Comprehensive Annual Financial Report

> Fiscal Year Ended June 30, 2019



County of Scott, Virginia

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List of Principal Officials

BOARD OF SUPERVISORS

Danny P. Mann (Chairman)

Darrel Jeter Marshall Tipton David S. Redwine, DVM (Vice-Chairman) Joe W. Herron Jack Compton Chad E. Hood

COUNTY SCHOOL BOARD

William R. Quillen Jr. (Chairman)

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

COUNTY WELFARE BOARD

David S. Redwine (Chairman)

Cindy Coates (Vice Chairman)

Carol Culbertson

OTHER OFFICIALS

Chief Magistrate Clerk of the Circuit Court Commonwealth; Attorney Commissioner of the Revenue Treasurer Sheriff Superintendent of Schools Director of Social Services County Administrator Hon. Jonathan Robbins Mark "Bo" Taylor Marcus McClung Debbie Dockery Mitzi Owens John Puckett John Ferguson Lana Mullins Freda R. Starnes



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

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, 2019 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, 2019, 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 13-21 and 113-122 and Schedule of Employer Contributions on page 123 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. Management of the Scott County Public Service Authority has elected to omit the Management's Discussion and Analysis and the Schedule of Employer Contributions, but our opinion on the basic financial statements is not affected by the missing information. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 November 30, 2019, 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, Tacker & Company, PC

November 30, 2019 Lebanon, Virginia



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County of Scott, Virginia as of and for the year ended June 30, 2019, 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 November 30, 2019.

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, Tacker & Company, PC

November 30, 2019 Lebanon, Virginia



Certified Public Accountants

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November 30, 2019

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, 2019. 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 November 30, 2019. 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 2019. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

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

The disclosure of the Landfill Closure and Post-Closure Care Costs in Note 15 to the financial statements identifies state and federal laws requiring the county to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste. The county reports a portion of these closure and care costs as an operating expense in each period based on landfill capacity used at each balance sheet date. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. These estimated amounts are based on what it would cost to perform all closure and post closure care in 2019.

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 November 30, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or

a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

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

Other Matters

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

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

Very truly yours,

Bostic, Tacker & Company, PC

Bostic, Tucker and Company, P.C.



Certified Public Accountants

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

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

Report on Compliance for Each Major Federal Program

We have audited the County of Scott, Virginia's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the County of Scott, Virginia's major federal programs for the year ended June 30, 2019. 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, 2019.

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 the *Uniform Guidance*, 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 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 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 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, Tacker & Company, PC

November 30, 2019 Lebanon, Virginia As management of the County of Scott, Virginia we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County of the fiscal year ended June 30, 2019. 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 \$2,119,203 (net position). Of this amount, \$(6,741,335) represents a deficit in unrestricted net position used to meet the government's ongoing obligation to citizens and creditors, which includes long-term obligations such as pensions and other post-employment benefits.
- As of the close of the current fiscal year, the County's funds reported combined ending fund balances of \$2,998,815, a decrease of \$484,065 compared to the prior year. \$2,944,534 of the combined fund balance is available for spending for the various functions of the County as indicated.
- At the end of the current fiscal year, fund balance for the general fund was \$2,944,534, or 15% of total general fund expenditures for the year.

Overview of the Financial Statements:

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

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

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

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

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

Overview of the Financial Statements (Continued):

Government-wide financial statements (continued)

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

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

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

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

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

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

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

Overview of the Financial Statements (Continued):

Governmental funds (continued)

The County maintains 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.

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 \$2,119,203 at the close of the most recent fiscal year.

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

Government-wide Financial Analysis (Continued):

County of Scott, Virginia's Net Assets

	Governmental Activities						
		2019		2018			
Current and other assets	\$	20,467,325	\$	7,560,769			
Capital assets		8,401,582		8,817,316			
Deferred outflows		1,434,324		712,516			
Total assets	\$	30,303,231	\$	17,090,601			
Current liabilities	\$	3,310,592	\$	2,842,784			
Noncurrent liabilities		10,575,699		10,123,670			
Deferred inflows		14,297,737		1,253,055			
Total liabilities	\$	28,184,028	\$	14,219,509			
Net assets:							
Investment in capital assets,							
net of related debt	\$	7,940,964	\$	8,072,864			
Restricted		919,574		935,915			
Unrestricted		(6,741,335)		(6,137,687)			
Total net assets	\$	2,119,203	\$	2,871,092			

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

During the current fiscal year, the County's net position decreased by \$270,616. Due to a prior period adjustment, the County's net position also decreased by \$(481,273).

Government-wide Financial Analysis (Continued):

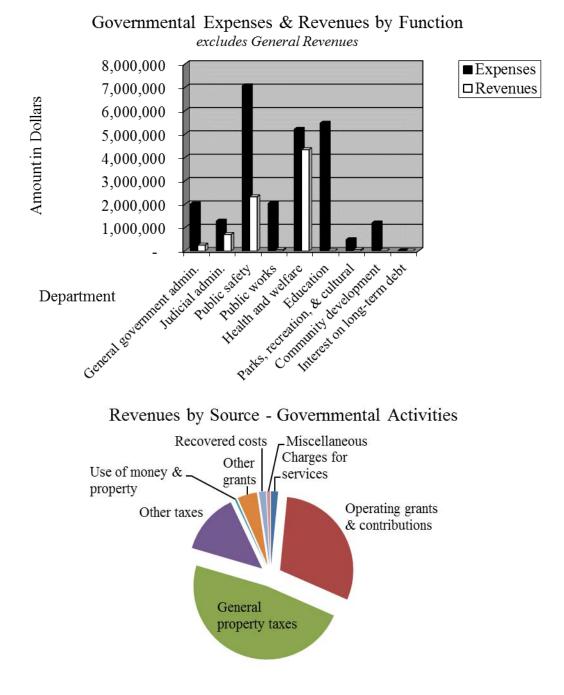
Governmental Activities – Governmental activities decreased the County's net position by \$270,616. Key elements of this increase are as follows:

County of Scott, Virginia's Change in Net Assets

	Governmental Activities				
	2019	2018	Change		
Revenues:					
Program revenues:					
Charges for services	\$ 379,022	\$ 401,667	\$ (22,645)		
Operating grants and contributions	7,360,560	6,307,599	1,052,961		
General revenues:					
Property taxes	11,758,514	11,816,476	(57,962)		
Other local taxes	3,291,038	3,301,761	(10,723)		
Other	1,729,603	1,537,085	192,518		
Total revenues	24,518,737	23,364,588	1,154,149		
Expenses:					
General government	2,012,569	1,820,794	191,775		
Judicial administration	1,280,684	1,289,241	(8,557)		
Public safety	7,072,357	5,800,317	1,272,040		
Public works	2,039,394	1,949,880	89,514		
Health and welfare	5,208,536	4,425,952	782,584		
Education	5,471,300	5,728,155	(256,855)		
Parks, recreation and culture	485,168	536,129	(50,961)		
Community development	1,204,173	700,142	504,031		
Interest	15,172	22,445	(7,273)		
Total expenses	24,789,353	22,273,055	2,516,298		
Change in net assets	(270,616)	1,091,533	(1,362,149)		
Net assets - beginning, as previously reported	2,871,092	3,927,546			
Prior period adjustment	(481,273)	(2,147,987)			
Net assets - beginning, as restated	2,389,819	1,779,559			
Net assets - ending	\$ 2,119,203	\$ 2,871,092			

Government-wide Financial Analysis (Continued):

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. General revenues of \$16,779,155 are not attributable to a particular governmental function and thus are excluded from the Governmental Expenses and Revenues by Function graph.



Financial Analysis of the County's Funds

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

Governmental Funds – The focus of the County's governmental funds is to provide information on nearterm 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 \$2,998,815, a decrease of \$484,065 in comparison with the prior year. \$2,944,534, approximately 98% of the total, is available for spending for the various functions of the County as indicated.

The general fund is the operating fund of the County. At the end of the current fiscal year fund balance of the general fund was \$2,944,534. 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 15% of total general fund expenditures for the year.

The general fund balance decreased \$485,428 during the current year.

The special revenue funds have a total fund balance of \$54,281, all of which is restricted. The fund balance increased \$1,363 during the current year.

General Fund Budgetary Highlights

During the 2019 fiscal year, the County had amendments which increased its original budgeted revenues by \$411,651 and expenditures and other financing uses by \$411,651.

Capital Assets and Debt Administration

Capital assets – The County's investment in capital assets for its governmental funds as of June 30, 2019 amounts to \$8,401,582 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery and equipment. The total decrease in the County's investment in capital assets for the current fiscal year was \$(415,734).

	Governmental Activities				
		2019		2018	
Land	\$	1,211,289	\$	1,211,289	
Buildings and improvements		8,733,364		8,658,829	
Equipment		9,539,099		9,602,260	
Tenancy in common		_		-	
Total capital assets		19,483,752		19,472,378	
Less: accumulated depreciation		(11,082,170)		(10,655,062)	
Net capital assets	\$	8,401,582	\$	8,817,316	

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

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

During the fiscal year, the County's total debt decreased by \$91,852.

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

Net pension liability – The County implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, during 2015. At June 30, 2019, long-term pension liability was \$4,912,000.

Other postemployment benefits – The County implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, during 2018. At June 30, 2019, other postemployment benefits liability was \$3,930,337.

Economic Factors and Next Year's Budgets and Rates

- Per the Bureau of Labor Statistics, the June 2019 unemployment rate for the County of Scott, Virginia was 3.2%, a decrease from the rate of 3.5% in June 2018. The County's unemployment rate is higher than the state's rate and lower than the national rate; in June 2019, Virginia's unemployment rate was 2.9% and the national unemployment rate was 3.7%.
- Inflationary trends in the region are comparable to national indices.

These factors were considered in preparing the County's budget for the 2019 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**

County of Scott, Virginia Statement of Net Position June 30, 2019

	Compone			ent U	ent Units	
	Primary Government		School		Other	
				Board		Component Units
Assets:						
Current Assets:						
Cash & cash equivalents	\$	4,896,324	\$	2,126,985	\$	3,699,196
Receivables, net of allowance:						
Property taxes		14,287,969		-		-
Accounts receivable		76,489		39,493		415,048
Prepaid expenses		1,536		336,904		-
Inventory		-		-		84,714
Notes receivable, current, net of allowance		-		-		34,546
Due from component unit		-		2,276,076		-
Due from other governments		1,205,007		469,899		70,338
Total current assets		20,467,325		5,249,357		4,303,842
Noncurrent assets:						
Capital assets:						
Land		1,211,289		1,597,912		5,888,588
Construction in progress		-		2,956,989		12,969,166
Buildings & equipment, net of depreciation		7,190,293		28,185,574		62,461,628
Notes receivable		-		-		138,182
Total noncurrent assets		8,401,582		32,740,475		81,457,564
Other assets:						
Restricted cash in bank		-		-		280,004
Total other assets						280,004
Deferred outflows of resources:						
Related to pensions		1,382,098		6,013,743		220,475
Related to OPEB		52,226		591,591		14,853
Total outflows of resources		1,434,324		6,605,334		235,328
Total assets	\$	30,303,231	\$	44,595,166	\$	86,276,738

County of Scott, Virginia Statement of Net Position

Liabilities: Current Liabilities: Accounts payable and accrued expenses $\$$ $\$44,899$ $\$ 126,873$ $\$$ 538 Salaries payable Due to component unit Current portion of long-term obligations- $3,100,547$ -Total current liabilities $3,310,592$ $3,620,407$ $6,602$ Noncurrent liabilities: Compensated absences $542,787$ $702,905$ 135 Amounts held for others Landfill closure 1888 Other postemployment benefits $3,930,337$ $10,005,966$ 70		
Liabilities: Current Liabilities: Accounts payable and accrued expenses\$ 844,899\$ 126,873\$ 538Salaries payable Due to component unit Current portion of long-term obligations- $3,100,547$ -Total current liabilities $3,310,592$ $3,620,407$ $6,602$ Noncurrent liabilities: Compensated absences542,787702,905135Amounts held for others Landfill closure188Other postemployment benefits Net pension liability, long-term $3,930,337$ $10,005,966$ 70Net pension liability, long-term $4,912,000$ $29,672,000$ 248		
Current Liabilities:Accounts payable and accrued expenses\$ 844,899\$ 126,873\$ 538Salaries payable- $3,100,547$ Due to component unit $2,276,076$ -Current portion of long-term obligations $189,617$ $392,987$ $6,064$ Total current liabilities $3,310,592$ $3,620,407$ $6,602$ Noncurrent liabilities: $-$ - 188 Landfill closure $919,574$ Other postemployment benefits $3,930,337$ $10,005,966$ 70 Net pension liability, long-term $4,912,000$ $29,672,000$ 248	Component Units	
Accounts payable and accrued expenses\$ $844,899$ \$ $126,873$ \$ 538 Salaries payable- $3,100,547$ Due to component unit $2,276,076$ -Current portion of long-term obligations $189,617$ $392,987$ $6,064$ Total current liabilities $3,310,592$ $3,620,407$ $6,602$ Noncurrent liabilities: $3,310,592$ $3,620,407$ $6,602$ Noncurrent liabilities: $ 1888$ Landfill closure $919,574$ - $-$ Other postemployment benefits $3,930,337$ $10,005,966$ 700 Net pension liability, long-term $4,912,000$ $29,672,000$ 248		
Salaries payable- $3,100,547$ Due to component unit $2,276,076$ -Current portion of long-term obligations $189,617$ $392,987$ Total current liabilities $3,310,592$ $3,620,407$ $6,602$ Noncurrent liabilities: $3,310,592$ $3,620,407$ $6,602$ Noncurrent liabilities: $ 188$ Compensated absences $542,787$ $702,905$ 135 Amounts held for others- $ 188$ Landfill closure $919,574$ - $-$ Other postemployment benefits $3,930,337$ $10,005,966$ 70 Net pension liability, long-term $4,912,000$ $29,672,000$ 248		
Due to component unit $2,276,076$ -Current portion of long-term obligations $189,617$ $392,987$ $6,064$ Total current liabilities $3,310,592$ $3,620,407$ $6,602$ Noncurrent liabilities: $3,310,592$ $3,620,407$ $6,602$ Compensated absences $542,787$ $702,905$ 135 Amounts held for others 1888 Landfill closure $919,574$ Other postemployment benefits $3,930,337$ $10,005,966$ 700 Net pension liability, long-term $4,912,000$ $29,672,000$ 248	,687	
Current portion of long-term obligations189,617392,9876,064Total current liabilities3,310,5923,620,4076,602Noncurrent liabilities: Compensated absences542,787702,905135Amounts held for others188Landfill closure919,574Other postemployment benefits3,930,33710,005,96670Net pension liability, long-term4,912,00029,672,000248	-	
Total current liabilities 3,310,592 3,620,407 6,602 Noncurrent liabilities:	-	
Noncurrent liabilities:Compensated absences542,787Amounts held for others-Landfill closure919,574Other postemployment benefits3,930,33710,005,96670Net pension liability, long-term4,912,00029,672,000248	,075	
Compensated absences 542,787 702,905 135 Amounts held for others - - 188 Landfill closure 919,574 - - Other postemployment benefits 3,930,337 10,005,966 70 Net pension liability, long-term 4,912,000 29,672,000 248	,762	
Amounts held for others-188Landfill closure919,574-Other postemployment benefits3,930,33710,005,96670Net pension liability, long-term4,912,00029,672,000248		
Landfill closure 919,574 - Other postemployment benefits 3,930,337 10,005,966 70 Net pension liability, long-term 4,912,000 29,672,000 248	,972	
Other postemployment benefits 3,930,337 10,005,966 70 Net pension liability, long-term 4,912,000 29,672,000 248	,069	
Net pension liability, long-term 4,912,000 29,672,000 248	-	
1 0	,000	
Noncurrent portion of long-term obligations271,0012,788,82822,688	,211	
	,111	
Total noncurrent liabilities 10,575,699 43,169,699 23,330	,363	
Total liabilities 13,886,291 46,790,106 29,933	,125	
Deferred inflows of resources		
Unavailable revenue - property taxes 13,065,737 -	-	
Related to pensions 1,181,000 4,411,000 62	,549	
Related to OPEB 51,000 286,000 6	,000	
Total deferred inflows of resources14,297,7374,697,00068	,549	
Net position:		
Invested in capital assets, net of related debt 7,940,964 29,558,660 41,265	,415	
Restricted for:		
Landfill closure 919,574 -	-	
1 1	,172	
Unrestricted assets (deficit) (6,741,335) (36,450,600) 14,736	,477	
Total net position 2,119,203 (6,891,940) 56,275	,064	
Total liabilities and net position \$ 30,303,231 \$ 44,595,166 \$ 86,276		

