Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2017



County of Scott, Virginia

COUNTY OF SCOTT, VIRGINIA COMPREHENSIVE ANNUAL FINANCIAL REPORT YEAR ENDED JUNE 30, 2017

TABLE OF CONTENTS

INTRODUCTORY SECTION:

Title Pa	ıge		
Table of	Con	itents	
List of	Prin	ciple Officials	1
AUDITORS	rE	PORTS:	
Independ	lent	Auditors' Report	2-4
And on Financ	Com	tternal Control over Financial Reporting upliance and Other Matters Based on an Audit of Statements Performed in Accordance with Governmental	
	_	tandards	5-6
		Compliance Matters	7-9
Each M	Major	ompliance with Requirement Applicable to Program and Internal Control over Compliance	
		nce with the Uniform Guidance	10-12
Manageme	ent's	Biscussion and Analysis	13-22
FINANCIA	L SE	CTION:	
Governme	nt-W	dide Financial Statements:	
EXHIBIT	1	Statement of Net Position	23
EXHIBIT	2	Statement of Activities	24
Fund Fin	anci	al Statements:	
EXHIBIT	3	Balance Sheet - Governmental Funds	25
EXHIBIT	4	Statement of Revenues, Expenditures and	
		Changes in Fund Balances - Governmental Funds	26
EXHIBIT	5	Reconciliation of Statement of Revenues,	
		Expenditures and Changes in Fund Balances	
		of Governmental Funds to the Statement of	
	_	Activities	27
EXHIBIT	6	Statement of Net Position - Proprietary Fund -	0.0
	_	Discretely Presented Component Units	28
EXHIBIT	1	Statement of Revenues, Expenses and	
		Changes in Net Position - Proprietary Fund -	29
EXHIBIT	0	Discretely Presented Component Units	29
PVUIDII	0	Statement of Cash Flows - Proprietary Fund - Discretely Presented Component Units	30

COUNTY OF SCOTT, VIRGINIA COMPREHENSIVE ANNUAL FINANCIAL REPORT YEAR ENDED JUNE 30, 2017

TABLE OF CONTENTS

FINANCIAL SECTION (CONTINUED):

Fund Fina	ncial Statements (Continued):	
EXHIBIT 9	Statement of Fiduciary Net Assets	31
Notes to	Financial Statements	32-87
Required	Supplementary Information:	
Combining	and Individual Fund Statements and Schedules:	
EXHIBIT 1	O Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and	
	Actual - General Fund	88
EXHIBIT 1	<pre>1 Combining Schedule of Fiduciary Net Assets - Agency Funds</pre>	89
		03
Discretel	y Presented Component Unit - School Board:	
EXHIBIT 1	· · · · · · · · · · · · · · · · · · ·	90
EXHIBIT 1	3 Combining Statement of Revenues, Expenditures and Changes in Fund Balances	ıd 91
EXHIBIT 1	4 Statement of Revenues, Expenditures and	
	Changes in Fund Balances - Budget and Actual	92-96
Proprieta	ry Fund - Discretely Presented Component Unit:	
EXHIBIT 1		97
EXHIBIT 1	6 Statement of Revenues, Expenditures and Changes in Net Position	98
EXHIBIT 1	-	99
Non-Major	Governmental Funds:	
EXHIBIT 1		100
EXHIBIT 1	9 Combining Statement of Revenues, Expenditures and Changes in Fund Balances	101
EXHIBIT 2		

COUNTY OF SCOTT, VIRGINIA COMPREHENSIVE ANNUAL FINANCIAL REPORT YEAR ENDED JUNE 30, 2017

TABLE OF CONTENTS

FINANCIAL SECTION (CONTINUED):

Required Supplementary Information (Continued):

Supporting Schedules:

SCHEDULE	1 Governmental Funds and Discretely Presented	
	Component Units Statements of Revenues - Budget	
	and Actual	104-108
SCHEDULE	2 Governmental Funds and Discretely Presented	
	Component Units Statements of Expenditures -	
	Budget and Actual	109-112
SCHEDULE	3 Schedule of Employer Contributions	113
SCHEDULE	4 Schedule of Expenditures of Federal Awards	114-115
SCHEDULE	5 Schedule of Findings and Questioned Costs	116
STATISTIC	CAL TABLES:	
TABLE 1	General Government Expenditures by Function -	
	Last Ten Fiscal Years	117
TABLE 2	General Government Revenues by Source -	
	Last Ten Fiscal Years	118
TABLE 3	Property Tax Levies and Collections -	
	Last Ten Fiscal Years	119
TABLE 4	Assessed and Estimated Actual Value of Taxable	
	Property - Last Ten Fiscal Years	120
TABLE 5	Property Tax Rates - Last Ten Fiscal Years	121
TABLE 6	Ratio of Net General Obligation Bonded Debt to	
	Assessed Value and Net General Obligation Bonded	
	Debt Per Capita - Last Ten Fiscal Years	122

COUNTY OF SCOTT, VIRGINIA

BOARD OF SUPERVISORS

David S. Redwine, Chairman

Danny P. Mann (Vice Chairman) Jack
Darrell Jeter Joe W
Marshall Tipton Chad

Jack Compton Joe W. Herron Chad E. Hood

COUNTY SCHOOL BOARD

William R. Quillen, Jr., Chairman

David Templeton Gail L. McConnell
L. Stephen Sallee, Jr. (Vice Chairman) Larry Horton
Linda Gillenwater

COUNTY WELFARE BOARD

David S. Redwine, Chairperson
Cindy Coates (Vice Chairperson) Carol Culbertson

OTHER OFFICIALS

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

Hon. Jonathan Robbins
Mark "Bo" Taylor
Marcus McClung
Debbie Dockery
Mitzi Owens
John Puckett
John Ferguson
Margaret Godsey
Freda R. Starnes



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

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

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Scott, Virginia, as of June 30, 2017 and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Scott, Virginia as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information on pages 13-22 and 88 and Schedule of Employer Contributions on page 113 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 We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with Government Auditing Standards, we have also issued our report dated December 31, 2017, 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, Lucker & Company, PC

December 31, 2017 Lebanon, Virginia Certified Public Accountants

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

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, 2017, and the related notes to the financial statements, which collectively comprise the County of Scott, Virginia's basic financial statements, and have issued our report thereon dated December 31, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Bostic, Lucker & Company, PC

December 31, 2017 Lebanon, Virginia RONALD C. BOSTIC, CPA GREGORY D. TUCKER, CPA

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

December 31, 2017

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, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, Governmental Auditing Standards and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 31, 2017. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County of Scott, Virginia are described in Note 1 to the financial statements. No new accounting policies were adopted and the application if existing policies was not changed during 2017. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

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

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

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

The disclosure of the Landfill Closure and Post-Closure Care Costs in Note 13 to the financial statements identifies state and federal laws requiring the county to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste. The county reports a portion of these closure and care costs as an operating expense in each period based on landfill capacity used at each balance sheet date. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. These estimated amounts are based on what it would cost to perform all closure and post closure care in 2017.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 31, 2017.

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,

Sostic, Lucker & Company, PC

Bostic, Tucker and Company, P.C.

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

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

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

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

Report on Compliance for Each Major Federal Program

We have audited the County of Scott, Virginia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County of Scott, Virginia's major federal programs for the year ended June 30, 2017. The County of Scott, Virginia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the County of Scott, Virginia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

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

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

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

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

Bostic, Lucker & Company, PC

December 31, 2017 Lebanon, Virginia

BOARD OF SUPERVISORS

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

We're a Vatural



SCOTT COUNTY BOARD OF SUPERVISORS

COUNTY ADMINISTRATOR Freda Starnes

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

As management of the County of Scott, Virginia we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County of the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with the basic audited financial statements.

Financial Highlights:

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$3,927,546 (net position). Of this amount, \$(5,362,650) represents a deficit in unrestricted net position used to meet the government's ongoing obligation to citizens and creditors. This resulted from the implementation in 2015 of GASB Statement Number 68 related to pension obligations.
- As of the close of the current fiscal year, the County's funds reported combined ending fund balances of \$3,089,731, a decrease of \$(72,539) compared to the prior year. Approximately 98% of the combined fund balance, \$3,038,338, is available for spending for the various functions of the County as indicated.
- At the end of the current fiscal year, fund balance for the general fund was \$3,038,338, or 16% of total general fund expenditures for the year.

Overview of the Financial Statements:

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

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

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

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

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

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

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

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

Overview of the Financial Statements (Continued):

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

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

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

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

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

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

Overview of the Financial Statements (Continued):

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

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

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a County's financial position. In the case of the County, assets exceed liabilities by \$3,927,546 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.

County of Scott, Virginia's Net Assets

	Governmental	Activities
	2017	2016
Current and other assets	\$19,422,317	\$19,356,278
Capital assets	9,085,668	8,918,071
Deferred outflows	1,249,365	783,453
Total assets	\$29,757,350	\$29,057,802
Long-term liabilities outstanding	\$10,232,035	\$ 9,157,772
Current liabilities	2,958,673	2,566,987
Deferred inflows	12,639,096	13,082,159
Total liabilities	\$25,829,804	\$24,806,918
Net assets:		
Investment in capital assets,		
net of related debt	\$ 8,334,462	\$ 8,450,338
Restricted	955,734	979,839
Unrestricted	(5,362,650)	(5,179,293)
Total net assets	\$ 3,927,546	\$ 4,250,884

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

During the current fiscal year, the County's (including component units) net position increased by \$1,743,279.

Governmental Activities - Governmental activities decreased the County's net position by \$(323,338). Key elements of this decrease are as follows:

County of Scott, Virginia's Change in Net Assets

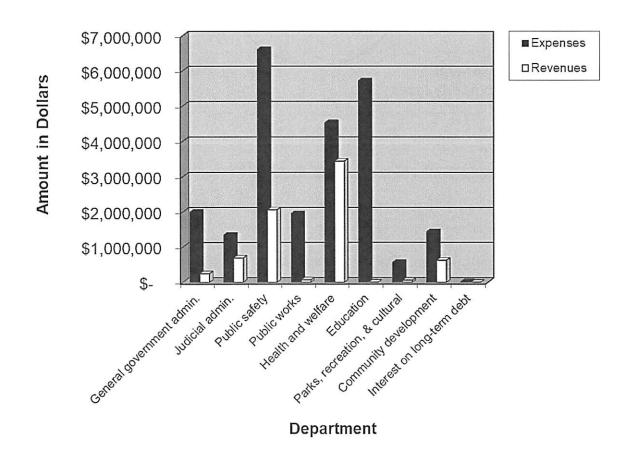
	Governmental Activities			
	2017	2016		
Revenues:				
Program revenues:				
Charges for services	\$ 392,263	\$ 401,843		
Operating grants and				
contributions	6,789,493	5,997,490		
General revenues:				
Property taxes	11,742,865	11,019,378		
Other local taxes	3,262,651	3,140,302		
Other	1,619,920	1,549,749		
Total revenues	\$23,807,192	\$22,108,762		
Expenses:				
General government	\$ 1,990,763	\$ 1,868,806		
Judicial administration	1,339,480	1,338,635		
Public safety	6,603,815	6,023,702		
Public works	1,950,740	1,883,363		
Health and welfare	4,522,110	4,335,919		
Education	5,713,754	6,032,073		
Parks, recreation and culture	557,932	580,329		
Community development	1,431,416	722,162		
Interest	20,520	16,839		
Total expenses	\$24,130,530	\$22,801,828		
Increase in net assets	\$ (323,338)	\$ (693,066)		
Net assets - beginning	4,250,884	4,943,950		
Net assets - ending	\$ 3,927,546	\$ 4,250,884		
_				

During the year, charges for services and operating grants and contributions decreased \$(9,580) and increased \$792,003, respectively, while property tax revenue increased \$723,487.

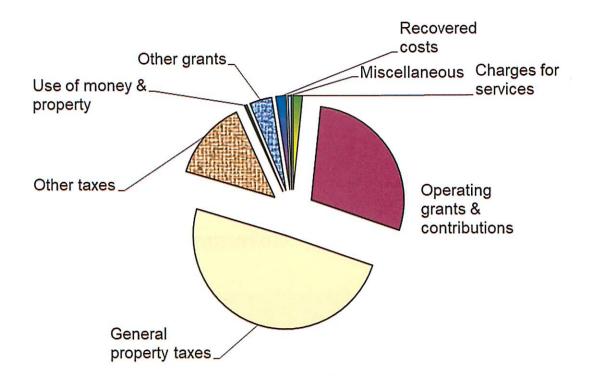
Expenditures for general government, public safety, public works, health and welfare, and community development increased \$121,957, \$580,113, \$67,377, \$186,191, and \$709,254, respectively, while expenditures for education decreased \$(318,319).

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

Expense & Revenues - Governmental Activities



Revenues by Source - Governmental Activities



Financial Analysis of the County's Funds

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

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$3,089,731, a decrease of \$(72,539) in comparison with the prior year. \$3,038,338, approximately 98% of the total, is available for spending for the various functions of the County as indicated.

Financial Analysis of the County's Funds (Continued):

The general fund is the operating fund of the County. At the end of the current fiscal year fund balance of the general fund was \$3,038,338. 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 16% of total general fund expenditures for the year.

The general fund balance decreased (73,321) during the current year.

The special revenue funds have a total fund balance of \$51,393, all of which is restricted. The fund balance increased \$782 during the current year.

General Fund Budgetary Highlights

During the 2017 fiscal year, the County had amendments which increased its original budgeted revenues \$1,023,271 and expenditures \$1,023,271.

Capital Assets and Debt Administration

<u>Capital assets</u> - The County's investment in capital assets for its governmental funds as of June 30, 2017 amounts to \$9,085,668 (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 \$167,597.

	Governmental Activities		
	2017	2016	
Land	\$ 1,205,829	\$ 1,105,829	
Buildings and improvements	8,514,280	8,514,280	
Equipment	9,396,435	9,057,116	
Tenancy in common	144,549		
Total capital assets	\$19,261,093	\$18,677,225	
Less: accumulated depreciation	10,175,425	9,759,154	
Net capital assets	\$ 9,085,668	\$ 8,918,071	

Capital Assets and Debt Administration (continued):

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

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

During the fiscal year, the County's total debt increased by \$283,473.

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

No. 68, Accounting and Financial Reporting for Pensions during 2015. As a result, the long-term pension liability increased \$5,479,000. At June 30, 2017, long-term pension liability was \$6,694,634.

Economic Factors and Next Year's Budgets and Rates

- Per the Bureau of Labor Statistics, the June 2017 unemployment rate for the County of Scott, Virginia was 4.3%, a decrease from the rate of 4.9% in June 2016. The County's unemployment rate is higher than the state's rate and lower than the national rate; in June 2017, Virginia's unemployment rate was 3.9% and the national unemployment rate was 4.5%.
- Inflationary trends in the region are comparable to national indices.

These factors were considered in preparing the County's budget for the 2017 fiscal year.

