.</u>		<u>School Board Prof.</u>	
	<u>Outflows</u>	<u>Inflows</u>	<u>Outflows</u>	<u>Inflows</u>	<u>Outflows</u>	<u>Inflows</u>
Differences between expected and actual experience	\$ 40,793	\$ 2,725	\$ 15,935	\$ 1,065	\$ 139,349	\$ 9,309
Net difference between projected and actual investment earnings	-	85,367	-	33,346	-	291,614
Change in assumptions	19,718	48,936	7,702	19,116	67,357	167,166
Changes in proportion	16,254	9,016	7,106	3,481	23,111	32,636
Employer contributions subsequent to the measurement date	38,235	-	13,913	-	120,895	-
Total	<u>\$ 115,000</u>	<u>\$ 146,044</u>	<u>\$ 44,656</u>	<u>\$ 57,008</u>	<u>\$ 350,712</u>	<u>\$ 500,725</u>

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

Amounts reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in the future reporting periods as follows:

<u>Year ended June 30</u>	<u>County</u>	<u>Non-prof.</u>	<u>Professional</u>
2023	\$ (18,227)	\$ (6,807)	\$ (64,987)
2024	(13,148)	(5,256)	(53,283)
2025	(12,059)	(4,497)	(50,508)
2026	(23,979)	(9,069)	(88,579)
2027	(1,866)	(636)	(13,351)
Thereafter	-	-	-
Total Deferred	<u>\$ (69,279)</u>	<u>\$ (26,265)</u>	<u>\$ (270,708)</u>

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2020, using the Entry Age Normal actuarial cost method and the same assumptions as the VRS pension plan, as described in Note 10, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

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

Net GLI OPEB Liability

The net OPEB liability (NOL) for the GLI Program represents the programs' total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2021, NOL amounts for the entire GLI Program is as follows (expressed in thousands):

	Group Life Insurance OPEB Program
Total GLI OPEB Liability	\$ 3,577,346
Plan Fiduciary Net Position	2,413,074
Employers' Net GLI OPEB Liability (Asset)	<u>\$ 1,164,272</u>
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	67.45%

Net GLI OPEB Liability (Continued)

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

Long-Term Expected Rate of Return

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

Discount Rate

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

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

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

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

	1% Decrease (5.75%)	Discount Rate (6.75%)	1% Increase (7.75%)
County	\$ 522,561	\$ 357,664	\$ 224,503
School Board Non-prof.	\$ 204,125	\$ 139,712	\$ 87,696
School Board Professional	\$ 1,785,074	\$ 1,221,786	\$ 766,906

Group Life Insurance Program Fiduciary Net Position

Detailed information about the GLI Program’s Fiduciary Net Position is available in the separately issued VRS 2019 Annual Comprehensive Financial Report (ACFR). A copy of the 2021 VRS ACFR may be downloaded from the VRS website or requested by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

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

Schedule of Employer Contributions

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

Year Ended June 30,	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Employee Payroll (4)	Contributions as of % of Covered Employee Payroll (5)
<i>County</i>					
2022	\$ 38,235	\$ 38,235	-	\$ 7,080,576	0.54%
2021	34,253	34,253	-	6,343,213	0.54%
2020	31,486	31,486	-	6,162,900	0.51%
2019	30,226	30,226	-	5,888,413	0.51%
2018	29,727	29,727	-	5,663,894	0.52%
2017	28,636	28,636	-	5,481,934	0.52%
<i>School Board Non-professional</i>					
2022	\$ 13,913	\$ 13,913	-	\$ 2,576,534	0.54%
2021	13,384	13,384	-	2,478,458	0.54%
2020	12,230	12,230	-	2,360,354	0.52%
2019	11,757	11,757	-	2,260,961	0.52%
2018	11,365	11,365	-	2,174,214	0.52%
2017	11,374	11,374	-	2,178,285	0.52%
<i>School Board Professional</i>					
2022	\$ 120,895	\$ 120,895	-	\$ 22,387,923	0.54%
2021	117,002	117,002	-	21,667,084	0.54%
2020	110,300	110,300	-	21,393,391	0.52%
2019	105,921	105,921	-	20,761,623	0.51%
2018	104,382	104,382	-	22,585,459	0.46%
2017	103,442	103,442	-	21,797,939	0.47%

For Reference Only:

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

Column (2) – Actual employer contribution remitted to VRS

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

### **Note 13 – Other Postemployment Benefits – Health Insurance Credit**

The Virginia Retirement System (VRS) Teacher Employee Health Insurance Credit Program is a multiple-employer, cost-sharing plan. The Teacher Employee Health Insurance Credit Program was established pursuant to § 51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. The Teacher Employee Health Insurance Credit Program is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired teachers. For purposes of measuring the net Teacher Employee Health Insurance Credit Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the Teacher Employee Health Insurance Credit Program OPEB, and the Teacher Employee Health Insurance Credit Program OPEB expense, information about the fiduciary net position of the Virginia Retirement System (VRS) Teacher Employee Health Insurance Credit Program; and the additions to/deductions from the VRS Teacher Employee Health Insurance Credit Program's net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### **Plan Description**

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

The specific information for HIC OPEB, including eligibility, coverage, and benefits is available at: <https://www.varetire.org/retirees/insurance/healthinscredit>

#### **Contributions**

The contribution requirement for active employees is governed by § 51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2022, was 1.21% of covered employee compensation for employees in the VRS Teacher Employee Health Insurance Credit Program. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee Health Insurance Credit Program were \$270,894 and \$244,162 for the years ended June 30, 2022 and June 30, 2021, respectively.

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

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

At June 30, 2022, the school division reported a liability of \$3,136,529 for its proportionate share of the Net HIC OPEB Liability. The Net HIC OPEB Liability was measured as of June 30, 2021 and the total HIC OPEB liability used to calculate the Net HIC OPEB Liability was determined by an actuarial valuation as of that date. The school division's proportion of the Net VRS Teacher Employee Health Insurance Credit Program OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee Health Insurance Credit Program OPEB plan for the year ended June 30, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the school division's proportion was 0.24436% as compared to 0.24234% at June 30, 2020.

For the year ended June 30, 2022, the school division recognized HIC OPEB expense of \$(30,123). Since there was a change in the proportionate share between measure dates, a portion of the HIC OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2022, the employer reported deferred outflows of resources and deferred inflows of resources related to the HIC OPEB from the following sources:

	<i>School Division</i>	
	<u>Outflows</u>	<u>Inflows</u>
Differences between expected and actual experience	\$ -	\$ 54,732
Net difference between projected and actual investment earnings	-	41,318
Change in assumptions	84,786	12,605
Changes in proportion	23,952	61,255
Employer contributions subsequent to the measurement date	270,894	-
Total	<u>\$ 379,632</u>	<u>\$ 169,910</u>

\$270,894 is reported as deferred outflows of resources related to the HIC OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB liability in the fiscal year ending June 30, 2023.

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

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

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in the future reporting periods as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2023	\$ (18,123)
2024	(18,592)
2025	(17,366)
2026	(14,415)
2027	2,270
Thereafter	5,054
Total	<u>\$ (61,172)</u>

Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2020, using the Entry Age Normal actuarial cost method and the same assumptions as the VRS pension plan, as described in Note 10 except mortality rates, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

Mortality rates – Teachers

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

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

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

Beneficiaries and Survivors: Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

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



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

Net HIC OPEB Liability

The net OPEB liability (NOL) for the Teacher Employee Health Insurance Credit Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2021, NOL amounts for the VRS Teacher Employee Health Insurance Credit Program are as follows (amounts expressed in thousands):

	Teacher Employee HIC OPEB Plan
Total HIC OPEB Liability	\$ 1,477,874
Plan Fiduciary Net Position	194,305
Net HIC OPEB Liability (Asset)	<u>\$ 1,283,569</u>
Plan Fiduciary Net Position as a Percentage of the Total HIC OPEB Liability	13.15%

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

Long-Term Expected Rate of Return

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

Discount Rate

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

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

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

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

	1% Decrease (5.75%)	Discount Rate (6.75%)	1% Increase (7.75%)
School Division	<u>\$ 3,530,863</u>	<u>\$ 3,136,529</u>	<u>\$ 2,802,829</u>

Schedule of Employer's Share of Net HIC OPEB Liability

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

	<i>School Division</i>			
	2021	2020	2019	2018
Employer's Proportion of the Net GLI OPEB Liability (Asset)	0.24436%	0.24234%	0.24258%	0.24747%
Employer's Proportionate Share of the Net GLI OPEB Liability (Asset)	\$ 3,136,529	\$ 3,161,365	\$ 3,175,608	\$ 3,142,000
Employer's Covered Payroll	22,387,923	21,611,229	21,345,293	22,585,459
Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of its Covered Payroll	14.00992%	14.62834%	14.87732%	13.91161%
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	13.15000%	9.95000%	8.97000%	8.08000%

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

Schedule of Employer Contributions

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

Year Ended June 30,	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Employee Payroll (4)	Contributions as of % of Covered Employee Payroll (5)
<i>School Division</i>					
2022	\$ 270,894	\$ 270,894	-	\$22,387,923	1.21%
2021	261,946	261,946	-	21,611,229	1.21%
2020	253,988	253,988	-	21,345,293	1.19%
2019	243,939	243,939	-	20,737,663	1.18%
2018	246,174	246,174	-	22,585,459	1.09%
2017	219,851	219,851	-	21,797,939	1.01%

For Reference Only:

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

Column (2) – Actual employer contribution remitted to VRS

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

Group Life Insurance Program Fiduciary Net Position

Detailed information about the HIC Program's Fiduciary Net Position is available in the separately issued VRS 2021 Annual Comprehensive Financial Report (ACFR). A copy of the 2021 VRS ACFR may be downloaded from the VRS website or requested by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

**Note 14 – Contingent Liabilities**

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

### **Note 15 – Landfill Closure and Post Closure 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 \$909,073 reported as landfill closure and post closure care liability at June 30, 2022 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 2022.

### **Note 16 – Risk Management**

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

### **Note 17 - Self-Funded Insurance**

The Scott County School Board established a limited risk management program for health insurance in 1992. Premiums are paid into the School Health Insurance Fund by school employees and are available to pay claims, claim reserves and administrative costs of the program. During fiscal year 2022 a total of \$4,600,750 was paid in benefits and administrative costs. The risk assumed by the School Board is \$100,000 per person with a maximum attachment point of \$4,672,150. 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, 2022.

### **Note 18 – Interfund Transfers**

Interfund transfers for the year ended June 30, 2022, consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ -	\$ 6,224,849
School	6,224,849	-
Totals	<u>\$ 6,224,849</u>	<u>\$ 6,224,849</u>

## Note 19 – Surety Bonds

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

## Note 20 – Subsequent Events

Subsequent events have been evaluated as of December 21, 2022, which is the date the financial statements were issued.

## Note 21 – CARES Act and American Rescue Plan Act Funds

During fiscal year 2022, the County expended CARES Act funds of \$929,497. The County maintains a separate bank account for remaining funds of \$0.

Also, during fiscal year 2021, the County received American Rescue Plan Act (ARPA) funds of \$2,094,472. These funds were incurred by the County as lost revenue for FY22. The County received additional ARPA funding of \$2,094,472 during FY22 but has not incurred or spent this additional allotment. The total amount of \$2,094,472 is reported as Unearned revenue - ARPA funds in the Statement of Net Position.

## Note 22 – Restatement of Prior Period Financial Statements

1. Along with the implementation of GASB No. 87, *Leases*, the June 30, 2021 balances of capital assets and lease liabilities have been restated for the discretely presented component unit – school board. The net effect of this restatement did not affect the net position of the school board. The primary government did not have any leases that required prior period adjustment at June 30, 2021. The discretely presented component unit – public service authority also was restated as of June 30, 2021. Net position decreased by \$15,021 due to changes in debt and fixed asset balances unrelated to the implementation of GASB 87, *Leases*.
2. With the implementation of GASB No. 84, *Schools' Student Activity Funds*, the June 30, 2021, beginning fund balance of the discretely presented component unit – school board was increased by \$593,674 which was the beginning balance of the School Activity Funds which are now reported as part of the School Board's governmental funds activity.