County of Scott, Virginia

Statement of Activities

For the Year Ended June 30, 2019			Program Revenues			Net (Expense) Revenue and Changes in Net Position							
			Charges for		erating Grants	Cap	ital Grants		Primary		School		Other
Functions/Programs	Expense	<u>s</u>	Services	&	Contributions		ontributions	(Government		Board	Con	nponent Units
Primary Government: Governmental activities:													
General government administration	\$ 2,012	569 5	\$ 3,124	\$	248,983	\$	-	\$	(1,760,462)	\$	-	\$	-
Judicial administration	1,280		4,457		704,622		-		(571,605)		-		-
Public safety	7,072	357	253,107		2,066,764		-		(4,752,486)		-		-
Public works	2,039	394	58,551		-		-		(1,980,843)		-		-
Health and welfare	5,208	536	-		4,336,782		-		(871,754)		-		-
Education	5,471	300	-		-		-		(5,471,300)		-		-
Parks, recreation, and cultural	485	168	59,783		-		-		(425,385)		-		-
Community development	1,204		-		3,409		-		(1,200,764)		-		-
Interest on long-term debt		172	-		-		-		(15,172)		-		-
Total government activities	24,789		379,022		7,360,560		-		(17,049,771)		-		-
Total primary government	\$ 24,789	353	\$ 379,022	\$	7,360,560	\$		\$	(17,049,771)	\$	-	\$	-
Component units:													
School board	\$ 42,904	877 3	\$ 4,046,398	\$	35,549,240	\$	-	\$	-	\$	(3,309,239)	\$	-
Other component units	5,695	444	3,847,229		1,910,098		643,772		-		-		705,655
Total component units	\$ 48,600	321	\$ 7,893,627	\$	37,459,338	\$	643,772	\$	-	\$	(3,309,239)	\$	705,655
Total								\$	(17,049,771)	\$	(3,309,239)	\$	705,655
	General Rev								11 750 514				
	General pr		es						11,758,514		-		-
	Other loca		с с		1 /				3,291,038		-		-
			es from use of mo	oney a	nd property				99,256		3,021		56,445
	Miscellane								189,830		575,575		54,016
Recovered costs Grants and contributions not restricted to specific programs Gain (loss) on sale of capital assets County contribution to School Board				378,251		47,008		-					
				1,062,266		-		-					
					-		-		-				
				-		5,411,467		-					
	Change in n	et assets							(270,616)		2,727,832		816,116
	Net position	- beginni	ng, as previously	report	ed				2,871,092		(4,977,764)		55,458,948
	Prior period	adjustmei	nt						(481,273)		(4,642,008)		-
	Net position - beginning, as restated												
	Net position	- beginni	ng, as restated						2,389,819		(9,619,772)		55,458,948

Fund Financial Statements

County of Scott, Virginia Balance Sheet Governmental Funds June 30, 2019

	Governmental Fund Types				Total		
	General			Other Funds	Governmental Funds		
Assets:	¢	1 0 10 050	¢	50.044	¢	1006001	
Cash & cash equivalents	\$	4,842,358	\$	53,966	\$	4,896,324	
Receivables (net of allowance): Property taxes		14,287,969				14,287,969	
Accounts receivable		76,174		315		76,489	
Prepaid expenses		1,536		-		1,536	
Due from other governments		1,205,007		-		1,205,007	
Total assets	\$	20,413,044	\$	54,281	\$	20,467,325	
Liabilities:							
Accounts payable and accrued expenses	\$	843,238	\$	-	\$	843,238	
Due to other funds							
Component unit		2,276,076		-		2,276,076	
Total liabilities		3,119,314		-		3,119,314	
Deferred inflows of resources							
Unavailable revenue - property taxes		14,349,196		-		14,349,196	
Total deferred inflows of resources		14,349,196		-		14,349,196	
Fund Balance:							
Restricted		(4,359,615)		54,281		(4,305,334)	
Assigned		267,330		-		267,330	
Unassigned		7,036,819		-		7,036,819	
Total fund balances		2,944,534		54,281		2,998,815	
Total liabilities, deferred inflows							
of resources & fund balances	\$	20,413,044	\$	54,281			

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	8,401,582
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	1,283,459
Deferred outflows of resources reported in the statement of net position.	1,434,324
Other liabilities are not required to be paid out of current financial resources and, therefore, are not reported in the governmental funds.	(5,583,976)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(5,183,001)
Deferred inflows of resources reported in the statement of net position.	 (1,232,000)
Primary Government net position	\$ 2,119,203

County of Scott, Virginia Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds For the Year Ended June 30, 2019

Other Governmental Funds Fords Revenues: General property taxes \$ 11,791,257 \$ \$ \$ 11,791,257 Other local taxes 3,289,167 1,871 3,229,108 Permits, privilege fees & regulatory licenses 75,281 - 75,281 Fines and forfeitures 199,723 - 199,723 Revenue from use of money & property 99,256 - 99,256 Charges for services 189,830 - 189,830 Recovered costs 1376,001 - 376,001 Intergovernmental: - 2,168,445 - 2,168,445 Current: Centrent government administration 1,907,891 - 1,907,891 Obtic safety 7,123,849 - 7,123,849 - 7,123,849 Public safety 7,123,849 - 27,899 - 27,899 Public works 1,909,799 - 4082,399 - 4082,399 Communuity development 1,204,173 - 1,204,173 - 1,204,173		Governmenta	Total			
Revenues: S 11,791,257 S - S 11,791,257 Oher local taxes 3.289,167 1.871 3.291,163 75,281 - 75,281 - 75,281 - 75,281 - 75,281 - 75,281 - 75,281 - 75,281 - 75,281 - 75,281 - 75,281 - 75,281 - 75,281 - 75,281 - 75,281 - 75,281 - 75,281 - 75,281 - 199,723 - 199,723 - 199,723 - 199,723 - 199,723 Revenue for one y de property 99,256 - 99,256 - 99,256 - 99,256 - 99,256 - 99,256 - 189,830 Revenue for one y de property 0,90,23 - 189,830 - 189,830 - 11,8445 - 2,168,445 - 2,168,445 - 2,168,445 - 2,168,445 - 2,168,445		General	Other Funds			
General property taxes \$ 11,791,257 \$ \$ 11,791,257 Other local taxes 3,289,167 1.871 3,291,038 Permits, privilege fees & regulatory licenses 75,281 - 75,281 Fines and forfeitures 199,723 - 199,723 Revenue from use of money & property 99,256 - 199,253 Charges for services 99,561 4,457 104,018 Miscellaneous 189,830 - 189,830 Recovered costs 376,001 - 376,001 Intergovernmental: - - 2,168,445 - 2,168,445 Commonwealth 6,254,381 - 6,254,381 - 1,907,891 Judicial administration 1,907,891 - 1,907,891 - 1,133,841 Public safety 7,123,849 - 2,24,549,923 9,2456 1,204,173 Public safety 7,123,849 - 2,24,3861 - 5,243,861 - 5,243,861 - 5,243,861 - 5,243,861 <th></th> <th>Schora</th> <th>1 41145</th> <th>1 41145</th>		Schora	1 41145	1 41145		
Other local taxes $3,289,167$ $1,871$ $3,291,038$ Permits, privilege fees & regulatory licenses $75,281$ - $75,281$ Fines and forfeitures $199,723$ - $199,723$ Revenue from use of money & property $99,256$ - $99,256$ Charges for services $99,561$ $4,457$ $104,018$ Miscellaneous $189,830$ - $189,830$ Recovered costs $376,001$ - $376,001$ Intergovernmental: - 2,168,445 - 2,168,445 Total revenues $24,542,902$ $6,328$ $24,549,230$ Expenditures: Current: - 2,168,445 - 2,168,445 Total revenues $24,542,902$ $6,328$ $24,549,230$ Expenditures: Current: - - 7,123,849 - 7,123,849 Public safety 7,123,849 - 7,123,849 - 2,7899 Public works 1,999,023 936 1,999,929 - 498,299 <td></td> <td></td> <td></td> <td></td>						
Permits. privilege fees & regulatory licenses 75,281 - 75,281 Fines and forfeitures 199,723 - 199,723 - 199,723 Revenue from use of money & property 99,256 - 99,256 - 99,256 Charges for services 99,561 4,457 104,018 Nixcellaneous 189,830 - 189,830 Recovered costs 376,001 - 376,001 - 376,001 Intergovernmental: - - 2,168,445 - 2,168,445 Commonwealth 6,254,381 - 6,254,381 - 6,254,381 Total revenues 24,542,902 6,328 24,549,230 Expenditures: - - 1,907,891 - 1,907,891 Unicial administration 1,907,891 - 1,907,891 - 1,23,849 Public works 1,999,023 9366 1,999,929 - 24,845,861 Education 27,899 - 27,899 - 27,899 -				. , ,		
Fires and forfeitures 199,723 - 199,723 Revenue from use of money & property 99,256 - 99,256 Charges for services 99,256 - 99,256 Miscellaneous 189,830 - 189,830 Revenue from use of money & property 376,001 - 376,001 Intergovernmental: - - 2,168,445 - - 2,168,445 Commonwealth 6,254,381 - 6,254,381 - 6,254,381 Total revenues 24,542,002 6,328 24,549,230 Expenditures: Current: - 1,907,891 - 1,907,891 Judicial administration 1,907,891 - 1,907,891 - 1,313,811 Public sorks 1,999,023 936 1,999,959 - 1,243,849 - 2,243,861 - 5,243,861 - 5,243,861 - 5,243,861 - 5,243,861 - 5,243,861 - 5,243,861 - 2,243,864 - 2,243,861 - 2,243,861 - 2,243,861 - 2,243,861 <td></td> <td></td> <td>1,871</td> <td></td>			1,871			
Revenue from use of money & property $99,256$. $99,256$ Charges for services $99,561$ $4,457$ $104,018$ Miscellaneous $189,830$. $189,830$ Recovered costs $376,001$. $376,001$ Intergovernmental: . $6,254,381$. $6,254,381$ Commonwealth $6,254,381$. $6,254,381$. Total revenues $24,542,902$ $6,328$ $24,549,230$ Expenditures: Current: . . $1,907,891$. $1,907,891$. $1,907,891$ Judicial administration $1,309,782$ $4,029$ $1,313,811$ Public works $1,999,959$ Public works $1,999,959$ $7,123,849$. $7,123,849$. $7,23,849$ Public works $5,243,861$. $5,243,861$. $5,243,861$. $5,243,861$. $5,243,861$. $5,243,861$. $5,243,861$. $5,243,861$. $2,252$.			-			
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$			-			
Miscellaneous 189,830 - 189,830 Recovered costs 376,001 - 376,001 Intergovermental: - 376,001 - 376,001 Commonwealth 6,254,381 - 6,254,381 - 6,254,381 Federal 21,68,445 - 2,168,445 - 2,168,445 Total revenues 24,542,902 6,328 24,549,230 Expenditures: Current: - 1,907,891 - 1,907,891 General government administration 1,907,891 - 1,907,891 - 1,907,891 Public safety 7,123,849 - 7,123,849 - 7,123,849 Public works 1,999,023 936 1,999,959 Health and welfare 5,243,861 - 5,243,861 Education 27,899 - 27,899 - 27,899 Community development 1,204,173 - 1,204,173 1,204,173 Debt service: - - 18,252 - 18,252 - 18,252 Total expenditures 19,616,863 <td></td> <td></td> <td>-</td> <td></td>			-			
Recovered costs $376,001$ - $376,001$ Intergovernmental: $6.254,381$ - $6.254,381$ - Commonwealth $6.254,381$ - $6.254,381$ - Federal $2.168,445$ - $2.168,445$ - Total revenues $24,542,902$ 6.328 $24,549,230$ Expenditures: Current: - 1,907,891 - 1,907,891 Judicial administration 1,907,891 - 1,907,891 - 1,907,891 Public safety 7,123,849 - 7,123,849 - 7,123,849 Public works 1,999,023 936 1,999,959 Health and welfare 5,243,861 - 5,243,861 Education 27,899 - 27,899 - 27,899 - 27,899 Community development 1,204,173 - 1,204,173 - 1,204,173 Debt service: 283,834 - 283,834 - 283,834 Interest and other fiscal charges 18,252 - 18,252 - 18,252 <td< td=""><td></td><td></td><td>4,457</td><td></td></td<>			4,457			
Intergovernmental: 6,254,381 - 6,254,381 Commonwealth 2,168,445 - 2,168,445 Total revenues 24,542,902 6,328 24,549,230 Expenditures: Current: - 1,907,891 - 1,907,891 General government administration 1,309,782 4,029 1,313,811 Public safety 7,123,849 - 7,123,849 Public works 1,999,023 936 1,999,959 Health and welfare 5,243,861 - 5,243,861 Education 27,899 - 27,899 Parks, recreation, and cultural 498,299 - 498,299 Community development 1,204,173 - 1,204,173 Debt service: - - 18,252 - Principal retirement 283,834 - 283,834 - Interest and other fiscal charges 18,252 - 18,252 Total expenditures 19,616,863 4,965 19,621,828 Excess (deficiency) of revenues - - - over (under) expenditures </td <td>Miscellaneous</td> <td></td> <td>-</td> <td>189,830</td>	Miscellaneous		-	189,830		
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	Recovered costs	376,001	-	376,001		
Federal $2,168,445$. $2,168,445$ Total revenues $24,542,902$ $6,328$ $24,549,230$ Expenditures: Current: General government administration $1,907,891$. $1.907,891$ Judicial administration $1,309,782$ $4,029$ $1,313,811$ Public safety $7,123,849$. $7,123,849$ Public works $1.999,959$ Health and welfare $5,243,861$.Education $27,899$. $27,899$ Parks, recreation, and cultural $498,299$. $498,299$ Community development $1,204,173$. $1,204,173$ Debt service: Principal retirement $283,834$. $283,834$ Interest and other fiscal charges $19,616,863$ $4,965$ $19,621,828$ Excess (deficiency) of revenues over (under) expendituresOperating transfers in Operating transfers outTotal other financing sources (uses): Operating transfers outOther financing sources (uses)Total other financing sources (uses)Net changes in fund balancesFund balances at beginning of year $3,429,962$ $52,918$ $3,482,880$	Intergovernmental:					
Total revenues $24,542,902$ $6,328$ $24,542,9230$ Expenditures: Current: General government administration $1,907,891$ - $1.907,891$ Judicial administration $1,309,782$ $4,029$ $1,313,811$ Public safety $7,123,849$ - $7,123,849$ Public works $1.999,023$ 936 $1.999,959$ Health and welfare $5,243,861$ - $5,243,861$ Education $27,899$ - $27,899$ Community development $1,204,173$ - $1,204,173$ Debt service: Principal retirement $283,834$ - $283,834$ Interest and other fiscal charges $18,252$ - $18,252$ Total expenditures $19,616,863$ $4,965$ $19,621,828$ Excess (deficiency) of revenues $0ver$ (under) expenditures $4,926,039$ $1,363$ $4,927,402$ Other financing sources (uses): 0 $ -$ Operating transfers in $ -$ Operating transfers in $-$ <	Commonwealth	6,254,381	-	6,254,381		
Expenditures:	Federal	2,168,445		2,168,445		
Current: General government administration 1,907,891 - 1,907,891 Judicial administration 1,309,782 4,029 1,313,811 Public safety 7,123,849 - 7,123,849 Public works 1,999,023 936 1,999,959 Health and welfare 5,243,861 - 5,243,861 Education 27,899 - 27,899 Parks, recreation, and cultural 498,299 - 498,299 Community development 1,204,173 - 1,204,173 Debt service: - - 18,252 - 18,252 Principal retirement 283,834 - 283,834 - 283,834 Interest and other fiscal charges 18,252 - 18,252 - 18,252 Total expenditures 4,926,039 1,363 4,927,402 - - - Operating transfers in -	Total revenues	24,542,902	6,328	24,549,230		
General government administration $1,907,891$ - $1,907,891$ Judicial administration $1,309,782$ $4,029$ $1,313,811$ Public safety $7,123,849$ - $7,123,849$ Public works $1,999,023$ 936 $1,999,959$ Health and welfare $5,243,861$ - $5,243,861$ Education $27,899$ - $27,899$ Parks, recreation, and cultural $498,299$ - $498,299$ Community development $1,204,173$ - $1,204,173$ Debt service:18,252Principal retirement $283,834$ - $283,834$ Interest and other fiscal charges $18,252$ - $18,252$ Total expenditures $19,616,863$ 4.965 $19,621,828$ Excess (deficiency) of revenues over (under) expendituresOperating transfers in Operating transfers out Total other financing sources (uses): Operating transfers outTotal other financing sources (uses) $(5,411,467)$ - $(5,411,467)$ -Net changes in fund balances $(485,428)$ $1,363$ $(484,065)$ Fund balances at beginning of year $3,429,962$ $52,918$ $3,482,880$	Expenditures:					
Judicial administration1,309,7824,0291,313,811Public safety7,123,849-7,123,849Public works1,999,0239361,999,959Health and welfare5,243,861-5,243,861Education27,899-27,899Parks, recreation, and cultural498,299-498,299Community development1,204,173-1,204,173Debt service:18,252-Principal retirement283,834-283,834Interest and other fiscal charges18,252-18,252Total expenditures19,616,8634,96519,621,828Excess (deficiency) of revenues over (under) expendituresOperating transfers inOperating transfers out Proceeds from debtTotal other financing sources (uses): Operating transfers out(5,411,467)-(5,411,467)Net changes in fund balances(485,428)1,363(484,065)Fund balances at beginning of year3,429,96252,9183,482,880	Current:					
Public safety7,123,849-7,123,849Public works1,999,0239361,999,959Health and welfare5,243,861-5,243,861Education27,899-27,899Parks, recreation, and cultural498,299-498,299Community development1,204,173-1,204,173Debt service:18,252-Principal retirement283,834-283,834Interest and other fiscal charges18,252-18,252Total expenditures19,616,8634,96519,621,828Excess (deficiency) of revenuesover (under) expenditures(5,411,467)-(5,411,467)Proceeds from debtTotal other financing sources (uses):(5,411,467)-(5,411,467)Operating transfers out(5,411,467)-(5,411,467)Proceeds from debtTotal other financing sources (uses)(5,411,467)-(5,411,467)Net changes in fund balances(485,428)1,363(484,065)Fund balances at beginning of year3,429,96252,9183,482,880	General government administration	1,907,891	-	1,907,891		
Public works $1,999,023$ 936 $1,999,959$ Health and welfare $5,243,861$ - $5,243,861$ Education $27,899$ - $27,899$ Parks, recreation, and cultural $498,299$ - $498,299$ Community development $1,204,173$ - $1,204,173$ Debt service:18,252-Principal retirement $283,834$ - $283,834$ Interest and other fiscal charges $18,252$ - $18,252$ Total expenditures $19,616,863$ 4.965 $19,621,828$ Excess (deficiency) of revenues over (under) expenditures $4,926,039$ $1,363$ $4,927,402$ Other financing sources (uses): Operating transfers in Operating transfers out Total other financing sources (uses)Total other financing sources (uses) $(5,411,467)$ - $(5,411,467)$ -Net changes in fund balances $(485,428)$ $1,363$ $(484,065)$ Fund balances at beginning of year $3,429,962$ $52,918$ $3,482,880$	Judicial administration	1,309,782	4,029	1,313,811		
Health and welfare $5,243,861$ - $5,243,861$ Education $27,899$ - $27,899$ Parks, recreation, and cultural $498,299$ - $498,299$ Community development $1,204,173$ - $1,204,173$ Debt service: $1,204,173$ Principal retirement $283,834$ - $283,834$ Interest and other fiscal charges $18,252$ - $18,252$ Total expenditures $19,616,863$ $4,965$ $19,621,828$ Excess (deficiency) of revenues over (under) expenditures $4,926,039$ $1,363$ $4,927,402$ Other financing sources (uses): Operating transfers in Operating transfers out Proceeds from debtTotal other financing sources (uses) $(5,411,467)$ - $(5,411,467)$ -Net changes in fund balances $(485,428)$ $1,363$ $(484,065)$ Fund balances at beginning of year $3,429,962$ $52,918$ $3,482,880$	Public safety	7,123,849	-	7,123,849		
Education $27,899$ - $27,899$ Parks, recreation, and cultural $498,299$ - $498,299$ Community development $1,204,173$ - $1,204,173$ Debt service: $1,204,173$ - $1,204,173$ Principal retirement $283,834$ - $283,834$ Interest and other fiscal charges $18,252$ - $18,252$ Total expenditures $19,616,863$ $4,965$ $19,621,828$ Excess (deficiency) of revenues over (under) expenditures $4,926,039$ $1,363$ $4,927,402$ Other financing sources (uses): Operating transfers in Operating transfers out Total other financing sources (uses)Total other financing sources (uses) $(5,411,467)$ - $(5,411,467)$ - $(5,411,467)$ Net changes in fund balances $(485,428)$ $1,363$ $(484,065)$ $482,880$ Fund balances at beginning of year $3,429,962$ $52,918$ $3,482,880$	Public works	1,999,023	936	1,999,959		
Parks, recreation, and cultural $498,299$ - $498,299$ Community development $1,204,173$ - $1,204,173$ Debt service: $283,834$ - $283,834$ Principal retirement $283,834$ - $283,834$ Interest and other fiscal charges $18,252$ - $18,252$ Total expenditures $19,616,863$ $4,965$ $19,621,828$ Excess (deficiency) of revenues over (under) expenditures $4,926,039$ $1,363$ $4,927,402$ Other financing sources (uses): Operating transfers out Proceeds from debtTotal other financing sources (uses) $(5,411,467)$ - $(5,411,467)$ Net changes in fund balances $(485,428)$ $1,363$ $(484,065)$ Fund balances at beginning of year $3,429,962$ $52,918$ $3,482,880$	Health and welfare	5,243,861	-	5,243,861		
Parks, recreation, and cultural $498,299$ - $498,299$ Community development $1,204,173$ - $1,204,173$ Debt service:Principal retirement $283,834$ - $283,834$ Interest and other fiscal charges $18,252$ - $18,252$ Total expenditures $19,616,863$ $4,965$ $19,621,828$ Excess (deficiency) of revenues over (under) expenditures $4,926,039$ $1,363$ $4,927,402$ Other financing sources (uses): Operating transfers out Proceeds from debtTotal other financing sources (uses) $(5,411,467)$ - $(5,411,467)$ Net changes in fund balances $(485,428)$ $1,363$ $(484,065)$ Fund balances at beginning of year $3,429,962$ $52,918$ $3,482,880$	Education	27,899	-	27,899		
Community development $1,204,173$ - $1,204,173$ Debt service:Principal retirement $283,834$ - $283,834$ Interest and other fiscal charges $18,252$ - $18,252$ Total expenditures $19,616,863$ 4.965 $19,621,828$ Excess (deficiency) of revenues over (under) expenditures $4,926,039$ $1,363$ $4,927,402$ Other financing sources (uses): Operating transfers in Operating transfers out Proceeds from debtTotal other financing sources (uses) $(5,411,467)$ - $(5,411,467)$ -Net changes in fund balances $(485,428)$ $1,363$ $(484,065)$ Fund balances at beginning of year $3,429,962$ $52,918$ $3,482,880$	Parks, recreation, and cultural	498,299	-	498,299		
Debt service:Principal retirement $283,834$ - $283,834$ Interest and other fiscal charges $18,252$ - $18,252$ Total expenditures $19,616,863$ $4,965$ $19,621,828$ Excess (deficiency) of revenues over (under) expenditures $4,926,039$ $1,363$ $4,927,402$ Other financing sources (uses): Operating transfers out Proceeds from debtTotal other financing sources (uses) $(5,411,467)$ - $(5,411,467)$ Net changes in fund balances $(485,428)$ $1,363$ $(484,065)$ Fund balances at beginning of year $3,429,962$ $52,918$ $3,482,880$			-			
Principal retirement $283,834$ - $283,834$ Interest and other fiscal charges $18,252$ - $18,252$ Total expenditures $19,616,863$ $4,965$ $19,621,828$ Excess (deficiency) of revenues over (under) expenditures $4,926,039$ $1,363$ $4,927,402$ Other financing sources (uses): 0 perating transfers in - - - Operating transfers out Proceeds from debt - - - - Total other financing sources (uses) $(5,411,467)$ - $(5,411,467)$ Net changes in fund balances $(485,428)$ $1,363$ $(484,065)$ Fund balances at beginning of year $3,429,962$ $52,918$ $3,482,880$, ,		, ,		
Interest and other fiscal charges $18,252$ $ 18,252$ Total expenditures $19,616,863$ $4,965$ $19,621,828$ Excess (deficiency) of revenues over (under) expenditures $4,926,039$ $1,363$ $4,927,402$ Other financing sources (uses): Operating transfers out Proceeds from debt $ -$ Total other financing sources (uses) $(5,411,467)$ $ (5,411,467)$ Proceeds from debt $ -$ Total other financing sources (uses) $(5,411,467)$ $ (5,411,467)$ Net changes in fund balances $(485,428)$ $1,363$ $(484,065)$ Fund balances at beginning of year $3,429,962$ $52,918$ $3,482,880$		283,834	-	283,834		
Excess (deficiency) of revenues over (under) expenditures $4,926,039$ $1,363$ $4,927,402$ Other financing sources (uses): Operating transfers out Proceeds from debtTotal other financing sources (uses) $(5,411,467)$ - $(5,411,467)$ Total other financing sources (uses) $(5,411,467)$ - $(5,411,467)$ Net changes in fund balances $(485,428)$ $1,363$ $(484,065)$ Fund balances at beginning of year $3,429,962$ $52,918$ $3,482,880$	*		-			
Excess (deficiency) of revenues over (under) expenditures $4,926,039$ $1,363$ $4,927,402$ Other financing sources (uses): Operating transfers out Proceeds from debtTotal other financing sources (uses) $(5,411,467)$ - $(5,411,467)$ Total other financing sources (uses) $(5,411,467)$ - $(5,411,467)$ Net changes in fund balances $(485,428)$ $1,363$ $(484,065)$ Fund balances at beginning of year $3,429,962$ $52,918$ $3,482,880$	Tetel comendations	10 (1()(2	4.065	10 (21 222		
over (under) expenditures 4,926,039 1,363 4,927,402 Other financing sources (uses): Operating transfers in - - - Operating transfers out (5,411,467) - (5,411,467) Proceeds from debt - - - Total other financing sources (uses) (5,411,467) - (5,411,467) Net changes in fund balances (485,428) 1,363 (484,065) Fund balances at beginning of year 3,429,962 52,918 3,482,880	1 otal expenditures	19,010,803	4,965	19,021,828		
Other financing sources (uses): Operating transfers in Operating transfers out Proceeds from debtTotal other financing sources (uses)(5,411,467) (5,411,467) -Total other financing sources (uses)(5,411,467) (5,411,467)Net changes in fund balances(485,428)1,363(484,065)Fund balances at beginning of year3,429,96252,9183,482,880	• •					
Operating transfers in Operating transfers out Proceeds from debtTotal other financing sources (uses)(5,411,467)-(5,411,467)Net changes in fund balances(485,428)1,363(484,065)Fund balances at beginning of year3,429,96252,9183,482,880	over (under) expenditures	4,926,039	1,363	4,927,402		
Operating transfers out (5,411,467) - (5,411,467) Proceeds from debt - - - Total other financing sources (uses) (5,411,467) - (5,411,467) Net changes in fund balances (485,428) 1,363 (484,065) Fund balances at beginning of year 3,429,962 52,918 3,482,880	Other financing sources (uses):					
Proceeds from debtTotal other financing sources (uses)(5,411,467)-Net changes in fund balances(485,428)1,363Fund balances at beginning of year3,429,96252,9183,429,96252,9183,482,880	Operating transfers in	-	-	-		
Total other financing sources (uses) (5,411,467) - (5,411,467) Net changes in fund balances (485,428) 1,363 (484,065) Fund balances at beginning of year 3,429,962 52,918 3,482,880	Operating transfers out	(5,411,467)	-	(5,411,467)		
Net changes in fund balances (485,428) 1,363 (484,065) Fund balances at beginning of year 3,429,962 52,918 3,482,880	Proceeds from debt					
Fund balances at beginning of year 3,429,962 52,918 3,482,880	Total other financing sources (uses)	(5,411,467)		(5,411,467)		
	Net changes in fund balances	(485,428)	1,363	(484,065)		
Fund balances at end of year \$ 2,944,534 \$ 54,281 \$ 2,998,815	Fund balances at beginning of year	3,429,962	52,918	3,482,880		
	Fund balances at end of year	\$ 2,944,534	\$ 54,281	\$ 2,998,815		