Request for Information

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

Scott County Administrator 112 Water Street Gate City, Virginia 24251 Government-Wide Financial Statements

For the Year Ended June 30, 2016

		Component Units	
	Primary		
	Government	C-1:1	Other
	Governmental Activities	School Board	Component Units
Assets:	ACCIVICIOS		Onites
Current Assets			
Cash & cash equivalents	\$ 4,766,638	\$ 2,075,172	\$ 3,726,646
Receivables (net of allowance): Property taxes	13,566,951	_	_
Consumer utility taxes	13,300,731	_	_
Accounts receivable	46,626	21,941	535,920
Prepaid expenses	23,310	457,484	-
Due from component unit	-	2,044,208	-
Inventory Other current assets		_	84,443 1,054,070
Due from other governments	1,018,792	631,228	751,699
Total current assets	19,422,317	5,230,033	6,152,778
Noncurrent assets			
Capital assets:	1 205 020	1 507 013	6 220 046
Buildings & equipment, net of depreciation	1,205,829 7,879,839	1,597,912 32,493,992	6,230,846 70,701,487
Total noncurrent assets	9,085,668	34.091.904	76,932,333
Other assets:			
Restricted cash in bank	_	-	225,565
Notes receivable Total other assets			93,929
iotal other assets			317, 171
Deferred outflows of resources:			
Deferred pensions	1,249,365	5,333,048	119,501
Total outflows of resources	1,249,365	5,333,048	119,501
Total assets	29,757,350	44,654,985	83,404,605
10141 433613	27,737,330	44,034,703	03,404,003
Liabilities:			
Current Liabilities			
Accounts payable & accrued expenses	665,120	207,380	869,450
Salaries payable	-	3,050,988	-
Health insurance payable Due to other government	-	-	-
Primary government	-	_	-
Due to component unit	2,044,208	-	-
Current portion of			
long-term obligations	249,345	252,000	1,455,827
Total current liabilities	2,958,673	3,510,368	2,325,277
Noncurrent liabilities			
Accrued leave	469,088	598,607	21,715
Amounts held for others	-	-	183,959
Landfill closure	955,734	2 206 222	252 040
Other Post - Employment Benefits Net pension liability, long-term	1,610,718 6,694,634	2,286,333 36,225,651	352,040 217,682
Noncurrent portion of	0,074,034	30,223,031	217,002
long-term obligations	501,861	3,352,277	26,558,109
Total noncurrent liabilities	10,232,035	42,462,868	27,333,505
m	10 100 700	45 050 004	00 (50 500
Total liabilities	13,190,708	45,973,236	29,658,782
Deferred Inflows of Resources			
Unavailable revenue - property taxes	12,419,494	_	_
Deferred pensions	219,602	2,173,551	29,775
Total deferred inflows of resources	12,639,096	2,173,551	29,775
Wat Darition			
Net Position Invested in capital assets,			
net of related debt	8,334,462	30,487,627	48,918,397
Restricted for:	-, ,	- • · • • ·	-,,
Landfill closure	955,734	-	_
Other purposes	/E 262 (E0)	- /22 070 420\	218,924
Unrestricted (deficit) Total net position	(5,362,650) 3,927,546	(33,979,429)	3,606,852 52,744,173
.cvar nov postvion	5,747,540	(3,471,002)	
Total liabilities &			
net position	\$ 29,757,350	\$ 44,654,985	\$ 82,432,730

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

COUNTY OF SCOTT, VIRGINIA STATEMENT OF ACTIVITIES For the Year Ended June 30, 2017

EXHIBIT 2

		Program Revenues			t (Expense) Revenue Changes in Net Position			
Functions/Programs	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government Governmental Activities	School Board	Discretely Presented Component Units	
Primary Government: Governmental activities:								
General government administration Judicial administration Public safety Public works Health and welfare Education Parks, recreation, and cultural Community development Interest on long-term debt Total government activities	\$ 1,990,763 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	\$ 2,848 3,406 258,454 68,696 - - 58,859 - - 392,263	\$ 243,497 687,703 1,799,217 - 3,438,969 - 620,107 - 6,789,493	\$	\$ (1,744,418) (648,371) (4,546,144) (1,882,044) (1,083,141) (5,713,754) (499,073) (811,309) (20,520) (16,948,774)	\$ - - - - - - - -	\$ - - - - - - - - -	
Total primary government	\$ 24,130,530	\$ 392,263	\$ 6.789,493	<u> </u>	\$ (16,948,774)	ş -	ş -	
Component units: School board Other component units Total component units	\$ 41,259,489 5,235,927 \$ 46,495,416	\$ 4,135,110 3,498,050 \$ 7,633,160	\$ 30,466,485 2,606,468 \$ 33,072,953	\$ - 1,147,354 \$ 1,147,354	\$ - - \$ -	\$ (6,657,894) - - \$ (6,657,894)	\$ 2,015,945 \$ 2,015,945	
Total					\$ (16,948,774)	\$ (6,657,894)	\$ 2,015,945	
	General Revenue General Prope Other local t Unrestricted money and p	rty axes revenues from us	se of		11,742,865 3,262,651 106,678	- - 6,065	- - 12.192	
	Miscellaneous Recovered cos	• •	restricted		147,455 427,325	87,907 1,905	38,480	
	to specifi County contri Change in net a	bution to School	l Board		938,462	5,686,524 (875,493)	- - 2,066,617	
	Net position -	beginning			4,250,884	(2,616,309)	50,677,556	
	Net position -	ending			\$ 3,927,546	\$ (3,491,802)	\$ 52,744,173	

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

Fund Financial Statements

Land Company Control of the Control

	General Fund	Govern	ner mental nds		Total
Assets: Cash & cash equivalents	\$ 4,715,322	\$	51,316	\$	4,766,638
Receivables (net of allowance):		•	01,010	•	1,,00,000
Property taxes	13,566,951		-		13,566,951
Consumer utility taxes Accounts receivable	- 46,399		- 227		- 46,626
Prepaid expenses	23,310		-		23,310
Due from other funds Due from other governments	-		-		-
Due from other governments	1,018,792				1,018,792
Total assets	\$ 19,370,774	\$	51,543	\$	19,422,317
Liabilities: Accounts payable & accrued expenses Due to other funds	\$ 662,679	\$	150	\$	662,829
Component unit	2,044,208				2,044,208
Total liabilities Deferred Inflows of Resources	2,706,887		150		2,707,037
Unavailable revenue - property taxes	13,625,549				13,625,549
Total deferred inflows of resources Fund Balance:	13,625,549				13,625,549
Restricted	28,952		51,393		80,345
Assigned	221,839		-		221,839
Unassigned	2,787,547	_			2,787,547
Total fund balances	3,038,338		51,393		3,089,731
Total liabilities, deferred inflows of resources & fund balances	\$ 19,370,774	\$	51,543		
Detailed explanation of adjustments from government-wide statement of net position		:0			
Capital assets used in governmental activ financial resources and therefore, are governmental funds					9,085,668
Other long-term assets are not available	to new for curren	.+			
period expenditures and, therefore, are					1,206,055
Deferred outflows of resources reported i net position	n the statement o	of			1,249,365
Other liabilities are not required to be financial resources and, therefore, are the governmental funds		ent			(3,287,176)
Long-term liabilities are not due and pay period and, therefore, are not reported funds					(7,196,495)
Deferred inflows of resources reported in net position	the statement of	•			(219,602)
Fund balance of General Government Activi	ties			\$	3,927,546
Jazano oz odnosaz objestancko koutyz	·			<u> </u>	-,,,

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

For the Year Ended June 30, 2017

	Governmental		
	General	Other Funds	Total Governmental <u>Funds</u>
Revenues:			
General property taxes	\$ 11,907,890	\$ -	\$ 11,907,890
Other local taxes	3,260,713	1,938	3,262,651
Permits, privilege fees &			
regulatory licenses	67,099		67,099
Fines and forfeitures	215,584	_	215,584
Revenue from use of			
money & property	106,678	_	106,678
Charges for services	106,174	3,406	109,580
Miscellaneous	147,455	_	147,455
Recovered costs	471,957	-	471,957
Intergovernmental:			
Commonwealth	5,185,837	-	5,185,837
Federal	2,542,118		2,542,118
Total revenues	24.011,505	5,344	24.016.849
Expenditures: Current:			
General government administration	1,935,305	_	1,935,305
Judicial administration	1,350,120	3,592	1,353,303
Public safety	6,527,005	3,372	6,527,005
Public works	2,334,071	970	2,335,041
Health and welfare	4,522,147	-	4,522,147
Education	27,230	_	27,230
Parks, recreation, and cultural	518,862	_	518,862
Community development	1,446,435	_	
Debt service:	1,440,433	-	1,446,435
Principal retirement	254,705		254 705
Interest and other fiscal charges		-	254,705
interest and other fiscal charges	20,600		20,600
Total expenditures	18,936,480	4,562	18,941,042
Excess (deficiency) of revenues			
over (under) expenditures	5,075,025	782	5,075,807
Other financing sources (uses):			
Operating transfers in	_	_	_
Operating transfers out	(5,686,524)	_	(5,686,524)
Proceeds from debt	538,178	_	538,178
Total other financing sources (uses)	(5,148,346)		(5,148,346)
Net changes in fund balances	(73,321)	782	(72,539)
Fund balances at beginning of year	3,111,659	50,611	3,162,270
Fund balances at end of year	\$ 3,038,338	\$ 51,393	\$ 3,089,731

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

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

EXHIBIT 5

For the Year Ended June 30, 2017

	Gove	ernmental Funds
Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	\$	(72,539)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceed depreciation in the		
current period.		212,229
Revenues on the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		(209,657)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the issuance of long-term debt and related items.		(283,473)
		(203,473)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		30,102
Change in net position of governmental activities	\$	(323,338)

June 30, 2017	
	Discretely
	Presented
	Component
	Units
Assets:	
Current assets	
Cash and cash equivalents	\$ 3,726,646
Receivables (net of allowance for uncollectibles):	
Accounts receivable	535,920
Inventory	84,443
Other current assets	1,054,070
Due from other governments	751,699
-	
Total current assets	6,152,778
Noncurrent assets	
Capital assets:	
Land	6,230,846
Buildings and equipment, net of depreciation	<u>70,701,487</u>
Total noncurrent assets	76,932,333
Other assets:	
Restricted cash in bank	225,565
Notes receivable	93,929
Total other assets	319,494
Total assets	83,404,605
Deferred Outflows of Resources:	
Deferred pensions	119,501
Total deferred outflows of resources	119,501
Liabilities:	
Current liabilities	
Accounts payable and accrued expenses	869,450
Current portion of	
long-term obligations	1,455,827
Total current liabilities	2,325,277
Noncurrent liabilities	
Compensated absences	21,715
Other post employement benefits	352,040
Amounts held for others	183,959
Net pension liability, long-term	217,682
Noncurrent portion of long-term obligations	26,558,109
Total noncurrent liabilities	27,333,505
Total liabilities	<u>29,658,782</u>
Deferred Inflows of Resources:	
Deferred pensions	29,775
Total deferred inflows of resources	<u> 29,775</u>
Net position:	
Invested in capital assets, net of related debt	48,918,397
Restricted for other purposes	218,924
Unrestricted assets	3,606,852
Total net position	52,744,173
makan namadahan and makan asabat	#66 155 W-1
Total liabilities and net position	\$82,432,730

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

	Discretely Presented Component Units
Operating revenues:	
Charges for services	\$ 3,498,050
Rental income	310,797
Grants	2,129,431
Miscellaneous	166,240
Total operating revenue	6,104,518
Operating expenses:	
Employee benefits	1,303,317
Materials and supplies	3,545,115
Total operating expense	4,848,432
Operating income (loss)	1,256,086
Nonoperating revenues (expenses):	
Interest earned	12,192
Connection fees	38,480
Other nonoperating revenues/(expenses)	-
Interest expense	(387,495)
Total nonoperating	
revenues (expenses)	(336,823)
Capital contributions	1,147,354
Increase (decrease) in net	
position	2,066,617
Net position at beginning of year, as previously reported	50,677,556
Prior period adjustment	
Net position at beginning of year, as restated	50,677,556
Net position at end of year	\$ 52,744,173

COUNTY OF SCOTT, VIRGINIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND - DISCRETELY PRESENTED COMPONENT UNITS
For the Year Ended June 30, 2017

	Discretely Presented Component Units
Cash flows from operating activities: Receipts from customers & users Payments to suppliers Payments to employees	\$ 5,785,158 (1,596,291) (1,195,601)
Net cash provided(used) by operating activities	2,993,266
Cash flows from capital & related financing activities: Connection fee Other nonoperating revenues Loans to industries Purchase of fixed assets Principal on debt Proceeds from indebtness Interest on debt Proceeds from grants	38,480 1,008,210 (25,000) (6,808,925) (1,042,260) 2,100,619 (245,810)
Net cash used in capital & related financing activities	(4,974,686)
Cash flows from investing activities: Interest earned	7,399
Net cash provided by investing activities	7,399
Increase in cash & cash equivalents	(1,974,021)
Cash & cash equivalents at beginning of year	5,926,232
Cash & cash equivalents at end of year	\$ 3,952,211
Reconciliation of operating income to net cash provided (used) by operating activities: Operating income Adjustments to reconcile net income to net cash provided	\$ 1,113,816
by operations: Depreciation Imputed interest Donations Gain on debt refinance Post employment benefits Net pension obligation Changes in operating assets & liabilities: Accounts receivable Inventory Other assets Accounts payable	2,040,925 - 30,766 (22,995) (313,402) (3,212) - 152,801
Customer deposits Accrued leave & benefits	(10,751) 5,318
Total adjustments	1,879,450
Net cash provided (used) by operating activities	\$ 2,993,266

	Agency Funds
Assets: Cash and cash equivalents Due from other government units	\$ 7.582 279.112
Amount due from others Investments	50,644 3,098,477
Total assets	\$ 3,435,815
Liabilities: Due to primary government Amounts due to others Amounts held for others	\$ 257.313 50.644 3.127.858
Total liabilities	\$ 3,435,815

Note 1 - Summary of Significant Accounting Policies

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

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

Financial Statement Presentation

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

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

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

Government-wide and Fund Financial Statements

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

<u>Statement of activities</u> - 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.

Statement of activities (continued)

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

Note 1 - Summary of Significant Accounting Policies (Continued)

A. Financial Reporting Entity

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

B. Individual Component Unit Disclosures

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

Discretely Presented Component Units - The School Board members are elected by the voters and are responsible for the operations of the County's School System. The School Board is fiscally dependent on the County. The County has the ability to approve its budget and any amendments. The primary funding is from the General Fund of the County. The School Fund does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation of the County financial statements for the fiscal year ended June 30, 2017.

Note 1 - Summary of Significant Accounting Policies (Continued)

B. Individual Component Unit Disclosures (Continued)

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

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

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

None

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

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

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

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

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

The government-wide statement of activities reflects both the gross and net cost per functional category (public safety, public works, health and welfare, etc.) which are otherwise being supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.) The statement of activities reduces gross expenses (including

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

significant part of the General Fund's revenue is used principally to finance the operations of the Component Unit School Board.

Additionally, Scott County reports the following fund types:

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

D. Deferred Outflows/Inflows of Resources

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

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

E. Budget and Budgetary Accounting

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

E. Budget and Budgetary Accounting (Continued)

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

F. Cash and Cash Equivalents

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

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

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

G. Investments

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

Note 1 - Summary of Significant Accounting Policies (Continued)

H. Receivable and payables

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

All trade and property tax receivables are shown net of an allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$291,248 at June 30, 2017, 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^{th} . The County bills and collects its own property taxes.

I. Capital Assets

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

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, 2017 was immaterial.

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

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

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

P. Retirement Plan

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

Q. Use of Estimates

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

R. Jointly Governed Organizations

The County and the Counties of Wise and Lee, along with the City of Norton, participate in supporting the Planning District One 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, 2017, the County contributed \$967.

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, 2017, the County contributed \$209,330.

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, 2017, the County Contributed \$2,109,762.

Note 1 - Summary of Significant Accounting Policies (Continued)

S. Pensions

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

T. New Accounting Pronouncements

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

Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68. The requirements of this Statement were effective for reporting periods beginning after June 15, 2015.

Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, improves the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB). The requirements of this Statement were effective for reporting periods beginning after June 15, 2016.

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

T. New Accounting Pronouncements (Continued)

Statement No. 78, Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans, addresses the scope and applicability of Statement No. 68, Accounting and Financial Reporting for Pensions. The requirements of this Statement were effective for financial statements for periods beginning after December 15, 2015.

Statement No. 79, Certain External Investment Pools and Pool Participants, addresses accounting and financial reporting for certain external investment pools and pool participants, as determined by criteria established in the Statement. The requirements of this Statement were effective for reporting periods beginning after June 15, 2015.

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

Statement No. 82, Pension Issues—An Amendment of GASB Statements No. 67, No. 68, and No. 73, addresses issues in Statements No. 67, No. 68, and No. 73 regarding pensions. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016.

Note 2 - Deposits and Investments

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

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

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

	Due To		Due From
Comp	ponent Unit		Primary
School Board		Government	
\$	2,044,208	\$	-
	_		2,044,208
\$	2,044,208	\$	2,044,208
	Scl	Component Unit School Board \$ 2,044,208	Component Unit School Board Go \$ 2,044,208 \$

Note 4 - Due From Other Governmental Units

At June 30, 2017, the County and School Board had receivables from other governments as follows:

		Discretely	
-		Presented	Other
	Primary	Component Unit	Component
	Government	School Board	Units
Local Governments:			
Other Misc. Funds	\$ -	\$ -	\$ 751,699
Commonwealth of Virginia:			
State Sales Tax	_	593,090	-
Local Sales Tax	257,313	_	-
Social service	92,168	-	-
CMPT	32,348	-	_
Shared expenses	461,759	-	-
Other	216	19,843	-
Federal Government:			
School Funds	_	18,295	-
Social service	174,988	_	_
Totals	1,018,792	631,228	751,699

Note 5 - Capital Assets

The following is a summary of changes in capital assets for the fiscal year ending June 30, 2017.