County of Scott, Virginia  
Combined Statement of Revenues, Expenditures and Changes in Fund Balances-  
Budget And Actual - General Fund  
For the Year Ended June 30, 2022

Exhibit 10

	General Fund			
	Original Budget	Budget As Amended	Actual	Variance With Amended
Revenues:				
General property taxes	\$ 13,289,521	\$ 13,289,521	\$ 13,610,440	\$ 320,919
Other local taxes	3,345,906	3,406,406	3,554,000	147,594
Permits, privilege fees & regulatory licenses	27,450	27,450	72,074	44,624
Fines and forfeitures	206,110	213,110	375,348	162,238
Revenue from use of money & property	100,288	100,288	104,861	4,573
Charges for services	87,600	87,600	182,591	94,991
Miscellaneous	144,126	468,533	618,461	149,928
Recovered costs	396,229	441,521	423,301	(18,220)
Intergovernmental:				
Commonwealth	9,197,603	9,330,714	6,924,988	(2,405,726)
Federal	137,646	451,146	4,861,468	4,410,322
TOTAL REVENUES	<u>26,932,479</u>	<u>27,816,289</u>	<u>30,727,532</u>	<u>2,911,243</u>
Expenditures:				
Current:				
General government administration	7,633,319	7,698,143	3,876,498	3,821,645
Judicial administration	1,955,787	1,973,739	1,623,785	349,954
Public safety	8,412,564	8,616,014	7,529,606	1,086,408
Public works	2,732,928	3,016,713	2,750,664	266,049
Health and welfare	5,908,561	5,908,561	5,319,246	589,315
Education	6,401,215	6,401,215	6,252,956	148,259
Parks, recreation, & cultural	529,123	546,723	534,161	12,562
Community development	889,306	1,215,988	1,224,969	(8,981)
Debt service:				
Principal retirement	-	-	209,468	(209,468)
Interest & other fiscal charges	-	-	8,665	(8,665)
TOTAL EXPENDITURES	<u>34,462,803</u>	<u>35,377,096</u>	<u>29,330,018</u>	<u>6,047,078</u>
Excess (deficiency) of revenues over expenditures	<u>(7,530,324)</u>	<u>(7,560,807)</u>	<u>1,397,514</u>	<u>8,958,321</u>
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Proceeds from indebtedness	-	-	-	-
Prior year surplus (deficit)	7,377,327	7,407,810	-	(7,407,810)
TOTAL OTHER FINANCING	<u>7,377,327</u>	<u>7,407,810</u>	<u>-</u>	<u>(7,407,810)</u>
Excess (deficiency) of revenues & other sources over expenditures & other uses	<u>(152,997)</u>	<u>(152,997)</u>	<u>1,397,514</u>	<u>1,550,511</u>
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>5,706,834</u>	<u>5,706,834</u>
Fund balances at end of year	<u>\$ (152,997)</u>	<u>\$ (152,997)</u>	<u>\$ 7,104,348</u>	<u>\$ 7,257,345</u>

County of Scott, Virginia  
Combining Schedule of Fiduciary Net Position -  
Custodial Funds  
June 30, 2022

Exhibit 11

	Custodial Funds			
	Special Welfare	Payroll Withholding Fund	Local Sales Tax Fund	Totals
Assets:				
Cash and cash equivalents	\$ 29,292	\$ -	\$ -	\$ 29,292
Due from other government units	-	-	355,058	355,058
Amount due from others	-	55,764	-	55,764
Total assets	<u>\$ 29,292</u>	<u>\$ 55,764</u>	<u>\$ 355,058</u>	<u>\$ 440,114</u>
Liabilities:				
Due to primary government	\$ -	\$ -	\$ 327,328	\$ 327,328
Amounts due to others	-	55,764	-	55,764
Amounts held for others	29,292	-	27,730	57,022
Total liabilities	<u>\$ 29,292</u>	<u>\$ 55,764</u>	<u>\$ 355,058</u>	<u>\$ 440,114</u>

County of Scott, Virginia  
Schedule of Changes in the Net Pension Liability and Related Ratios  
Governmental Funds and Discretely Presented Component Unit - School Board  
For the Year Ended June 30, 2022

<i>Primary Government</i>	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability								
Service cost	\$ 766,851	\$ 674,952	\$ 625,726	\$ 599,817	\$ 613,499	\$ 584,285	\$ 621,118	\$ 600,671
Interest	2,212,396	2,129,232	2,036,058	1,960,615	1,943,412	1,888,383	1,831,199	1,765,556
Changes of benefit terms	-	-	-	-	-	-	-	-
Changes in assumptions	1,220,176	-	928,361	-	(22,732)	-	-	-
Difference between expected & actual experience	(541,674)	211,965	585,651	174,381	(742,506)	(217,288)	(101,261)	-
Benefit payments, including refunds	(1,802,234)	(1,765,970)	(1,670,343)	(1,643,768)	(1,448,071)	(1,490,411)	(1,577,871)	(1,279,074)
Net change in total pension liability	1,855,515	1,250,179	2,505,453	1,091,045	343,602	764,969	773,185	1,087,153
Total pension liability - beginning	33,677,349	32,427,170	29,921,717	28,830,672	28,487,070	27,722,101	26,948,916	25,861,763
Total pension liability - ending (a)	<u>\$ 35,532,864</u>	<u>\$ 33,677,349</u>	<u>\$ 32,427,170</u>	<u>\$ 29,921,717</u>	<u>\$ 28,830,672</u>	<u>\$ 28,487,070</u>	<u>\$ 27,722,101</u>	<u>\$ 26,948,916</u>
Plan fiduciary net position								
Contributions - employer	\$ 798,069	\$ 717,233	\$ 697,098	\$ 712,572	\$ 693,671	\$ 791,794	\$ 750,456	\$ 802,383
Contributions - employee	298,424	286,735	315,044	284,616	266,710	271,254	258,617	265,190
Net investment income	6,966,791	490,773	1,646,571	1,753,285	2,632,566	376,372	969,541	2,951,572
Benefit Payments, including refunds	(1,802,234)	(1,765,970)	(1,670,343)	(1,643,768)	(1,448,071)	(1,490,411)	(1,577,871)	(1,279,074)
Administrative expense	(17,545)	(17,090)	(16,551)	(15,378)	(15,366)	(13,659)	(13,637)	(15,914)
Other	655	(579)	(1,037)	(1,552)	(2,338)	(160)	(203)	156
Net change in plan fiduciary net position	6,244,160	(288,898)	970,782	1,089,775	2,127,172	(64,810)	386,903	2,724,313
Plan fiduciary net position - beginning	25,691,267	25,980,165	25,009,383	23,919,608	21,792,436	21,857,246	21,470,343	18,746,030
Plan fiduciary net position - ending (b)	<u>\$ 31,935,427</u>	<u>\$ 25,691,267</u>	<u>\$ 25,980,165</u>	<u>\$ 25,009,383</u>	<u>\$ 23,919,608</u>	<u>\$ 21,792,436</u>	<u>\$ 21,857,246</u>	<u>\$ 21,470,343</u>
Net pension liability-ending (a) - (b)	<u>\$ 3,597,437</u>	<u>\$ 7,986,082</u>	<u>\$ 6,447,005</u>	<u>\$ 4,912,334</u>	<u>\$ 4,911,064</u>	<u>\$ 6,694,634</u>	<u>\$ 5,864,855</u>	<u>\$ 5,478,573</u>
Plan fiduciary net position as a percentage of the total pension liability	89.88%	76.29%	80.12%	83.58%	82.97%	76.50%	78.84%	79.67%
Covered-employee payroll for year ended	\$ 7,076,326	\$ 6,285,456	\$ 6,230,870	\$ 5,744,673	\$ 5,663,894	\$ 5,481,934	\$ 6,021,135	\$ 5,479,756
Political subdivision's net pension liability as a percentage of covered-employee payroll	50.84%	127.06%	103.47%	85.51%	86.71%	122.12%	97.40%	99.98%

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



County of Scott, Virginia  
Schedule of Changes in the Net Pension Liability and Related Ratios  
Governmental Funds and Discretely Presented Component Unit - School Board  
For the Year Ended June 30, 2022

<i>Component Unit School Board - Non-prof.</i>	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability								
Service cost	\$ 196,896	\$ 206,477	\$ 201,089	\$ 198,077	\$ 207,235	\$ 216,597	\$ 225,567	\$ 224,506
Interest	658,574	648,756	656,863	633,629	632,999	616,205	593,502	569,005
Changes of benefit terms	-	-	-	-	-	-	-	-
Changes in assumptions	305,903	-	261,821	-	(29,008)	-	-	-
Difference between expected & actual experience	8,734	(158,432)	(387,845)	(22,128)	(329,396)	(118,912)	(18,675)	-
Benefit payments, including refunds	(575,130)	(527,557)	(481,405)	(473,927)	(471,735)	(476,218)	(475,913)	(411,190)
Net change in total pension liability	594,977	169,244	250,523	335,651	10,095	237,672	324,481	382,321
Total pension liability - beginning	10,044,223	9,874,979	9,624,456	9,288,805	9,278,710	9,041,038	8,716,557	8,334,236
Total pension liability - ending (a)	<u>\$ 10,639,200</u>	<u>\$ 10,044,223</u>	<u>\$ 9,874,979</u>	<u>\$ 9,624,456</u>	<u>\$ 9,288,805</u>	<u>\$ 9,278,710</u>	<u>\$ 9,041,038</u>	<u>\$ 8,716,557</u>
Plan fiduciary net position								
Contributions - employer	\$ 89,819	\$ 113,954	\$ 113,964	\$ 151,084	\$ 153,075	\$ 196,260	\$ 197,633	\$ 226,613
Contributions - employee	112,462	107,150	105,046	103,740	104,870	104,712	106,064	106,179
Net investment income	2,578,114	184,824	616,904	655,267	985,817	140,253	364,074	1,102,402
Benefit Payments, including refunds	(575,130)	(527,557)	(481,405)	(473,927)	(471,735)	(476,218)	(475,913)	(411,190)
Administrative expense	(6,595)	(6,411)	(6,224)	(5,729)	(5,784)	(5,137)	(5,083)	(5,951)
Other	242	(216)	(388)	(582)	(874)	(60)	(79)	59
Net change in plan fiduciary net position	2,198,912	(128,256)	347,897	429,853	765,369	(40,190)	186,696	1,018,112
Plan fiduciary net position - beginning	9,589,922	9,718,178	9,370,281	8,940,428	8,175,059	8,215,249	8,028,553	7,010,441
Plan fiduciary net position - ending (b)	<u>\$ 11,788,834</u>	<u>\$ 9,589,922</u>	<u>\$ 9,718,178</u>	<u>\$ 9,370,281</u>	<u>\$ 8,940,428</u>	<u>\$ 8,175,059</u>	<u>\$ 8,215,249</u>	<u>\$ 8,028,553</u>
Net pension liability-ending (a) - (b)	<u>\$ (1,149,634)</u>	<u>\$ 454,301</u>	<u>\$ 156,801</u>	<u>\$ 254,175</u>	<u>\$ 348,377</u>	<u>\$ 1,103,651</u>	<u>\$ 825,789</u>	<u>\$ 688,004</u>
Plan fiduciary net position as a percentage of the total pension liability	110.81%	95.48%	98.41%	97.36%	96.25%	88.11%	90.87%	92.11%
Covered-employee payroll for year ended	\$ 2,568,472	\$ 2,467,776	\$ 2,283,667	\$ 2,167,800	\$ 2,174,214	\$ 2,178,285	\$ 2,461,085	\$ 2,321,227
Political subdivision's net pension liability as a percentage of covered-employee payroll	-44.76%	18.41%	6.87%	11.73%	16.02%	50.67%	33.55%	29.64%

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

County of Scott, Virginia  
Schedule of Changes in the Total OPEB Liability and Related Ratios  
Governmental Funds and Discretely Presented Component Unit - School Board  
For the Year Ended June 30, 2022