County of Scott, Virginia Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances To the Statement of Activities For the Year Ended June 30, 2019

Exhibit 5

	Gov	vernmental Funds
Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	\$	(484,065)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
This is the amount by which capital outlays exceed depreciation in the current period.		(415,733)
Revenues on the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(32,743)
Issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
This amount is the net effect of these differences in the issuance of long-term debt.		283,834
Expenses on the statement of activities that do not require current financial resources are not reported as expenses in the funds.		378,091
Change in net position of governmental activities	\$	(270,616)

County of Scott, Virginia Statement of Net Position Proprietary Fund - Discretely Presented Component Units June 30, 2019

	Discretely Presented Component Units
Assets:	
Current assets:	
Cash and cash equivalents	\$ 3,699,196
Accounts receivable, net of allowance	415,048
Inventory	84,714
Notes receivable, current, net of allowance	34,546
Due from other governments	70,338
Total current assets	4,303,842
Noncurrent assets:	
Capital assets:	
Land	5,888,588
Construction in progress	12,969,166
Buildings and equipment, net of depreciation	62,461,628
Notes receivable, noncurrent, net of allowance	138,182
Total noncurrent assets	81,457,564
Other assets:	
Restricted cash in bank	280,004
Total other assets	280,004
Deferred outflows of resources:	
Related to pensions	220,475
Related to OPEB	14,853
Total deferred outflows of resources	235,328
Total assets	\$ 86,276,738

County of Scott, Virginia Statement of Net Position Proprietary Fund - Discretely Presented Component Units June 30, 2019

	Discretely Presented Component Units
Liabilities:	
Current liabilities:	
Accounts payable and accrued expenses	\$ 538,687
Current portion of long-term obligations	6,064,075
Total current liabilities	6,602,762
Noncurrent liabilities:	
Compensated absences	135,972
Amounts held for others	188,069
Other postemployement benefits	70,000
Net pension liability, long-term	248,211
Noncurrent portion of long-term obligations	22,688,111
Total noncurrent liabilities	23,330,363
Total liabilities	29,933,125
Deferred inflows of resources:	
Related to pensions	62,549
Related to OPEB	6,000
Total deferred inflows of resources	68,549
Net position:	
Invested in capital assets, net of related debt	41,265,415
Restricted for other purposes	273,172
Unrestricted assets	14,736,477
Total net position	56,275,064
Total liabilities and net position	\$ 86,276,738

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, 2019

	Discretely Presented Component Units
Operating revenues:	
Charges for services	\$ 3,847,229
Rental income	408,332
Grants	1,411,305
Miscellaneous	90,461
Total operating revenue	5,757,327
Operating expenses:	
Employee benefits	1,430,219
Other operating expenses	3,847,448
Total operating expense	5,277,667
Operating income (loss)	479,660
Nonoperating revenues (expenses):	
Interest earned	56,445
Connection fees	54,016
Other income	-
Allowance for bad debts	-
Interest expense	(417,777)
Total nonoperating revenues (expenses)	(307,316)
Capital contributions	643,772
Increase (decrease) in net position	816,116
Net position at beginning of year	55,458,948
Net position at end of year	\$ 56,275,064

County of Scott, Virginia Statements of Cash Flows Proprietary Fund - Discretely Presented Component Units For the Year Ended June 30, 2019

	Discretely Presented Component Units
Cash flows from operating activities:	
Receipts from customers & users	\$ 6,176,640
Payments to suppliers	(2,190,978)
Payments to employees	(1,075,853)
Net cash provided (used) by operating activities	2,909,809
Cash flows from investing activities:	
Interest earned	51,028
Net cash provided (used) by investing activities	51,028
Cash flows from financing activities:	
Connection fee	54,016
Loans to industries	(50,000)
Payments received on loans to industries	38,234
Purchase of fixed assets	(4,010,022)
Principal payments made on debt	(1,350,827)
Proceeds from indebtness	1,722,158
Interest on debt	(278,258)
Proceeds from loans & grants	643,772
Net cash provided (used) by financing activities	(3,230,927)
Increase in cash & cash equivalents	(270,090)
Cash & cash equivalents at beginning of year	4,249,290
Cash & cash equivalents at end of year	\$ 3,979,200

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

County of Scott, Virginia Statements of Cash Flows Proprietary Fund - Discretely Presented Component Units For the Year Ended June 30, 2019

]	Discretely Presented Component Units		
Reconciliation of operating income to net cash provided				
(used) by operating activities:				
Operating income	\$	329,098		
Adjustments to reconcile net income to net cash				
provided (used) by operations:				
Depreciation		2,156,795		
Bad debts		-		
Changes in operating assets & liabilities:				
Accounts receivable		413,896		
Inventory		14,732		
Other assets		-		
Accounts payable & accrued expenses		(48,288)		
Customer deposits		-		
Accrued leave		(7,134)		
Net pension obligation		121,915		
Post employment benefits		70,000		
Deferred outlflows of resources		(116,612)		
Deferred inflows of resources		(24,593)		
Total adjustments		2,580,711		
Net cash provided (used) by operating activities	\$	2,909,809		

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

County of Scott, Virginia Statement of Fiduciary Net Assets June 30, 2019

	Agen Fund			
Assets:				
Cash and cash equivalents	\$	17,635		
Due from other government units		288,639		
Amount due from others		54,565		
Investments		3,420,382		
Total assets	\$	3,781,221		
Liabilities:				
Due to primary government	\$	266,096		
Amounts due to others		54,565		
Amounts held for others		3,460,560		
Total liabilities	\$	3,781,221		

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

Notes to Financial Statements

Note 1 – Summary of Significant Accounting Policies

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

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

Financial Statement Presentation

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

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

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

Government-wide and Fund Financial Statements

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

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

Government-wide and Fund Financial Statements (Continued)

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 Statement of Activities. The net position of a government will be broken down into three categories – 1) invested in capital assets, net of related debt; 2) restricted; and 3) unrestricted.

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

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

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

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

A. <u>Financial Reporting Entity</u>

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. 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, 2019.

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

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

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

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

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

The 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 depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function (public safety, public works, health and welfare, etc.) or a business-type activity.

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

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.