General Government:

	Balance			Balance
	July 1, 2016	Additions	Deletions	June 30, 2017
Land & land				
improvements	\$1,105,829	\$100,000	\$ -	\$ 1,205,829
Building &				
improvements	8,514,280	- 1	_	8,514,280
Equipment	9,057,116	630,991	(291,672)	9,396,435
Construction	_	144,549	_	144,549
Totals	18,677,225	875,540	(291,672)	19,261,093
Accumulated		· · · · · · · · · · · · · · · · ·		
Depreciation	(9,759,154)	(663,311)	247,040	(10, 175, 425)
Net capital assets	\$8,918,071			\$ 9,085,668

Note 5 - Capital Assets (Continued)

Component Unit School Board:

	Balance			Balance
	July 1, 2016	Additions	Deletions	June 30, 2017
Land & land				
improvements	\$ 1,597,912	\$ -	\$ -	\$ 1,597,912
Building &				
improvements	49,919,590	-	-	49,919,590
Equipment	22,406,784	4,638,793	(119,982)	26,925,595
Construction	6,501,954	164,678	(4,283,413)	2,383,219
Totals	80,426,240	4,803,471	(4,403,395)	80,826,316
Accumulated				
Depreciation	(45,290,797)	(1,537,795)	94,181	(46,734,412)
Net capital assets	\$35,135,443			\$34,091,904

Proprietary Funds:

	Public	Economic	
	Service	Development	
	Authority	Authority	Total
Land & Improvements	\$ 486,753	\$ 5,226,835	\$ 5,713,588
Building & Water Lines	69,456,406	14,121,210	83,577,616
Equipment & Vehicles	1,501,868	1,236,101	2,737,969
Construction in progress	517,256	10,121,660	10,638,916
Totals	71,962,283	30,705,806	102,668,089
Less: Accumulated			
depreciation	(22,080,273)	(3,655,485)	(25,735,758)
Net capital assets	\$ 49,882,010	\$ 27,050,321	\$ 76,932,331

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

	Amount
Governmental activities:	
General government	\$ 64,709
Judicial administration	3,027
Public safety	305,745
Public works	202,795
Health and welfare	14,075
Parks, recreation and cultural	72,803
Community development	 157
Total	\$ 663,311

Note 5 - Capital Assets (Continued)

Component Unit School Board: Education

\$ 1,537,795

Depreciation expenses for the year ending June 30, 2017, for the Public Service Authority amounted to \$1,746,662.

Depreciation expenses for the year ending June 30, 2017, for the Economic Development Authority amounted to \$289,263.

Note 6 - Long-term Obligations

The following is a summary of changes in long-term obligations for the fiscal year ending June 30, 2017:

Primary Government:

General Long-term Obligations: Obligation payable at July 1, 2016			\$ Amount 3,460,423
Retirements:			
Line of credit	\$	_	
Decrease in compensated absence		40,680	
Decrease in landfill closure		04 105	
postclosure monitoring estimates		24,105	
Payments on capital lease		<u>254,705</u>	
Total retirements			(319,490)
Additions:			
Line of credit draws		_	
Capital lease purchases		538,178	
Increase in other post-employee benefits		<u>107,635</u>	
Total additions			645,813
Long-term Obligations payable at June 30,	2017	•	\$ 3,786,746

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

Year			
Ending	Capital	Le	ease
June 30,	 Principal		Interest
2018	\$ 249,345	\$	17,749
2019	232,586		11,485
2020	137,386		5,851
2021	105,692		2,826
2022	26,197		251
Total	\$ 751,206	\$	38,162

Note 6 - Long-term Obligations (Continued)

Note 6 - Long-term Obligations (Continued)	Amount Outstanding
Capital Leases:	
\$50,190 capital lease issued September 14, 2012 for the purchase of a 2012 Fairway mower, due in monthly installments of \$805.11, principal and interest through August 12, 2017, interest payable at 5.01%.	\$ 11,147
\$25,123 capital lease issued November 15, 2014 for Purchase of a 2015 Ford Explorer, due in monthly installments of \$555.95, principal and interest through November 15, 2017, interest payable at 2.99%.	2,759
\$26,164 capital lease issued November 10, 2014 for the purchase of a 2014 Ford F150, due in monthly installments of \$570.37, principal and interest through November 10, 2018, interest payable at 2.40%.	9 , 535
\$53,728 capital lease issued January 26, 2015 for the purchase of two 2014 Dodge Chargers, due in monthly installments of \$1,172.30, principal and interest through February 10, 2019, interest payable at 2.24%.	22,993
\$147,186 capital lease issued June 27, 2014 for the purchase of a 911 Communication System, due in annual installments of \$32,415.88, principal and interest through March 1, 2019, interest payable at 3.70%.	61,411
\$205,108 capital lease issued December 2, 2014 for the purchase of a garbage truck, due in annual installments of \$42,811.61, principal and interest through March 15, 2019, interest payable at 1.90%.	83,243
\$26,240 capital lease issued January 27, 2016 for the purchase of a 2016 Ford F150, due in monthly installments of \$745.75, principal and interest through January 2019, interest payable at 1.49%.	13,995
\$52,029 capital lease issued September 1, 2015 for the purchase of golf carts, due in monthly installments of \$948.25, principal and interest through September 2021, interest payable at 3.58%.	35,707

Note 6 - Long-term Obligations (Continued)

	Amount Outstanding
Capital Leases (continued):	
\$72,935 capital lease issued March 1, 2016 for the purchase of three 2016 Dodge Chargers, due in monthly installments of \$1,582, principal and interest through March 2020, interest payable at 5.01%.	49,265
\$26,339 capital lease issued November 22, 2016 for the purchase of a 2016 Progator and Top Dresser, due in annual installments of \$7,020, principal and interest through December 2019, interest payable at 4.35%.	19,351
\$256,850 capital lease issued September 1, 2016 for the purchase of voting machines, due in annual installments of \$54,650, principal and interest through September 2021, interest payable at 2.07%.	207,517
\$57,296 capital lease issued January 6, 2017 for the purchase of Sheriff vehicles, due in monthly installments of \$1,243, principal and interest through December 2020, interest payable at 1.99%.	50,381
\$97,693 capital lease issued December 29, 2016 for the purchase of a roll off truck, due in monthly installments of \$1,751, principal and interest through September 2019, interest payable at 2.99%.	90,114
\$100,000 capital lease issued March 23, 2017 for the purchase of land, due in monthly installments of \$1,796, principal and interest through February 2022, interest payable at 2.99%.	93,788
Total Capital Leases Less: Current Maturities	751,206 (249,345)
Long-term Capital Leases	\$ 501,861
Primary Government:	
Accrued compensated absences Landfill closure and post-closure care Other post employee benefits Net pension liability	469,088 955,734 1,610,718 6,694,634
Total long-term obligations	<u>\$10,232,035</u>

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

Note 6 - Long-term Obligations (Continued)

Component Unit School Board:

The following is a summary of changes in long-term obligations for the fiscal year ending June 30, 2017:

Obligation payable at July 1, 2016	\$ 6,695,498
Retirements and additions: Capital lease & line of credit payments \$(3, Line of credit drawdowns 2, Amortization of debt issue costs Increase in other post employee benefits	044,407) 854,545 6,897 21,189

Decrease in compensated absences (44,505)

Total retirements and additions (206,281)

Long-term Obligations payable at June 30, 2017 \$ 6,489,217

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

Year Ending	Capital Lease		Debt Issue
June 30,	Principal	Interest	Cost
2018	252,000	116,362	(6,897)
2019	260,000	108,273	(6,897)
2020	269,000	99,927	(6,897)
2021	277,000	91,292	(6,897)
2022	286,000	82,401	(6,897)
2023-2029	2,281,000	300,301	(41,377)
Total	\$ 3,625,000	\$ 798,556	\$ (75,862)

Amount Outstanding

Amount

Capital Leases:

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

\$ 3,625,000

Total Capital Leases

\$ 3,625,000

Note 6 - Long-term Obligations (Continued)

Component Unit School Board:

Capital lease, net of debt issue costs	\$ 3,352,277
Accrued compensated absences	598,607
Other post employee benefits	2,286,333
Net pension liability	36,225,651
Total long-term obligations	\$42,462,868

Note 7 - Proprietary Debt

Component Unit - Public Service Authority

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

Details of Long-term indebtedness:

Year		
Ending		
June 30,	Principal	Interest
2018	\$ 1,039,634	\$ 233,666
2019	1,004,375	220,525
2020	1,015,833	207,918
2021	1,027,414	195,006
2022	1,041,123	181,751
2023-2027	5,758,908	684,935
2028-2032	4,084,635	332,875
2033-2037	2,438,817	203,139
2038-2042	1,166,498	80,509
2043-2047	283,820	24,316
2048-2057	70,722	3,582
Total	\$18,931,779	\$ 2,368,222

Changes in Long-term obligations:

	<u>Amount</u>
Long-term obligations at July 1, 2016	\$19,365,610
Issuance of Revenue Bonds and Notes Retirement of Revenue Bonds and Notes	489,660 (972,072)
Long-term debt payable at June 30, 2017	\$18,961,791

Note 7 - Proprietary Debt (Continued)

Description of Long Term Debt

				Amount of		Amount
	Interest	Issue	Maturity	Original	Balance	Due Within
	Rate	Date	Date	Issue	6/30/2017	One Year
Revenue Bond	0.00%	7/10/2003	8/1/2024	\$ 1,083,923	\$ 632,288	\$ 36,131
Revenue Bond	0.00%	8/9/2002	5/1/2033	444,154	236,882	14,805
Revenue Bond	0.00%	8/9/2002	4/1/2033	182,410	97,253	6,078
Revenue Bond	0.00%	12/21/2001	8/1/2033	399,237	206,272	13,308
Revenue Bond	0.00%	9/20/2001	7/1/2031	116,431	54,334	3,881
Revenue Bond	0.00%	10/22/2004	9/1/2034	96,391	56,228	3,213
Revenue Bond	0.00%	8/11/2004	9/1/2035	323,904	199,741	10,797
Revenue Bond	0.00%	2/24/2006	11/1/2036	1,010,816	656,829	33,684
Revenue Bond	0.00%	5/18/2007	11/1/2037	648,886	443,405	21,630
Revenue Bond	0.00%	9/27/2006	7/1/2033	2,637,350	1,687,904	105,494
Revenue Bond	0.00%	7/19/2007	2/1/2038	375,408	262,786	12,514
Revenue Bond	0.00%	9/14/2007	12/1/2037	554,730	365,017	17,806
Revenue Bond	0.00%	1/25/2008	2/2/2038	365,822	256,075	12,194
Revenue Bond	0.00%	6/1/2008	9/1/2038	334,252	239,547	11,142
Revenue Bond	0.00%	1/25/2008	6/1/2038	280,446	196,312	9,348
Revenue Bond	0.00%	2/10/2005	12/1/2035	542,227	334,373	18,074
Revenue Bond	0.00%	9/30/2009	8/1/2040	416,062	325,915	13,869
Revenue Bond	0.00%	9/30/2009	6/1/2040	267,510	123,178	5,356
Revenue Bond	0.00%	12/13/2010	9/1/2041	457,129	373,322	15,238
Revenue Bond	0.00%	12/9/2010	9/1/2041	1,586,490	1,295,633	52,883
Revenue Bond	0.00%	12/9/2010	3/1/2042	209,259	155,358	6,975
Revenue Bond	2.63%	4/13/2011	4/13/2051	480,000	446,995	8,359
Revenue Bond	0.00%	11/30/2011	6/1/2032	616,151	454,898	30,808
Revenue Bond	3.00%	10/27/2011	10/1/2042	752,464	595,574	20,905
Revenue Bond	2.62%	12/9/2011	6/30/2026	2,679,000	1,404,000	156,000
Revenue Bond	3.00%	10/18/2012	7/2/2042	1,161,033	1,018,207	31,271
Revenue Bond	0.00%	3/1/2013	4/1/2033	1,395,243	1,115,243	70,000
Revenue Bond	2.64%	9/25/2012	6/1/2027	2,930,000	2,890,000	10,000
Revenue Bond	3.00%	7/9/2013	6/1/2044	846,143	693,993	22,774
Revenue Bond	2.50%	5/8/2014	1/1/2046	1,125,999	1,087,919	27,157
Revenue Bond	2.50%	5/8/2014	1/1/2046	957,532	449,455	35,061
Revenue Bond	2.00%	10/29/2015	1/1/2047	536,578	490,602	14,279
Revenue Bond		3/28/2017		925,480	37,656	-
Note Payable	1.60%	2/22/2017	_	720,000	78,593	
					\$18,961,791	\$ 851,031

Intentionally left blank

Note 7 - Proprietary Debt (Continued)

Component Unit - Economic Development Authority

		!		Amount of	
	Interest	erest Issue	Maturity	Original	Balance
	Rate	Date	Date ;	Issue	6/30/2017
Line of Credit - PVNB	4.00%	1/24/2017	6/30/2018	172,947	\$ 206,387
VCEDA Loan	4.50%	5/14/2004	5/14/2014	830,000	799,269
VCEDA Loan	0.00%	12/11/2015	12/11/2020	2,853,000	2,487,947
VCEDA Loan	0.00%	6/18/2015	6/18/2020	100,000	79,542
2015B Series Bond	4.10%	7/31/2015	4/1/2030	550,000	_
2015 Series Revenue Bond	3.52%	2/24/2015	10/1/2034	5,100,000	4,755,000
2015 Series Revenue Bond	2.65%	8/10/2016	4/1/2035	724,000	724,000
					\$ 9,052,145
		;			

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

Year		
Ending		
June 30,	Principal	Interest
2018	\$ 416,193	\$ 218,284
2019	220,596	202,858
2020	300,948	194,910
2021	2,720,186	186,059
2022	243,094	176,073
2023-2027	1,394,096	700,698
2028-2032	1,719,091	379,439
2033-2037	2,037,941	106,617
Total	\$ 9,052,145	\$ 2,164,938

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 \$469,088.

Component Unit School Board employees earn business and sick leave at various rates. The Component Unit School Board has an outstanding business and sick leave pay totaling \$598,607.

Note 8 - Claims, Judgments, and Compensated Absences (Continued)

Component Unit Public Service Authority employees earn annual leave at the rate of $\frac{1}{2}$ day per month during the first year of employment and 1 day per month after one year of service. Employees may accumulate up to 30 days of annual leave. Total accrued leave for the year ended June 30, 2017 amounted to \$132,811.

Component Unit Economic Development Authority employees earn leave at various rates. Total accrued leave for the year ended June 30, 2017 amounted to \$21,715.

Note 9 - Unavailable Revenue

Unavailable revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Unavailable revenue totaling \$12,419,494 is comprised of property tax revenue of \$12,231,360 and prepaid taxes of \$188,134 representing uncollected tax billings not available for funding current expenditures.

Intentionally left blank

Note 10 - Defined Benefit Pension Plan

A. Plan Description

All full-time, salaried permanent employees of the County and public school divisions are automatically covered by VRS Retirement Plan upon employment. This plan is administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer 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 criteria. The specific information for each plan and the eligibility for covered groups within each plan are set out in the table below:

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

Note 10 - Defined Benefit Pension Plan (Continued)

		• The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions. • In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any
Disciple Members	Plinible Members	required fees.
Eligible Members Employees are in Plan	Eligible Members Employees are in Plan	Eligible Members Employees are in the
1 if their membership	2 if their membership	Hybrid Retirement Plan
date is before July 1,	date is on or after	if their
2010, and they were	July 1, 2010, or their	membership date is on
vested as of January	membership date is	or after January 1,
1, 2013.	before July 1, 2010,	2014. This includes:
	and they were not	• Political
Hybrid Opt-In Election	vested as of January	subdivision employees*
VRS non-hazardous duty	1, 2013.	• Members in Plan 1 or
covered Plan 1 members	Hisbaid Ont In Plantice	Plan 2 who elected to
were allowed to make an irrevocable	Hybrid Opt-In Election Eligible Plan 2	opt into the plan during the election
decision to opt into	members were allowed	window held January 1-
the Hybrid Retirement	to make an irrevocable	April 30, 2014; the
Plan during a special	decision to opt into	plan's effective date
election window held	the Hybrid Retirement	for opt-in members was
January 1 through	Plan during a special	July 1, 2014
April 30, 2014.	election window held	
	January 1 through	*Non-Eligible Members
The Hybrid Retirement	April 30, 2014.	Some employees are not
Plan's effective date		eligible to participate in the
for eligible Plan 1	1	harcicihare in cue

Note 10 - Defined Benefit Pension Plan (Continued)

members who opted in was July 1, 2014.