Exhibit 13

	<i>Primary Government</i>					<i>Component Unit School Board</i>				
	2022	2021	2020	2019	2018	2022	2021	2020	2019	2018
Total OPEB liability - beginning	\$ 3,620,022	\$ 3,542,667	\$ 3,474,337	\$ 3,351,733	\$ 3,785,705	\$ 5,590,731	\$ 5,251,209	\$ 5,085,966	\$ 4,658,005	\$ 4,383,883
Changes for the year:										
Service Cost	188,085	198,400	129,912	126,749	129,209	299,406	290,481	345,872	314,553	302,833
Interest	81,289	81,911	124,833	65,812	41,023	119,558	115,074	174,417	176,389	165,926
Change of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	423,201	(150,634)	(513,944)	-	5,151	(1,066,405)	-	(786,986)	-	-
Changes of assumptions or inputs	(629,812)	17,416	403,353	5,857	(522,812)	(525,269)	22,913	638,975	139,188	-
Benefit payments	(89,899)	(69,738)	(75,824)	(75,814)	(86,543)	(9,630)	(26,680)	(55,280)	(75,910)	(99,010)
Employer contributions	-	-	-	-	-	-	-	-	-	-
Employee contributions	-	-	-	-	-	-	-	-	-	-
Net investment income	-	-	-	-	-	-	-	-	-	-
Administrative expenses	-	-	-	-	-	-	-	-	-	-
Implicit rate subsidy fulfillment	-	-	-	-	-	(102,265)	(62,266)	(151,755)	(126,259)	(95,627)
Other changes	-	-	-	-	-	-	-	-	-	-
Net changes	(27,136)	77,355	68,330	122,604	(433,972)	(1,284,605)	339,522	165,243	427,961	274,122
Total OPEB liability - ending	\$ 3,592,886	\$ 3,620,022	\$ 3,542,667	\$ 3,474,337	\$ 3,351,733	\$ 4,306,126	\$ 5,590,731	\$ 5,251,209	\$ 5,085,966	\$ 4,658,005
Covered-employee payroll	\$ 7,080,576	\$ 6,343,213	\$ 6,162,900	\$ 5,870,616	\$ 5,663,894	\$ 24,964,457	\$ 24,145,542	\$ 24,057,773	\$ 22,624,219	\$ 22,624,219
Total OPEB liability as a percentage of covered-employee payroll	50.74%	57.07%	57.48%	59.18%	59.18%	17.25%	23.15%	21.83%	22.48%	20.59%

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

County of Scott, Virginia  
Schedule of Employer's Share of Net GLI OPEB Liability  
Governmental Funds and Discretely Presented Component Unit - School Board  
For the Year Ended June 30, 2022

Exhibit 14

	<i>County</i>				
	2021	2020	2019	2018	2017
Employer's Proportion of the Net GLI OPEB Liability (Asset)	0.03072%	0.02940%	0.02965%	0.03007%	0.02986%
Employer's Proportionate Share of the Net GLI OPEB Liability (Asset)	\$ 357,664	\$ 490,638	\$ 482,485	\$ 456,000	\$ 450,000
Employer's Covered Payroll	7,080,576	6,343,213	6,162,900	5,663,894	5,481,934
Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of its Covered Payroll	5.05134%	7.73485%	7.82886%	8.05100%	8.20878%
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	67.45000%	52.64000%	52.00000%	51.22000%	48.86000%
	<i>School Board Non-prof.</i>				
	2021	2020	2019	2018	2017
Employer's Proportion of the Net GLI OPEB Liability (Asset)	0.01200%	0.01145%	0.01153%	0.01149%	0.01186%
Employer's Proportionate Share of the Net GLI OPEB Liability (Asset)	\$ 139,712	\$ 191,082	\$ 187,623	\$ 179,000	\$ 175,000
Employer's Covered Payroll	2,576,534	2,478,458	2,360,354	2,174,214	2,178,285
Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of its Covered Payroll	5.42248%	7.70971%	7.94893%	8.23286%	8.03384%
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	67.45000%	52.64000%	52.00000%	51.22000%	48.86000%
	<i>School Board Prof.</i>				
	2021	2020	2019	2018	2017
Employer's Proportion of the Net GLI OPEB Liability (Asset)	0.10494%	0.10346%	0.10391%	0.10785%	0.10557%
Employer's Proportionate Share of the Net GLI OPEB Liability (Asset)	\$ 1,221,786	\$ 1,726,578	\$ 1,690,893	\$ 1,603,000	\$ 1,623,000
Employer's Covered Payroll	22,387,923	21,667,084	21,393,391	22,585,459	21,797,939
Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of its Covered Payroll	5.45734%	7.96867%	7.90381%	7.09749%	7.44566%
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	67.45000%	52.64000%	52.00000%	51.22000%	48.86000%

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

	Governmental Fund Types					Proprietary Fund Type	
	School Operating Fund	School Food Service Fund	School Debt Service	School Activity Funds	Scott County Head Start	School Insurance Fund	Totals
Assets:							
Cash & cash equivalents	\$ 6,318	\$ 1,001,499	\$ -	\$ 637,611	\$ 29,208	\$ 1,270,491	\$ 2,945,127
Accounts receivable	8,984	-	-	-	3,510	-	12,494
Prepaid expenses	430,648	-	-	-	-	-	430,648
Due from other governmental units	1,101,632	1,924	-	-	-	-	1,103,556
Due from primary government	2,391,923	-	-	-	-	-	2,391,923
Total Assets	<u>\$ 3,939,505</u>	<u>\$ 1,003,423</u>	<u>\$ -</u>	<u>\$ 637,611</u>	<u>\$ 32,718</u>	<u>\$ 1,270,491</u>	<u>\$ 6,883,748</u>
Liabilities:							
Accounts payable	\$ 611,062	\$ 9,126	\$ -	\$ -	\$ 19,541	\$ -	\$ 639,729
Accrued salaries	3,392,412	120,717	-	-	-	-	3,513,129
Health insurance payable	-	-	-	-	-	-	-
Total Liabilities	<u>4,003,474</u>	<u>129,843</u>	<u>-</u>	<u>-</u>	<u>19,541</u>	<u>-</u>	<u>4,152,858</u>
Fund balances:							
Nonspendable							
Prepaid items	430,648	-	-	-	-	-	430,648
Restricted							
School cafeteria	-	873,580	-	-	-	-	873,580
School activity fund	-	-	-	637,611	-	-	637,611
Assigned							
Insurance	-	-	-	-	-	1,270,491	1,270,491
Unassigned	(494,617)	-	-	-	13,177	-	(481,440)
Total Fund Balance	<u>(63,969)</u>	<u>873,580</u>	<u>-</u>	<u>637,611</u>	<u>13,177</u>	<u>1,270,491</u>	<u>2,730,890</u>
Total Liabilities & Fund Balance	<u>\$ 3,939,505</u>	<u>\$ 1,003,423</u>	<u>\$ -</u>	<u>\$ 637,611</u>	<u>\$ 32,718</u>	<u>\$ 1,270,491</u>	<u>\$ 6,883,748</u>

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

Total fund balance 2,730,890

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.

46,163,150

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.

(50,911,364)

Total net position

\$ (2,017,324)

County of Scott, Virginia  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Discretely Presented Component Unit - School Board  
For the Year Ended June 30, 2022

Exhibit 16

	Governmental Fund Types					Proprietary Fund Type	Totals
	School Operating Fund	School Food Service Fund	School Debt Service	School Activity Funds	Scott County Head Start	School Insurance Fund	
Revenues:							
Revenue from use of money	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	16,351	114,366	-	-	-	3,884,474	4,015,191
Miscellaneous	103,447	-	-	2,024,834	522,350	-	2,650,631
Recovered costs	453	-	-	-	-	-	453
Intergovernmental:	-	-	-	-	-	-	-
County	6,224,849	-	-	-	-	-	6,224,849
Commonwealth	32,274,324	57,354	-	-	-	-	32,331,678
Federal	5,998,800	3,179,407	-	-	2,216,836	1,729,612	13,124,655
Total revenues	44,618,224	3,351,127	-	2,024,834	2,739,186	5,614,086	58,347,457
Expenditures:							
Current - Education	48,768,374	2,787,470	-	1,980,897	2,742,114	4,672,150	60,951,005
Total expenditures	48,768,374	2,787,470	-	1,980,897	2,742,114	4,672,150	60,951,005
Excess (deficiency) of revenues over (under) expenditures	(4,150,150)	563,657	-	43,937	(2,928)	941,936	(2,603,548)
Other financing sources (uses):							
Operating transfers in	180,150	-	-	-	-	-	180,150
Operating transfers out	-	(180,150)	-	-	-	-	(180,150)
Proceeds from indebtedness	3,970,000	-	-	-	-	-	3,970,000
Transfer from/(to) primary debt	-	-	-	-	-	-	-
Total other financing sources	4,150,150	(180,150)	-	-	-	-	3,970,000
Excess (deficiency) of revenues & other sources over expenditure & other uses	-	383,507	-	43,937	(2,928)	941,936	1,366,452
Fund balances at beginning of year	(63,969)	490,073	-	593,674	16,105	328,555	1,364,438
Fund balances at end of year	\$ (63,969)	\$ 873,580	\$ -	\$ 637,611	\$ 13,177	\$ 1,270,491	\$ 2,730,890

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

Excess (deficiency) of revenues & other sources over expenditure & other uses \$ 1,366,452

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

1,849,292

Funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

3,213,039

Change in net assets

\$ 6,428,783

County of Scott, Virginia  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
Discretely Presented Component Unit - School Board - School Board  
For the Year Ended June 30, 2022

Exhibit 17  
Page 1 of 6

	School Operating Fund			
	Original Budget	Budget As Amended	Actual	Variance From Amended
Revenues:				
Revenue from use of money	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
Charges for services	35,000	35,000	16,351	(18,649)
Miscellaneous	280,675	280,675	103,447	(177,228)
Recovered costs	12,000	12,000	453	(11,547)
Intergovernmental:				
County	6,373,108	6,373,108	6,224,849	(148,259)
Commonwealth	31,763,382	31,847,979	32,274,324	426,345
Federal	4,702,473	6,024,081	5,998,800	(25,281)
Total revenues	<u>43,171,638</u>	<u>44,577,843</u>	<u>44,618,224</u>	<u>40,381</u>
Expenditures:				
Current - Education	<u>43,171,638</u>	<u>44,577,843</u>	<u>48,768,374</u>	<u>(4,190,531)</u>
Total expenditures	<u>43,171,638</u>	<u>44,577,843</u>	<u>48,768,374</u>	<u>(4,190,531)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(4,150,150)</u>	<u>(4,150,150)</u>
Other financing sources (uses):				
Operating transfers in	-	-	180,150	180,150
Operating transfers out	-	-	-	-
Proceeds from indebtedness	-	-	3,970,000	3,970,000
Transfer from/(to) primary debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>4,150,150</u>	<u>4,150,150</u>
Excess (deficiency) of revenues & other sources over expenditure & other uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>(63,969)</u>	<u>(63,969)</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (63,969)</u>	<u>\$ (63,969)</u>

County of Scott, Virginia  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
Discretely Presented Component Unit - School Board  
For the Year Ended June 30, 2022

Exhibit 17  
Page 2 of 6

	School Food Service Fund			
	Original Budget	Budget As Amended	Actual	Variance From Amended
Revenues:				
Revenue from use of money	\$ -	\$ -	\$ -	\$ -
Charges for services	189,881	189,881	114,366	(75,515)
Miscellaneous				-
Recovered costs	-	-	-	-
Intergovernmental:				
County	-	-	-	-
Commonwealth	58,000	58,000	57,354	(646)
Federal	2,243,134	2,243,134	3,179,407	936,273
Total revenues	2,491,015	2,491,015	3,351,127	860,112
Expenditures:				
Current - Education	2,391,015	2,391,015	2,787,470	(396,455)
Total expenditures	2,391,015	2,391,015	2,787,470	(396,455)
Excess (deficiency) of revenues over (under) expenditures	100,000	100,000	563,657	463,657
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers out	(100,000)	(100,000)	(180,150)	(80,150)
Proceeds from indebtedness	-	-	-	-
Transfer from/(to) primary debt	-	-	-	-
Total other financing sources	(100,000)	(100,000)	(180,150)	(80,150)
Excess (deficiency) of revenues & other sources over expenditure & other uses	-	-	383,507	383,507
Fund balances at beginning of year	-	-	490,073	490,073
Fund balances at end of year	\$ -	\$ -	\$ 873,580	\$ 873,580