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

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 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. <u>Deferred Outflows/Inflows of Resources</u>

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

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

E. <u>Budget and Budgetary Accounting</u>

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

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

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. <u>Investments</u>

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

H. <u>Receivable and Payables</u>

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 \$221,787 at June 30, 2019 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 20th. The County bills and collects its own property taxes.

At June 30, 2019, the Public Service Authority had an allowance for uncollectible accounts of \$399,761.

I. <u>Capital Assets</u>

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, 2019 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	Years
Buildings	80
Building improvements	40-80
Vehicles	5
Office & computer equipment	7
Buses	12

J. <u>Compensated Absences</u>

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. <u>Net Position</u>

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.

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, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the Board of Supervisors through approval of resolution. Assigned fund balance is a limitation imposed by a designee of the Board of Supervisors. Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amount restricted, committed, or assigned to those purposes. Proprietary fund equity is classified the same as in the government-wide statements.

M. Fund Balances (Continued)

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. <u>Retirement Plan</u>

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

O. <u>Use of Estimates</u>

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

P. Jointly Governed Organizations

The County and the Counties of Wise and Lee, along with the City of Norton, participate in supporting the Planning District One Community Service Board. The governing body of this organization is supported by the respective governing bodies of the participating jurisdictions. For the year ended June 30, 2019, the County contributed \$498.

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, 2019, 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, 2019, the County contributed \$2,541,784.

Q. <u>Pensions</u>

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

R. <u>New Accounting Pronouncements</u>

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

Statement No. 83, *Certain Asset Retirement Obligations*, establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations. The requirements of this statement are effective for reporting periods beginning after June 15, 2018.

Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, requires additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. This statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this statement are effective for reporting periods beginning after June 15, 2018.

Note 2 – Deposits and Investments

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

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

Note 3 – Due from Other Governmental Units

At June 30, 2019, the County and School Board had receivables from other governments as follows:

	• •					Component Units
Local Governments:						
Other misc. funds	\$	-	\$	-	\$	70,338
Commonwealth of Virginia:						
State sales tax		-		403,408		-
Local sales tax	266,096		-			-
Social service	107,193		-			-
CMPT	220,281		-			-
Shared expenses		450,819	-			-
Other		-		12,642		-
Federal Government:						
School funds		-		53,849		-
Social service		160,618				-
Totals	\$	1,205,007	\$	469,899	\$	70,338

Note 4 – Due To/From Primary Government/Component Units

		Due to	Due from		
	Component Unit		Component Unit		Primary
Fund	School Board		School Board		 fovernment
General	\$	2,276,076	\$ -		
School		-	 2,276,076		
Totals	\$	2,276,076	\$ 2,276,076		

Note 5 – Capital Assets

The following is a summary of changes in capital assets for the fiscal year ending June 30, 2019.

Primary Government	Balance July 1, 2018			Balance June 30, 2019	
Land & land improvements Building & improvements Equipment Construction in progress	\$ 1,211,289 8,658,828 9,602,260	\$ - 74,536 206,912 -	\$ - - (270,073) -	\$ 1,211,289 8,733,364 9,539,099	
Total capital assets	19,472,377	281,448	(270,073)	19,483,752	
Accumulated depreciation	(10,655,062)	(697,181)	270,073	(11,082,170)	
Net capital assets	\$ 8,817,315	\$ (415,733)	\$ -	\$ 8,401,582	
Component Unit School Board	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	
Land & land improvements Building & improvements Equipment Construction in progress	\$ 1,597,912 50,308,794 28,118,786 2,582,031	\$- 449,745 520,082 446,173	\$ - (5,463) (280,676) (71,215)	\$ 1,597,912 50,753,076 28,358,192 2,956,989	
Total capital assets	82,607,523	1,416,000	(357,354)	83,666,169	
Accumulated depreciation	(49,427,647)	(1,784,186)	286,139	(50,925,694)	
Net capital assets	\$ 33,179,876	\$ (368,186)	\$ (71,215)	\$ 32,740,475	

Note 5 – Capital Assets (Continued)

Proprietary Funds	Economic Development Authority		Development		Public Service Authority		Pro	Total oprietary Funds
Land & land improvements	\$	5,401,835	\$	486,753	\$	5,888,588		
Building & water lines		17,414,458		71,233,346		88,647,804		
Equipment & vehicles		2,249,892		1,579,568		3,829,460		
Construction in progress		11,301,781		1,667,385		12,969,166		
Total capital assets		36,367,966		74,967,052		111,335,018		
Accumulated depreciation		(4,326,440)		(25,689,196)		(30,015,636)		
Net capital assets	\$	32,041,526	\$	49,277,856	\$	81,319,382		

Depreciation expenses were charged to functions/programs as follows:

	Amount		
Primary Government:			
General government administration	\$	85,906	
Judicial administration		5,211	
Public safety		272,240	
Public works		230,306	
Health and welfare		56,560	
Parks, recreation, and cultural		45,593	
Community development		1,365	
Total depreciation expense	\$	697,181	
Component Unit School Board:	.		
Education	\$	1,784,186	

Depreciation expenses for the year ending June 30, 2019, for the Economic Development Authority and Public Service Authority amounted to \$350,105 and \$1,806,690, respectively.

Note 6 – Long-term Debt

Primary Government

The following is a summary of changes in long-term debt for the fiscal year ending June 30, 2019:

Primary Government	Balance July 1, 2018		Increases		Increases		D	Decreases		Balance e 30, 2019
Compensated absences	\$	464,004	\$	78,783	\$	-	\$	542,787		
Landfill closure		935,915		-		(16,341)		919,574		
Pension liability		4,911,064		936		-		4,912,000		
Other postemployment benefits		3,801,733		128,604		-		3,930,337		
Capital leases		744,452		-		(283,834)		460,618		
Total long-term debt	\$ 1	10,857,168	\$	208,323	\$	(300,175)	\$ 1	10,765,316		

General obligation bonds are direct obligations and pledge the full faith and credit of the County. The County did not have any general obligation bonds outstanding at June 30, 2019.

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

Year Ending	Capital Lease							
June 30,	Principal	Interest						
2020	\$ 189,617	\$ 11,142						
2021	159,555	6,486						
2022	78,029	2,251						
2023	33,417	473						
2024								
Total	\$ 460,618	\$ 20,352						

Details of capital leases:

Primary Government Capital Leases:	-	Amount utstanding
\$211,411 capital lease issued January 9, 2018 for the purchase of a 2018 Peterbilt Packer Truck, due in monthly installments of \$3,818, principal and interest through January 2023, interest payable at 3.20%.	\$	154,902
\$39,300 capital lease issued July 28, 2017 for the purchase of an IBM Server, due in monthly installments of \$7,167, principal and interest through July 2022, interest payable at 2.698%.		26,813

Note 6 – Long-term Debt (Continued)

Primary Government	Amount utstanding
Capital Leases (continued):	 0
\$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%.	\$ 14,795
\$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%.	12,563
\$26,339 capital lease issued November 22, 2016 for the purchase of a 2016 Progator and Top Dresser, due in monthly installments of \$7,020, principal and interest through December 2019, interest payable at 4.35%.	6,727
\$256,850 capital lease issued September 1, 2016 for the purchase of voting machines, due in monthly installments of \$54,650, principal and interest through September 2021, interest payable at 2.07%.	105,764
\$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%.	22,022
\$97,693 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%.	51,554
\$53,728 capital lease issued January 26, 2015 for the purchase of two 2014 Fairway mowers, due in monthly installments of \$1,172.30, principal and interest through February 10, 2019, interest payable at 2.24%.	55,188
\$17,283 capital lease issued October 23, 2017 for the purchase of a 2017 Ford Explorer, due in monthly installments of \$379, principal and interest through October 2021, interest payable at 2.491%.	 10,290
Total Capital Leases Less: Current Maturities	 460,618 (189,617)
Total Long-term Capital Leases	\$ 271,001

Note 6 – Long-term Debt (Continued)

Component Unit School Board

The following is a summary of changes in long-term debt for the fiscal year ending June 30, 2018:

Component Unit School Board	Balance July 1, 2018		Increases		Decreases		Balance June 30, 2019	
Compensated absences	\$	610,520	\$	92,385	\$	-	\$	702,905
Pension liability	3	31,488,377		-	(1,8	816,377)	2	9,672,000
Other postemployment benefits		9,644,005		-		361,961	1	0,005,966
Capital leases & lines of credit		3,373,000	3	,262,181	(3,3	391,298)		3,243,883
Capital lease issue costs		(68,964)		-		6,896		(62,068)
Total long-term debt	\$ 4	5,046,938	\$ 3	,354,566	\$(4,8	338,818)	\$ 4	3,562,686

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

Year Ending	Capital lease &	Debt Issue		
June 30,	Principal	Interest	Cost	
2020	\$ 399,884	\$ 100,309	\$ (6,897)	
2021	277,000	91,292	(6,897)	
2022	286,000	82,401	(6,897)	
2023	296,000	73,220	(6,897)	
2024	305,000	63,719	(6,897)	
2025-2029	1,679,999	163,363	(27,583)	
Total	\$3,243,883	\$ 574,304	\$ (62,068)	

Details of long-term debt:

Capital Leases:	 Dutstanding
\$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%.	\$ 3,112,999
Total Capital Leases Less: Current Maturities	 3,112,999 (269,000)
Long-term Capital Leases	\$ 2,843,999

Amount

Note 6 – Long-term Obligations (Continued)

Component Unit School Board Lines of Credit:	Amount Outstanding			
Line of credit through Powell Valley National Bank for construction. Credit limit \$300,000. Interest rate of 3.50% as of May 22, 2019. Current-year principal advances of \$287,031. Payments of \$156,147 principal and \$2,852 interest.	\$	130,884		
Line of credit through Powell Valley National Bank for operations. Credit limit \$4,000,000. Interest rate of 3.25% as of July 10, 2018. Current-year principal advances of \$2,975,150. Payments of \$2,975,150 principal and \$29,572 interest.		_		
Total Lines of Credit, Current Maturities	\$	130,884		

Note 7 – Proprietary Debt

Component Unit – Economic Development Authority

The following is a summary of changes in long-term debt for the fiscal year ending June 30, 2019:

Component Unit Economic Development	Balance July 1, 2018		Increases		Decreases		Balance June 30, 2019	
Compensated absences Long-term obligations	\$	21,263 9,089,070	\$	- 1,079,556	\$	(784) (321,322)	\$	20,479 9,847,304
Total long-term debt	\$	9,110,333	\$	1,079,556	\$	(322,106)	\$	9,867,783

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

Year Ending June 30,	Principal	Interest	Premium
2020	\$4,562,748	\$ 201,221	\$ 40,222
2021	230,000	193,355	40,222
2022	240,000	185,393	40,222
2023	251,000	175,683	40,222
2024	264,000	165,498	40,222
2025-2029	1,504,000	643,480	201,110
2030-2034	1,787,000	321,202	201,110
2035	365,000	39,224	40,226
Total	\$9,203,748	\$1,925,056	\$ 643,556

Details of long-term obligations:

Component Unit	Interest	Issue	Maturity	Amount of	Balance
Economic Development	Rate	Date	Date	Original Issue	June 30, 2019
Line of Credit - PVNB	4.375%	1/24/2017	6/30/2018	\$ 172,947	\$ -
VCEDA Loan 1	4.500%	5/14/2004	5/14/2014	830,000	799,269
VCEDA Loan 2	0.000%	12/11/2015	12/11/2020	2,853,000	2,433,384
VCEDA Loan 3	0.000%	6/18/2015	6/18/2020	100,000	29,541
VCEDA Loan 4	0.000%	4/1/2019	4/1/2024	300,000	65,412
VCEDA Loan 5	2.250%	7/10/2018	7/10/2023	1,000,000	1,014,144
2015 Series Revenue Bond	3.125%	2/24/2015	10/1/2034	5,100,000	4,385,000
2015 Series Bond Premium	0.000%	8/10/2016	4/1/2035	724,000	643,554
2017 Series Revenue Bond	2.700%	10/30/2017	10/1/2026	500,000	477,000
Total Long-term Obligation	IS				\$ 9,847,304

Note 7 – Proprietary Debt (Continued)

<u>Component Unit – Public Service Authority</u>

Component Unit Public Service Authority	Balance July 1, 2018		Additions		Deletions		Balance June 30, 2019	
Compensated abscences	\$	121,843	\$	-	\$	(6,350)	\$	115,493
Amounts held for others		-		188,069		-		188,069
Pension liability		126,296		121,915		-		248,211
Other postemployment benefits		-		70,000		-		70,000
Long-term obligations		19,291,785		642,602		(1,029,505)		18,904,882
Total long-term obligations	\$	19,539,924	\$	1,022,586	\$	(1,035,855)	\$	19,526,655

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

Year Ending June 30,	Principal	Interest
2020	\$ 1,461,105	\$ 249,194
2021	1,049,923	221,308
2022	1,064,131	207,334
2023	1,076,491	193,025
2024	1,092,992	178,345
2025-2029	5,769,250	622,988
2030-2034	3,439,907	365,398
2035-2039	2,107,319	213,837
2040-2044	913,135	85,496
2045-2049	328,298	20,045
2049-2055	32,861	796
Bonds in draw down phase	569,470	
Total	\$18,904,882	\$ 2,357,766

Note 7 – Proprietary Debt (Continued)

Component Unit – Public Service Authority (Continued)

Details of long-term obligations:

Component Unit	Interest	Issue	Final Maturity	Amount of Original	Balance	Amount Due Within
PSA _	Rate	Date	Date	Issue	6/30/2019	One Year
Line of Credit	3.40%	2/22/2017	Open	\$ -	\$ 238,314	\$ 238,314
Line of Credit	3.25%	9/18/2018	Open	-	184,944	184,944
Revenue Bond	0.00%	7/10/2003	8/1/2034	1,083,923	560,027	36,131
Revenue Bond	0.00%	8/9/2002	5/1/2033	444,154	207,272	14,805
Revenue Bond	0.00%	8/9/2002	4/1/2033	182,410	85,096	6,078
Revenue Bond	0.00%	12/21/2001	8/1/2033	399,237	179,657	13,308
Revenue Bond	0.00%	9/20/2001	7/1/2031	116,431	48,512	3,881
Revenue Bond	0.00%	10/22/2004	9/1/2034	96,391	49,802	3,213
Revenue Bond	0.00%	8/11/2004	9/1/2035	323,904	178,147	10,797
Revenue Bond	0.00%	2/24/2006	11/1/2036	1,010,816	589,461	33,694
Revenue Bond	0.00%	5/18/2007	11/1/2037	648,886	400,146	21,630
Revenue Bond	0.00%	9/27/2006	7/1/2033	2,637,350	1,529,663	105,494
Revenue Bond	0.00%	7/19/2007	2/1/2038	375,408	237,758	12,514
Revenue Bond	0.00%	9/14/2007	12/1/2037	554,730	329,406	17,806
Revenue Bond	0.00%	1/25/2008	2/2/2038	365,822	231,687	12,194
Revenue Bond	0.00%	6/1/2008	9/1/2038	334,252	217,264	11,142
Revenue Bond	0.00%	1/25/2008	6/1/2038	280,446	177,616	9,348
Revenue Bond	0.00%	2/10/2005	12/1/2035	542,227	298,226	18,074
Revenue Bond	0.00%	9/30/2009	8/1/2040	416,062	298,179	13,869
Revenue Bond	0.00%	9/30/2009	6/1/2040	267,510	112,468	5,356
Revenue Bond	0.00%	12/13/2010	9/1/2041	457,129	342,847	15,238
Revenue Bond	0.00%	12/9/2010	9/1/2041	1,586,490	1,189,867	52,883
Revenue Bond	0.00%	12/9/2010	3/1/2042	209,259	141,407	6,975
Revenue Bond	2.625%	4/13/2011	4/13/2051	480,000	430,057	8,809
Revenue Bond	0.00%	11/30/2011	6/1/2032	616,151	393,283	30,808
Revenue Bond	3.00%	10/27/2011	10/1/2042	752,464	553,132	22,188
Revenue Bond	2.62%	12/9/2011	6/30/2026	2,679,000	1,089,000	162,000
Revenue Bond	3.00%	10/18/2012	7/2/2042	1,161,033	970,949	32,699
Revenue Bond	0.00%	3/1/2013	4/1/2033	1,395,243	975,243	70,000
Revenue Bond	2.64%	9/25/2013	8/1/2027	2,930,000	2,614,000	160,000
Revenue Bond	3.00%	7/9/2013	8/1/2044	846,143	647,757	24,172
Revenue Bond	2.50%	5/8/2014	1/1/2046	1,125,999	1,046,928	28,541
Revenue Bond	2.50%	5/8/2014	1/1/2046	957,532	396,535	36,846
Revenue Bond	2.00%	10/29/2015	1/1/2047	498,284	476,761	14,704
Revenue Bond	2.25%	3/28/2017	1/1/2048	925,480	914,001	22,650
Revenue Bond	0.00%	11/21/2017	11/1/2043	753,550	569,470	
					\$18,904,882	\$ 1,461,105

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 \$542,787.

Component Unit School Board employees earn business and sick leave at various rates. The Component Unit School Board has outstanding business and sick leave pay totaling \$702,905.

Component Unit Economic Development Authority employees earn leave at various rates. The Component Unit Economic Development Authority has outstanding business and sick leave pay totaling \$20,479.