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

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

Retirement Contributions Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Some political subdivisions elected to phase in the required 5% member contribution but all employees will be paying the full 5% by July 1, 2016. Member contributions are taxdeferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014.

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

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

Retirement Contributions Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Some political subdivisions elected to phase in the required 5% member contribution but all employees will be paying the full 5% by July 1, 2016.

Hybrid Retirement
Plan. They include:
• Political
subdivision employees
who are covered by
enhanced benefits for
hazardous duty

employees

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

Retirement Contributions A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members

Note 10 - Defined Benefit Pension Plan (Continued)

	 	
contribution to VRS		may choose to make
for all covered		voluntary
employees. VRS invests		contributions to the
both member and		defined contribution
employer contributions		component of the plan,
to provide funding for		and the employer is
the future benefit		required to match
payment.		those voluntary
paymonot		contributions
		according to specified
Constitution Committee	Considerable Countries	percentages.
Creditable Service	Creditable Service	Creditable Service
Creditable service	Same as Plan 1.	Defined Benefit
includes active		Component: Under the
service. Members earn		defined benefit
creditable service for		component of the plan,
each month they are		creditable service
employed in a covered		includes active
position. It also may		service. Members earn
include credit for		creditable service for
prior service the		each month they are
member has purchased		employed in a covered
or additional		position. It also may
creditable service the		include credit for
member was granted. A		prior service the
member was granted. A member's total		member has purchased
		or additional
creditable service is		_ ·
one of the factors		creditable service the
used to determine		member was granted. A
their eligibility for		member's total
retirement and to		creditable service is
calculate their		one of the factors
retirement benefit. It		used to determine
also may count toward		their eligibility for
eligibility for the		retirement and to
health insurance		calculate their
credit in retirement,		retirement benefit. It
if the employer offers		also may count toward
the health insurance		eligibility for the
credit.		health insurance
		credit in retirement,
		if the employer offers
		the health insurance
1		credit.
		Defined Contributions
		Defined Contributions
	<u> </u>	Component:

Note 10 - Defined Benefit Pension Plan (Continued)

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

Note 10 - Defined Benefit Pension Plan (Continued)

		contributions that
		they make.
		IIman wati wamant ay
		Upon retirement or
		leaving covered
		employment, a member
		is eligible to
		withdraw a percentage
		of employer
		contributions to the
		defined contribution
		component of the plan,
		based on service.
		After two years,
		a member is 50% vested
		and may withdraw 50%
		{
		of employer
		contributions.
•		• After three
		years, a member is 75%
		vested and may
		withdraw 75% of
		employer
		contributions.
		After four or
		more years, a member
		is 100% vested and may
		withdraw 100% of
		employer
		contributions.
		Distribution is not
		I
		required by law until
	0-111	age 70½.
Calculating the	Calculating the	Calculating the
Benefit	Benefit	Benefit
The Basic Benefit is	See definition under	Defined Benefit
calculated based on a	Plan 1.	Component:
formula using the		See definition under
member's average final		Plan 1
compensation, a		
retirement multiplier		Defined Contribution
and total service		Component:
credit at retirement.		The benefit is based
It is one of the		on contributions made
benefit payout options		by the member and any
available to a member		matching contributions
at retirement.		made by the employer,
at recreation	I	

Note 10 - Defined Benefit Pension Plan (Continued)

An early retirement reduction factor is applied to the Basic Benefit if the member retires with a reduced retirement benefit or selects a benefit payout option other than the Basic Benefit. Average Final Compensation A	Average Final Compensation A	plus net investment earnings on those contributions. Average Final Compensation Same as
member's average final	member's average final	Plan 2. It is used in
compensation is the	compensation is the	the retirement formula
average of the 36	average of their 60	for the defined
consecutive months of highest compensation	consecutive months of highest compensation	benefit component of the plan.
as a covered employee.	as a covered employee.	che pian.
Service Retirement	Service Retirement	Service Retirement
Multiplier VRS: The	Multiplier VRS: Same	Multiplier
retirement multiplier	as Plan 1 for service	Defined Benefit
is a factor used in	earned, purchased or	Component: VRS: The
the formula to	granted prior to	retirement multiplier
determine a final	January 1, 2013. For	for the defined
retirement benefit.	non- hazardous duty	benefit component is
The retirement	members the retirement	1.00%.
multiplier for non- hazardous duty members is 1.70%.	multiplier is 1.65% for creditable service earned, purchased or granted on or after	For members who opted into the Hybrid Retirement Plan from
Sheriffs and regional jail superintendents:	January 1, 2013.	Plan 1 or Plan 2, the applicable multipliers
The retirement multiplier for	Sheriffs and regional jail superintendents:	for those plans will be used to calculate
sheriffs and regional jail superintendents	Same as Plan 1.	the retirement benefit for service credited
is 1.85%.	Political subdivision hazardous duty	in those plans.
Political subdivision	employees: Same as	Sheriffs and regional
hazardous duty	Plan 1.	jail superintendents:
employees: The		Not applicable.
retirement multiplier		
of eligible political		Political subdivision
subdivision hazardous		hazardous duty
duty employees other		employees: Not
than sheriffs and		applicable.
regional jail	<u> </u>	<u> </u>

Note 10 - Defined Benefit Pension Plan (Continued)

superintendents is 1.70% or 1.85% as elected by the employer.		Defined Contribution Component: Not applicable.
Normal Retirement Age VRS: Age 65. Political subdivisions	Normal Retirement Age VRS: Normal Social Security retirement age.	Normal Retirement Age Defined Benefit Component: VRS: Same as Plan 2.
hazardous duty employees: Age 60.	Political subdivisions hazardous duty employees: Same as Plan 1.	Political subdivisions hazardous duty employees: Not applicable.
		Defined Contribution Component: Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Unreduced Retirement Eligibility VRS: Age 65 with at least five years (60 months) of creditable service or at age 50 with at least 30 years of creditable service. Political subdivisions hazardous duty employees: Age 60 with	Earliest Unreduced Retirement Eligibility VRS: Normal Social Security retirement age with at least five years (60 months) of creditable service or when their age and service equal 90.	Earliest Unreduced Retirement Eligibility Defined Benefit Component: VRS: Normal Social Security retirement age and have at least five years (60 months) of creditable service or when their age and service equal 90.
at least five years of creditable service or age 50 with at least 25 years of creditable service.	Political subdivisions hazardous duty employees: Same as Plan 1.	Political subdivisions hazardous duty employees: Not applicable.
Selvice.		Defined Contribution Component: Members are eligible to receive distributions upon leaving employment, subject to restrictions.

Note 10 - Defined Benefit Pension Plan (Continued)

Cost-of-Living
Adjustment (COLA) in
Retirement
The Cost-of-Living
Adjustment (COLA)
matches the first 3%
increase in the
Consumer Price Index
for all Urban
Consumers (CPI-U) and
half of any additional
increase (up to 4%) up
to a maximum COLA of
5%.

Eligibility:
For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of creditable service, the COLA will go into effect on July 1 after one full calendar year from the retirement date.

For members who retire with a reduced benefit and who have less than 20 years of creditable service, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.

Exceptions to COLA
Effective Dates:
The COLA is effective
July 1 following one
full calendar year
(January 1 to December
31) under any of the
following
circumstances:

Cost-of-Living
Adjustment (COLA) in
Retirement
The Cost-of-Living
Adjustment (COLA)
matches the first 2%
increase in the CPI-U
and half of any
additional increase
(up to 2%), for a
maximum COLA of 3%.

Eligibility: Same as Plan 1

Exceptions to COLA Effective Dates: Same as Plan 1

Cost-of-Living
Adjustment (COLA) in
Retirement
Defined Benefit
Component: Same as
Plan 2.

Defined Contribution Component:
Not applicable.

Eligibility: Same as Plan 1 and Plan 2.

Exceptions to COLA Effective Dates: Same as Plan 1 and Plan 2.

Note 10 - Defined Benefit Pension Plan (Continued)

• The member is within		
five years of		
qualifying for an		
unreduced retirement		
benefit as of January		
1, 2013.		
The member retires		
on disability.		
• The member retires		
directly from short-		
term or long-term		
disability under the		
Virginia Sickness and		
Disability Program		
(VSDP).		
• The member Is		
involuntarily		
separated from		
employment for causes		
other than job		
performance or		
misconduct and is		
eligible to retire		
under the Workforce		
Transition Act or the		
Transitional Benefits		
Program.		
• The member dies in		
service and the		
member's survivor or		
beneficiary is		
eligible for a monthly		
death-in-service		
benefit. The COLA will		
go into effect on July		
1 following one full		
calendar year (January		
1 to December 31) from		
the date the monthly		
benefit begins.		
Disability Coverage	Disability Coverage	Disability Coverage
Members who are	Members who are	Employees of political
eligible to be	eligible to be	subdivisions
considered for	considered for	(including Plan 1 and
disability retirement	disability retirement	Plan2 opt-ins)
and retire on	and retire on	participate in the
disability, the	disability, the	Virginia Local
retirement multiplier	retirement multiplier	Disability Program

Note 10 - Defined Benefit Pension Plan (Continued)

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

Note 10 - Defined Benefit Pension Plan (Continued)

1	Not applicable.
1	The supplied that the supplied to the supplied

Employees Covered by Benefit Terms

As of the June 30, 2015 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

		Number School Board Non-
	County	Professional
Inactive members or their beneficiaries		
currently receiving benefits	97	64
Inactive members:		
Vested inactive members	11	3
Non-vested inactive members	25	12
Inactive members active elsewhere in VRS	29	8
Total Inactive members	65	23
Active members	128	87
Total covered employees	290	174

Contributions

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

The County's contractually required contribution rate for the year ended June 30, 2017 was 12.87% for general government covered employee compensation and 7.28% for school board non-professional employees. These rates were based on actuarially determined rates from actuarial valuations as of June 30, 2015.

Note 10 - Defined Benefit Pension Plan (Continued)

These rates, when combined with employee contributions, were expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the general government were \$689,936 and \$783,453 for the years ended June 30, 2017 and June 30, 2016, respectively and for the school board \$155,619 and \$195,934 for the years ended June 30, 2017 and June 30, 2016, respectively.

Net Pension Liability

The County's net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2015, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2016.

Actuarial Assumptions - General Employees

The total pension liability for General Employees in the Political Subdivision's Retirement Plan was based on an actuarial valuation as of June 30, 2015, 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, 2016.

Inflation 2.5 percent

Salary increases, including inflation

3.5 percent - 5.35 percent

Investment rate of return

7.0 percent, net of pension plan investment expense, including inflation*

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

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

Note 10 - Defined Benefit Pension Plan (Continued)

Largest 10 - Non-LEOS:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

Largest 10 - Non-LEOS:

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

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

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

Actuarial Assumptions - Public Safety Employees

Note 10 - Defined Benefit Pension Plan (Continued)

The total pension liability for Public Safety employees in the Political Subdivision Retirement Plan was based on an actuarial valuation as of June 30, 2015, 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, 2016.

Inflation

2.5 percent

Salary increases, including

inflation

3.5 percent - 4.75 percent

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

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

Largest 10 - LEOS:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

All Others (Non 10 Largest) - LEOS:

Pre-Retirement:

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

Note 10 - Defined Benefit Pension Plan (Continued)

Post-Retirement:

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

Post-Disablement:

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

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

Largest 10 - LEOS:

- Update mortality table
- Decrease in male rates of disability

All Others (Non 10 Largest) - LEOS:

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

Long-Term Expected Rate of Return

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

Note 10 - Defined Benefit Pension Plan (Continued)

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that system member contributions will be made per the VRS statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2018, the rate contributed by the employer for the Political Subdivision Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2018 on, participating

Note 10 - Defined Benefit Pension Plan (Continued)

employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Ir	crease (Decreas	e)
General Government	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at June 30, 2015	\$ 27,722,101	\$ 21,857,246	\$ 5,864,855
Changes for the year:			
Service Cost	584,285	-	584,285
Interest	1,888,383	-	1,888,383
Differences between expected			
and actual experience	(217,288)	-	(217,288)
Contributions - employer	-	791,794	(791,794)
Contributions - employee	-	271,254	(271,254)
Net investment income	-	376,372	(376,372)
Benefit payments and refunds			
of employee contributions	(1,490,411)	(1,490,411)	-
Administrative expenses	-	(13,659)	13,659
Other changes	-	(160)	160
Net changes	764,969	(64,810)	829,779
Balance at June 30, 2016	\$ 28,487,070	\$ 21,792,436	\$ 6,694,634

Note 10 - Defined Benefit Pension Plan (Continued)

Changes in Net Pension Liability (Continued)

	Increase (Decrease)				
School Non-professional	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)		
•					
Balance at June 30, 2015	\$ 9,041,038	\$ 8,215,249	\$ 825,789		
Changes for the year:					
Service Cost	216,597	-	216,597		
Interest	616,205	-	616,205		
Differences between expected					
and actual experience	(118,912)	-	(118,912)		
Contributions - employer	_	196,260	(196,260)		
Contributions - employee	-	104,712	(104,712)		
Net investment income	-	140,253	(140,253)		
Benefit payments and refunds					
of employee contributions	(476,218)	(476,218)	-		
Administrative expenses	_	(5,137)	5,137		
Other changes		(60)	60		
Net changes	237,672	(40,190)	277,862		
Balance at June 30, 2016	\$ 9,278,710	\$ 8,175,059	\$ 1,103,651		

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

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

	6.00%	7.00%	8.00%
General Government			
Net Pension Liability	\$ 10,414,000	\$ 6,694,634	# \$ 2,795,363

Note 10 - Defined Benefit Pension Plan (Continued)

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

	6.00%	 7.00%		8.00%
School Non-professional				
Net Pension Liability	\$ 2,221,058	\$ 1,103,651	#	\$ 162,183

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

For the year ended June 30, 2017, the County's general government recognized pension expense of \$(72,871). At June 30, 2017, the County's general government reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	 rred Outflows Resources	Deferred Inflows of Resources		
Differences between expected and actual experience	\$ -	\$	219,602	
Change in assumptions	-		-	
Net difference between projected and actual earnings on pension plan investments	559,429		-	
Employer contributions subsequent to the measurement date	689,936		-	
Total	\$ 1,249,365	\$	219,602	

Intentionally left blank

Note 10 - Defined Benefit Pension Plan (Continued)

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

\$689,936 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30

2018	\$ (75,261)
2019	(75,260)
2020	267,490
2021	222,858
Thereafter	 _
	\$ 339,827

For the year ended June 30, 2017, the School Board recognized pension expense of \$(60,382) for non-professional employees. At June 30, 2017, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions for non-professional employees from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources		
Differences between expected and actual experience	\$	_	\$	98,551	
Change in assumptions		-		-	
Net difference between projected and actual earnings on pension plan investments		211,980		-	
Employer contributions subsequent to the measurement date		155,619		-	
Total	\$	367,599	\$	98,551	

Note 10 - Defined Benefit Pension Plan (Continued)

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

\$155,619 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30

2018	\$ (33,189)
2019	(32,953)
2020	94,465
2021	85,106
Thereafter	
	\$ 113,429

Intentionally left blank

Note 10 - Defined Benefit Pension Plan (Continued)

REQUIRED SUPPLEMENTARY INFORMATION

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

General government		2016
Total pension liability		
Service cost	\$	584,285
Interest	:	1,888,383
Changes of benefit terms		_
Differences between expected and actual experience		(217,288)
Changes in assumptions		-
Benefit Payments, including refunds of employee contributions	(:	1,490,411)
Net change in total pension liability		764,969
Total pension liability - beginning	2	7,722,101
Total pension liability - ending (a)	\$ 28	3,487,070
Plan fiduciary net position		
Contributions - employer	\$	791,794
Contributions - employee		271,254
Net investment income		376,372
Benefit Payments, including refunds of employee contributions	(:	1,490,411)
Administrative expense		(13,659)
Other		(160)
Net change in plan fiduciary net position		(64,810)
Plan fiduciary net position - beginning	2	1,857,246
Plan fiduciary net position - ending (b)	\$ 2	1,792,436
Political subdivision's net pension liability-ending (a) - (b)	\$	6,694,634
Plan fiduciary net position as a percentage of the total		
Pension liability		76.50%
Covered-employee payroll for year ended June 30, 2017	\$!	5,481,934
Political subdivision's net pension liability as a percentage		
of covered-employee payroll		122.12%

Note 10 - Defined Benefit Pension Plan (Continued)

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

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

School Non-professional		2016
Total pension liability		
Service cost	\$	216,597
Interest		616,205
Changes of benefit terms		-
Differences between expected and actual experience		(118,912)
Changes in assumptions		_
Benefit Payments, including refunds of employee contributions		(476,218)
Net change in total pension liability		237,672
Total pension liability - beginning		9,041,038
Total pension liability - ending (a)	\$	9,278,710
Plan fiduciary net position		
Contributions - employer	\$	196,260
• •	Ş	-
Contributions - employee		104,712
Net investment income		140,253
Benefit Payments, including refunds of employee contributions		(476,218)
Administrative expense		(5,137)
Other		(60)
Net change in plan fiduciary net position		(40,190)
Plan fiduciary net position - beginning		8,215,249
Plan fiduciary net position - ending (b)		8,175,059
Political subdivision's net pension liability-ending (a) - (b)	\$	1,103,651
Plan fiduciary net position as a percentage of the total		
Pension liability		88.11%
Covered-employee payroll for year ended June 30, 2017	\$	2,178,285
Political subdivision's net pension liability as a percentage		EQ 673
of covered-employee payroll		50.67%

Note 10 - Defined Benefit Pension Plan (Continued)

Notes to Required Supplemental Information For the Year Ended June 30, 2017

Changes of benefit terms - There have been no significant changes to the System benefit provisions since the prior actuarial valuation. A hybrid plan with changes to the defined benefit plan structure and a new defined contribution component were adopted in 2012. The hybrid plan applies to most new employees hired on or after January 1, 2014 and not covered by enhanced hazardous duty benefits. The liabilities presented do not reflect the hybrid plan since it covers new members joining the System after the valuation date of June 30, 2014 and the impact on the liabilities as of the measurement date of June 30, 2016 are minimal.