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, 2022

Exhibit 17  
Page 3 of 6

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



County of Scott, Virginia  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
Discretely Presented Component Unit - School Board  
For the Year Ended June 30, 2022

Exhibit 17  
Page 4 of 6

	Scott County Head Start			
	Original Budget	Budget As Amended	Actual	Variance From Amended
Revenues:				
Revenue from use of money	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Miscellaneous	465,496	465,496	522,350	56,854
Recovered costs	-	-	-	-
Intergovernmental:				
County	-	-	-	-
Commonwealth	-	-	-	-
Federal	1,866,935	1,866,935	2,216,836	349,901
Total revenues	2,332,431	2,332,431	2,739,186	406,755
Expenditures:				
Current - Education	2,332,431	2,332,431	2,742,114	(409,683)
Total expenditures	2,332,431	2,332,431	2,742,114	(409,683)
Excess (deficiency) of revenues over (under) expenditures	-	-	(2,928)	(2,928)
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Proceeds from indebtedness	-	-	-	-
Transfer from/(to) primary debt	-	-	-	-
Total other financing sources	-	-	-	-
Excess (deficiency) of revenues & other sources over expenditure & other uses	-	-	(2,928)	(2,928)
Fund balances at beginning of year	-	-	16,105	16,105
Fund balances at end of year	\$ -	\$ -	\$ 13,177	\$ 13,177

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, 2022

Exhibit 17  
Page 5 of 6

	School Activity Funds			
	Original Budget	Budget As Amended	Actual	Variance From Amended
Revenues:				
Revenue from use of money	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Miscellaneous	-	-	2,024,834	2,024,834
Recovered costs	-	-	-	-
Intergovernmental:				
County	-	-	-	-
Commonwealth	-	-	-	-
Federal	-	-	-	-
Total revenues	-	-	2,024,834	2,024,834
Expenditures:				
Current - Education	-	-	1,980,897	(1,980,897)
Total expenditures	-	-	1,980,897	(1,980,897)
Excess (deficiency) of revenues over (under) expenditures	-	-	43,937	43,937
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Proceeds from indebtedness	-	-	-	-
Transfer from/(to) primary debt	-	-	-	-
Total other financing sources	-	-	-	-
Excess (deficiency) of revenues & other sources over expenditure & other uses	-	-	43,937	43,937
Fund balances at beginning of year	-	-	593,674	593,674
Fund balances at end of year	\$ -	\$ -	\$ 637,611	\$ 637,611

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, 2022

Exhibit 17  
Page 6 of 6

	School Insurance Fund		
	Original Budget	Budget As Amended	Variance From Amended
Revenues:			
Revenue from use of money	\$ -	\$ -	\$ -
Charges for services	-	-	3,884,474
Miscellaneous	-	-	-
Recovered costs	-	-	-
Intergovernmental:			
County	-	-	-
Commonwealth	-	-	-
Federal	-	-	1,729,612
Total revenues	-	-	5,614,086
Expenditures:			
Current - Education	-	-	4,672,150
Total expenditures	-	-	4,672,150
Excess (deficiency) of revenues over (under) expenditures	-	-	941,936
Other financing sources (uses):			
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Proceeds from indebtedness	-	-	-
Transfer from/(to) primary debt	-	-	-
Total other financing sources	-	-	-
Excess (deficiency) of revenues & other sources over expenditure & other uses	-	-	941,936
Fund balances at beginning of year	-	-	328,555
Fund balances at end of year	\$ -	\$ -	\$ 1,270,491

	Discretely Presented Component Units		
	Economic Development Authority	Public Service Authority	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 1,065,927	\$ 2,725,415	\$ 3,791,342
Accounts receivable, net of allowance	-	751,902	751,902
Prepaid expenses	-	-	-
Inventory	-	78,665	78,665
Notes receivable, current, net of allowance	33,970	-	33,970
Due from other governments	5,425	358,705	364,130
Total current assets	1,105,322	3,914,687	5,020,009
Noncurrent assets:			
Capital assets:			
Land	5,401,835	486,753	5,888,588
Construction in progress	5,608,425	4,516,934	10,125,359
Buildings & equipment, net of depreciation	19,003,194	47,966,176	66,969,370
Notes receivable, noncurrent, net of allowance	135,881	-	135,881
Total noncurrent assets	30,149,335	52,969,863	83,119,198
Other assets:			
Restricted cash in bank	6,917	355,791	362,708
Total other assets	6,917	355,791	362,708
Deferred outflows of resources:			
Related to pensions	-	604,831	604,831
Related to OPEB	-	33,526	33,526
Total deferred outflows of resources	-	638,357	638,357
Total assets	\$ 31,261,574	\$ 57,878,698	\$ 89,140,272

	Discretely Presented Component Units		
	Economic Development Authority	Public Service Authority	Total
Liabilities:			
Current liabilities:			
Accounts payable & accrued expenses	\$ 33,867	\$ 611,699	\$ 645,566
Current portion of long-term obligations	4,317,240	1,592,776	5,910,016
Total current liabilities	4,351,107	2,204,475	6,555,582
Noncurrent liabilities:			
Compensated absences	17,473	158,484	175,957
Amounts held for others	-	329,089	329,089
Other postemployment benefits	-	68,925	68,925
Net pension liability, long-term	-	289,539	289,539
Noncurrent portion of long-term obligations	4,542,887	17,804,592	22,347,479
Total noncurrent liabilities	4,560,360	18,650,629	23,210,989
Total liabilities	8,911,467	20,855,104	29,766,571
Deferred inflows of resources:			
Related to pensions	-	486,084	486,084
Related to OPEB	-	26,573	26,573
Total deferred inflows of resources	-	512,657	512,657
Net position:			
Invested in capital assets, net of related debt	15,544,902	33,572,495	49,117,397
Restricted for other purposes	-	355,791	355,791
Unrestricted	6,805,205	2,582,651	9,387,856
Total net position	22,350,107	36,510,937	58,861,044
Total liabilities & net position	\$ 31,261,574	\$ 57,878,698	\$ 89,140,272

County of Scott, Virginia  
Statements of Revenues, Expenses and Changes in Net Position  
Proprietary Fund - Discretely Presented Component Units  
For the Year Ended June 30, 2022

Exhibit 19

	Discretely Presented Component Units		
	Economic Development Authority	Public Service Authority	Total
Operating revenues:			
Charges for services	\$ -	\$ 4,870,868	\$ 4,870,868
Rental income	353,874	-	353,874
Grants	491,134	-	491,134
Miscellaneous	12,927	54,823	67,750
Total operating revenue	857,935	4,925,691	5,783,626
Operating expenses:			
Wages and benefits	36,069	1,758,184	1,794,253
Other operating expenses	1,012,193	3,705,983	4,718,176
Total operating expense	1,048,262	5,464,167	6,512,429
Operating income (loss)	(190,327)	(538,476)	(728,803)
Nonoperating revenues (expenses):			
Interest earned	6,071	11,596	17,667
Connection fees	-	86,334	86,334
Interest expense	(129,086)	(265,949)	(395,035)
Other nonoperating revenues	-	-	-
Gain/(Loss) on sale of assets	-	-	-
Bad debt expense	(27,514)	-	(27,514)
Total nonoperating revenues (expenses)	(150,529)	(168,019)	(318,548)
Capital contributions	-	1,184,935	1,184,935
Increase (decrease) in net position	(340,856)	478,440	137,584
Net position at beginning of year	22,690,963	36,032,497	58,723,460
Net position at end of year	\$ 22,350,107	\$ 36,510,937	\$ 58,861,044

County of Scott, Virginia  
Statements of Cash Flows  
Proprietary Fund - Discretely Presented Component Units  
For the Year Ended June 30, 2022

Exhibit 20  
Page 1 of 2

	Discretely Presented Component Units		
	Economic Development Authority	Public Service Authority	Total
Cash flows from operating activities:			
Receipts from customers & users	\$ 869,791	\$ 4,771,221	\$ 5,641,012
Payments to suppliers	(455,209)	(1,248,309)	(1,703,518)
Payments to employees for services and benefits	(36,069)	(1,942,226)	(1,978,295)
Net cash provided (used) by operating activities	378,513	1,580,686	1,959,199
Cash flows from investing activities:			
Interest earned	4,981	11,596	16,577
Net cash provided (used) by investing activities	4,981	11,596	16,577
Cash flows from financing activities:			
Connection fee and other income	-	86,334	86,334
Loans to industries	(69,000)	-	(69,000)
Payments received on loans to industries	46,850	-	46,850
Purchase of fixed assets	(41,673)	(1,619,399)	(1,661,072)
Principal payments made on debt	(352,032)	(1,031,236)	(1,383,268)
Proceeds from indebtedness	57,273	423,059	480,332
Interest on debt	-	(238,124)	(238,124)
Proceeds from asset sales and other income	-	-	-
Proceeds from grants	-	957,199	957,199
Net cash provided (used) by financing activities	(358,582)	(1,422,167)	(1,780,749)
Increase (decrease) in cash & cash equivalents	24,912	170,115	195,027
Cash & cash equivalents at beginning of year	1,047,932	2,911,091	3,959,023
Cash & cash equivalents at end of year	\$ 1,072,844	\$ 3,081,206	\$ 4,154,050

County of Scott, Virginia  
Statements of Cash Flows  
Proprietary Fund - Discretely Presented Component Units  
For the Year Ended June 30, 2022

Exhibit 20  
Page 2 of 2

	Discretely Presented Component Units		
	Economic Development Authority	Public Service Authority	Total
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (340,856)	\$ (538,476)	\$ (879,332)
Adjustments to reconcile net income (loss) to net cash provided (used) by operations:			
Depreciation	707,092	1,976,500	2,683,592
(Gain)/Loss on sale of assets	-	-	-
Bad debt expense	27,514	-	27,514
Changes in operating assets & liabilities:			
Accounts receivable	5,785	(205,212)	(199,427)
Inventory	-	6,446	6,446
Accounts payable & accrued expenses	(21,458)	287,253	265,795
Wages payable & benefits	-	(39,003)	(39,003)
Customer deposits	-	50,742	50,742
Accrued leave	436	(9,885)	(9,449)
Net pension liability	-	40,295	40,295
Net OPEB liabilities	-	(16,520)	(16,520)
Deferred outflows of resources	-	(278,891)	(278,891)
Deferred inflows of resources	-	307,437	307,437
Total adjustments	719,369	2,119,162	2,838,531
Net cash provided (used) by operating activities	\$ 378,513	\$ 1,580,686	\$ 1,959,199



County of Scott, Virginia  
Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2022

Exhibit 21

	Special Revenue Funds		Capital Projects Fund	
	Coal Road Improvement Fund	Law Library Fund	Fire Training Facility Fund	Totals
Assets:				
Cash & cash equivalents	\$ 42,446	\$ 6,910	\$ 37,809	\$ 87,165
Accounts receivable	-	193	-	193
Total assets	<u>\$ 42,446</u>	<u>\$ 7,103</u>	<u>\$ 37,809</u>	<u>\$ 87,358</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:				
Restricted	<u>42,446</u>	<u>7,103</u>	<u>37,809</u>	<u>87,358</u>
Total fund balance	<u>42,446</u>	<u>7,103</u>	<u>37,809</u>	<u>87,358</u>
Total liabilities & fund balance	<u>\$ 42,446</u>	<u>\$ 7,103</u>	<u>\$ 37,809</u>	<u>\$ 87,358</u>

County of Scott, Virginia  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Non-Major Governmental Funds  
For the Year Ended June 30, 2022

Exhibit 22

	Special Revenue Funds		Capital Projects Fund	
	Coal Road Improvement Fund	Law Library Fund	Fire Training Facility Fund	Totals
Revenues:				
Revenues from local sources:				
Other taxes	\$ 2,995	\$ -	\$ -	\$ 2,995
Charges for services	-	2,496	-	2,496
Total revenues	2,995	2,496	-	5,491
Expenditures:				
Judicial administration	-	4,567	-	4,567
Public works	2,246	-	-	2,246
Public safety	-	-	39,322	39,322
Total expenditures	2,246	4,567	39,322	46,135
Excess (deficiency) of revenues over expenditures	749	(2,071)	(39,322)	(40,644)
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources	-	-	-	-
Excess (deficiency) of revenues & other sources over expenditure & other uses	749	(2,071)	(39,322)	(40,644)
Fund balances at beginning of year	41,697	9,174	77,131	128,002
Fund balances at end of year	\$ 42,446	\$ 7,103	\$ 37,809	\$ 87,358