Component Unit Public Service Authority employees earn annual leave at the rate of ½ day per month during the first year of employment and 1 day per month after one year of service. Employees may accumulate up to 30 days of annual leave. The Component Unit Public Service Authority has outstanding business and sick leave pay totaling \$115,493.

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 \$13,065,737 is comprised of property tax revenue of \$12,882,979 and prepaid taxes of \$182,758 representing uncollected tax billings not available for funding current expenditures.

Note 10 – Defined Benefit Pension Plan

Plan Description

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

Plan Description (Continued)

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

RETIREMENT PLAN PROVISIONS			
		HYBRID	
PLAN 1	PLAN 2	RETIREMENT PLAN	
About Plan 1	About Plan 2	About the Hybrid	
Plan 1 is a defined benefit	Plan 2 is a defined benefit	Retirement Plan	
plan. The retirement benefit is	plan. The retirement benefit is	The Hybrid Retirement Plan	
based on a member's age,	based on a member's age,	combines the features of a	
creditable service and average	creditable service and average	defined benefit plan and a	
final compensation at	final compensation at	defined contribution plan.	
retirement using a formula.	retirement using a formula.	• The defined benefit is based	
		on a member's age, creditable	
		service and average final	
		compensation at retirement	
		using a formula.	
		• The benefit from the defined	
		contribution component of the	
		plan depends on the member	
		and employer contributions	
		made to the plan and the	
		investment performance of	
		those contributions.	
		• In addition to the monthly	
		benefit payment payable from	
		the defined benefit plan at	
		retirement, a member may	
		start receiving distributions	
		from the balance in the	
		defined contribution account,	
		reflecting the contributions,	
		investment gains or losses, and	
Eligible Members	Eligible Members	any required fees. Eligible Members	
Employees are in Plan 1 if	Employees are in Plan 2 if	Employees are in the Hybrid	
their membership date is	their membership date is on or	Retirement Plan if their	
before July 1, 2010, and they	after July 1, 2010, or their	membership date is on or after	
were vested as of January 1,	membership date is before July	January 1, 2014.	
2013.		This includes:	
2013.		This includes.	

Note 10 -	Defined	Benefit	Pension	Plan	(Continued)
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	1 2010 1.1	
	1, 2010, and they were not	• Political subdivision
	vested as of January 1, 2013.	employees*
Hybrid Opt-In Election		• Members in Plan 1 or Plan
VRS non-hazardous duty	Hybrid Opt-In Election	2 who elected to opt into the
covered Plan 1 members were	Eligible Plan 2 members were	plan during the election
allowed to make an irrevocable	allowed to make an irrevocable	window held January 1-
decision to opt into the Hybrid	decision to opt into the Hybrid	April 30, 2014; the plan's
Retirement Plan during a	Retirement Plan during a	effective date for opt-in
special election window held	special election window held	members was July 1, 2014.
January 1 through April 30,	January 1 through April 30,	
2014.	2014.	*Non-Eligible Members
The Hybrid Retirement Plan's		Some employees are not
effective date for eligible Plan	The Hybrid Retirement Plan's	eligible to participate in the
1 members who opted in was	effective date for eligible Plan	Hybrid Retirement Plan. They
July 1, 2014.	2 members who opted in was	include:
If eligible deferred members	July 1, 2014.	 Political subdivision
returned to work during the	If eligible deferred members	employees who are covered
election window, they were	returned to work during the	by enhanced benefits for
also eligible to opt into the	election window, they were	hazardous duty employees.
Hybrid Retirement Plan.	also eligible to opt into the	
	Hybrid Retirement Plan.	Those employees eligible for
Members who were eligible		an optional retirement plan
for an optional retirement plan	Members who were eligible	(ORP) must elect the ORP
(ORP) and had prior service	for an optional retirement plan	plan or the Hybrid Retirement
under Plan 1 were not eligible	(ORP) and have prior service	Plan. If these members have
to elect the Hybrid Retirement	under Plan 2 were not eligible	prior service under Plan 1 or
Plan and remain as Plan 1 or	to elect the Hybrid Retirement	Plan 2, they are not eligible to
ORP.	Plan and remain as Plan 2 or	elect the Hybrid Retirement
	ORP.	Plan and must select Plan 1 or
		Plan 2 (as applicable) or ORP.
Retirement Contributions	Retirement Contributions	Retirement Contributions
Employees contribute 5% of	Employees contribute 5% of	A member's retirement benefit
their compensation each month	their compensation each month	is funded through mandatory
to their member contribution	to their member contribution	and voluntary contributions
account through a pre-tax	account through a pre-tax	made by the member and the
salary reduction. Some	salary reduction.	employer to both the defined
political subdivisions elected		benefit and the defined
to phase in the required 5%		contribution components of
member contribution but all		the plan. Mandatory
employees will be paying the		contributions are based on a
full 5% by July 1, 2016.		percentage of the employee's
Member contributions are tax-		creditable compensation and
deferred until they are		are required from both the

Note 10 -	Defined	Benefit	Pension	Plan	(Continued)
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withdrawn as part of a		member and the employer.
retirement benefit or as a		Additionally, members may
refund. The employer makes a		choose to make voluntary
separate actuarially determined		contributions to the defined
contribution to VRS for all		contribution component of the
covered employees. VRS		plan, and the employer is
invests both member and		required to match those
employer contributions to		voluntary contributions
provide funding for the future		according to specified
benefit payment.		percentages.
Creditable Service	Creditable Service	Creditable Service
Creditable service includes	Same as Plan 1.	
active service. Members earn	Same as Flan 1.	Defined Benefit Component: Under the defined benefit
creditable service for each		component of the plan,
month they are employed in a		creditable service includes active service. Members earn
covered position. It also may		
include credit for prior service		creditable service for each
the member has purchased or		month they are employed in a
additional creditable service		covered position. It also may
the member was granted. A		include credit for prior service
member's total creditable		the member has purchased or
service is one of the factors		additional creditable service
used to determine their		the member was granted. A
eligibility for retirement and to		member's total creditable
calculate their retirement		service is one of the factors
benefit. It also may count		used to determine their
toward eligibility for the health		eligibility for retirement and to
insurance credit in retirement,		calculate their retirement
if the employer offers the		benefit. It also may count
health insurance credit.		toward eligibility for the
		health insurance credit in
		retirement, if the employer
		offers the health insurance
		credit.
		Defined Contributions
		Component:
		Under the defined
		contributions component,
		creditable service is used to
		determine vesting for the
		employer contribution portion
		of the plan.

Vesting	Vesting	Vesting
Vesting is the minimum length	Same as Plan 1.	Defined Benefit Component:
of service a member needs to		Defined benefit vesting is the
qualify for a future retirement		minimum length of service a
benefit. Members become		member needs to qualify for a
vested when they have at least		future retirement benefit.
five years (60 months) of		Members are vested under the
creditable service. Vesting		defined benefit component of
means members are eligible to		the Hybrid Retirement Plan
qualify for retirement if they		when they reach five years (60
meet the age and service		months) of creditable service.
requirements for their plan.		Plan 1 or Plan 2 members with
Members also must be vested		at least five years (60 months)
to receive a full refund of their		of creditable service who
member contribution account		opted into the Hybrid
balance if they leave		Retirement Plan remain vested
employment and request a		in the defined benefit
refund.		component.
Members are always 100%		Defined Contributions
vested in the contributions that		Component:
they make.		Defined contribution vesting
		refers to the minimum length
		of service a member needs to
		be eligible to withdraw the
		employer contributions from
		the defined contributions
		component of the plan.
		Members are always 100%
		vested in the contributions that
		they make.
		Upon retirement or leaving
		covered employment, a
		member is eligible to
		withdraw a percentage of
		employer contributions to the
		defined contribution
		component of the plan, based
		on service.
		• After two years, a member
		is 50% vested and may

Calculating the Benefit The Basic Benefit is calculated based on a formula using the member's average final compensation, a retirement multiplier and total service credit at retirement. It is one of the benefit payout options available to a member at retirement. 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.	Calculating the Benefit See definition under Plan 1.	 withdraw 50% of employer contributions. After three years, a member is 75% vested and may withdraw 75% of employer contributions. After four or more years, a member is 100% vested and may withdraw 100% of employer contributions. Distribution is not required by law until age 70½. Calculating the Benefit Defined Benefit Component: See definition under Plan 1. Defined Contribution Component: The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.
Average Final Compensation A member's average final	Average Final Compensation A member's average final	Average Final Compensation Same as Plan 2. It is used in
compensation is the average of	compensation is the average of	the retirement formula for the
the 36 consecutive months of	their 60 consecutive months of	defined benefit component of
highest compensation as a covered employee.	highest compensation as a covered employee.	the plan.
Service Retirement	Service Retirement	Service Retirement
Multiplier	Multiplier	Multiplier
VRS: The retirement	VRS: Same as Plan 1 for	Defined Benefit Component:
multiplier is a factor used in	service earned, purchased or	VRS: The retirement
the formula to determine a	granted prior to January 1,	multiplier for the defined
final retirement benefit. The	2013. For non-hazardous duty	benefit component is 1.00%.
retirement multiplier for non-	members the retirement	

hazardous duty members is 1.70%.	multiplier is 1.65% for creditable service earned, purchased or granted on or after January 1, 2013.	For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.
Sheriffs and regional jail superintendents: The retirement multiplier for sheriffs and regional jail	Sheriffs and regional jail superintendents : Same as Plan 1.	Sheriffs and regional jail superintendents: Not applicable.
superintendents is 1.85% Political subdivision hazardous duty employees : The retirement multiplier of eligible political subdivision hazardous duty employees	Political subdivision hazardous duty employees: Same as Plan 1.	Political subdivision hazardous duty employees: Not applicable.
other than sheriffs and regional jail superintendents is 1.70% or 1.85% as elected by the employer.		Defined Contribution Component: Not applicable.
Normal Retirement Age VRS: Age 65. Political subdivisions hazardous duty employees: Age 60.	Normal Retirement Age VRS: Normal Social Security retirement age. Political subdivisions hazardous duty employees: Same as Plan 1.	Normal Retirement Age Defined Benefit Component: VRS: Same as Plan 2. 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	Earliest Unreduced Retirement Eligibility VRS: Normal Social Security retirement age with at least five years (60 months) of	Earliest Unreduced Retirement Eligibility Defined Benefit Component: VRS: Normal Social Security retirement age and have at least five years (60 months) of

	1.1.1.1.1	1.1.1.1.1.1
least 30 years of creditable	creditable service or when	creditable service or when
service.	their age and service equal 90.	their age and service equal 90.
		Political subdivisions
		hazardous duty employees:
Political subdivisions	Political subdivisions	Not applicable.
hazardous duty employees:	hazardous duty employees:	
Age 60 with at least five years	Same as Plan 1.	Defined Contribution
of creditable service or age 50		Component:
with at least 25 years of		Members are eligible to
creditable service.		receive distributions upon
		leaving employment, subject
		to restrictions.
Earliest Reduced Retirement	Earliest Reduced Retirement	Earliest Reduced Retirement
Eligibility	Eligibility	Eligibility
VRS : Age 55 with at least five	VRS : Age 60 with at least five	Defined Benefit Component:
years (60 months) of creditable	years (60 months) of creditable	VRS: Age 60 with at least five
service or age 50 with at least	service.	years (60 months) of
10 years of creditable service.		creditable service.
		Political subdivision
Political subdivisions		hazardous duty employees:
hazardous duty employees:	Political subdivisions	Not applicable.
50 with at least five years of	hazardous duty employees:	
creditable service.	Same as Plan 1.	Defined Contribution
		Component:
		Members are eligible to
		receive distributions upon
		leaving employment, subject
Cost of Living Adjustment	Cost of Living Adjustment	to restrictions.
Cost-of-Living Adjustment (COLA) in Retirement	Cost-of-Living Adjustment (COLA) in Retirement	Cost-of-Living Adjustment (COLA) in Retirement
The Cost-of-Living	The Cost-of-Living	Defined Benefit Component:
Adjustment (COLA) matches	Adjustment (COLA) matches	Same as Plan 2.
the first 3% increase in the	the first 2% increase in the	
Consumer Price Index for all	Consumer Price Index for all	Defined Contribution
Urban Consumers (CPI-U) and	Urban Consumers (CPI-U) and	Component:
half of any additional increase	half of any additional increase	Not applicable.
(up to 4%) up to a maximum	(up to 2%), for a maximum	
COLA of 5%.	COLA of 3%.	
<u>Eligibility:</u>		<u>Eligibility:</u>
<u></u>		Same as Plan 1 and Plan 2.
		\sim and \sim

For members who retire with	Eligibility:	
an unreduced benefit or with a	Same as Plan 1.	
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	Exceptions to COLA
	Effective Dates:	Effective Dates:
Exceptions to COLA	Same as Plan 1.	Same as Plan 1 and Plan 2.
Effective Dates:		
The COLA is effective July 1		
following one full calendar		
year (January 1 to December		
31) under any of the following		
circumstances:		
• 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 Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service, regardless of when it was earned, purchased or granted. 	Disability Coverage Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.	Disability Coverage Employees of political subdivisions (including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer- paid comparable program for its members. Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting
		period before becoming eligible for non-work related
		disability benefits.
Purchase of Prior Service	Purchase of Prior Service	Purchase of Prior Service
Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as creditable service in their plan. Prior creditable service counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. When buying service, members must	Same as Plan 1.	 Defined Benefit Component: Same as Plan 1, with the following exceptions: Hybrid Retirement Plan members are ineligible for ported service. Defined Contribution Component: Not applicable.

Employees Covered by Benefit Terms

As of the June 30, 2017 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

1	Primary Government	Component Unit School Board Non-Professional
Inactive members or their beneficiaries		
currently receiving benefits	97	65
Inactive members:		
Vested inactive members	12	4
Non-vested inactive members	27	13
Inactive members active elsewhere in VRS	30	77
Total Inactive members	69	24
Active members	134	88
Total covered employees	300	177

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5% of their compensation toward their retirement.

The County's contractually required contribution rate for the year ended June 30, 2019 was 12.36% for general government covered employee compensation and 5.52% for school board non-professional employees. These rates were based on actuarially determined rates from actuarial valuations as of June 30, 2017. The rates do not include the employer matching contribution to the defined contribution portion of the hybrid plan.

Contributions (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 \$697,098 and \$712,516 for the years ended June 30, 2019 and June 30, 2018, respectively. Contributions from the school board were \$115,979 and \$151,520 for the years ended June 30, 2019 and June 30, 2019 and June 30, 2019.

Net Pension Liability

The County's net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2017, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2018.

Actuarial Assumptions

The total pension liability for General Employees and Public Safety Employees in the Political Subdivision's Retirement Plan was based on an actuarial valuation as of June 30, 2017, 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, 2018.

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.

Actuarial Assumptions (Continued)

Participants with General Employees Benefit Coverage:

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

Pre-Retirement: RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates

Post-Retirement: RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90

Post-Disablement: RP-2014 Disabled Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates

Participants with Enhanced Hazardous Duty Benefit Coverage:

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

Pre-Retirement: RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year

Post-Retirement: RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year, 1% increase compounded from ages 70 to 90; females set forward 3 years

Post-Disablement: RP-2014 Disabled Mortality Rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male

Changes in Actuarial Assumptions

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

For Non-Hazardous Duty Members:

- Updated mortality rates to a more current mortality table RP-2014 projected to 2020.
- Lowered retirement rates at older ages and extended final retirement age from 70 to 75.
- Adjusted termination rates to better fit experience at each age and service year.
- Lowered disability rates.
- Increased line of duty disability assumption from 14% to 15%.

Changes in Actuarial Assumptions (Continued)

For Hazardous Duty Members:

- Updated mortality rates to a more current mortality table RP-2014 projected to 2020.
- Increased rates at age 50, and lowered retirement rates at older ages.
- Adjusted termination rates to better fit experience at each age and service year.
- Adjusted disability rates to better match experience.
- Decreased line of duty disability assumption from 60% to 45%.