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

Largest 10 - Non-LEOS:

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

Largest 10 - LEOS:

- Update mortality table
- Decrease in male rates of disability

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

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

All Others (Non 10 Largest) - LEOS:

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

Note 11 - Other Post-Employment Benefits

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

Annual Other Post-Employment Benefit Cost and Net OPEB Obligation

For the fiscal year ended June 30, 2017, the County and School Board's annual OPEB costs of \$107,634 and \$21,189, respectively, were greater than the Annual Required Contribution (ARC).

	Primary Government	School Board
Annual required contribution Interest on net OPEB obligation Adjustment to annual required contribution Adjustment to ARC for employees no longer on plan	\$ 207,068 36,012 (52,192)	\$ 426,340 90,605 (125,955)
Annual OPEB cost Less contributions made	190,888 (83,254)	390,990 (369,801)
Increase in net OPEB obligation Net OPEB obligation-beginning of year	107,634 1,503,083	21,189 2,265,144
Net OPEB obligation-end of year	\$ 1,610,718	\$ 2,286,333

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

		Percentage of Annual	
Fiscal Year Ending	Annual OPEB Cost	OPEB Cost Contributed	Net OPEB Obligation
June 30, 2017	\$ 190,888	43.61%	\$ 1,610,718
June 30, 2016	\$ 20,581	0.0%	\$ 1,503,083
June 30, 2015	\$ 351,993	0.0%	\$ 1,565,755

Note 11 - Other Post-Employment Benefits (Continued)

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

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2017 June 30, 2016	\$ 390,990 \$ 390,506	94.58% 107.95%	\$ 2,286,333 \$ 2,265,144
June 30, 2015	\$ 360,316	100.60%	\$ 2,296,183

Funding Status and Funding Progress

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

	Primary Government	School Board
Actuarial Accrued Liability (AAL)	\$1,835,584	\$4,518,789
Actuarial Value of Plan Assets	-	-
Unfunded Actuarial Accrued Liability (UAAL)	1,835,584	4,518,789
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.00%	0.00%
Covered Payroll (Active Plan Members)	4,686,262	22,509,776
UAAL as a Percentage of Covered Payroll	39.17%	20.07%

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

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the type of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Note 11 - Other Post-Employment Benefits (Continued)

In the actuarial valuation for the year ended June 30, 2016, the entry age normal cost method was used to determine liabilities. Under this method, the actuarial present value of projected benefits of every active participant as if the plan's provisions on the valuation date had always been in effect, is determined as a level percentage of expected annual earnings for each future year of expected service. Under this method, inactive participants have no normal cost, and their actuarial liability is the present value of the plan benefits to which they and their beneficiaries are entitled. The actuarial assumptions included a 2.3% and a 4.0% discount rate for the primary government and the school board, The assumptions also included that retiree contributions respectively. would increase in future years at the healthcare cost trend rate. unfunded accrued liability is being amortized over 30 years. The remaining amortization period at June 30, 2017 is 22 years.

Funding Policy

The County and Schools currently fund post-employment health care benefits on a pay-as-you-go basis. During fiscal year 2017, the County and Schools made contributions of \$83,254 and \$369,801 for the OPEB liability, respectively.

Plan Description

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

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

Note 11 - Other Post-Employment Benefits (Continued)

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

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

Note 12 - Contingent Liabilities

Federal programs in which the County and its component units participate were audited in accordance with the provisions of U.S. Office of Management and Budget'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 13 - Landfill Closure and Postclosure Care Cost

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post closure care costs as an operating expense in each period based on landfill capacity used at each balance sheet date. The \$955,734 reported as landfill closure and post closure care liability at June 30, 2017 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 2017.

Note 14 - Risk Management

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

Note 15 - Self-Funded Insurance

The Scott County School Board established a limited risk management program for health insurance in 1992. Premiums are paid into the School Health Insurance Fund by school employees and are available to pay claims, claim reserves and administrative costs of the program. During fiscal year 2017 a total of \$3,680,246 was paid in benefits and administrative costs. The risk assumed by the School Board is \$100,000 per person with a maximum attachment point of \$3,680,246. 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, 2017.

Note 16 - Interfund Transfers

Interfund transfers for the year ended June 30, 2017, consisted of the following:

Fund	Tr	ansfers In	Transfers Out			
Primary Government: General Fund School Fund	\$	- 5,686,524	\$	5,686,524		
Total	\$	5,686,524	\$	5,686,524		

Note 17 - 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
John Puckett, 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 18 - Fund Balances

		neral Fund	School Fund		Other Funds	Total	
Fund balances:							
Restricted for:							
Federal Seizure	\$	_	\$	-	\$ _	\$	-
Inmates		-		-	-		-
Courthouse Security		24,170		_	_		24,170
E-911		4,782		_	-		4,782
Coal and Roads		-		_	39,177		39,177
Law Library		_		-	12,216		12,216
Assigned for:							
Commonwealth Attorney		114,742		_	_		114,742
Weapons Permits		47,532		_	_		47,532
Courthouse Maintenance		32,950		_	-		32,950
Technology		26,615		_	_		26,615
Cafeteria		_	1	.08,892	-		108,892
Insurance		_	1,9	10,593	_	1	,910,593
Unassigned	2,	787,547				2	,787,547
-							
Total fund balances	\$3,	038,338	\$2,0	19,485	\$ 51,393	\$ 5	,109,216

Note 19 - Subsequent Events

Subsequent events have been evaluated as of December 31, 2017, which is the date the financial statements were issued.

Note 20 - New Accounting Standards

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

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

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

GASB Statement No. 85, Omnibus 2017, addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The requirements of this Statement are effective for fiscal years beginning after June 15, 2017.

GASB Statement No. 86, Certain Debt Extinguishment Issues, improves consistency in accounting and financial reporting for in-substance defeasance of debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for fiscal years beginning after June 15, 2017.

REQUIRED SUPPLEMENTARY INFORMATION

Combining and Individual Fund Statements and Schedules

o nakwista a

For the Year Ended June 30, 2017

	General Fund							
_	Original Budget	Budget As Amended	Àctual	Variance With Amended Budget Positive (Negative)				
Revenues:								
General property taxes	\$ 10,843,160	\$10,843,160	\$11,907,890	\$ 1,064,730				
Other local taxes Permits, privilege fees	3,374,500	3,374,500	3,260,713	(113,787)				
& regulatory licenses	32,150	54,874	(2.000	12 225				
Fines and forfeitures	30,200	70,344	67,099 215,584	12,225 145,240				
Revenue from use of	30,200	70,344	213,304	145,240				
money & porperty	97,000	97,000	106,678	9,678				
Charges for services	157,500	157,510	106,174	(51,336)				
Miscellaneous	234,586	495,880	147,455	(348,425)				
Recovered costs	399,639	399,669	471,957	72,288				
Intergovernmental:								
Commonwealth	7,504,867	7,556,713	5,185,837	(2,370,876)				
Federal	27,544	674,767	2,542,118	1,867,351				
Total revenues	22,701,146	23,724,417	24,011,505	287,088				
Expenditures:								
Current:								
General government administration	1,946,958	2,016,839	1,935,305	81,534				
Judicial administration	1,446,189	1,473,569	1,350,120	123,449				
Public safety	6,016,458	6,382,763	6,527,005	(144,242)				
Public works	2,204,367	2,135,626	2,334,071	(198,445)				
Health and welfare	5,232,875	5,232,875	4,522,147	710,728				
Education	27,230	27,230	27,230	-				
Parks, recreation, & cultural	558,895	556,340	518,862	37,478				
Community development	708,745	1,355,992	1,446,435	(90,443)				
Debt service:								
Principal retirement	-	-	254,705	(254,705)				
Interest & other fiscal charges			20,600	(20,600)				
Total expenditures	18,141,717	19,181,234	18,936,480	244,754				
Excess (deficiency) of								
revenues over expenditures	4,559,429	4,543,183	5,075,025	531,842				
Other financing sources (uses):								
Operating transfers in	- /4 EEO 4301	- /4 E42 102\		- /1 142 2413				
Operating transfers out	(4,559,429)	(4,543,183)	538,178	(1,143,341) 538,178				
Proceeds from indebtedness Transfers from primary government	_	_	330,170	330,176				
realisters from primary government								
Total other financing sources (uses)	(4,559,429)	(4,543,183)	(5,148,346)	(605,163)				
Excess (deficiency) of revenues & other sources over expenditures & other uses	-	-	(73,321)	(73,321)				
Fund balances at beginning of year	(1,704,184)	(1,704,184)	3,111,659	4,815,843				
Fund balances at end of year	\$ (1,704,184)	\$ (1,704,184)	\$ 3,038,338	\$ 4,742,522				

COUNTY OF SCOTT, VIRGINIA
COMBINING SCHEDULE OF FIDUCIARY NET ASSETS AGENCY FUNDS
June 30, 2017

	Expendable Trust Deferred Comp Fund		Agency Funds Payroll Special Withholding Welfare Fund			Sale	cal es Tax		Totals	
Assets: Cash and cash equivalents	s	_	\$	7,582	Ś	_	\$	_	\$	7,582
Cash with sheriff	,	-	-	-	-	-		-	-	
Due from other government							25			270 112
units		_		_		- -	21	9,112		279,112
Amount due from others		-		-		50,644		-		50,644
Investments	3,1	098,477								3,098,477
Total assets	_ \$ 3,0	098,477	\$_	7,582	_\$_	50,644	\$ 27	9,112	\$	3,435,815
Liabilities:										
Due to primary government Due to other government	\$	-	\$	-	\$	_	\$ 25	7,313	\$	257,313
units		-		-		-		_		_
Amounts due to others		-		-		50,644		_		50,644
Amounts held for others	3,(098,477		7,582			2	1,799		3,127,858
Total liabilities	\$ 3, (098,477	\$	7,582	\$	50,644	\$ 27	9,112	_\$_	3,435,815

<u>Discretely Presented Component Unit - School Board</u>

		Governmental	l Fund Types		Proprietary Fund Type	
Assets:	School Operating Fund	School Food Service Fund	School Debt Fund	Scott County Head <u>Start</u>	School Insurance Fund	Totals
Cash & cash equivalents Cash with head start Accounts receivable	\$ 6.319 - 21.941	\$ 92.472 -	\$ - -	\$ - 65.788	\$1.910.593	\$ 2.009.384 65.788 21.941
Prepaid expenses Due from other governmental	416,534	-	-	40.950	-	457.484
units Due from primary government	609,166	22.062				631.228 2.044.208
Total Assets	\$3,098,168	\$ 114.534		\$ 106.738	\$1.910.593	\$ 5,230,033
Liabilities:						
Accounts payable Accrued salaries Health insurance payable	\$ 47.180 3.050.988	\$ 5.642	\$ - - -	\$ 106.738	\$ - - -	\$ 159.560 3.050.988
Total Liabilities	3,098,168	5,642		106.738		3,210,548
Fund balance: Assigned Unassigned		108.892	<u>-</u>		1.910.593	2.019.485
Total Fund Balance		108.892			1.910.593	2.019.485
Total Liabilities & Fund Balance	\$3,098,168	\$ 114.534	<u> </u>	\$ 106,738	\$1.910,593	

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

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

39,424,952

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.

(44.936.239)

Net assets of General Government Activities

\$ (3,491.802)

COUNTY OF SCOTT, VIRGINIA STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD

For the Year Ended June 30, 2017

	Governmental Fund Types						
	School Operating Fund	School Food Service Fund	School Debt Service	Scott County Head Start	School Insurance Fund	Totals	
Revenues: Revenue from use of money and property Charges for services Miscellaneous Recovered costs Intergovernmental: Commonwealth Federal	\$ 6.065 34.033 87.907 1.905 	\$ - 540,327 - - - 38,240 1,391,963	\$ - - - - -	\$ _ 355,432 _ _ _ _ _ _ _ _,422,709	\$ - 3,560,750 - - - -	\$ 6.065 4.135,110 443,339 1.905 27,043,942 4,845,252	
Total revenues	29,166,192	1,970,530		1,778,141	3,560,750	36,475,613	
Expenditures: Current Education	37,510,935	2,035,626	113,583	1.778.141	3,680,246	45,118,531	
Total expenditures	37,510,935	2,035,626	113,583	1,778,141	3,680,246	45,118,531	
Excess (deficiency) of revenues over(under) expenditures	(8,344,743)	(65,096)	(113,583)	-	(119,496)	(8,642,918)	
Other financing sources (uses): Operating transfers in Operating transfers out Proceeds from indebtedness Transfer from/(to) primary debt	5,603,781 - 2,854,545 (113,583)	82,743 	- - - 113,583	- - - -	- - - -	5,686,524 	
Total other financing sources	8,344,743	82,743	113,583			8,541,069	
Excess (deficiency) of revenues & other sources over expenditure & other uses	_	17.647	-	-	(119,496)	(101,849)	
Fund balances at beginning of year		91,245			2,030,089	2,121,334	
Fund balances at end of year	<u>\$</u>	\$ 108,892	<u> </u>	<u> </u>	\$ 1,910,593	2,019,485	
Amount reported for governmental actained different because:	civities in the st	atement of act	ivities				
Net changes in fund balances - total	l governmental fur	ıds				\$ (101,849)	
Some expenses reported in the states current financial resources and, the governmental activities.						269,894	
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 exceeded depreciation in the current period. (1,043,538)							
Change in net position of government	•					\$ (875,493)	
- J-						10,0,1,007	

For the Year Ended June 30, 2017

		School Oper	ating Fund		
	Original Budget	Budget As Amended	Budget As		
Revenues:					
Revenue from use of money					
and property	\$ 5.000	\$ -	\$ -	\$ -	
Charges for services Miscellaneous	-	-	-	-	
Recovered costs	-	-	-	-	
Intergovernmental:	-	-	-	-	
Commonwealth	27.679.555	27,679,555	27,005,702	(673,853)	
Federal	1.974,204	1,974,204	2,030.580	56.376	
1000141	1.574,204	1,3/4,204	2,030,300	30,370	
Total revenues	29.658.759	29,653,759	29,036,282	(617,477)	
Expenditures: Current					
Education	35.458.409	35,458,409	37.510.935	(2.052.526)	
Total expenditures	35.458.409	35,458,409	37,510.935	(2.052.526)	
Excess (deficiency) of revenues					
over(under) expenditures	(5.799.650)	(5,804,650)	(8.474.653)	(2.670.003)	
Other financing sources (uses): Operating transfers in Operating transfers out	5,471,975	5,471,975	5,603.781	131,806	
Proceeds from indebtness Transfer from/(to) primary debt	-	<u>-</u>	2.854.545	2.854.545	
Total other financing sources	5.471.975	5.471.975	8,458,326	2,986,351	
Excess (deficiency) of revenues & other sources over expenditure & other uses	(327,675)	(332.675)	(16.327)	316,348	
Fund balances at beginning of year					
Fund balances at end of year	\$ (327,675)	\$ (332.675)	\$ (16.327)	\$ 316.348	