County of Scott, Virginia  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
Non-Major Governmental Funds  
For the Year Ended June 30, 2022

Exhibit 23  
Page 1 of 3

	Coal Road Improvement Fund			
	Original Budget	Budget As Amended	Actual	Variance From Amended
Revenues:				
Revenues from local sources:				
Other taxes	\$ 41,904	\$ 41,904	\$ 2,995	\$ (38,909)
Charges for services	-	-	-	-
Transfers from general fund	-	-	-	-
Total revenues	41,904	41,904	2,995	(38,909)
Expenditures:				
Judicial administration	-	-	-	-
Public works	41,904	41,904	2,246	39,658
Public safety	-	-	-	-
Total expenditures	41,904	41,904	2,246	39,658
Excess (deficiency) of revenues over expenditures	-	-	749	(749)
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Prior year surplus (deficit)	-	-	-	-
Total other financing sources	-	-	-	-
Excess (deficiency) of revenues & other sources over expenditure & other uses	-	-	749	(749)
Fund balances at beginning of year	-	-	41,697	41,697
Fund balances at end of year	\$ -	\$ -	\$ 42,446	\$ 40,948

County of Scott, Virginia  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
Non-Major Governmental Funds  
For the Year Ended June 30, 2022

Exhibit 23  
Page 2 of 3

	Law Library Fund			
	Original Budget	Budget As Amended	Actual	Variance From Amended
Revenues:				
Revenues from local sources:				
Other taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	8,737	8,737	2,496	(6,241)
Transfers from general fund	-	-	-	-
Total revenues	8,737	8,737	2,496	(6,241)
Expenditures:				
Judicial administration	8,737	8,737	4,567	4,170
Public works	-	-	-	-
Public safety	-	-	-	-
Total expenditures	8,737	8,737	4,567	4,170
Excess (deficiency) of revenues over expenditures	-	-	(2,071)	2,071
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Prior year surplus (deficit)	-	-	-	-
Total other financing sources	-	-	-	-
Excess (deficiency) of revenues & other sources over expenditure & other uses	-	-	(2,071)	2,071
Fund balances at beginning of year	-	-	9,174	9,174
Fund balances at end of year	\$ -	\$ -	\$ 7,103	\$ 11,245

County of Scott, Virginia  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
Non-Major Governmental Funds  
For the Year Ended June 30, 2022

Exhibit 23  
Page 3 of 3

	Capital Projects Fund			
	Original Budget	Budget As Amended	Actual	Variance From Amended
Revenues:				
Revenues from local sources:				
Other taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Transfers from general fund	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Judicial administration	-	-	-	-
Public works	-	-	-	-
Public safety	250,000	250,000	39,322	210,678
Total expenditures	250,000	250,000	39,322	210,678
Excess (deficiency) of revenues over expenditures	(250,000)	(250,000)	(39,322)	(210,678)
Other financing sources (uses):				
Operating transfers in	\$ -	\$ -	\$ -	\$ -
Operating transfers out	-	-	-	-
Prior year surplus (deficit)	-	-	-	-
Total other financing sources	-	-	-	-
Excess (deficiency) of revenues & other sources over expenditure & other uses	(250,000)	(250,000)	(39,322)	(210,678)
Fund balances at beginning of year	-	-	77,131	77,131
Fund balances at end of year	<u>\$ (250,000)</u>	<u>\$ (250,000)</u>	<u>\$ 37,809</u>	<u>\$ (133,547)</u>

County of Scott, Virginia  
Governmental Funds and Discretely Presented Component Units  
Statement of Revenues - Budget and Actual  
For the Year Ended June 30, 2022

Schedule 1  
Page 1 of 6

Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended
Primary Government:				
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 9,978,680	\$ 9,978,680	\$ 9,805,696	\$ (172,984)
Real & personal public service corporation property taxes	950,000	950,000	956,185	6,185
Personal property taxes	1,535,475	1,535,475	1,841,478	306,003
Machinery and tools taxes	272,950	272,950	331,156	58,206
Merchants capital	213,816	213,816	222,550	8,734
Mobile home taxes	105,600	105,600	92,465	(13,135)
Penalties	133,000	133,000	208,378	75,378
Interest	100,000	100,000	152,532	52,532
TOTAL GENERAL PROPERTY TAXES	13,289,521	13,289,521	13,610,440	320,919
Other local taxes:				
Local sales & use taxes	1,843,756	1,843,756	1,900,986	57,230
Consumer utility tax	390,000	390,000	405,946	15,946
Local cell phone tax	600,000	600,000	552,506	(47,494)
Gross receipts - utility	55,000	55,000	60,895	5,895
Motor vehicle licenses	449,350	449,350	435,954	(13,396)
Bank franchise taxes	-	-	26,923	26,923
Transient lodging tax	1,800	1,800	3,985	2,185
Tax on wills	4,000	4,000	4,554	554
Recordation tax	-	60,500	125,608	65,108
Coal severance tax	2,000	2,000	6,746	4,746
Game of skill tax	-	-	864	864
Meal tax	-	-	29,033	29,033
TOTAL OTHER LOCAL TAXES	3,345,906	3,406,406	3,554,000	147,594
Permits, privilege fees & regulatory license:				
Animal licenses	700	700	530	(170)
Transfer fees	800	800	1,021	221
Building and related permits	18,650	18,650	32,819	14,169
Weapons permits	-	-	14,882	14,882
Permits and other licenses	7,300	7,300	22,822	15,522
TOTAL PERMITS, PRIVILEGE FEES & REGULATORY LICENSES	27,450	27,450	72,074	44,624
Fines and forfeitures:				
Court fines and forfeitures	206,110	213,110	375,348	162,238
TOTAL FINES & FORFEITURES	206,110	213,110	375,348	162,238
Revenue from use of money & property:				
Revenue from use of money	5,000	5,000	1,250	(3,750)
Revenue from use of property	95,288	95,288	103,611	8,323
TOTAL REVENUE FROM USE OF MONEY & PROPERTY	\$ 100,288	\$ 100,288	\$ 104,861	\$ 4,573

County of Scott, Virginia  
Governmental Funds and Discretely Presented Component Units  
Statement of Revenues - Budget and Actual  
For the Year Ended June 30, 2022

Schedule 1  
Page 2 of 6

Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended
Primary Government:				
General Fund:				
Charges for services:				
Charges for recreation	\$ 47,600	\$ 47,600	\$ 78,623	\$ 31,023
Charges for NARF collections	-	-	11	11
Charges for waste collection & disposal	35,000	35,000	99,937	64,937
Room and board animals	5,000	5,000	4,020	(980)
TOTAL CHARGES FOR SERVICES	87,600	87,600	182,591	94,991
Miscellaneous revenue:				
Miscellaneous	52,626	377,033	428,403	51,370
Payments in lieu of taxes	91,500	91,500	190,058	98,558
TOTAL MISCELLANEOUS REVENUE	144,126	468,533	618,461	149,928
Recovered costs:				
Other recovered cost	396,229	441,521	423,301	(18,220)
TOTAL RECOVERED COSTS	396,229	441,521	423,301	(18,220)
TOTAL REVENUE FROM LOCAL SOURCES	17,597,230	18,034,429	18,941,076	906,647
Revenue from the Commonwealth:				
Noncategorical aid:				
Mobile home titling taxes	45,000	45,000	88,591	43,591
Tax on deeds	18,000	18,000	41,089	23,089
Rolling stock tax	130,000	130,000	130,854	854
Personal property tax relief	734,025	734,025	734,026	1
TOTAL NONCATAGORICAL AID	927,025	927,025	994,560	67,535
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	482,750	482,750	574,766	92,016
Sheriff	1,563,030	1,563,030	1,565,231	2,201
Commissioner of the Revenue	139,237	139,237	127,081	(12,156)
Treasurer	118,223	118,223	117,037	(1,186)
Clerk of the Circuit Court	382,334	407,980	408,541	561
Registrar/electoral board	80,734	80,734	70,026	(10,708)
Office of emergency services	21,000	21,747	20,747	(1,000)
TOTAL SHARED EXPENSES	2,787,308	2,813,701	2,883,429	69,728

County of Scott, Virginia  
Governmental Funds and Discretely Presented Component Units  
Statement of Revenues - Budget and Actual  
For the Year Ended June 30, 2022

Schedule 1  
Page 3 of 6

Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended
Other categorical aid:				
Welfare administration and assistance	3,879,160	3,879,160	1,640,372	(2,238,788)
CMPT	658,962	658,962	309,542	(349,420)
Domestic Violence	45,000	45,000	44,406	(594)
Litter control	10,000	11,000	14,469	3,469
Fire programs	550,000	563,660	556,660	(7,000)
Wireless E911 grant	72,000	72,000	96,831	24,831
Asset forfeiture grant	-	-	8,885	8,885
Operation Safe Schools	253,032	253,032	232,147	(20,885)
Other aid	15,116	107,174	143,687	36,513
TOTAL OTHER CATEGORICAL AID	5,483,270	5,589,988	3,046,999	(2,542,989)
 TOTAL CATEGORICAL AID	 8,270,578	 8,403,689	 5,930,428	 (2,473,261)
 TOTAL REVENUE FROM THE COMMONWEALTH	 \$ 9,197,603	 \$ 9,330,714	 \$ 6,924,988	 \$ (2,405,726)
Primary Government:				
General Fund:				
Revenue from the Federal Government:				
Categorical aid:				
Welfare public assistance	\$ -	\$ -	\$ 2,331,091	\$ 2,331,091
VAW outreach grant	27,544	27,544	28,412	868
Community Development Block Grant	-	313,500	301,975	(11,525)
Victim/witness grant	96,292	96,292	96,018	(274)
Local Emergency Management Grant	13,810	13,810	9,500	(4,310)
American Rescue Plan Act	-	-	2,094,472	2,094,472
TOTAL CATEGORICAL AID	137,646	451,146	4,861,468	4,410,322
 TOTAL REVENUE FROM FEDERAL GOVERNMENT	 137,646	 451,146	 4,861,468	 4,410,322
 TOTAL GENERAL FUND	 26,932,479	 27,816,289	 30,727,532	 2,911,243
Special Revenue Fund:				
Law Library				
Revenue from local sources:				
Charges for services				
Law library fees	\$ 8,737	\$ 8,737	\$ 2,496	\$ (6,241)
Coal Road Improvement Fund				
Revenue from local sources:				
Other taxes				
Coal road tax	41,904	41,904	2,995	(38,909)
 TOTAL SPECIAL REVENUE FUNDS	 \$ 50,641	 \$ 50,641	 \$ 5,491	 \$ (45,150)
 GRAND TOTAL REVENUES, ALL PRIMARY GOVERNMENTAL FUNDS	 \$ 26,983,120	 \$ 27,866,930	 \$ 30,733,023	 \$ 2,866,093



County of Scott, Virginia  
 Governmental Funds and Discretely Presented Component Units  
 Statement of Revenues - Budget and Actual  
 For the Year Ended June 30, 2022

Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended
Capital Projects Funds				
Revenue from local sources:				
Transfers from other funds				
Funding received	\$ -	\$ -	\$ -	\$ -
TOTAL CAPITAL PROJECTS FUNDS	\$ -	\$ -	\$ -	\$ -
Component Unit - School Board:				
Special Revenue Funds:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money & property:				
Revenue from use of property	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
Charges for services:				
Transportation	35,000	35,000	16,351	(18,649)
Miscellaneous revenue:				
Operating Transfers In	-	-	-	-
Miscellaneous	280,675	280,675	103,447	(177,228)
Recovered costs:				
Other	12,000	12,000	453	(11,547)
TOTAL REVENUE FROM LOCAL SOURCES	\$ 332,675	\$ 332,675	\$ 120,251	\$ (212,424)
Intergovernmental:				
Revenue from the local governments:				
Contributions from County of Scott, Virginia	\$ 6,373,108	\$ 6,373,108	\$ 6,224,849	\$ (148,259)