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long- Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	40.00%	4.54%	1.82%
Fixed Income	15.00%	0.69%	0.10%
Credit Strategies	15.00%	3.96%	0.59%
Real Assets	15.00%	5.76%	0.86%
Private Equity	15.00%	9.53%	1.43%
	100.00%		4.80%
	Inflation		2.50%
* Expected arithme	etic nominal return		7.30%

* The above allocation provides a one-year return of 7.30%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.83%, 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 employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Increase (Decrease)					
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability			
Primary Government	(a)	(b)	(a) - (b)			
Balance at June 30, 2017	\$ 28,830,672	\$ 23,919,608	\$ 4,911,064			
Changes for the year:						
Service Cost	599,817	-	599,817			
Interest	1,960,615	-	1,960,615			
Changes in benefit terms	-	-	-			
Changes of assumptions	-	-	-			
Differences between expected						
and actual experience	174,381	-	174,381			
Contributions - employer	-	712,572	(712,572)			
Contributions - employee	-	284,616	(284,616)			
Net investment income	-	1,753,285	(1,753,285)			
Benefit payments and refunds						
of employee contributions	(1,643,768)	(1,643,768)	-			
Administrative expenses	-	(15,378)	15,378			
Other changes		(1,218)	1,218			
Net changes	1,091,045	1,090,109	936			
Balance at June 30, 2018	\$ 29,921,717	\$ 25,009,717	\$ 4,912,000			

Changes in Net Pension Liability (Continued)

	Increase (Decrease)					
Component Unit School Board Non-Professional	To	otal Pension Liability (a)		an Fiduciary et Position (b)	N	et Pension Liability (a) - (b)
Balance at June 30, 2017	\$	9,288,805	\$	8,940,428	\$	348,377
Changes for the year:						
Service Cost		198,077		-		198,077
Interest		633,629		-		633,629
Changes in benefit terms		-		-		-
Changes of assumptions		-		-		-
Differences between expected						
and actual experience		(22,128)		-		(22,128)
Contributions - employer		-		151,084		(151,084)
Contributions - employee		-		103,740		(103,740)
Net investment income		-		655,267		(655,267)
Benefit payments and refunds						
of employee contributions		(473,927)		(473,927)		-
Administrative expenses		-		(5,729)		5,729
Other changes		-		(407)		407
Net changes		335,651		430,028		(94,377)
Balance at June 30, 2018	\$	9,624,456	\$	9,370,456	\$	254,000

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:

Primary Government	1% Decrease (6.00%)		 rent Discount ate (7.00%)	1% Increase (8.00%)	
Net Pension Liability	\$	8,725,000	\$ 4,912,000	\$	1,740,000

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

Component Unit School Board	1% Decrease		ent Discount	1% Increase	
Non-Professional	(6.00%)		te (7.00%)	(8.00%)	
Net Pension Liability	\$	1,386,000	\$ 254,000	\$	(701,000)

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

For the year ended June 30, 2019, the County's primary government recognized pension expense of \$533,559. At June 30, 2019, the County's primary government reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Primary Government	Deferred Outflows of Resources		Deferred Inflows of Resources	
Differences between expected and actual experience	\$	127,000	\$	414,000
Change in assumptions		-		11,000
Net difference between projected and actual earnings on pension plan investments		558,000		756,000
Employer contributions subsequent to the measurement date		697,098		
Total	\$	1,382,098	\$	1,181,000

\$697,098 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, 2020. 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,	Amount		
2020	\$	(135,000)	
2021		(128,000)	
2022		(212,000)	
2023		(21,000)	
Thereafter		-	
Total	\$	(496,000)	

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

For the year ended June 30, 2019, the School Board recognized pension expense of \$227,252 for non-professional employees. At June 30, 2019, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions for non-professional employees from the following sources:

Component Unit School Board Non-Professional	Deferred Outflows of Resources		Deferred Inflows of Resources	
Differences between expected and actual experience	\$	-	\$	197,000
Change in assumptions		-		13,000
Net difference between projected and actual earnings on pension plan investments		210,000		283,000
Employer contributions subsequent to the measurement date		115,979		
Total	\$	325,979	\$	493,000

\$115,979 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, 2020. 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,	Amount		
2020	\$	(101,000)	
2021		(79,000)	
2022		(96,000)	
2023		(7,000)	
Thereafter		-	
Total	\$	(283,000)	

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

This schedule is intended to show information for ten years. Since fiscal year 2015 (plan year 2014) is the first year for this presentation, no other data is available. Additional years will be included as they become available.

Primary Government	2018	2017	2016	2015	2014
Total pension liability					
Service cost	\$ 599,817	\$ 613,499	\$ 584,285	\$ 621,118	\$ 600,671
Interest	1,960,615	1,943,412	1,888,383	1,831,199	1,765,556
Changes of benefit terms	-	-	-	-	-
Changes in assumptions	-	(22,732)	-	-	-
Difference between expected & actual experience	174,381	(742,506)	(217,288)	(101,261)	-
Benefit payments, including refunds	(1,643,768)	(1,448,071)	(1,490,411)	(1,577,871)	(1,279,074)
Net change in total pension liability	1,091,045	343,602	764,969	773,185	1,087,153
Total pension liability - beginning	28,830,672	28,487,070	27,722,101	26,948,916	25,861,763
Total pension liability - ending (a)	\$29,921,717	\$28,830,672	\$28,487,070	\$27,722,101	\$26,948,916
Plan fiduciary net position					
Contributions - employer	\$ 712,572	\$ 693,671	\$ 791,794	\$ 750,456	\$ 802,383
Contributions - employee	284,616	266,710	271,254	258,617	265,190
Net investment income	1,753,285	2,632,566	376,372	969,541	2,951,572
Benefit Payments, including refunds	(1,643,768)	(1,448,071)	(1,490,411)	(1,577,871)	(1,279,074)
Administrative expense	(15,378)	(15,366)	(13,659)	(13,637)	(15,914)
Other	(1,218)	(2,338)	(160)	(203)	156
Net change in plan fiduciary net position	1,090,109	2,127,172	(64,810)	386,903	2,724,313
Plan fiduciary net position - beginning	23,919,608	21,792,436	21,857,246	21,470,343	18,746,030
Plan fiduciary net position - ending (b)	\$25,009,717	\$23,919,608	\$21,792,436	\$21,857,246	\$21,470,343
Net pension liability-ending (a) - (b)	\$ 4,912,000	\$ 4,911,064	\$ 6,694,634	\$ 5,864,855	\$ 5,478,573
Plan fiduciary net position as a percentage					
of the total pension liability	83.58%	82.97%	76.50%	78.84%	79.67%
Covered-employee payroll for year ended	\$ 5,870,616	\$ 5,663,894	\$ 5,481,934	\$ 6,021,135	\$ 5,479,756
Political subdivision's net pension liability					
as a percentage of covered-employee payroll	83.67%	86.71%	122.12%	97.40%	99.98%

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

Component Unit School Board - Non-prof.	2018	2017	2016	2015	2014
Total pension liability Service cost Interest	\$ 198,077 633,629	\$ 207,235 632,999	\$ 216,597 616,205	\$ 225,567 593,502	\$ 224,506 569,005
Changes of benefit terms	-	-	-	-	-
Changes in assumptions Difference between expected & actual experience	- (22,128)	(29,008) (329,396)	- (118,912)	- (18,675)	-
Benefit payments, including refunds	(473,927)	(471,735)	(476,218)	(475,913)	- (411,190)
Denent puj nonto, mentang retando	(113,521)	(111,155)	(170,210)	(115,515)	(111,190)
Net change in total pension liability	335,651	10,095	237,672	324,481	382,321
Total pension liability - beginning	9,288,805	9,278,710	9,041,038	8,716,557	8,334,236
Total pension liability - ending (a)	\$ 9,624,456	\$ 9,288,805	\$ 9,278,710	\$ 9,041,038	\$ 8,716,557
Plan fiduciary net position	• 151004	• 150 075	ф. 10 <i>с</i> с со	¢ 105 (22	ф 22 с с12
Contributions - employer	\$ 151,084 102,740	\$ 153,075 104,970	\$ 196,260	\$ 197,633	\$ 226,613
Contributions - employee Net investment income	103,740 655,267	104,870 985,817	104,712 140,253	106,064 364,074	106,179 1,102,402
Benefit Payments, including refunds	(473,927)	(471,735)	(476,218)	(475,913)	(411,190)
Administrative expense	(473,527)	(471,733) (5,784)	(470,210)	(5,083)	(5,951)
Other	(407)	(874)	(60)	(79)	59
	`	<u>`</u> `			
Net change in plan fiduciary net position	430,028	765,369	(40,190)	186,696	1,018,112
Plan fiduciary net position - beginning	8,940,428	8,175,059	8,215,249	8,028,553	7,010,441
Plan fiduciary net position - ending (b)	\$ 9,370,456	\$ 8,940,428	\$ 8,175,059	\$ 8,215,249	\$ 8,028,553
Net pension liability-ending (a) - (b)	\$ 254,000	\$ 348,377	\$ 1,103,651	\$ 825,789	\$ 688,004
Dian fiduciant not resition as a nonorthe-					
Plan fiduciary net position as a percentage of the total pension liability	97.36%	96.25%	88.11%	90.87%	92.11%
or the total pension indunty	71.5070	<i>J</i> 0.2370	00.11/0	20.0770	2.11/0
Covered-employee payroll for year ended	\$ 2,233,030	\$ 2,174,214	\$ 2,178,285	\$ 2,461,085	\$ 2,321,227
Political subdivision's net pension liability as a percentage of covered-employee payroll	11.37%	16.02%	50.67%	33.55%	29.64%

Plan Description

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

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

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pension and GASB Statement No. 85, Omnibus 2017 establish new accounting and financial reporting requirements for OPEB plans and standardize the valuation methodology. The cost of postemployment healthcare benefits should be associated with the periods in which the cost occurs, rather than in the future years when it will be paid. The County and Schools retrospectively adopted the requirements of GASB Statement No. 75 during the year ended June 30, 2018.

Employees Covered by Benefit Terms

	Primary	Component Unit		
	Government	School Board		
Active participants	81	587 17		
Retired participants	15	1/		
Total covered employees	96	604		

Funding Policy and Contributions

The County and Schools currently fund postemployment health care benefits on a pay-as-you-go basis. The County and Schools do not accumulate asses in a trust. During fiscal year 2019, the County and Schools made OPEB benefit payments of \$75,814 and \$75,910, respectively.

Total OPEB Liability

The County's total OPEB liability was measured as of June 30, 2019. The total OPEB liability was determined by an actuarial valuation performed as of June 30, 2019.

Actuarial Methods and Assumptions

Primary Government – The County uses the alternative measurement method in accordance with GASB methodology. In the valuation for the year ended June 30, 2019, the cost method used to determine OPEB liability was entry age normal level percentage of payroll. All active and former employees who are potentially eligible to receive healthcare benefits as a retiree were included in the calculations. All assumptions attempt to represent the best estimate of anticipated experience under the plan. Employer future premium contribution is assumed to remain a level percentage of the total cost over time. Mortality rates are the RP2000 Mortality Table for Males and Females Projected 18 years; this assumption does not include a margin for future improvements in longevity. Turnover rates are derived from data maintained by the U.S. Office of Personnel Management regarding the most recent experience of the employee group covered by the Federal Employees Retirement System. Other assumptions are as follows.

Average retirement age	62 years
Salary increases	2.0 percent
Amortization period	20 years

Component Unit School Board – In the actuarial valuation for the year ended June 30, 2019, the cost method used to determine OPEB liability was individual entry age normal level percent of salary. All active and former employees who are potentially eligible to receive healthcare benefits as a retiree were included in the calculations. All assumptions attempt to represent the best estimate of anticipated experience under the plan. Retirement, mortality, and termination rates are the rates used for the June 30, 2018 Actuarial Valuation of the Virginia Retirement System. No disability rates were assumed. Per capita claims costs include medical, dental, and prescription drug coverages and are based on the 2019 healthcare premiums provided by the School Board. It is assumed that 85% of eligible retirees will elect to receive coverage upon retirement. Spouse coverage is not available for participants that retire on or after July 1, 2009. It is assumed that 80% of active employees are married at retirement. Female spouses are assumed to be 3 years younger than their husbands. Other assumptions are as follows.

Inflation	2.5 percent
Salary increases	3.0 percent

Funding Status and Funding Progress

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

Discount Rate and Municipal Bond Rate

Pursuant to GASB 75, the discount rate for unfunded plans should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). The Bond Buyer's 20 bond index is often cited as an appropriate benchmark. A discount rate of 3.50% was used for the County and School valuations.

Healthcare Trend Rates

Primary Government

Year	Medical	Pharmacy	Dental	Vision
Year 1	4.60%	7.60%	3.50%	3.00%
Year 2	4.70%	6.20%	3.50%	3.00%
Year 3	4.80%	4.90%	3.00%	3.00%
Year 4	4.80%	4.80%	3.00%	3.00%
Year 5	4.80%	4.80%	3.00%	3.00%
Year 6	4.80%	4.80%	3.00%	3.00%
Year 7	4.70%	4.70%	3.00%	3.00%
Year 8	4.70%	4.70%	3.00%	3.00%
Year 9	4.70%	4.70%	3.00%	3.00%
Thereafter	4.70%	4.70%	3.00%	3.00%

Component Unit School Board

Year	Medical	Dental
2018	10.00%	3.00%
2019	9.00%	3.00%
2020	8.00%	3.00%
2021	7.00%	3.00%
2022	6.00%	3.00%
Thereafter	5.00%	3.00%

Schedule of Changes in the Political Subdivision's Total OPEB Liability and Related Ratios

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

	Primary G	overnment	Component Unit School Bod			
	2019	2018	2019	2018		
Total OPEB liability - beginning	\$ 3,351,733	\$ 3,785,705	\$ 4,658,005	\$ 4,383,883		
Changes for the year:						
Service Cost	126,749	129,209	314,553	302,833		
Interest	65,812	41,023	176,389	165,926		
Change of benefit terms	-	-	-	-		
Differences between expected						
and actual experience	-	5,151	-	-		
Changes of assumptions						
or inputs	5,857	(522,812)	139,188	-		
Benefit payments	(86,543)	(86,543)	(75,910)	(99,010)		
Employer contributions	-	-	-	-		
Employee contributions	-	-	-	-		
Net investment income	-	-	-	-		
Administrative expenses	-	-	-	-		
Implicit rate subsidy fulfillment	-	-	(126,259)	(95,627)		
Other changes						
Net changes	111,875	(433,972)	427,961	274,122		
Total OPEB liability - ending	\$ 3,463,608	\$ 3,351,733	\$ 5,085,966	\$ 4,658,005		
Covered-employee payroll	\$ 5,870,616	\$ 5,663,894	\$20,737,663	\$22,624,219		
Total OPEB liability as a percentage of covered-employee payroll	59.00%	59.18%	24.53%	20.59%		

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

The following presents the total OPEB liability using the discount rate of 3.50%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.50%) or one percentage point higher (4.50%) than the current rate:

Primary Government	1% Decrease		Curr	rent Discount	1% Increase		
Total OPEB Liability	\$	3,814,049	\$	3,474,337	\$	3,179,930	

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate (Continued)

Component Unit School Board	1% Decrease		Cur	rent Discount	1% Increase			
Total OPEB Liability	\$ 5,473,347		\$	\$ 5,085,966		4,715,691		
Sensitivity of the Total OPEB Liability	to C	hanges in the H	ealthc	are Trend Rate				
Primary Government	1% Decrease		1% Decrease Current Trend		1% Increase			
Total OPEB Liability	\$ 3,084,199		\$ 3,474,337		\$	3,934,781		
Component Unit School Board	1% Decrease		1% Decrease		1% Decrease Current Trend		1% Increase	
Total OPEB Liability	\$	4,443,193	\$	5,085,966	\$	5,850,476		

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

For the year ended June 30, 2019, the County's primary government recognized OPEB – health insurance expense of \$122,604. At June 30, 2019, the County's primary government did not report deferred outflows of resources or deferred inflows of resources related to OPEB – health insurance because the County is on a pay-as-you-go basis.

For the year ended June 30, 2019, the School Board recognized OPEB – health insurance expense of \$302,521. At June 30, 2019, the School Board reported deferred outflows of resources of \$125,440 related to OPEB – health insurance due to a change in assumptions. Deferred outflows will be recognized in OPEB – health insurance expense as follows:

Year Ended June 30,	Amount
2020	\$ 13,748
2021	13,748
2022	13,748
2023	13,748
2024	13,748
Thereafter	 56,700
Total	\$ 125,440

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

Plan Description

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

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

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

Eligible Employees

The Group Life Insurance Program was established July 1, 1960, for state employees, teachers, and employees of political subdivisions that elect the program. Basic group life insurance coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their member contributions and accrued interest.

Benefit Amounts

The benefits payable under the GLI Program have several components.

- <u>Natural Death Benefit</u> The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled.
- <u>Accidental Death Benefit</u> The accidental death benefit is double the natural death benefit.
- <u>Other Benefit Provisions</u> In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These benefits include accidental dismemberment, safety belt, repatriation, felonious assault, accelerated death option.

Plan Description (Continued)

Reduction in Benefit Amounts

The benefit amounts provided to members covered under the GLI Program are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.

Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)

For covered members with at least 30 years of creditable service, there is a minimum benefit payable under the GLI Program. The minimum benefit was set at \$8,000 by statute. This amount is increased annually based on the VRS Plan 2 COLA and is currently \$8,297 effective July 1, 2018.

Contributions

The contribution requirements for the GLI Program are governed by §51.1-506 and §51.1-508 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Program was 1.31% of covered employee compensation. This was allocated into an employee and employer component using a 60/40 split. The employee component was 0.79% (1.31% * 60%) and the employer component was 0.52% (1.31% * 40%). Employers may elect to pay all or part of the employee contribution, however the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2019 was 0.52% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. County contributions to the GLI Program were \$30,226 and \$29,727 for the years ended June 30, 2019 and June 30, 2018, respectively. School Board Non-professional contributions to the GLI Program were \$105,504 and \$104,382.

<u>GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows</u> of Resources Related to the GLI Program OPEB

At June 30, 2019, the County reported a liability of \$456,000 for its proportionate share of the Net GLI OPEB Liability. School Board Non-professional reported a liability of \$175,000. School Board Professional reported a liability of \$1,603,000. The Net GLI OPEB Liability was measured as of June 30, 2018 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation as of that date. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Program for the year ended June 30, 2018 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2018, the County's proportion was 0.03007% as compared to 0.02986% at June 30, 2017. School Board Non-professional proportion was 0.01149% as compared to 0.01186%. School Board Non-professional proportion was 0.10557% as compared to 0.10785%.