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, 2017

	School Food Service Fund					
	Original Budget	Budget As Amended	Actual	Variance From Amended Positive (Negative)		
Revenues:						
Revenue from use of money						
and property	\$ -	\$ -	\$ -	\$ -		
Charges for services	620,613	620,613	540.327	(80.286)		
Miscellaneous	-	-	-	-		
Recovered costs	-	-	-	-		
Intergovernmental:						
Commonwealth	32,000	32,000	38,240	6,240		
Federal	1,240,000	1,240,000	1,391,963	151.963		
Total revenues	1.892.613	1,892,613	1,970,530	77,917		
Expenditures:						
Current						
Education	1,892,613	1,892,613	2.035.626	(143.013)		
Total expenditures	1,892,613	1,892,613	2,035,626	(143.013)		
Excess (deficiency) of revenues						
over(under) expenditures	-	_	(65,096)	(65,096)		
•			, ,	,,		
Other financing sources (uses):						
Operating transfers in	-	-	82.743	82,743		
Operating transfers out	-	-	-	-		
Proceeds from indebtness	-	-	-	-		
Transfer from∕(to) primary debt			_			
Total other financing sources			82,743	82.743		
Excess (deficiency) of revenues & other sources over expenditure						
& other uses	-	-	17.647	17.647		
Fund balances at beginning of year			91.245	91.245		
Fund balances at end of year	<u> </u>		\$ 108.892	\$ 108.892		

For the Year Ended June 30, 2017

		Sc	hool Deb	t Servi	ce		
	jinal iget	Bud A Amen	get s		ctual	A Po	riance From mended ositive ogative)
Revenues:							
Revenue from use of money							
and property	\$ -	\$	-	\$	_	\$	-
Charges for services	-		-		-		-
Miscellaneous	-		-		-		-
Recovered costs	-		-		-		-
Intergovernmental:					-		
Commonwealth	_		-		-		-
Federal	 						
Total revenues	 						
Expenditures:							
Current							
Education	 				113.583		(113.583)
Total expenditures	 				113,583		(113.583)
Excess (deficiency) of revenues							
over(under) expenditures	-		-	(113,583)		(113,583)
Other financing sources (uses):							
Operating transfers in	_		-		-		-
Operating transfers out	-		-		-		-
Proceeds from indebtness	-		-		-		-
Transfer from/(to) primary debt	 				113,583		113,583
Total other financing sources	 				113,583		113,583
Excess (deficiency) of revenues & other sources over expenditure & other uses	-		-		-		-
Fund balances at beginning of year	 		_		-		<u>=</u>
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, 2017

	Scott County Head Start							
		Original Budget		Budget As Amended Actual		Am Pos	riance From ended sitive gative)	
Revenues:								
Revenue from use of money								
and property	\$	-	\$	-	\$	-	\$	-
Charges for services Miscellaneous		-		-	2	55.432		- 355,432
Recovered costs		_		_	,	-		-
Intergovernmental:								
Commonwealth		-		-		-		_
Federal	1.279.	818	1.2	79.818	1.4	22,709		142,891
Total revenues	1.279.	818	1.2	79,818	1.7	78,141		498.323
Expenditures:								
Current								
Education	1.279.	818	1.2	79.818	1.7	78.141		498.323)
Total expenditures	1,279.	818	1,2	79,818	1.7	78.141		498,323)
Excess (deficiency) of revenues								
over(under) expenditures		-		-		-		-
Other financing sources (uses):								
Operating transfers in		-		-		-		-
Operating transfers out		-		-		-		-
Proceeds from indebtness Transfer from/(to) primary debt		-		-		-		-
Transfer from (to) primary dest								
Total other financing sources								
Excess (deficiency) of revenues & other sources over expenditure & other uses		_		-		-		-
Fund balances at beginning of year								<u>-</u>
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, 2017

	School Insurance Fund					
	F Original		Budget As Amended	Actual	Variance From Amended Positive (Negative)	
Revenues:						
Revenue from use of money						
and property	\$	-	\$ -	\$ -	\$ -	
Charges for services		-	-	3.560.750	3.560.750	
Miscellaneous		-	-	-	-	
Recovered costs		-	-	-	-	
Intergovernmental:						
Commonwealth		-	-	-	-	
Federal						
Total revenues				3,560,750	3,560,750	
Expenditures:						
Current						
Education				3,680,246	(3,680,246)	
Total expenditures				3,680,246	(3,680,246)	
Excess (deficiency) of revenues						
over(under) expenditures		-	-	(119.496)	(119.496)	
Other financing sources (uses):						
Operating transfers in		-	-	-	-	
Operating transfers out		-	-	-	-	
Proceeds from indebtness		-	-	-	-	
Transfer from∕(to) primary debt				_ _		
Total other financing sources				<u> </u>		
Excess (deficiency) of revenues & other sources over expenditure				(110 400)	(110, 405)	
& other uses		-	-	(119.496)	(119.496)	
Fund balances at beginning of year				2.030.089	2,030,089	
Fund balances at end of year	\$		\$ -	\$ 1.910.593	\$ 1.910.593	



	Discretely	Presented Compos	nent Units
	Economic	Public	nent onits
	Development	Service	
1t	Authority	Authority	Total
Assets: Current assets:			
Cash and cash equivalents	\$ 1,686,522	\$ 2,040,124	\$ 3,726,646
Receivables (net of allowance) Accounts receivable	1,000	534,920	535,920
Inventory	-	84,443	84,443
Other current assets Due from other governments	95,505 542,374	958,565 209,325	1,054,070 751,699
Total current assets	2,325,401	3,827,377	6,152,778
	2,020,102	5,027,577	0,132,770
Noncurrent assets: Capital assets:	5 224 225		
Land Buildings & equipment,	5,226,835	1,004,011	6,230,846
net of depreciation	21,823,486	48,878,001	70,701,487
Total noncurrent assets	27,050,321	49,882,012	76,932,333
Other assets:			
Restricted cash in bank	6,641	218,924	225,565
Notes receivable Unamortized bond costs	93,929	_ _	93,929 -
Total other assets	100,570	218,924	319,494
Total assets	20 476 202		
	29,476,292	53,928,313	83,404,605
Deferred Outflows of Resources: Deferred pensions		119,501	119,501
Total Deferred Outflows of Resources		119,501	119,501
Liabilities:			
Current liabilities:			
Accounts payable &			
accrued expenses Current portion of	\$ 352,792	\$ 516,658	\$ 869,450
long-term obligations	416,193	1,039,634	1,455,827
-			
Total current liabilities	768,985	1,556,292	2,325,277
Noncurrent liabilities:			
Compensated absences	21,715	-	21,715
Amounts held for others	6,641	177,318	183,959
Other post employment benefits Net pension liability, long-term	-	352,040 217,682	352,040 217,682
Noncurrent portion of	_	217,002	217,602
long-term obligations	8,635,952	17,922,157	26,558,109
Total noncurrent liabilities	8,664,308	18,669,197	27,333,505
Total liabilities	9,433,293	20,225,489	29,658,782
Deferred Inflows of Resources: Deferred pensions		29,775	29,775
Total Deferred Inflows of Resources		29,775	29,775
Net position:			
Invested in capital assets,			
net of related debt	17,998,176	30,920,221	48,918,397
Restricted for other purposes Unrestricted	2,044,823	218,924 1,562,029	218,924 3,606,852
Total net position	20,042,999	32,701,174	52,744,173
Total liabilities & net position	\$ 29,476,292	\$ 52,956,438	\$ 82,432,730

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, 2017

	Discretely Presented Component Units Economic Public						
	Economic						
	Development	Service	Total				
	Authority	Authority					
Operating revenues:							
Charges for services	\$ -	\$ 3,498,050	\$ 3,498,050				
Rental income	310,797	_	310,797				
Grants	2,129,431	_	2,129,431				
Miscellaneous	67,321	98,919	166,240				
Total operating revenue	2,507,549	3,596,969	6,104,518				
Operating expenses:							
Wages and benefits	168,351	1,134,966	1,303,317				
Other operating expenses	805,829	2,739,286	3,545,115				
Total operating expense	974,180	3,874,252	4,848,432				
Operating income (loss)	1,533,369	(277,283)	1,256,086				
Nonoperating revenues (expenses):							
Interest earned	4,793	7,399	12,192				
Connection fees	_	38,480	38,480				
Other non operating revenues/expense	-	_	_				
Interest expense	(147,063)	(240,432)	(387,495)				
Total nonoperating							
revenues (expenses)	(142,270)	(194.553)	(336,823)				
Capital contributions		1,147,354	1,147,354				
Increase (decrease) in net							
position	1,391,099	675,518	2,066,617				
Prior Period Adjustment		-	-				
Net position at beginning of year	18,651,900	32,025,656	50,677,556				
Net position at end of year	\$ 20,042,999	\$ 32,701,174	\$ 52,744,173				

COUNTY OF SCOTT, VIRGINIA STATEMENT OF CASH FLOWS PROPRIETARY FUND - DISCRETELY PRESENTED COMPONENT UNITS For the Year Ended June 30, 2017

	Discretely	Presented Compo	nent Units
	Economic Development Authority	Public Service Authority	Total
		-	
Cash flows from operating activities: Receipts from customers & users Payments to suppliers Payments to employees for services	\$ 2,238,314 (684,837)	\$ 3,546,844 (911,454) (1,195,601)	\$ 5,785,158 (1,596,291) (1,195,601)
Net cash provided(used) by operating activities	1,553,477	1,439,789	2,993,266
Cash flows from capital & related financing activities: Connection fee Other nonoperating revenues Loans to industries Purchase of fixed assets Principal on debt Proceeds from indebtness Interest on debt	- (25,000) (5,191,218) (70,188) 1,532,367	38,480 1,008,210 - (1,617,707) (972,072) 568,252 (245,810)	38,480 1,008,210 (25,000) (6,808,925) (1,042,260) 2,100,619 (245,810)
Proceeds from loans & grants			
Net cash used in capital & related financing activities	(3,754,039)	(1,220,647)	(4,974,686)
Cash flows from investing activities: Interest earned		7,399	7,399
Net cash provided by investing activities		7,399	7,399
Increase (decrease) in cash & cash equivalents	(2,200,562)	226,541	(1,974,021)
Cash & cash equivalents at beginning of year	3,893,725	2,032,507	5,926,232
Cash & cash equivalents at end of year	\$ 1,693,163	\$ 2,259,048	\$ 3,952,211
Reconciliation of operating income to net cash provided (used) by operating activities: Operating income (loss)	\$ 1,391,099	\$ (277,283)	\$ 1,113,816
Adjustments to reconcile net income (loss) to net cash provided by operations:			
Depreciation Amortization	289,263 -	1,751,662	2,040,925
Bad debts	-	-	-
Gain on sale of assets Post employment benefits	-	- 30,766	- 30,766
Net pension obligation	_	(22,995)	(22,995)
Changes in operating assets & liabilities:		•	(,,
Accounts receivable Inventory	(274,028) -	(39,374) (3,212)	(313,402) (3,212)
Other assets Accounts payable	_ 145,541	- 7,260	- 152,801
Customer deposits	T43,341	(10,751)	(10,751)
Accrued leave & benefits	1,602	3,716	5,318
Total adjustments	162,378	1,717,072	1,879,450
Net cash provided (used) by operating activities	\$ 1,553,477	\$ 1,439,789	\$ 2,993,266

Non-Major Governmental Funds

COUNTY OF SCOTT, VIRGINIA NON-MAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET June 30, 2017

	Special Revenue Funds					
	Coal Road Improvement Fund		Law Library Fund			Cotals
Assets: Cash & cash equivalents Accounts receivable	\$ 3	9,177	\$ 13	2,139 227	\$	51,316 227
Total assets	\$ 3	9,177	\$ 13	2,366	\$	51,543
Liabilities: Accounts payable Accrued expenses	\$	<u>-</u>	\$	150 	\$	150
Total liabilities				150		150
Fund balance:						
Restricted	3	9,177	1	2,216		51,393
Total fund balance	3	9,177	1;	2,216		51,393
Total liabilities & fund balance	\$ 3	9,177	\$ 13	2,366	_\$	51,543

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

	Special Revenue Funds					
	Coal Road Improvement Fund	Law Library Fund	Totals			
Revenues:						
Revenues from local sources: Other taxes Permits, privilege fees	\$ 1.938	\$ -	\$ 1,938			
& regulatory licenses	-	-	-			
Charges for services Intergovernmental	-	3,406 -	3,406 -			
1						
Total revenues	1,938	3,406	5,344			
Expenditures: Judicial administration	_	3,592	3,592			
Public safety	-	_	-			
Public works	970		970			
Total expenditures	970	3,592	4,562			
Excess (deficiency) of revenues over expenditures	968	(186)	782			
Other financing sources (uses): Operating transfers in Operating transfers out			<u>-</u>			
Total other financing sources						
Excess (deficiency) of revenues & other sources over expenditure & other uses	968	(186)	782			
Fund balance at beginning of year	38,209	12.402	50,611			
Fund balance at end of year	\$ 39,177	\$ 12,216	\$ 51,393			

COUNTY OF SCOTT, VIRGINIA

NON-MAJOR GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2017

	Coal Road Improvement Fund						
	Original Budget	Budget As Amended	Actual	Variance From Amended Positive (Negative)			
Revenues: Revenues from local sources: Other taxes Permits, privilege fees & regulatory licenses Charges for services Intergovernmental	\$ 12,000 - - -	\$ 12,000 - - -	\$ 1,938 - - -	\$ (10,062) - - -			
Total revenues	12,000	12,000	1,938	(10,062)			
Expenditures: Judicial administration Public safety Public works	- - 12,000	 	- - 970	11,030			
Total expenditures	12,000	12,000	970	11,030			
Excess (deficiency) of revenues over expenditures	-	-	968	968			
Other financing sources (uses): Operating transfers in Operating transfers out	-						
Total other financing sources							
Excess (deficiency) of revenues & other sources over expenditure & other uses	-	-	968	968			
Fund balances at beginning of year			38,209	38,209			
Fund balance at end of year	<u>\$ -</u>	<u>\$</u> -	\$ 39,177	\$ 39,177			

COUNTY OF SCOTT, VIRGINIA
NON-MAJOR GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2017

	Law Library Fund							
		ginal dget	Bu	dget As nded		tual	Ar Po	riance From mended sitive gative)
Revenues: Revenues from local sources: Other taxes Permits, privilege fees & regulatory licenses Charges for services Intergovernmental	\$	- - 88,000 -	\$	- - 38,000 -	\$	- 3,406 	\$	- (34,594)
Total revenues	3	88,000		38,000		3,406		(34,594)
Expenditures: Judicial administration Public safety Public works		38,000 - 		38,000 - -		3,592 - -		34,408 - -
Total expenditures	3	38,000		38,000		3,592		34,408
Excess (deficiency) of revenues over expenditures		-		-		(186)		(186)
Other financing sources (uses): Operating transfers in Operating transfers out		-		<u>-</u>		<u>-</u>		
Total other financing sources								_
Excess (deficiency) of revenues & other sources over expenditure & other uses		-		-		(186)		(186)
Fund balances at beginning of year				-	1	.2,402		12,402
Fund balance at end of year			<u>\$</u>		\$ 1	2,216	\$	12,216