County of Scott, Virginia  
Governmental Funds and Discretely Presented Component Units  
Statement of Revenues - Budget and Actual  
For the Year Ended June 30, 2022

Schedule 1  
Page 5 of 6

Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 3,626,809	\$ 3,626,809	\$ 4,546,402	\$ 919,593
Basic school aid	16,173,958	16,173,958	14,323,005	(1,850,953)
Primary class size	772,079	772,079	735,037	(37,042)
Medicaid	300,000	300,000	400,443	100,443
GED funding	8,386	8,386	8,233	(153)
Foster care	12,486	12,486	8,307	(4,179)
Early intervention	118,076	118,076	184,314	66,238
Gifted & talented children	141,103	141,103	139,740	(1,363)
SOL	78,615	78,615	81,428	2,813
At - risk	1,588,961	1,588,961	1,573,392	(15,569)
Special education	2,699,404	2,699,404	2,536,572	(162,832)
English second language	4,650	4,650	5,813	1,163
Preschool initiative	254,254	254,254	434,093	179,839
Vocational education	867,057	867,057	851,621	(15,436)
Fringe benefits	3,286,062	3,286,062	3,254,326	(31,736)
Remedial education/summer school	548,129	548,129	688,973	140,844
Textbooks	291,621	291,621	229,311	(62,310)
VPSA technology grant	414,000	498,597	544,151	45,554
Alternative education	435,874	435,874	454,963	19,089
Textbook lottery	-	-	1,151,625	1,151,625
Other revenue	141,858	141,858	122,575	(19,283)
TOTAL REVENUE FROM THE COMMONWEALTH	<u>\$ 31,763,382</u>	<u>\$ 31,847,979</u>	<u>\$ 32,274,324</u>	<u>\$ 426,345</u>
Revenue from the federal government:				
Categorical aid:				
Title I	\$ 879,098	\$ 879,098	\$ 929,415	\$ 50,317
Title II	115,285	115,285	127,568	12,283
Title IV - A	59,765	59,765	81,930	22,165
Title IV - B	-	583,766	513,702	(70,064)
Title VI - B	823,248	823,248	908,422	85,174
COVID-19 funding	2,685,894	3,423,736	3,299,416	(124,320)
Preschool handicapped allocation	32,329	32,329	32,317	(12)
Vocational education	62,626	62,626	50,333	(12,293)
Forest reserve	44,128	44,128	55,697	11,569
Other revenue	100	100	-	(100)
TOTAL REVENUE FROM THE FEDERAL GOVERNMENT	<u>4,702,473</u>	<u>6,024,081</u>	<u>5,998,800</u>	<u>(25,281)</u>
TOTAL SCHOOL OPERATING FUND	<u>\$ 43,171,638</u>	<u>\$ 44,577,843</u>	<u>\$ 44,618,224</u>	<u>\$ 40,381</u>
School Food Service Fund:				
Revenue from local sources:				
Charges for services:				
Cafeteria sales	189,881	189,881	114,366	(75,515)
TOTAL REVENUE FROM LOCAL SOURCES	<u>189,881</u>	<u>189,881</u>	<u>114,366</u>	<u>(75,515)</u>

County of Scott, Virginia  
Governmental Funds and Discretely Presented Component Units  
Statement of Revenues - Budget and Actual  
For the Year Ended June 30, 2022

Schedule 1  
Page 6 of 6

Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended
Revenue from the government:				
Categorical aid:				
Federal funds	\$ 2,243,134	\$ 2,243,134	\$ 3,179,407	\$ 936,273
State funds	58,000	58,000	57,354	(646)
TOTAL REVENUE FROM THE GOVERNMENT	2,301,134	2,301,134	3,236,761	935,627
TOTAL SCHOOL FOOD SERVICE FUND	<u>\$ 2,491,015</u>	<u>\$ 2,491,015</u>	<u>\$ 3,351,127</u>	<u>\$ 860,112</u>
School Insurance Fund:				
Charges for services:				
Insurance premiums	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,884,474</u>	<u>\$ 3,884,474</u>
Revenue from the government:				
Categorical aid:				
CARES Act Reimbursement	-	-	1,729,612	1,729,612
TOTAL REVENUE FROM THE GOVERNMENT	<u>-</u>	<u>-</u>	<u>1,729,612</u>	<u>1,729,612</u>
TOTAL INSURANCE FUND	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,614,086</u>	<u>\$ 5,614,086</u>
School Activity Funds:				
Revenue from local sources:				
Miscellaneous	<u>-</u>	<u>-</u>	<u>2,024,834</u>	<u>2,024,834</u>
TOTAL SCHOOL ACTIVIYT FUNDS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,024,834</u>	<u>\$ 2,024,834</u>
Scott County Headstart:				
Revenue from local sources:				
Miscellaneous	<u>465,496</u>	<u>465,496</u>	<u>522,350</u>	<u>56,854</u>
Revenue from the federal government:				
Categorical aid:				
Headstart grant	<u>1,866,935</u>	<u>1,866,935</u>	<u>2,216,836</u>	<u>349,901</u>
TOTAL SPECIAL REVENUE FUNDS	<u>\$ 2,332,431</u>	<u>\$ 2,332,431</u>	<u>\$ 2,739,186</u>	<u>\$ 406,755</u>
GRAND TOTAL REVENUES - COMPONENT UNIT - SCHOOL BOARD	<u>\$ 47,995,084</u>	<u>\$ 49,401,289</u>	<u>\$ 58,347,457</u>	<u>\$ 8,946,168</u>

County of Scott, Virginia  
Governmental Funds and Discretely Presented Component Units  
Statement of Expenditures - Budget and Actual  
For the Year Ended June 30, 2022

Schedule 2  
Page 1 of 5

Fund, Function, Activities and Elements	Original Budget	Budget As Amended	Actual	Variance From Amended
Primary Government:				
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 647,000	\$ 672,952	\$ 545,016	127,936
General & financial administration:				
County administrator	220,303	220,530	217,923	2,607
Legal services & assessment	194,301	195,421	165,044	30,377
Independent auditors report	64,500	64,500	59,800	4,700
Commissioner of revenue	431,991	461,666	454,738	6,928
Treasurer	264,360	264,360	259,260	5,100
Info Systems Manager	181,555	185,555	177,562	7,993
Central accounting	111,433	114,233	109,196	5,037
Purchasing	137,517	138,567	138,524	43
CARES Act expenditures	929,795	929,795	322,166	607,629
American Rescue Plan Act expenditures	4,188,943	4,188,943	1,223,484	2,965,459
TOTAL GENERAL & FINANCIAL ADMINISTRATION	6,724,698	6,763,570	3,127,697	3,635,873
Board of elections:				
Electoral board & officials	261,621	261,621	203,785	57,836
TOTAL GENERAL GOVERNMENT ADMINISTRATION	7,633,319	7,698,143	3,876,498	3,821,645
Judicial administration:				
Courts:				
Clerk of the circuit court	548,426	551,826	551,498	328
Circuit court	88,146	88,146	78,149	9,997
General district court	5,631	5,631	4,489	1,142
Magistrate	2,025	2,025	1,913	112
IT funds from comp board	16,688	80,691	65,389	15,302
Juvenile & domestic relations	202,899	202,899	202,896	3
TOTAL COURTS	863,815	931,218	904,334	26,884
Commonwealth's attorney:				
Commonwealth's attorney	1,091,972	1,042,521	719,451	323,070
TOTAL JUDICIAL ADMINISTRATION	\$ 1,955,787	\$ 1,973,739	\$ 1,623,785	\$ 349,954

County of Scott, Virginia  
Governmental Funds and Discretely Presented Component Units  
Statement of Expenditures - Budget and Actual  
For the Year Ended June 30, 2022

Schedule 2  
Page 2 of 5

Fund, Function, Activities and Elements	Original Budget	Budget As Amended	Actual	Variance From Amended
Public safety:				
Law enforcement & traffic control:				
Sheriff	\$ 2,856,750	\$ 3,049,097	\$ 2,916,844	\$ 132,253
VAW outreach	34,059	34,059	33,379	680
Criminal investigation	20,000	17,222	12,071	5,151
Mental Health Transport	6,500	12,900	12,884	16
Victim witness	156,792	156,792	151,570	5,222
Class Action on VA Laws	303,280	346,862	339,619	7,243
E-911 grant	154,787	181,987	59,114	122,873
Domestic violence grant	-	-	-	-
Community work program	287,970	339,970	338,192	1,778
Central dispatcher	766,950	762,924	704,874	58,050
TOTAL LAW ENFORCEMENT & TRAFFIC CONTROL	4,587,088	4,901,813	4,568,547	333,266
Fire & rescue services:				
Volunteer fire department	456,500	470,160	470,160	-
Ambulance & rescue services	235,000	235,747	230,579	5,168
Southwest Virginia EMS, Inc.	3,300	3,300	3,300	-
Forest fire service	20,000	20,000	19,728	272
TOTAL FIRE & RESCUE SERVICES	714,800	729,207	723,767	5,440
Correction and detention:				
Sheriff - jail	2,787,080	2,654,248	1,927,938	726,310
Inspections:				
Board of building appeals	98,185	98,460	98,697	(237)
Other protection:				
Emergency services	38,820	38,820	31,319	7,501
Medical examiner	500	500	160	340
Concealed weapon	23,400	23,400	13,339	10,061
Litter control	63,279	71,054	71,244	(190)
Animal control	99,412	98,512	94,595	3,917
TOTAL OTHER PROTECTION	225,411	232,286	210,657	21,629
TOTAL PUBLIC SAFETY	\$ 8,412,564	\$ 8,616,014	\$ 7,529,606	\$ 1,086,408

County of Scott, Virginia  
Governmental Funds and Discretely Presented Component Units  
Statement of Expenditures - Budget and Actual  
For the Year Ended June 30, 2022

Schedule 2  
Page 3 of 5

Fund, Function, Activities and Elements	Original Budget	Budget As Amended	Actual	Variance From Amended
Public works:				
Sanitation & waste removal:				
Refuse collection	\$ 503,113	\$ 786,898	\$ 728,158	\$ 58,740
Refuse disposal	787,914	796,914	727,528	69,386
Manned solid waste sites	246,251	246,251	227,690	18,561
TOTAL SANITATION & WASTE REMOVAL	1,537,278	1,830,063	1,683,376	146,687
Maintenance of general buildings & grounds:				
General properties	647,997	638,997	586,298	52,699
Capital Outlays	547,653	547,653	480,990	66,663
TOTAL PUBLIC WORKS	2,732,928	3,016,713	2,750,664	266,049
Health & welfare:				
Health:				
Supplement of local health department	254,687	254,687	254,687	-
Mental health & mental retardation:				
Chapter X board	173,475	173,475	173,475	-
State & local hospitalization:				
Older American program	29,000	29,000	29,000	-
Welfare:				
Welfare administration	2,591,443	2,591,443	2,786,293	(194,850)
Public assistance	1,719,856	1,719,856	1,572,550	147,306
CMPT	985,250	985,250	498,391	486,859
Other social services	154,850	154,850	4,850	150,000
CARES Act reimbursement	-	-	-	-
TOTAL WELFARE	5,451,399	5,451,399	4,862,084	589,315
TOTAL HEALTH & WELFARE	5,908,561	5,908,561	5,319,246	589,315
Education:				
Contributions to community colleges	28,107	28,107	28,107	-
Contributions to County School Board	6,373,108	6,373,108	6,224,849	148,259
TOTAL EDUCATION	6,401,215	6,401,215	6,252,956	148,259
Parks, recreation & cultural:				
Parks & recreation:				
Recreation centers & playgrounds	222,542	240,142	229,969	10,173
Non-park recreation	103,531	103,531	101,142	2,389
TOTAL PARKS & RECREATION	326,073	343,673	331,111	12,562
Library:				
Lonesome Pine Regional Library	203,050	203,050	203,050	-
TOTAL PARK, RECREATION & CULTURAL	\$ 529,123	\$ 546,723	\$ 534,161	\$ 12,562