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

For the year ended June 30, 2019, the County recognized GLI OPEB expense of \$(26,499). School Board Non-professional recognized GLI OPEB expense of \$(11,343). School Board Professional recognized GLI OPEB expense of \$(97,122). Since there was a change in the proportionate share between measure dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2019, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	County			School Board Non-prof.				School Board Prof.			Prof.	
	0	utflows	I	nflows	0	Outflows Inflows		Outflows		Ι	nflows	
Differences between expected and actual experience	\$	22,000	\$	8,000	\$	9,000	\$	3,000	\$	78,000	\$	29,000
Net difference between projected and actual investment earnings		-		15,000		-		6,000		-		52,000
Change in assumptions		-		19,000		-		7,000		-		67,000
Changes in proportion		-		9,000		-		6,000		15,000		32,000
Employer contributions subsequent to the measurement date		30,226				11,708		_		105,504		
Total	\$	52,226	\$	51,000	\$	20,708	\$	22,000	\$	198,504	\$	180,000

Amounts reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB liability in the fiscal year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in the future reporting periods as follows:

Year ended June 30	County	Non-prof.	Professional
2020	(9,000)	(4,000)	(27,000)
2021	(9,000)	(4,000)	(27,000)
2022	(9,000)	(4,000)	(27,000)
2023	(4,000)	(1,000)	(12,000)
2024	-	-	2,000
Thereafter	2,000	-	4,000
Total Deferred	\$ (29,000)	\$ (13,000)	\$ (87,000)

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2017, using the Entry Age Normal actuarial cost method and the same assumptions as the VRS pension plan, as described in Note 10, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2018.

Net GLI OPEB Liability

The net OPEB liability (NOL) for the GLI Program represents the programs' total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2018, NOL amounts for the entire GLI Program is as follows:

	Group Life Insurance OPEB Program
Total GLI OPEB Liability Plan Fiduciary Net Position Employers' Net GLI OPEB Liability (Asset)	\$3,113,508,000 1,594,773,000 \$1,518,735,000
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	51.22%

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

Long-Term Expected Rate of Return

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

Discount Rate

The discount rate used to measure the total GLI OPEB was 7.00%, the same as the VRS pension plan, as described in Note 10.

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

The following presents the employer's proportionate share of the net GLI OPEB liability using the discount rate of 7.00%, as well as what the employer's proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	19	% Decrease (6.00%)	Di	scount Rate (7.00%)	1% Increase (8.00%)		
County	\$	596,000	\$	456,000	\$	342,000	
School Board Non-prof.	\$	228,000	\$	175,000	\$	131,000	
School Board Professional	\$	2,095,000	\$	1,603,000	\$	1,203,000	

Group Life Insurance Program Fiduciary Net Position

Detailed information about the GLI Program's Fiduciary Net Position is available in the separately issued VRS 2018 Comprehensive Annual Financial Report (CAFR). A copy of the 2018 VRS CAFR may be downloaded from the VRS website at <u>http://www.varetire.org/Pdf/Publications/2018-annual-report.pdf</u>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Schedule of Employer's Share of Net GLI OPEB Liability

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

	County		School Boar	d Non-prof.	School Board Prof.	
	2018	2017	2018	2017	2018	2017
Employer's Proportion of the Net GLI OPEB Liability (Asset)	0.03007%	0.02986%	0.01149%	0.01186%	0.10785%	0.10557%
Employer's Proportionate Share of the Net GLI OPEB Liability (Asset)	\$ 456,000	\$ 450,000	\$ 179,000	\$ 175,000	\$ 1,603,000	\$ 1,623,000
Employer's Covered Payroll	\$5,663,894	\$5,481,934	\$2,174,214	\$2,178,285	\$22,585,459	\$21,797,939
Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of its Covered Payroll	8.05100%	8.20878%	8.23286%	8.03384%	7.09749%	7.44566%
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	51.22000%	48.86000%	51.22000%	48.86000%	51.22000%	48.86000%

Schedule of Employer Contributions

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

Contributions in							Contributions
Relation to						Employer's	as of % of
	Co	ntractually	Co	ntractually	Contribution	Covered	Covered
Year	R	Required	F	Required	Deficiency	Employee	Employee
Ended	Co	ontribution	Сс	ontribution	(Excess)	Payroll	Payroll
June 30,		(1)		(2)	(3)	(4)	(5)
County							
2019	\$	30,226	\$	30,226	-	\$ 5,888,413	0.51%
2018		29,727		29,727	-	5,663,894	0.52%
2017		28,636		28,636	-	5,481,934	0.52%
School B	oara	l Non-prof	essic	onal			
2019	\$	11,708	\$	11,708	-	\$ 2,260,961	0.52%
2018		11,365		11,365	-	2,174,214	0.52%
2017		11,374		11,374	-	2,178,285	0.52%
School Board Professional							
2019	\$	105,504	\$	105,504	-	\$20,761,623	0.51%
2018		104,382		104,382	-	22,585,459	0.46%
2017		103,442		103,442	-	21,797,939	0.47%

For Reference Only:

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

Column (2) – Actual employer contribution remitted to VRS

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

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

Plan Description

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

The specific information for HIC OPEB, including eligibility, coverage, and benefits is set out below:

Eligible Employees

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

Benefit Amounts

The Teacher Employee Retiree Health Insurance Credit Program provides the following benefits for eligible employees:

<u>At Retirement</u> – For Teacher and other professional school employees who retire with at least 15 years of service credit, the monthly benefit is \$4.00 per year of service per month with no cap on the benefit amount.

<u>Disability Retirement</u> – For Teacher and other professional school employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is either:

o \$4.00 per month, multiplied by twice the amount of service credit, or

o \$4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.

Plan Description (Continued)

Health Insurance Credit Program Notes:

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

Contributions

The contribution requirement for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2019 was 1.20% of covered employee compensation for employees in the VRS Teacher Employee Health Insurance Credit Program. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee Health Insurance Credit Program were \$243,939 and \$246,174 for the years ended June 30, 2019 and June 30, 2018, respectively.

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

At June 30, 2019, the school division reported a liability of \$3,142,000 for its proportionate share of the Net HIC OPEB Liability. The Net HIC OPEB Liability was measured as of June 30, 2018 and the total HIC OPEB liability used to calculate the Net HIC OPEB Liability was determined by an actuarial valuation as of that date. The school division's proportion of the Net VRS Teacher Employee Health Insurance Credit Program OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee Health Insurance Credit Program OPEB plan for the year ended June 30, 2018 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2018, the County's proportion was 0.24747% as compared to 0.25097% at June 30, 2017.

For the year ended June 30, 2019, the County recognized HIC OPEB expense of \$7,235. School Board Since there was a change in the proportionate share between measure dates, a portion of the HIC OPEB expense was related to deferred amounts from changes in proportion.

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

At June 30, 2019, the employer reported deferred outflows of resources and deferred inflows of resources related to the HIC OPEB from the following sources:

	School Division				
	Out	flows	Inflows		
Differences between expected and actual experience	\$	-	\$	16,000	
Net difference between projected and actual investment earnings		-		2,000	
Change in assumptions		-		27,000	
Changes in proportion		3,000		39,000	
Employer contributions subsequent to the measurement date		43,939		-	
Total	\$ 24	46,939	\$	84,000	

\$243,939 reported as deferred outflows of resources related to the HIC OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB liability in the fiscal year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in the future reporting periods as follows:

Year ended June 30	School Division
2020	(13,000)
2021	(13,000)
2022	(13,000)
2023	(13,000)
2024	(13,000)
Thereafter	(16,000)
Total Deferred	\$ (81,000)

Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2017, using the Entry Age Normal actuarial cost method and the same assumptions as the VRS pension plan, as described in Note 10 except mortality rates, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2018.

Mortality rates – Teachers

Pre-Retirement: RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020.

Post-Retirement: RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back 3 years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90.

Post-Disablement: RP-2014 Disability Mortality Rates projected with Scale BB to 2020; 115% of rates for males and females.

Net HIC OPEB Liability

The net OPEB liability (NOL) for the HIC Program represents the programs' total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2018, NOL amounts for the entire HIC Program is as follows:

	Teacher
	Employee HIC
	OPEB Plan
Total HICOPEB Liability	\$1,381,313,000
Plan Fiduciary Net Position	111,639,000
Net HIC OPEB Liability (Asset)	\$1,269,674,000
Plan Fiduciary Net Position as a Percentage	
of the Total HIC OPEB Liability	8.08%

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

Long-Term Expected Rate of Return

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

Discount Rate

The discount rate used to measure the total HIC OPEB was 7.00%, the same as the VRS pension plan, as described in Note 10.

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

The following presents the employer's proportionate share of the net HIC OPEB liability using the discount rate of 7.00%, as well as what the employer's proportionate share of the net HIC OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease	Discount Rate	1% Increase		
	(6.00%)	(7.00%)	(8.00%)		
School Division	\$ 3,510,000	\$ 3,142,000	\$ 2,830,000		

Schedule of Employer's Share of Net HIC OPEB Liability

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

	School Division		
	2018	2017	
Employer's Proportion of the Net GLI OPEB Liability (Asset)	0.24747%	0.25097%	
Employer's Proportionate Share of the Net GLI OPEB Liability (Asset)	\$ 3,142,000	\$ 3,184,000	
Employer's Covered Payroll	\$ 22,585,459	\$ 21,797,939	
Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of its Covered Payroll	13.91161%	14.60689%	
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	8.08000%	7.04000%	

Schedule of Employer Contributions

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

	Contributions in Contributions								
Relation to Employer's								as of % of	
	Co	ntractually	Co	ntractually	Contribu	tion	Covered		Covered
Year	R	lequired	R	lequired	Deficien	су	Employee		Employee
Ended	Co	Contribution Contribution		ntribution	(Exces	s)	Payroll		Payroll
June 30,		(1)		(2)	(3)		(4)		(5)
School Division									
2019	\$	243,939	\$	243,939		-	\$20,737,663	3	1.18%
2018		246,174		246,174		-	22,585,459)	1.09%
2017		219,851		219,851		-	21,797,939)	1.01%

For Reference Only:

Column (1) – Employer contribution rate multiplied by employer's covered payroll Column (2) – Actual employer contribution remitted to VRS

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

Group Life Insurance Program Fiduciary Net Position

Detailed information about the HIC Program's Fiduciary Net Position is available in the separately issued VRS 2018 Comprehensive Annual Financial Report (CAFR). A copy of the 2018 VRS CAFR may be downloaded from the VRS website at <u>http://www.varetire.org/Pdf/Publications/2018-annual-report.pdf</u>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 14 – Contingent Liabilities

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

Note 15 – Landfill Closure and 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 \$919,574 reported as landfill closure and post closure care liability at June 30, 2019 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 2019.

Note 16 – Risk Management

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

Note 17 - Self-Funded Insurance

The Scott County School Board established a limited risk management program for health insurance in 1992. Premiums are paid into the School Health Insurance Fund by school employees and are available to pay claims, claim reserves and administrative costs of the program. During fiscal year 2019 a total of \$3,914,517 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 \$3,914,517. 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, 2019.

Note 18 – Interfund Transfers

Interfund transfers for the year ended June 30, 2019, consisted of the following:

Fund	T	ransfers In	Tr	ansfers Out
General	\$	-	\$	5,411,467
School		5,411,467		-
Totals	\$	5,411,467	\$	5,411,467

Note 19 – Fund Balances

	General		School		Other			
	Fund		Fund		Funds		Total	
Restricted for:								
Courthouse Security	\$	94,138	\$	-	\$	-	\$	94,138
E-911		30,012		-		-		30,012
Mabe/Stanley Water Fund	(4	,483,765)		-		-	(4	1,483,765)
Coal and Roads		-		-		41,112		41,112
Law Library		-		-		13,169		13,169
Assigned for:								
Commonwealth Attorney		173,558		-		-		173,558
Weapons Permits		7,076		-		-		7,076
Courthouse Maintenance		59,136		-		-		59,136
Technology		27,560		-		-		27,560
Cafeteria		-		194,597		-		194,597
Insurance		-		1,914,119		-]	,914,119
Head Start		-		11,585		-		11,585
Unassigned	7	,036,819		(56,921)		-		5,979,898
Total fund balances	\$ 2	,944,534	\$	2,063,380	\$	54,281	\$ 5	5,062,195

Note 20 – Surety Bonds

	Amount	
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 21 – Subsequent Events

Subsequent events have been evaluated as of November 30, 2019, which is the date the financial statements were issued.

Note 22 – 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. 83, *Certain Asset Retirement Obligations*, establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations. The requirements of this statement are effective for reporting periods beginning after June 15, 2018.

Statement No. 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities of all state and local governments. The requirements of this statement are effective for reporting periods beginning after December 15, 2018.

Note 22 – New Accounting Standards (Continued)

Statement No. 87, *Leases*, requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, unless the lease is a short-term lease, or it transfers ownership of the underlying asset. The requirements of this statement are effective for reporting periods beginning after December 15, 2019.

Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period, establishes accounting requirements for interest cost incurred before the end of a construction period. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this statement are effective for reporting periods beginning after December 15, 2019. The requirements of this statement should be applied prospectively.

Statement No. 90, *Majority Equity Interests–An Amendment of GASB Statements No. 14 and No. 61*), defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. The requirements of this statement are effective for reporting periods beginning after December 15, 2018. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

Note 23 – Prior Period Adjustment

Beginning net position of the County and the School Board required a prior period adjustment due to changes in the valuation of OPEB liability. The County implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension* and GASB Statement No. 85, *Omnibus 2017* during the prior fiscal year. These Statements establish new accounting and financial reporting requirements for OPEB plans and standardize the valuation methodology. Certain information related to OPEB liability was not available at the time the financial statements were issued. Due to this additional information, OPEB liability attributable to prior periods increased by \$450,000 and \$4,986,000 for the County and School Board, respectively. Deferred outflows related to OPEB increased by \$29,727 and \$383,921, respectively. Deferred inflows related to OPEB increased by \$61,000 and \$239,000, respectively.

Beginning net position of the School Board required a prior period adjustment due to erroneous exclusion of certain fixed assets. Inclusion of the fixed assets added \$339,323 of building & improvements, \$726,246 of equipment, and \$866,498 of accumulated depreciation for a net increase in net position of \$199,071.

<u>Required Supplementary Information</u>

County of Scott, Virginia Combined Statement of Revenues, Expenditures and Changes in Fund Balances-Budget And Actual - General Fund

For the Year Ended June 30, 2019

	General Fund					
		Budget		Variance		
	Original	As		With		
	Budget	Amended	Actual	Amended		
Revenues:						
General property taxes	\$ 11,558,020	\$ 11,558,020	\$ 11,791,257	\$ 233,237		
Other local taxes	3,295,252	3,295,252	3,289,167	(6,085)		
Permits, privilege fees						
& regulatory licenses	28,300	28,300	75,281	46,981		
Fines and forfeitures	112,149	112,149	199,723	87,574		
Revenue from use of						
money & porperty	99,300	99,300	99,256	(44)		
Charges for services	103,000	104,700	99,561	(5,139)		
Miscellaneous	180,000	190,185	189,830	(355)		
Recovered costs	336,394	365,355	376,001	10,646		
Intergovernmental:						
Commonwealth	5,680,260	6,051,065	6,254,381	203,316		
Federal	2,439,338	2,439,338	2,168,445	(270,893)		
TOTAL REVENUES	23,832,013	24,243,664	24,542,902	299,238		
Expenditures:						
Current:						
General government administration	2,032,573	2,032,554	1,907,891	124,663		
Judicial administration	1,431,636	1,457,915	1,309,782	148,133		
Public safety	6,318,426	6,388,075	7,123,849	(735,774)		
Public works	2,247,733	2,289,508	1,999,023	290,485		
Health and welfare	5,427,110	5,427,110	5,243,861	183,249		
Education	27,899	27,899	27,899	-		
Parks, recreation, & cultural	528,939	531,298	498,299	32,999		
Community development	1,218,139	1,489,747	1,204,173	285,574		
Debt service:	, ,	, ,	, ,	,		
Principal retirement	-	-	283,834	(283,834)		
Interest & other fiscal charges	-	_	18,252	(18,252)		
TOTAL EXPENDITURES	19,232,455	19,644,106	19,616,863	27,243		
Excess (deficiency) of						
revenues over expenditures	4,599,558	4,599,558	4,926,039	326,481		
Other financing sources (uses):						
Operating transfers in	-	-	-	-		
Operating transfers out	(5,304,514)	(5,304,514)	(5,411,467)	(106,953)		
Proceeds from indebtedness	-	-	-	-		
Prior year surplus (deficit)	704,956	704,956	-	(704,956)		
TOTAL OTHER FINANCING	(4,599,558)	(4,599,558)	(5,411,467)	(811,909)		
Excess (deficiency) of revenues & other						
sources over expenditures & other uses	-	-	(485,428)	(485,428)		
Fund balances at beginning of year			3,429,962	3,429,962		
Fund balances at end of year	\$-	\$-	\$ 2,944,534	\$ 2,944,534		
-			<u>.</u>	·		