The second secon Supporting Schedules

Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended Positive (Negative)
Primary Government:				
General Fund: Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 8,197,420	\$ 8,197,420	\$ 8,836,615	\$ 639,195
Real & personal public service				
corporation property taxes	907,740	907,740	948,224	40,484
Personal property taxes	1,060,000	1,060,000	1,236,183	176,183
Machinery and tools taxes	157,000	157,000	160,479	3,479
Merchants capital	208,000	208,000	204,741	(3,259)
Mobile home taxes Penalties	93,000 110,000	93,000 110,000	93,014 257,276	14 147,276
Interest	110,000	110,000	171,358	61,358
11102230	110,000		1,1,000	- 01,000
TOTAL GENERAL PROPERTY TAXES	10,843,160	10,843,160	11,907,890	1,064,730
Other local taxes:				
Local sales & use taxes	1,600,000	1,600,000	1,428,042	(171,958)
Consumer utility tax	410,000	410,000	403,379	(6,621)
Local cell phone tax	800,000	800,000	731,660	(68,340)
Gross receipts - utility	75,000	75,000	71,910	(3,090)
Motor vehicle licenses Bank franchise taxes	400,000 25,000	400,000 25,000	485,087 29,611	85,087
Transient lodging tax	3,500	3,500	2,528	4,611 (972)
Tax on wills	5,000	5,000	3,227	(1,773)
Recordation tax	50,000	50,000	100,975	50,975
Coal severance tax	6,000	6,000	4,294	(1,706)
TOTAL OTHER LOCAL TAXES	3,374,500	3,374,500	3,260,713	(113,787)
Permits, privilege fees &				
regulatory license:				
Animal licenses	3,000	3,000	1,495	(1,505)
Transfer fees	1,000	1,000	885	(115)
Building and related permits	23,450	23,450	21,849	(1,601)
Weapons permits	-	-	15,200	15,200
Permits and other licenses	4,700	27,424	27,670	246
TOTAL PERMITS, PRIVILEGE FEES				
& REGULATORY LICENSES	32,150	54,874	67,099	12,225
Fines and forfeitures: Court fines and forfeitures	30,200	70,344	215,584	145,240
			213,004	143,240
TOTAL FINES & FORFEITURES	30,200	70,344	215,584	145,240
Revenue from use of money & property:				
Revenue from use of money	1,000	1,000	3,416	2,416
Revenue from use of property	96,000	96,000	103,262	7,262
TOTAL REVENUE FROM USE OF				
MONEY & PROPERTY	97,000	97,000	106,678	9,678
NONEL & LAGIENTI	77,000		100,070	
Charges for services:				
Charges for recreation	97,000	97,000	58,849	(38,151)
Charges for NARF collections	-	10	10	-
Charges for waste	(0.000	40.000	44 045	(10 150)
collection & disposal Room and board animals	60,000 500	60,000 500	46.847	(13,153)
Woom and posts suites	300_		468	(32)
TOTAL CHARGES FOR SERVICES	157,500	157,510	106,174	(51,336)

Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended Positive (Negative)
Miscellaneous revenue:				
Miscellaneous Payments in lieu of taxes for	150,586	411,880	6,620	\$ (405,260)
enterprise activities	84,000	84,000	140,835	56,835
TOTAL MISCELLANEOUS REVENUE	234,586	495,880	147,455	(348,425)
Recovered costs:				
Other recovered cost	399,639	399,669	471,957	72,288
TOTAL RECOVERED COSTS	399,639	399,669	471,957	72,288
TOTAL REVENUE FROM LOCAL SOURCES	15,168,735	15,492,937	16,283,550	790,613
Revenue from the Commonwealth:				
Noncategorical aid: ABC profits	_	_	_	_
Wine taxes	-	_	-	-
Mobile home titling taxes	70,000	70,000	50,114	(19,886)
Tax on deeds	20,000	20,000	25,719	5,719 (13,397)
Rolling stock tax Personal property tax relief	142,000 734,026	142,000 734,026_	128,603 734,026	(13,357)
rozonar proporty van rozzor			,	
TOTAL NONCATAGORICAL AID	966,026	966,026	938,462	(27,564)
Categorical aid:				
Shared expenses:	255 505	255 505	252 (02	(2.012)
Commonwealth's attorney	355,595 1,368,269	355,595 1,368,269	352,682 1,331,375	(2,913) (36,894)
Sheriff Commissioner of the Revenue	1,366,269	103,820	102,904	(916)
Treasurer	105,811	105,811	103,564	(2,247)
Medical examiner	200,022	_		_
Clerk of the Circuit Court	313,840	313,840	335,021	21,181
Registrar/electoral board	37,740	37,740	37,029	(711)
Office of emergency services	6,000	6,000	- 10 503	(6,000)
Four for life	20,000	20,000	19,597	(403)
TOTAL SHARED EXPENSES	2,311,075	2,311,075	2,282,172	(28,903)
Other categorical aid: Welfare administration and				
assistance	3,300,800	3,300,800	1,134,249	(2,166,551)
CMPT	658,962	658,962	518,714	(140,248)
Domestic Violence	40,000	40,000	38,168	(1,832)
Victim witness grant	94,404	94,404	21 170	(94,404)
Local law enforcement	52,900 11,500	53,076 11,500	21,170 11,635	(31,906) 135
Litter control Fire programs	60,000	66,146	61,463	(4,683)
Wireless E911 grant	-	36,210	167,298	131,088
Asset forfeiture grant	_	9,314	9,463	149
Other aid	9,200	9,200	3,043	(6,157)
TOTAL OTHER CATEGORICAL AID	4,227,766	4,279,612	1,965,203	(2,314,409)
TOTAL CATEGORICAL AID	6,538,841	6,590,687	4,247,375	(2,343,312)
TOTAL REVENUE FROM THE				
COMMONWEALTH	7,504,867	7,556,713	5,185,837	(2,370,876)

Fund, Major and Minor Revenue Source		riginal Budget		Rudget As mended		Actual	1	Variance From Amended Positive Negative)
Revenue from the Federal Government:								
Categorical aid: Welfare public assistance	\$	-	\$	_	\$ 1	L,766,409	\$	1,766,409
Homeland Security & Terrorism VAW outreach grant		27,544		27,544		142,552		_ 115,008
Law enforcement grant Forestry reimbursement		-		_		12,790 260		12,790 260
Community Development Block Grant				647,223		620,107		(27,116)
TOTAL CATEGORICAL AID		27,544		674.767		2,542,118		1,867,351
TOTAL REVENUE FROM FEDERAL GOVERNMENT		27,544		674,767		2,542,118		1,867,351
TOTAL GENERAL FUND	\$ 2	2,701,146	\$ 23	,724,417	\$ 24	1,011,505	\$	287,088
Special Revenue Fund: Law Library Revenue from local sources: Charges for services	•	20.000		20.000	•	2 404		(04.504)
Law library fees	\$	38,000	_\$	38,000		3,406	_\$_	(34,594)
Coal Road Improvement Fund Revenue from local sources: Other taxes								
Coal road tax		12,000		12,000		1,938		(10,062)
TOTAL SPECIAL REVENUE FUNDS	\$	50,000	\$	50,000	\$	5,344	\$	(44,656)
GRAND TOTAL REVENUES, ALL PRIMARY GOVERNMENTAL FUNDS	\$ 2	2,751,146	\$ 23	.774.417	\$ 24	1,016,849	\$	242,432
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	\$	6,065	\$	1,065
Charges for services: Transportation		35,000		35,000		34,033		(967)
Miscellaneous revenue: Miscellaneous		280,675		280,675		87,907		(192,768)
Recovered costs: Other		12,000		12,000		1,905		(10,095)
TOTAL REVENUE FROM LOCAL SOURCES		332,675		332,675		129,910		(202,765)

Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended Positive (Negative)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 3,362,662	\$ 3,362,662	\$ 3,290,055	\$ (72,607)
Basic school aid	14,374,527	14,374,527	14,072,758	(301,769)
Primary class size	505,557	505,557	499,737	(5,820)
Medicaid	275,000	275,000	324,361	49,361
GED funding	7,859	7,859	8,418	559
Foster care	9,068	9,068	11,999	2,931
Early intervention	100,652	100,652	90,057	(10,595)
Gifted & talented children	137,644	137,644	134,652	(2,992)
SOL	59,854	59,854	65,295	5,441
At - risk	574,560	574,560	561,945	(12,615)
Special education	2,479,671	2,479,671	2,438,763	(40,908)
English second language	11,541	11,541	10,492	(1,049)
Preschool initiative	173,901	173,901	173,901	-
Vocational education	654,430	654,430	622,906	(31,524)
Fringe benefits	2,919,208	2,919,208	2,855,737	(63,471)
Remedial education/summer school	573,697	573,697	578,920	5,223
Textbooks	52,362	52,362	217,195	164,833
VPSA technology grant	414,000	414,000	414,000	-
Alternative education	349,820	349,820	376,857	27,037
Textbook lottery	412,761	412,761	238,209	(174,552)
Other revenue	230,781	230,781	19,445	(211,336)
TOTAL REVENUE FROM THE				
COMMONWEALTH	27,679,555	27,679,555	27,005,702	(673,853)
Revenue from the federal government: Categorical aid:				
Title I	898,510	898,510	955,371	56,861
Title II	169,718	169,718	170,890	1,172
Title VI - B	763,237	763,237	791,289	28,052
Academic Achieve	_	· -	11,627	11,627
Preschool handicapped allocation	30,214	30,214	31,065	851
Vocational education	60,447	60,447	60,448	1
Forest reserve	51,978	51,978	4,890	(47,088)
Other revenue	100	100	5,000	4,900
TOTAL REVENUE FROM THE FEDERAL GOVERNMENT	1,974,204	1,974,204	2,030,580	56,376
GOVERNMENT	1,7/4,204	1,7/1,204		30,070
TOTAL SCHOOL OPERATING FUND	\$ 29,986,434	\$ 29,986,434	\$ 29,166,192	\$ (820,242)

Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	<u> Actual</u>	Variance From Amended Positive (Negative)
School Food Service Fund: Revenue from local sources: Charges for services: Cafeteria sales	620,613	620,613_	540,327	(80,286)
TOTAL REVENUE FROM LOCAL SOURCES	620,613	620,613	540,327	(80,286)
Revenue from the government: Categorical aid: Federal funds State funds	1,240,000 32,000	1,240,000 32,000	1,391,963 38,240	151,963 6,240
TOTAL REVENUE FROM THE GOVERNMENT	1,272,000	1,272,000	1,430,203	158,203
TOTAL SCHOOL FOOD SERVICE FUND	\$ 1,892,613	\$ 1,892,613	\$ 1,970,530	\$ 77,917
School Insurance Fund: Charges for services: Insurance premiums	<u> </u>	<u> </u>	\$ 3,560,750	\$ 3,560,750
Scott County Headstart: Revenue from local sources: Miscellaneous	<u> </u>	<u> </u>	\$ 355,432	\$ 355,432
Revenue from the federal government: Categorical aid: Headstart grant	1,279,818	1,279,818	1,422,709	142,891
TOTAL SPECIAL REVENUE FUNDS	\$ 1,279,818	\$ 1,279,818	\$ 1,778,141	\$ 498,323
School Debt Fund: Revenue from use of money & property: Revenue from use of money	\$ -	\$ <u>-</u>	\$ _	<u>\$</u>
GRAND TOTAL REVENUES - COMPONENT UNIT - SCHOOL BOARD	\$ 33,158,865	\$ 33,158,865	\$ 36,475,613	\$ 3,316,748

COUNTY OF SCOTT, VIRGINIA GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL For the Year Ended June 30, 2017

Fund, Function, Activities and Elements	Original <u>Budget</u>	Budget As Amended	<u>Actual</u>	Variance From Amended Positive (Negative)
Primary Government:				
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 518,038	\$ 612,785	\$ 609,816	2,969
General & financial administration:				
County administrator	191.532	185,621	183,671	1,950
Legal services & assessment	231,320	210,320	146,968	63,352
Independent auditors report	49,600	54,000	54,000	-
Commissioner of revenue	198,962	199,373	199,617	(244)
Treasurer	215,464	225,853	227,697	(1,844)
Info Systems Manager	141,971	146,399	143,877	2,522
Central accounting	91,177	91,177	90,563	614
General assessment	71,177	71,177	70,303	-
Purchasing	113,461	114,561	114,604	(43)
ruichasing	113,401	114,501	114,004	
TOTAL GENERAL & FINANCIAL				
ADMINISTRATION	1,233,487	1,227,304	1,160,997	66,307
Board of elections:		454 550	144 400	10.050
Electoral board & officials	195,433	176,750	164,492	12,258
TOTAL GENERAL GOVERNMENT				
ADMINISTRATION	1,946,958	2,016,839	1,935,305	81,534
ADMINISTRATION		2,020,000		
Judicial administration: Courts:				
Clerk of the circuit court	459,042	439,121	409,564	29,557
Circuit court	78,479	79,479	75,572	3,907
General district court	6,731	6,731	5,909	822
Magistrate	1,965	1,965	1,083	882
IT funds from comp board	35,000	76,521	67,151	9,370
Juvenile & domestic relations	305,033	305,033	302,955	2,078
TOTAL COURTS	886,250	908,850	862,234	46,616
Commonwealth's attorney:		F. () B. ()	407.004	74 000
Commonwealth's attorney	559,939	564,719	487,886	76,833
TOTAL JUDICIAL ADMINISTRATION	1,446,189	1,473,569	1,350,120	123,449
Public safety:				
Law enforcement & traffic control:				
Sheriff	2,090,519	2,216,131	2,254,171	(38,040)
VAW outreach	30,342	31,709	31,708	1
Criminal investigation	26,115	26,115	22,486	3,629
Mental Health Transport	10,000	10,000	8,143	1,857
Victim witness	94,404	101,266	101,228	38
Wireless continuation of service	71,101	121,053	144,549	(23,496)
Class Action on VA Laws	203,889	219,299	219,299	-
E-911 grant	8,900	74,997	30,758	44,239
Selective enforcement grant	-	12,601	12,601	-
Domestic violence grant	45,000	45,000	44,489	511
Asset forfeiture grant	15,800	15,800	11,021	4,779
Byrne grant		3,395	1,666	1,729
Central dispatcher	677,618	683,823	678,081	5,742
convict dichardnes				
TOTAL LAW ENFORCEMENT &	3 202 587	3 561 189	3 560 200	989

TRAFFIC CONTROL

3,202,587 3,561,189 3,560,200 989

COUNTY OF SCOTT, VIERGINIA GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL For the Year Ended June 30, 2017

	Original	Budget As		Variance From Amended Positive
Fund, Function, Activities and Elements	Budget	Amended	Actual	(Negative)
Fire & rescue services:				
Volunteer fire department	\$ 439,500	\$ 446,966	\$ 446,966	\$ -
Ambulance & rescue services	220,000	220,000	139,727	80,273
Southwest Virginia EMS, Inc.	3,203	3,203	3,203	-
Forest fire service	18,703	18,703	18,659	44
TOTAL FIRE & RESCUE SERVICES	681,406	688,872	608,555	80,317
Correction and detention:				
Sheriff - jail	1,829,009	1,829,246	2,109,762	(280,516)
Inspections:				
Board of building appeals	92,734	92,734	85,616	7,118
Other protection:				
Emergency services	24,071	24,071	22,954	1,117
Medical examiner	500	500	260	240
Concealed weapon	44,000	44,000	12,406	31,594
Litter control	52,053	52,053	50,402	1,651
Animal control	90,098	90,098	76,850	13,248
TOTAL OTHER PROTECTION	210,722	210,722	162,872	47,850
TOTAL PUBLIC SAFETY	6,016,458	6,382,763	6,527,005	(144,242)
Sanitation & waste removal:				
Refuse collection	459,202	382,712	296,627	86,085
Refuse disposal	781,138	804,250	796,350	7,900
Manned solid waste sites	224,482	224,482	223,571	911
TOTAL SANITATION & WASTE				
REMOVAL	1,464,822	1,411,444	1,316,548	94,896
Maintenance of general buildings				
& grounds:				
General properties	524,391	509,028	479,345	29,683
TOTAL MAINTENANCE OF GENERAL				
PROPERTIES & GROUNDS	524,391	509,028	479,345	29,683
Capital Outlays	215,154	215,154	538,178	(323,024)
TOTAL PUBLIC WORKS	2,204,367	2,135,626	2,334,071	(198,445)
Health & welfare:				
Health:				
Supplement of local health				
department	244,062	244,062	211,944	32,118
Mental health & mental retardation:				
Chapter X board	105,300	105,300	105,300	_
State & local hospitalization: Older American program	e 200 000	e 200 000	e	6 150 000
order American program	\$ 200,000	\$ 200,000	\$ 50,000	\$ 150,000
TOTAL STATE & LOCAL				
HOSPITALIZATION	200,000	200,000	50,000	150,000