County of Scott, Virginia  
Governmental Funds and Discretely Presented Component Units  
Statement of Expenditures - Budget and Actual  
For the Year Ended June 30, 2022

Schedule 2  
Page 4 of 5

Fund, Function, Activities and Elements	Original Budget	Budget As Amended	Actual	Variance From Amended
Community development:				
Planning & community development:				
LENOWISCO	\$ 38,424	\$ 38,424	\$ 38,424	\$ -
Planning district commission	1,940	1,940	241	1,699
Economic Development Authority	662,374	977,874	984,659	(6,785)
Chamber of commerce	7,500	7,500	7,500	-
Tourism	72,320	82,320	83,062	(742)
CARES Act reimbursement	-	-	-	-
TOTAL PLANNING & COMMUNITY DEVELOPMENT	<u>782,558</u>	<u>1,108,058</u>	<u>1,113,886</u>	<u>(5,828)</u>
Environmental management:				
Soil and water conservation district	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>
Cooperative extension program:				
VPI extension	<u>66,748</u>	<u>67,930</u>	<u>71,083</u>	<u>(3,153)</u>
TOTAL COMMUNITY DEVELOPMENT	<u>889,306</u>	<u>1,215,988</u>	<u>1,224,969</u>	<u>(8,981)</u>
Debt service:				
Principal retirement	-	-	209,468	(209,468)
Interest & fiscal charges	-	-	8,665	(8,665)
TOTAL DEBT SERVICE	<u>-</u>	<u>-</u>	<u>218,133</u>	<u>(218,133)</u>
TOTAL GENERAL FUND	<u>\$ 34,462,803</u>	<u>\$ 35,377,096</u>	<u>\$ 29,330,018</u>	<u>\$ 6,047,078</u>
Special Revenue Fund:				
Law Library Fund:				
Judicial administration:				
Courts:				
Law library	<u>\$ 8,737</u>	<u>\$ 8,737</u>	<u>\$ 4,567</u>	<u>\$ 4,170</u>
Coal Road Improvement Fund:				
Public works:				
Maintenance of highways, streets, bridges, sidewalks:				
Coal road	<u>41,904</u>	<u>41,904</u>	<u>2,246</u>	<u>39,658</u>
TOTAL SPECIAL REVENUE FUND	<u>\$ 50,641</u>	<u>\$ 50,641</u>	<u>\$ 6,813</u>	<u>\$ 43,828</u>
Capital Projects Funds				
Project Expenditures				
Fire Training facility				
Project funds expended	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 39,322</u>	<u>\$ 210,678</u>
TOTAL CAPITAL PROJECTS FUNDS	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 39,322</u>	<u>\$ 210,678</u>
GRAND TOTAL EXPENDITURES, ALL PRIMARY GOVERNMENTAL FUNDS	<u>\$ 34,763,444</u>	<u>\$ 35,677,737</u>	<u>\$ 29,376,153</u>	<u>\$ 6,301,584</u>

County of Scott, Virginia  
Governmental Funds and Discretely Presented Component Units  
Statement of Expenditures - Budget and Actual  
For the Year Ended June 30, 2022

Schedule 2  
Page 5 of 5

Fund, Function, Activities and Elements	Original Budget	Budget As Amended	Actual	Variance From Amended
Component unit - School Board				
Special revenue funds:				
School Operating Fund:				
Education:				
Administration & health services	\$ 2,129,100	\$ 2,155,050	\$ 2,169,580	\$ (14,530)
Instruction costs:				
Instructional costs	33,707,725	34,522,417	33,857,468	664,949
Operating costs:				
Pupil transportation	2,078,015	2,423,104	2,610,435	(187,331)
Operation & maintenance of school plant	5,254,798	5,356,165	9,777,725	(4,421,560)
CARES Act expenditures	2,000	2,000	34,059	(32,059)
American Rescue Plan Act expenditures	-	119,107	319,107	(200,000)
TOTAL OPERATING COSTS	7,334,813	7,900,376	12,741,326	(4,840,950)
TOTAL SCHOOL OPERATING FUND	\$ 43,171,638	\$ 44,577,843	\$ 48,768,374	\$ (4,190,531)
School Food Service Fund:				
Education				
Cafeteria operation	\$ 2,391,015	\$ 2,391,015	\$ 2,787,470	\$ (396,455)
School Debt Fund:				
Education				
Construction	\$ -	\$ -	\$ -	\$ -
School Health Insurance:				
Education				
Insurance cost	\$ -	\$ -	\$ 4,672,150	\$ (4,672,150)
School Activity Funds				
Education				
Extra curricular school activities	\$ -	\$ -	\$ 1,980,897	\$ (1,980,897)
Scott County Headstart Fund:				
Education				
Instruction costs	\$ 2,332,431	\$ 2,332,431	\$ 2,742,114	\$ (409,683)
GRAND TOTAL EXPENDITURES - COMPONENT UNIT - SCHOOL BOARD	\$ 47,895,084	\$ 49,301,289	\$ 60,951,005	\$ (11,649,716)



County of Scott, Virginia  
Schedule of Employer Contributions  
For the Year Ended June 30, 2022

Schedule 3

Fiscal Year Ending	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency / Excess	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
<u>Pension</u>					
<i>Primary Government:</i>					
6/30/2015	\$ 750,270	\$ 750,270	\$ -	\$ 5,479,756	13.69%
6/30/2016	783,453	783,453	-	5,433,100	14.42%
6/30/2017	689,936	689,936	-	5,481,934	12.59%
6/30/2018	712,516	712,516	-	5,663,894	12.58%
6/30/2019	697,098	697,098	-	5,870,616	11.87%
6/30/2020	717,233	717,233	-	6,112,503	11.73%
6/30/2021	829,680	829,680	-	6,285,456	13.20%
6/30/2022	934,075	934,075	-	7,076,326	13.20%
<i>Component Unit School Board - Non-Professional:</i>					
6/30/2015	\$ 199,237	\$ 199,237	\$ -	\$ 2,321,227	8.58%
6/30/2016	195,934	195,934	-	2,118,205	9.25%
6/30/2017	155,619	155,619	-	2,178,285	7.14%
6/30/2018	151,520	151,520	-	2,174,214	6.97%
6/30/2019	115,979	115,979	-	2,233,030	5.19%
6/30/2020	114,780	114,780	-	2,326,127	4.93%
6/30/2021	108,089	108,089	-	2,467,776	4.38%
6/30/2022	112,499	112,499	-	2,568,472	4.38%
<u>Other Postemployment Benefits</u>					
<i>Primary Government:</i>					
6/30/2015	\$ -	\$ -	\$ -	\$ 4,686,262	0.00%
6/30/2016	83,253	83,253	-	4,686,262	1.78%
6/30/2017	83,254	83,254	-	4,686,262	1.78%
6/30/2018	86,543	86,543	-	5,663,894	1.53%
6/30/2019	30,226	30,226	-	5,888,413	0.51%
6/30/2020	31,486	31,486	-	6,162,900	0.51%
6/30/2021	34,253	34,253	-	6,343,213	0.54%
6/30/2022	38,235	38,235	-	7,080,576	0.54%
<i>Component Unit School Board:</i>					
6/30/2015	\$ 383,223	\$ 383,223	\$ -	\$ 22,509,776	1.70%
6/30/2016	421,545	421,545	-	22,509,776	1.87%
6/30/2017	369,801	369,801	-	22,509,776	1.64%
6/30/2018	99,010	99,010	-	22,624,219	0.44%
6/30/2019	361,151	361,151	-	23,022,584	1.57%
6/30/2020	376,518	376,518	-	23,753,745	1.59%
6/30/2021	378,498	378,498	-	21,611,229	1.75%
6/30/2022	134,808	134,808	-	24,964,457	0.54%

Notes to Schedule:

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

Federal Granting Agency / Recipient State Agency / Grant Program / Grant Number	Assistance Listing Number	Expenditures
DEPARTMENT OF AGRICULTURE:		
Direct Payments:		
Child and Adult Care Food Program	10.558	\$ 173,364
Pass Through Payments:		
State Department of Agriculture:		
Child Nutrition Cluster:		
Food Distribution - Schools	10.555	193,247
Fresh Fruit and Vegetables	10.582	15,115
Department of Social Services:		
Administrative Grant for Food Stamps	10.561	547,980
Department of Education:		
Child Nutrition Cluster:		
National School Lunch Program (SL-11)	10.555 *	2,194,792
National School Breakfast Program (SL-4)	10.553	356,833
Supper Program	10.559	419,420
Forest Reserve Funds	10.665	55,697
TOTAL AGRICULTURE		\$ 3,956,448
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:		
Pass Through Payments:		
COMMUNITY DEVELOPMENT BLOCK GRANTS	14.228	301,975
TOTAL HOUSING		\$ 301,975
DEPARTMENT OF TREASURY:		
Pass Through Payments:		
Coronavirus Relief Fund	21.019 *	3,655,641
COVID-19 State and Local Fiscal Recovery	21.027 *	1,223,484
TOTAL TREASURY		\$ 4,879,125
DEPARTMENT OF HEALTH & HUMAN SERVICES:		
Direct Payments:		
Administration to Children, Youth and Families Head Start	93.600 *	\$ 2,043,472

Federal Granting Agency / Recipient State Agency / Grant Program / Grant Number	Assistance Listing Number	Expenditures
DEPARTMENT OF HEALTH & HUMAN SERVICES (CONTINUED):		
Pass Through Payments:		
Department of Social Services:		
Title IV-E Prevention	93.472	\$ 4,772
Family Preservation	93.556	7,893
COVID-19 Family Preservation	93.556	1,712
Temporary Assistance to Needy Families	93.558	304,200
Child Care and Development Fund	93.596	67,822
COVID-19 Chafee Education & Training	93.599	4,000
Foster Care - Title IV - E	93.658	282,000
Adoption Assistance	93.659	446,644
Guardianship Assistance	93.090	365
Community-Based Child Abuse Prevention	93.590	1,014
Social Service Block Grant	93.667	282,795
Chafee Foster Care Program For Transition	93.674	5,395
COVID-19 Chafee Foster Care Program For Transition	93.674	13,778
COVID-19 Elder Abuse Prevention Interventions	93.747	7,313
State Children's Insurance Program	93.767	2,855
Adoption and Legal Guardianship Incentive Payments	93.603	3,423
Refugee and Entrant Assistance	93.566	1,440
Low - Income Home Energy Assistance	93.568	55,631
Medicaid Cluster:		
Medical Assistance Program	93.778	289,315
TOTAL HEALTH & HUMAN SERVICES		\$ 3,826,583

DEPARTMENT OF EDUCATION:

Pass Through Payments:

Department of Education:

Title I:

Educationally Deprived Children's - LEA 84.010 \* \$ 929,415

Title II: Improving Teacher Quality 84.367 127,568

Title IV-A: Student Support and Academic Enrichment 84.424 81,930

Title IV-B: 21st Century Community Learning Centers 84.287 513,702

Title VI-B:

Assistance to States for Education of Handicapped Children:

Handicapped State Grants (5-E002581) (6-E002585) 84.027 \* 908,422

Federal Granting Agency / Recipient State Agency / Grant Program / Grant Number	Assistance Listing Number	Expenditures
DEPARTMENT OF EDUCATION (CONTINUED):		
Pass Through Payments (continued):		
Department of Education:		
Title VI-D:		
Vocational Education:		
Basic Grant to States	84.048	50,333
Preschool Handicapped	84.173	32,317
TOTAL EDUCATION		\$ 2,643,687
DEPARTMENT OF JUSTICE:		
Pass Through Payments:		
Department of Criminal Justice Services:		
Violence Against Women Grant	16.588	\$ 28,412
VOCA Victim Assistance	16.575	96,018
TOTAL JUSTICE		\$ 124,430
DEPARTMENT OF HOMELAND SECURITY		
Direct Payments:		
Emergency Management Performance Grant	97.042	\$ 9,500
TOTAL HOMELAND SECURITY		\$ 9,500
TOTAL FEDERAL FINANCIAL ASSISTANCE		\$ 15,741,748

Federal Granting Agency / Recipient State Agency / Grant Program / Grant Number	Assistance Listing Number	Expenditures
---	---------------------------------	--------------

Notes to Schedule:

- 1) \* Denotes major program.
- 2) Basis of Presentation  
The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Scott County, Virginia under programs of the federal government for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Scott County, it is not intended to and does not present the financial position, changes in nets position, or cash flows of the County.
- 3) Summary of Significant Accounting Policies
  - a) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
  - b) Pass-through entity identifying numbers are presented where available.
  - c) Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed.
- 4) The County did not have any subrecipients for the year ended June 30, 2022.
- 5) Loan proceeds

## Section I - Summary of Auditor Results

### Financial Statements

Type of auditor's opinion issued:	<b>Unmodified</b>
Internal control over financial reporting:	
Material weakness(es) identified?	<b>No</b>
Significant deficiencies in internal control were disclosed by the audit of the financial statements:	<b>None Reported</b>
Noncompliance material to financial statements noted?	<b>No</b>

### Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	<b>No</b>
Significant deficiencies in internal control were disclosed by the audit of the financial statements:	<b>Unmodified</b>
Type of auditor's opinion issued on compliance for major programs:	
Any findings disclosed that are required to be reported in accordance with 2 CFR§200.516(a)?	<b>No</b>

#### Major programs identified:

	<u>AL #</u>
National School Lunch Program	10.555
Coronavirus Relief Fund	21.019
COVID-19 State and Local Fiscal Recovery	21.027
Head Start	93.600
Educational Deprived Children's - LEA	84.010
Handicapped State Grants	84.027

Dollar threshold used to distinguish between Type A and Type B	<b>\$ 750,000</b>
Auditee qualified as low risk under 2 CFR§200.520?	<b>Yes</b>

## Section II - Financial Statement Findings

None Reported

## Section III - Federal Awards Findings and Questioned Costs

None Reported

**Prior Year Findings**

**2021-001**

---

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

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

Table 1

Fiscal Year	General Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education	Recreation and Cultural	Community Development	Interest on Long-Term Debt	Total
2012-13	\$ 1,601,943	\$ 1,182,434	\$ 5,869,167	\$ 2,465,636	\$ 4,301,356	\$ 5,419,622	\$ 707,014	\$ 1,153,604	\$ -	\$ 22,700,776
2013-14	2,093,532	1,190,759	5,578,653	2,384,278	4,291,851	5,455,266	642,754	568,690	96,706	22,302,489
2014-15	2,130,214	1,276,741	5,678,972	2,462,624	4,044,983	4,570,655	586,106	469,393	166,287	21,385,975
2015-16	1,868,806	1,338,635	6,023,702	1,883,363	4,335,919	6,032,073	580,329	722,162	16,839	22,801,828
2016-17	1,990,763	1,339,480	6,603,815	1,950,740	4,522,110	5,713,754	557,932	1,431,416	20,520	24,130,530
2017-18	1,820,794	1,289,241	5,800,317	1,949,880	4,425,952	5,728,155	536,129	700,142	22,445	22,273,055
2018-19	2,012,569	1,280,684	7,072,357	2,039,394	5,208,536	5,471,300	485,168	1,204,173	15,172	24,789,353
2019-20	2,072,878	1,364,659	6,778,760	2,060,910	5,016,594	5,298,850	495,506	892,454	11,621	23,992,232
2020-21	4,853,950	1,510,361	8,034,665	1,867,152	4,812,702	6,077,971	572,794	1,128,393	11,043	28,869,031
2021-22	3,441,449	1,603,433	7,679,888	2,143,775	5,235,284	6,252,956	571,633	1,220,836	7,531	28,156,785



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

Table 2

Fiscal Year	Program Revenues			General Revenues						Grants and Contributions Not Restricted to Specific Programs	Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	General Property Taxes	Other Local Taxes	Unrestricted Use of Money	Miscellaneous	Recovered Costs			
2012-13	\$ 486,408	\$ 6,355,522	\$ -	\$ 10,453,767	\$ 3,237,175	\$ 97,796	\$ 179,614	\$ 195,620	\$ 1,007,139	\$ 22,013,041	
2013-14	470,279	5,998,692	-	10,466,120	3,170,027	96,229	194,171	112,254	960,146	21,467,918	
2014-15	420,610	5,727,098	-	10,625,340	3,134,530	96,357	162,528	677,818	974,367	21,818,648	
2015-16	401,843	5,997,490	-	11,019,378	3,140,302	97,508	160,482	362,479	929,280	22,108,762	
2016-17	392,263	6,789,493	-	11,742,865	3,262,651	106,678	147,455	427,325	938,462	23,807,192	
2017-18	401,667	6,307,599	-	11,816,476	3,301,761	102,176	248,350	393,815	792,744	23,364,588	
2018-19	379,022	7,360,560	-	11,758,514	3,291,038	99,256	189,830	378,251	1,062,266	24,518,737	
2019-20	456,019	8,653,689	-	12,915,555	3,369,427	118,605	242,376	358,025	983,847	27,097,543	
2020-21	546,294	9,136,679	-	13,084,173	3,453,211	83,813	758,994	484,994	951,442	28,499,600	
2021-22	632,509	10,791,896	-	13,523,696	3,556,995	104,861	618,461	423,301	994,560	30,646,279	

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

Table 3

Fiscal Year	General Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (2)	Recreation and Cultural	Community Development	Debt Service	Total
2012-13	1,582,006	1,142,076	5,509,866	2,403,108	4,301,356	41,270,451	646,309	1,135,319	-	57,990,491
2013-14	1,648,455	1,163,964	5,503,599	2,239,556	4,291,851	43,611,343	576,080	601,965	96,706	59,733,519
2014-15	1,755,280	1,302,035	5,675,137	2,227,647	4,109,408	41,643,575	531,985	441,873	602,794	58,289,734
2015-16	1,848,598	1,372,808	5,969,416	1,993,743	4,413,669	41,474,323	520,613	465,292	197,063	58,289,734
2016-17	1,935,305	1,353,712	6,527,005	2,335,041	4,522,147	43,367,620	518,862	1,446,435	275,305	58,255,525
2017-18	1,917,215	1,369,616	5,906,279	2,077,353	4,597,897	46,990,301	501,347	742,627	294,746	64,397,381
2018-19	1,907,891	1,313,811	7,123,849	1,999,959	5,243,861	49,321,529	498,299	1,204,173	302,086	68,915,458
2019-20	1,940,635	1,343,854	6,525,785	1,866,250	4,983,091	50,345,498	502,884	1,027,110	210,519	68,745,626
2020-21	4,922,460	1,458,667	8,586,289	1,849,809	4,705,416	60,490,300	503,843	1,117,462	296,830	83,931,076
2021-22	3,876,498	1,628,352	7,568,928	2,752,910	5,319,246	67,203,961	534,161	1,224,969	218,133	90,327,158

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

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

Table 4

Fiscal Year	General Property Taxes	Other Local Taxes	Permit Privilege Fees & Regulatory Licenses	Fines & Forfeitures	Revenues from the Use of Money & Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental	Total
2012-13	10,328,263	3,237,175	85,239	193,027	104,025	5,861,257	800,162	207,854	37,236,030	56,687,000
2013-14	10,484,330	3,170,027	71,939	207,646	100,348	5,096,716	609,109	201,090	36,849,405	58,053,032
2014-15	10,768,184	3,134,530	61,121	202,900	98,042	4,771,809	896,774	713,887	37,625,174	56,790,610
2015-16	10,805,616	3,140,302	72,092	199,654	98,088	5,267,550	683,993	405,993	37,548,062	58,272,421
2016-17	11,907,890	3,262,651	67,099	215,584	112,743	4,244,690	235,362	473,862	38,194,440	58,221,350
2017-18	11,706,326	3,301,761	72,744	215,765	106,768	4,638,469	802,274	475,787	40,815,533	62,135,427
2018-19	11,791,257	3,291,038	75,281	199,723	102,277	4,150,416	765,405	423,009	43,972,066	64,770,472
2019-20	12,872,234	3,369,427	70,389	286,854	121,359	3,977,310	746,027	409,599	45,924,945	67,778,144
2020-21	13,065,751	3,453,211	72,687	350,277	83,813	4,139,107	7,411,947	523,893	50,216,273	79,316,959
2021-22	13,610,440	3,556,995	72,074	375,348	104,861	4,200,278	9,493,941	423,754	57,242,789	89,080,480

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

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

Table 5

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
2012-13	11,030,367	9,557,872	86.65%	549,373	10,107,245	91.63%	1,170,192	10.61%
2013-14	11,157,307	9,809,688	87.92%	464,866	10,274,554	92.09%	1,149,449	10.30%
2014-15	11,071,423	9,994,974	90.28%	489,003	10,483,977	94.69%	1,200,771	10.85%
2015-16	11,019,480	10,019,545	90.93%	492,442	10,511,987	95.39%	1,234,448	11.20%
2016-17	12,272,869	10,922,956	89.00%	556,300	11,479,256	93.53%	1,181,403	9.63%
2017-18	12,231,360	10,815,916	88.43%	552,705	11,368,621	92.95%	1,171,569	9.58%
2018-19	11,801,705	10,977,998	93.02%	454,922	11,432,920	96.88%	1,181,771	10.01%
2019-20	12,138,819	12,046,205	99.24%	485,531	12,531,736	103.24%	1,337,387	11.02%
2020-21	12,243,780	12,153,102	99.26%	585,534	12,738,636	104.04%	1,454,115	11.88%
2021-22	17,182,640	12,511,598	72.82%	737,932	13,249,530	77.11%	1,345,288	7.83%

(1) Exclusive of penalties and interest.

(2) Does not include land redemptions.

(3) Includes three years taxes.

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

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

Table 6

Fiscal Year	Real Estate	Personal Property	Public Service		Total
			Real Estate	Personal Property	
2012-13	1,180,192,223	190,142,164	101,691,872	507,706	1,472,533,965
2013-14	1,186,258,823	190,246,489	114,327,136	807,472	1,491,639,920
2014-15	1,193,119,123	197,694,447	84,131,357	907,258	1,475,852,185
2015-16	1,194,843,423	189,039,770	129,914,602	808,603	1,514,606,398
2016-17	1,230,983,823	193,464,087	135,928,447	605,499	1,514,606,398
2017-18	1,224,046,823	189,872,988	126,744,090	605,499	1,541,269,400
2018-19	1,105,352,532	244,177,009	121,792,968	400,164	1,471,722,673
2019-20	1,169,383,316	261,769,088	130,618,545	400,164	1,562,171,113
2020-21	1,178,748,185	267,783,507	130,618,545	400,164	1,577,550,401
2021-22	1,368,394,107	331,044,871	162,250,297	1,259,401	1,862,948,676

(1) 100% fair market value.

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

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

Table 7

Fiscal Year	Real Estate	Personal Property	Mobile Homes	Machinery and Tools	Merchants' Capital
2012-13	0.69	1.40	0.69	0.72	0.72
2013-14	0.69	1.40	0.69	0.72	0.72
2014-15	0.69	1.40	0.69	0.72	0.72
2015-16	0.69	1.40	0.69	0.72	0.72
2016-17	0.74	1.40	0.74	0.72	0.72
2017-18	0.74	1.40	0.74	0.72	0.72
2018-19	0.74	1.40	0.74	0.72	0.72
2019-20	0.80	1.65	0.80	0.90	0.72
2020-21	0.80	1.65	0.80	0.90	0.72
2021-22	0.80	1.65	0.80	1.15	0.72

(1) Per \$100 of assessed value.

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

Fiscal Year	Population (1)	Assessed Value (in thousands) (2)	Gross Bonded Debt (3)	Ratio of Net General Obligation Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2012-13	23,177	1,472,533,965	-	-	-
2013-14	23,177	1,491,639,920	-	-	-
2014-15	23,177	1,514,606,398	-	-	-
2015-16	23,177	1,514,606,398	-	-	-
2016-17	23,177	1,560,981,856	-	-	-
2017-18	23,177	1,541,269,400	-	-	-
2018-19	23,177	1,562,171,113	-	-	-
2019-20	23,177	1,562,171,113	-	-	-
2020-21	21,566	1,577,550,401	-	-	-
2021-22	21,419	1,862,948,676	-	-	-

(1) Census Bureau.

(2) From Table 4.

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