Fund, Function, Activities and Elements	Original Budget	Budget As Amended	Actual	Variance From Amended Positive (Negative)
Welfare:				
Welfare administration	1,970,674	1,970,674	2,082,572	(111,898)
Public assistance	1,687,589	1,687,589	1,163,104	524,485
CMPT	985,250	985,250	899,227	86,023
Other social services	40,000	40,000	10,000	30,000
TOTAL WELFARE	4,683,513	4,683,513	4,154,903	528,610
TOTAL HEALTH & WELFARE	5,232,875	5,232,875_	4,522,147	710,728
			_	
Education: Community colleges:				
Contributions to community				
colleges	27,230	27,230	27,230	
-				
Parks, recreation & cultural:				
Parks & recreation: Recreation centers & playgrounds	257,417	237,632	199,455	38,177
Non-park recreation	92,148	109,378	110,077	(699)
TOTAL DIDYO (DECEMBED	240.545	247 010	200 522	27 470
TOTAL PARKS & RECREATION	349,565	347,010	309,532	37,478
Library:				
Lonesome Pine Regional Library	209,330	209,330	209,330	
TOTAL PARK, RECREATION				
& CULTURAL	558,895	556,340	518,862	37,478
C 'Ass download and				
Community development: Planning & community development:				
LENOWISCO	38,424	38,424	38,424	_
Planning district commission	2,600	2,600	967	1,633
Economic Development Authority	494,046	1,141,269	1,240,044	(98,775)
Chamber of commerce	7,500	7,500	7,458	42
Tourism	62,102	62,126	63,062	(936)
TOTAL PLANNING & COMMUNITY				
DEVELOPMENT	604,672	1,251,919	1,349,955	(98,036)
7				
Environmental management: Soil and water conservation				
district	39,800	39,800	39,800	
Cooperative extension program:	(4.020	64,273	56,680	7,593
VPI extension	64,273	64,273	30,000	7,373
TOTAL COMMUNITY DEVELOPMENT	708,745	1,355,992	1,446,435	(90,443)
Debt service:				
Principal retirement	\$ -	\$ -	\$ 254,705	\$ (254,705)
Interest & fiscal charges			20,600	(20,600)
TOTAL DEBT SERVICE	<u> </u>	_	275,305	(275,305)
TOTAL GENERAL FUND	\$ 18,141,717	\$ 19,181,234	\$ 18,936,480	\$ 244,754

<u>Fund, Function, Activities and Elements</u>	Original Budget	Budget As Amended	Actual	Variance From Amended Positive (Negative)
Special Revenue Fund: Law Library Fund: Judicial administration: Courts: Law library	\$ 38.000	\$ 38,000	\$ 3,592	\$ 34,408
Coal Road Improvement Fund: Public works Maintenance of highways, streets, bridges & sidewalks: Coal road	12,000	12,000	970	11,030
TOTAL SPECIAL REVENUE FUND	\$ 50,000	\$ 50,000	\$ 4,562	\$ 45,438
GRAND TOTAL EXPENDITURES, ALL PRIMARY GOVERNMENTAL FUNDS	\$ 18,191,717	\$ 19,231,234	\$ 18,941,042	\$ 290,192
Component unit - School Board Special revenue funds: School Operating Fund: Education:				
Administration & health services	\$ 1,482,355	\$ 1,482,355	\$ 1,574,115	\$ (91,760)
Instruction costs: Instructional costs	27,567,784	27,567,784	27.022.098	545,686
Operating costs: Pupil transportation Operation & maintenance of school plant	1,710,690 4,697,580	1,710,690 4,697,580	1,812,990 7,101,732	(102,300) - (2,404,152)
TOTAL OPERATING COSTS	6,408,270	6,408,270	8,914,722	(2,506,452)
TOTAL SCHOOL OPERATING FUND	\$ 35,458,409	\$ 35,458,409	\$ 37,510,935	\$ (2,052,526)
School Food Service Fund: Education Cafeteria operation	\$ 1,892,613	\$ 1,892,613	\$ 2,035,626	\$ (143,013)
School Debt Fund: Education				
Construction	\$ -	\$ -	\$ 113,583	\$ (113,583)
School Health Insurance: Education				
Insurance cost	\$ _	\$ -	\$ 3,680,246	\$ (3,680,246)
Scott County Headstart Fund: Education Instruction costs	_\$ 1,279,818	\$ 1,279,818	\$ 1,778,141	\$ (498.323)
GRAND TOTAL EXPENDITURES - COMPONENT UNIT - SCHOOL BOARD		\$ 38,630,840		

Fiscal Year Ending	R	tractually equired tribution	Re Con F	ributions in lation to tractually Required ttribution	Contribution Deficiency / Excess	Employer's Covered Employee Payroll		Employer's as a % of Covered Covered Employee Employee		Covered Employee
General Govern	ment:									
6/30/2015	\$	750,270	ş	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%		
School Non-pro	fessional:									
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%		

Notes to Schedule:

Schedule is intended to show information for 10 years. Since 2015, 2016 and 2017 are the only years for this presentation, no other data is available. Additional years will be included as they become available.

Federal Granting Agency /	Federal	
Recipient State Agency /	Catalogue	
Grant Program / Grant Number	Number	Expenditures
DEPARTMENT OF AGRICULTURE: Direct Payments:		
Child and Adult Care Food Program	10.558	\$ 132,866
Pass Through Payments:		
Virginia Resources Authority Grant/Loan:		
Capitalization Grants for Drinking Water State Revolving Fund	66.468	* 792,735
Capitalization Grants for Drinking Water State Revolving Fund (Loan)	66.468	489,660
Pass Through Payments:		
State Department of Agriculture:		
Child Nutrition Cluster:		
Food Distribution - Schools	10.555	130,881
Fresh Fruit and Vegetables	10.582	65,842
riesh ridic and vegetables	10.302	05,042
Department of Social Services:		
Administrative Grant for Food Stamps	10.561	278,585
Department of Environmental Quailty:		
Forestry Reimbursements	10.000	260
Department of Education:		
Child Nutrition Cluster:		
National School Lunch Program (SL-11)	10.555	* 1,065,712
National School Breakfast Program (SL-4)	10.553	159,244
Supper Program	10.559	101,165
Forest Reserve Funds	10.665	4,890
TOTAL DEPARTMENT OF AGRICULTURE		\$ 3,221,840
DEPARTMENT OF HEALTH & HUMAN SERVICES:		
Direct Payments:		
Administration to Children, Youth and Families		
Head Start	93.600	* \$ 1,289,843
Dogg Mhweydh Dormanta.		
Pass Through Payments: Department of Social Services:		
Independent Living	93.674	3,244
Social Service Block Grant	93.667	186,683
Foster Care - Title IV - E	93.658	299,850
Temporary Assistance to Needy Families	93.558	299,208
Adoption Assistance	93.659	239,500
Adoption Incentive Payments Program	93.603	1,843
Child Care and Development Fund	93.596	47,062
Child Welfare Services	93.645	560
State Children's Insurance Program	93.767	11,649
Chafee Education & Training	93.599	3,129
Family Preservation	93.556	506
Pass Through Payments:	301000	300
State Administered Program:		
Low - Income Home Energy Assistance	93.568	33,086
Refugee and Entrant Assistance	93.566	1,020
Medicaid Assistance	93.778	360,484
Corporation for National & Community Services:	201770	230/101
Vista's	94.006	
TOTAL DEPARTMENT OF HEALTH & HUMAN SERVICES:		\$ 2,777,667

Federal Granting Agency /	Federal		
Recipient State Agency /	Catalogue		
Grant Program / Grant Number	<u>Number</u>	Ex	penditures
DEPARTMENT OF HOUSING & URBAN DEVELOPMENT Pass Through Payments: Virginia Department of Housing & Community Development: Community Development Block Grant		*_\$_	620,107
DEPARTMENT OF EDUCATION: Pass Through Payments: Department of Education: Title I:			
Educationally Deprived Children's - LEA	84.010	* \$	955,371
Improving the Academic Achievement of the Disadvantag		•	11,627
Title II: Improving Teacher Quality	84.367		170,890
Title VI-B: Assistance to States for Education of Handicapped Children:			·
Handicapped State Grants (5-E002581) (6-E002585) Title VI-D:	84.027	*	791,289
Vocational Education:			co 440
Basic Grant to States	84.048		60,448
Preschool Handicapped	84.173		31,065
Instructional Support Tech	84.999		5,000
TOTAL DEPARTMENT OF EDUCATION		\$	2,025,690
U.S DEPARTMENT OF JUSTICE Pass Through Payments: Department of Criminal Justice Services:			
Violence Against Woman Grant	16.588	\$	142,552
DEPARTMENT OF TRANSPORTATION Pass Through Payments: Department of Motor Vehiles:			
State and Coummunity Safety	20.601	\$	12,790
TOTAL FEDERAL FINANCIAL ASSISTANCE		\$	8,800,646

Notes to Schedule:

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

Section I - Summary of Auditor Results

Financial Statements

Type of auditor's opinion issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

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

None Reported

Noncompliance material to financial statements noted?

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

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

None Reported

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

Any findings disclosed that are required to be reported in accordance with 2 CFR§200.516(a) & No

CFDA

Capitalization Grants for Drinking Water

National School Lunch Program (SL-11)

Administration to Children, Youth and Families

Head Start

Community Development Block Grant
Educationally Deprived Children's - LEA

CFDA

10.555

10.555

10.555

11.228

12.28

14.228

Dollar threshold used to distinguish between
Type A and Type B Programs: \$ 750,000

84.027

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

Section II - Financial Statement Findings:

Handicapped State Grants

None Reported

Section III - Federal Awards Findings and Questioned Costs

None Reported

Prior Year Findings

None Reported

Statistical Tables

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

TABLE 1

Fiscal Year	General Adminis- tration	Judicial Adminis- tration	Public Safety	Public Works	Health and Welfare	Education	Recreation and Cultural	Community Develop- ment	Capital Project	Debt Service	Total
2007-08	1.688.423	1.215.016	4.218.258	2.596.794	4.445.892	42.568.404	567.446	1,192,484	_	278.804	58,771,521
2008-09	1.715.417	1,232,552	4.505.877	2.771.975	4,541,706	43,518,037	648,707	876,362	_	243,244	60,053,877
2009-10	1,896,713	1.144.923	4,784,534	2,432,311	4,333,286	42,923,626	604,540	420,441	_	176.520	58,716,894
2010-11	1,720,085	1,142,159	5,074,851	2,288,840	4,559,638	40,642,270	603,510	424,745	_	67,875	56,523,973
2011-12	1,528,028	1,145,352	4,980,802	2,448,139	4,518,977	39,867,234	594,934	498,724	_	15,800	55,597,990
2012-13	1,582,006	1,142,076	5,509,866	2,403,108	4,301,356	41,270,451	646,309	1,135,319	_	· -	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	58,255,525
2016-17	1,935,305	1,353,712	6,527,005	2,335,041	4,522,147	43,367,620	518,862	1,446,435	_	275,305	62.281.432

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

TABLE 2

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

Fiscal Year	General Property Taxes	Other Local Taxes	Permit Privilege Fees & Regulatory Licenses	Fines & Forfei- tures	Revenues from the Use of Money & Property	Charges for Services	Miscell- aneous	Recovered Costs	Inter- govern- mental	Total
2007-08	8.186.961	3,332,751	57,903	85,077	289,442	3,912,939	481,535	199,766	39,401,408	55,947,782
2008-09	9,021,659	3.061.724	66,006	119,118	136,711	4,254,414	967,403	290,161	40,881,401	58,798,597
2009-10	7.845.243	3.119.899	48,642	185,820	101,279	5,323,624	297,840	350,720	40,596,723	57,869,790
2010-11	10,048,135	3,190,210	57,986	139.181	104,685	4,390,092	513,576	145,582	37,484,945	56,074,392
2011-12	10.385.555	3,158,479	71,233	122,300	101,870	4,927,846	777,389	201,067	36,941,261	56,687,000
2012-13	10,328,263	3,237,175	85,239	193,027	104.025	5,861,257	800,162	207,854	37,236,030	58,053,032
2012-13	10,484,330	3,170,027	71,939	207.646	100.348	5,096,716	609,109	201,090	36,849,405	56,790,610
2014-15	10.768.184	3,134,530	61,121	202,900	98.042	4,771,809	896,774	713,887	37,625,174	58,272,421
2015-16	10,705,104	3,140,302	72,092	199.654	98.088	5,267,550	683,993	405,993	37,548,062	58,221,350
2015-10	11,907,890	3,262,651	67,099	215,584	112,743	4,244,690	235,362	473,862	38,194,440	58,714,321

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

Fiscal Year	Total (1) Tax Levy	Current Tax (1)(4) Collections	Percent of Levy Collected	Delinquent (1) Tax (2) Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding (1,3) Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
2007-08	9,125,956	7,758,586	85.02%	428,375	8,186,961	89.71%	902,641	9.89%
2008-09	9,181,540	8,521,892	92.82%	499,767	9,021,659	98.26%	1,007,824	10.98%
2009-10	9,347,822	8,745,340	93.55%	835,563	9,580,903	102.49%	1,124,013	12.02%
2010-11	10,021,408	9,463,614	94.43%	342,130	9,805,744	97.85%	781,142	7.79%
2011-12	10,835,570	9,646,437	89.03%	484,311	10,130,748	93.50%	1,078,013	9.95%
2012-13	11,030,367	9,557,872	86.65%	549,373	10,107,245	91.63%	1,170,192	10.61%
2013-14	11,157,307	9,809,688	87.92%	464,866	10,274,554	92.09%	1,149,449	10.30%
2014-15	11,071,423	9,994,974	90.28%	489,003	10,483,977	94.69%	1,200,771	10.85%
2015-16	11,019,480	10,019,545	90.93%	492,442	10,511,987	95.39%	1,234,448	11.20%
2016-17	12,272,869	10,922,956	89.00%	556,300	11,479,256	93.53%	1,181,403	9.63%

⁽¹⁾ Exclusive of penalties and interest.

⁽²⁾ Does not include land redemptions.

⁽³⁾ Includes three years taxes.

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

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

TABLE 4

			Public Se		
Fiscal Year	Real Estate	Personal Property	Real Estate	Personal Property	Total
2007-08	932,487,800	196,487,615	73,554,085	363,789	1,202,893,289
2008-09	945,918,300	188,842,338	76,153,851	273,600	1,211,188,089
2009-10	963,334,181	182,691,109	78,556,795	267,229	1,224,849,314
2010-11	1.158.959.900	151,617,277	101,854,725	408,747	1,412,840,649
2011-12	1.169.659.723	179,697,295	103,281,813	433,082	1,453,071,913
2012-13	1,180,192,223	190,142,164	101,691,872	507,706	1,472,533,965
2013-14	1.186.258.823	190,246,489	114,327,136	807,472	1,491,639,920
2014-15	1.193.119.123	197.694.447	84,131,357	907,258	1,475,852,185
2015-16	1.194.843.423	189,039,770	129,914,602	808,603	1,514,606,398
2016-17	1,230,983,823	193,464,087	135,928,447	605,499	1,560,981,856

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

				Machinery		
Fiscal	Real	Personal	Mobile	and	Merchants'	
Year	Estate	Property	Homes	Tools	Capital	
2007-08	0.72	1.40	0.69	0.72	0.72	
2008-09	0.72	1.40	0.69	0.72	0.72	
2009-10	0.69	1.40	0.69	0.72	0.72	
2010-11	0.69	1.40	0.69	0.72	0.72	
2011-12	0.69	1.40	0.69	0.72	0.72	
2012-13	0.69	1.40	0.69	0.72	0.72	
2013-14	0.69	1.40	0.69	0.72	0.72	
2014-15	0.69	1.40	0.69	0.72	0.72	
2015-16	0.69	1.40	0.69	0.72	0.72	
2016-17	0.69	1.40	0.69	0.72	0.72	

⁽¹⁾ Per \$100 of assessed value.

Fiscal Year	Population (1)	Assessed Value (in thousands) (2)	Gross Bonded Debt (3)	Ratio of Net General Obligation Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2007-08	23,403	1,211,188,089	463,165	0.04%	19.79
2008-09	23,403	1,211,188,089	247,816	0.02%	10.59
2009-10	23,403	1,224,849,314	80,000	0.01%	3.42
2010-11	23,177	1,412,840,649	15,000	0.00%	0.65
2011-12	23,177	1,453,071,913	_	-	_
2012-13	23,177	1,472,533,965	-	-	_
2013-14	23,177	1,491,639,920	-	-	_
2014-15	23,177	1,475,852,185	_	-	_
2015-16	23,177	1,514,606,398	-	_	-
2016-17	23,177	1,560,981,856	-	-	-

⁽¹⁾ Bureau of the Census.

⁽²⁾ From Table 4.

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