	-	ndable rust	Agency Funds							
	Deferred Comp Fund		Special Welfare		Payroll Withholding Fund		Local Sales Tax Fund			Totals
Assets:										
Cash and cash equivalents	\$	-	\$	17,635	\$	-	\$	-	\$	17,635
Due from other government units		-		-		-		288,639		288,639
Amount due from others		-		-		54,565		-		54,565
Investments	3,4	20,382		-		-		-		3,420,382
Total assets	\$ 3,4	20,382	\$	17,635	\$	54,565	\$	288,639	\$	3,781,221
Liabilities:										
Due to primary government	\$	-	\$	-	\$	-	\$	266,096	\$	266,096
Amounts due to others		-		-		54,565		-		54,565
Amounts held for others	3,4	20,382		17,635				22,543		3,460,560
Total lightilities	¢ 2 4	20.292	¢	17 625	¢	51 565	¢	200 620	¢	2 701 001
Total liabilities	३ ३,4	20,382	\$	17,635	\$	54,565	\$	288,639	\$	3,781,221

Discretely Presented Component Unit - School Board

County of Scott, Virginia

Combining Balance Sheet Discretely Presented Component Unit - School Board

June 30, 2019

	Governmental Fund Types						Proprietary Fund Type		
	School School Food			School Scott County			tt County	School	
	Operating Fun				ot Service		ead Start	Insurance Fund	Totals
Assets:	-1								
Cash & cash equivalents	\$ 6,318	\$	183,665	\$	-	\$	22,883	\$ 1,914,119	\$ 2,126,985
Accounts receivable	37,598		-		-		1,895	-	39,493
Prepaid expenses	336,904		-		-		-	-	336,904
Due from other governmental									
units	443,826		26,073		-		-	-	469,899
Due from primary government	2,276,076		-		-		-		2,276,076
Total Assets	\$ 3,100,722	\$	209,738	\$	-	\$	24,778	\$ 1,914,119	\$ 5,249,357
Liabilities:									
Accounts payable	\$ 59,805	\$	15,141	\$	-	\$	10,484	\$ -	\$ 85,430
Accrued salaries	3,097,838		-		-		2,709	-	3,100,547
Health insurance payable	-		-		-		-	-	-
Total Liabilities	3,157,643		15,141		-		13,193		3,185,977
Fund balance:									
Assigned	-		194,597		-		-	1,914,119	2,108,716
Unassigned	(56,921))	-		-		11,585		(45,336)
Total Fund Balance	(56,921))	194,597				11,585	1,914,119	2,063,380
Total Liabilities & Fund Balance	\$ 3,100,722	\$	209,738	\$	_	\$	24,778	\$ 1,914,119	

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

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.	39,345,809
Long-term liabilities applicable to the locality's governmental activites 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.	(48,301,129)
Total net position	\$ (6,891,940)

County of Scott, Virginia

Discretely Presented Component Unit - School Board

For the Year Ended June 30, 2019

		~	Proprietary			
	Governmental Fund Types			Fund Type		
	School	School Food	School	Scott County	School	T-4-1-
Revenues:	Operating Fund	Service Fund	Debt Service	Head Start	Insurance Fund	Totals
Revenue from use of money	\$ 3,021	\$ -	\$ -	\$-	\$ -	\$ 3,021
Charges for services	48,139	480.031	φ -	φ - -	3,518,228	4,046,398
Miscellaneous	45,564		_	530.011	-	575,575
Recovered costs	47,008	-	-	-	-	47,008
Intergovernmental:	-	-	-	-	-	17,000
Commonwealth	28,860,426	49,461	-	-	-	28,909,887
Federal	2,458,315	2,006,965		2,174,073	-	6,639,353
Total revenues	31,462,473	2,536,457		2,704,084	3,518,228	40,221,242
Expenditures:						
Current - Education	40,137,401	2,552,686		2,689,026	3,914,517	49,293,630
Total expenditures	40,137,401	2,552,686		2,689,026	3,914,517	49,293,630
Excess (deficiency) of revenues						
over (under) expenditures	(8,674,928)	(16,229)	-	15,058	(396,289)	(9,072,388)
Other financing sources (uses):						
Operating transfers in	5,390,976	-	-	-	-	5,390,976
Operating transfers out	-	20,491	-	-	-	20,491
Proceeds from indebtedness	3,262,181	-	-	-	-	3,262,181
Transfer from/(to) primary debt	(35,150)	35,150				
Total other financing sources	8,618,007	55,641				8,673,648
Excess (deficiency) of revenues & other sources over expenditure						
& other uses	(56,921)	39,412	-	15,058	(396,289)	(398,740)
Fund balances at beginning of year		155,185		(3,473)	2,310,408	2,462,120
Fund balances at end of year	\$ (56,921)	\$ 194,597	\$ -	\$ 11,585	\$ 1,914,119	\$ 2,063,380

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

Excess (deficiency) of revenues & other sources over expenditure & other uses	\$ (398,740)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in School Board activities.	3,565,973
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.	(439,401)
Change in net assets	\$ 2,727,832

County of Scott, Virgina Statement of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual Discretely Presented Component Unit - School Board

For the Year Ended June 30, 2019

	School Operating Fund							
		Variance						
	Original	As		From				
	Budget	Amended	Actual	Amended				
Revenues:								
Revenue from use of money	\$ 5,000	\$ 5,000	\$ 3,021	\$ (1,979)				
Charges for services	35,000	35,000	48,139	13,139				
Miscellaneous	280,675	280,675	45,564	(235,111)				
Recovered costs	12,000	12,000	47,008	35,008				
Intergovernmental:								
Commonwealth	28,338,418	28,338,418	28,860,426	522,008				
Federal	2,353,658	2,353,658	2,458,315	104,657				
Total revenues	31,024,751	31,024,751	31,462,473	437,722				
Expenditures:								
Current - Education	36,564,751	36,564,751	40,137,401	(3,572,650)				
Total expenditures	36,564,751	36,564,751	40,137,401	(3,572,650)				
Excess (deficiency) of revenues								
over (under) expenditures	(5,540,000)	(5,540,000)	(8,674,928)	(3,134,928)				
Other financing sources (uses):								
Operating transfers in	5,540,000	5,540,000	5,390,976	(149,024)				
Operating transfers out	-	-	-	-				
Proceeds from indebtness	-	-	3,262,181	3,262,181				
Transfer from/(to) primary debt			(35,150)	(35,150)				
Total other financing sources	5,540,000	5,540,000	8,618,007	3,078,007				
Excess (deficiency) of revenues &								
other sources over expenditure & other uses	-	-	(56,921)	(56,921)				
Fund balances at beginning of year								
Fund balances at end of year	\$ -	\$ -	\$ (56,921)	\$ (56,921)				

County of Scott, Virgina Statement of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual Discretely Presented Component Unit - School Board

		School Food	Service Fund	
	Original Budget	Budget As Amended	Actual	Variance From Amended
Revenues:				
Revenue from use of money	\$ -	\$ -	\$ -	\$ -
Charges for services	614,241	614,241	480,031	(134,210)
Miscellaneous Recovered costs				-
Intergovernmental:	-	-	-	-
Commonwealth	50,000	50,000	49,461	(539)
Federal	1,530,000	1,530,000	2,006,965	476,965
i ouorar	1,000,000	1,000,000	2,000,00	
Total revenues	2,194,241	2,194,241	2,536,457	342,216
Expenditures:	2 004 241	2 004 241	2552696	(150 115)
Current - Education	2,094,241	2,094,241	2,552,686	(458,445)
Total expenditures	2,094,241	2,094,241	2,552,686	(458,445)
Excess (deficiency) of revenues				
over (under) expenditures	100,000	100,000	(16,229)	(116,229)
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers out	(100,000)	(100,000)	20,491	120,491
Proceeds from indebtness	-	-	-	-
Transfer from/(to) primary debt			35,150	35,150
Total other financing sources	(100,000)	(100,000)	55,641	155,641
Excess (deficiency) of revenues &				
other sources over expenditure & other uses	-	-	39,412	39,412
Fund balances at beginning of year			155,185	155,185
Fund balances at end of year	\$ -	\$ -	\$ 194,597	\$ 194,597

County of Scott, Virgina Statement of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual Discretely Presented Component Unit - School Board

	School Debt Service							
		iginal Idget		idget As ended	A	ctual	Fı	iance om ended
Revenues:								
Revenue from use of money	\$	-	\$	-	\$	-	\$	-
Charges for services		-		-		-		-
Miscellaneous		-		-		-		-
Recovered costs		-		-		-		-
Intergovernmental:						-		
Commonwealth		-		-		-		-
Federal		-		-		-		-
Total revenues		-		-		-		-
Expenditures:								
Current - Education		-		-		-		-
Total expenditures		-		-		-		-
Excess (deficiency) of revenues								
over (under) expenditures		-		-		-		-
Other financing sources (uses):								
Operating transfers in		-		-		-		-
Operating transfers out		-		-		-		-
Proceeds from indebtness		-		-		-		-
Transfer from/(to) primary debt		-		-		-		_
Total other financing sources		-		-		-		-
Excess (deficiency) of revenues &								
other sources over expenditure								
& other uses		-		-		-		-
Fund balances at beginning of year		-		-		-		-
Fund balances at end of year	\$	-	\$	-	\$	-	\$	-

County of Scott, Virgina Statement of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual Discretely Presented Component Unit - School Board

	Scott County Head Start						
	Original Budget	Budget As Amended	Actual	Variance From Amended			
Revenues:							
Revenue from use of money	\$ -	\$ -	\$ -	\$ -			
Charges for services	-	-	-	-			
Miscellaneous	319,955	319,955	530,011	210,056			
Recovered costs	-	-	-	-			
Intergovernmental:							
Commonwealth	-	-	-	-			
Federal	1,465,893	1,465,893	2,174,073	708,180			
Total revenues	1,785,848	1,785,848	2,704,084	918,236			
Expenditures:							
Current - Education	1,785,848	1,785,848	2,689,026	(903,178)			
Total expenditures	1,785,848	1,785,848	2,689,026	(903,178)			
Excess (deficiency) of revenues							
over (under) expenditures	-	-	15,058	15,058			
Other financing sources (uses):							
Operating transfers in	-	-	-	-			
Operating transfers out	-	-	-	-			
Proceeds from indebtness	-	-	-	-			
Transfer from/(to) primary debt							
Total other financing sources							
Excess (deficiency) of revenues & other sources over expenditure							
& other uses	-	-	15,058	15,058			
Fund balances at beginning of year			(3,473)	(3,473)			
Fund balances at end of year	\$ -	\$ -	\$ 11,585	\$ 11,585			

County of Scott, Virgina Statement of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual Discretely Presented Component Unit - School Board For the Year Ended June 30, 2019

	School Insurance Fund							
		iginal 1dget		ıdget As ended	Ac	tual	Fre	ance om ended
Revenues:	¢		¢		¢		۴	
Revenue from use of money	\$	-	\$	-	\$	-	\$	-
Charges for services Miscellaneous		-		-	3,5	18,228	3,51	8,228
Recovered costs		-		-		-		-
Intergovernmental:		-		-		-		-
Commonwealth		_		_		_		_
Federal		-		-		-		_
i odolul								
Total revenues		-		-	3,5	18,228	3,51	8,228
Expenditures:								
Current - Education		-		-	3,9	14,517	(3,91	4,517)
Total expenditures		-		-	3,9	14,517	(3,91	4,517)
Excess (deficiency) of revenues								
over (under) expenditures		-		-	(39	96,289)	(39	96,289)
Other financing sources (uses):								
Operating transfers in		-		-		-		-
Operating transfers out		-		-		-		-
Proceeds from indebtness		-		-		-		-
Transfer from/(to) primary debt		-		-		-		-
Total other financing sources		-		-		-		-
Excess (deficiency) of revenues & other sources over expenditure								
& other uses		-		-	(39	96,289)	(39	96,289)
Fund balances at beginning of year		-		-	2,3	10,408	2,31	0,408
Fund balances at end of year	\$	-	\$	-	\$ 1,9	14,119	\$ 1,91	4,119

Proprietary Fund - Discretely Presented Component Unit

	Discrete	ent Units	
	Economic	Public	
	Development	Service	T 1
	Authority	Authority	Total
Assets:			
Current assets:	ф <u>1 000 040</u>	ф <u>0 (10 150</u>	¢ 0.000.100
Cash and cash equivalents	\$ 1,080,043	\$ 2,619,153	\$ 3,699,196
Accounts receivable, net of allowance	2,565	412,483	415,048
Inventory	-	84,714	84,714
Notes receivable, current, net of allowance	34,546	-	34,546
Due from other governments	70,338	-	70,338
Total current assets	1,187,492	3,116,350	4,303,842
Noncurrent assets:			
Capital assets:			
Land	5,401,835	486,753	5,888,588
Construction in progress	11,301,781	1,667,385	12,969,166
Buildings & equipment, net of depreciation	15,337,910	47,123,718	62,461,628
Notes receivable, noncurrent, net of allowance	138,182		138,182
Total noncurrent assets	32,179,708	49,277,856	81,457,564
Other assets:			
Restricted cash in bank	6,832	273,172	280,004
Total other assets	6,832	273,172	280,004
Deferred outflows of resources:			
Related to pensions	-	220,475	220,475
Related to OPEB		14,853	14,853
Total deferred outflows of resources		235,328	235,328
Total assets	\$ 33,374,032	\$ 52,902,706	\$ 86,276,738

County of Scott, Virginia Statements of Net Position Proprietary Fund - Discretely Presented Component Units June 30, 2019

	Discrete	ent Units	
	Economic	Public	
	Development	Service	
	Authority	Authority	Total
Liabilities:			
Current liabilities:			
Accounts payable & accrued expenses	\$ 60,272	\$ 478,415	\$ 538,687
Current portion of long-term obligations	4,602,970	1,461,105	6,064,075
Total current liabilities	4,663,242	1,939,520	6,602,762
Noncurrent liabilities:			
Compensated absences	20,479	115,493	135,972
Amounts held for others	-	188,069	188,069
Other postemployment benefits	-	70,000	70,000
Net pension liability, long-term	-	248,211	248,211
Noncurrent portion of long-term obligations	5,244,334	17,443,777	22,688,111
Total noncurrent liabilities	5,264,813	18,065,550	23,330,363
Total liabilities	9,928,055	20,005,070	29,933,125
Deferred inflows of resources:			
Related to pensions	-	62,549	62,549
Related to OPEB		6,000	6,000
Total deferred inflows of resources		68,549	68,549
Net position:			
Invested in capital assets, net of related debt	10,892,441	30,372,974	41,265,415
Restricted for other purposes	-	273,172	273,172
Unrestricted	12,553,536	2,182,941	14,736,477
	12,000,000	2,102,711	1,750,177
Total net position	23,445,977	32,829,087	56,275,064
Total liabilities & net position	\$ 33,374,032	\$ 52,902,706	\$ 86,276,738

County of Scott, Virginia Statements of Revenues, Expenses and Changes in Net Position Proprietary Fund - Discretely Presented Component Units For the Year Ended June 30, 2019

		Discretel	ent Ui	nits		
		Economic		Public		
		evelopment	Service			
		Authority		Authority		Total
Operating revenues:						
Charges for services	\$	-	\$	3,847,229	\$	3,847,229
Rental income		408,332		-		408,332
Grants		1,411,305		-		1,411,305
Miscellaneous		1,408		89,053		90,461
Total operating revenue		1,821,045		3,936,282		5,757,327
Operating expenses:						
Wages and benefits		29,924		1,400,295		1,430,219
Other operating expenses		848,937		2,998,511		3,847,448
Total operating expense		878,861		4,398,806		5,277,667
Operating income (loss)		942,184		(462,524)		479,660
Nonoperating revenues (expenses):						
Interest earned		5,417		51,028		56,445
Connection fees		-		54,016		54,016
Other income		-		-		-
Allowance for bad debts		-		-		-
Interest expense		(155,979)		(261,798)		(417,777)
Total nonoperating revenues (expenses)		(150,562)		(156,754)		(307,316)
		(100,002)		(100,701)		(307,310)
Capital contributions		-		643,772		643,772
Increase (decrease) in net position		791,622		24,494		816,116
Net position at beginning of year, as previously reported	l	22,654,355		32,804,593		55,458,948
Net position at end of year	\$	23,445,977	\$	32,829,087	\$	56,275,064

County of Scott, Virginia Statements of Cash Flows Proprietary Fund - Discretely Presented Component Units For the Year Ended June 30, 2019

		Discrete	ent Ur	nits	
	E	conomic	Public		
	De	velopment	Service		
		Authority	 Authority		Total
Cash flows from operating activities:					
Receipts from customers & users	\$	2,279,167	\$ 3,897,473	\$	6,176,640
Payments to suppliers		(743,952)	(1,447,026)		(2,190,978)
Payments to employees for services and benefits		-	 (1,075,853)		(1,075,853)
Net cash provided (used) by operating activities		1,535,215	 1,374,594		2,909,809
Cash flows from investing activities:					
Interest earned		-	 51,028		51,028
Net cash provided (used) by investing activities			 51,028		51,028
Cash flows from financing activities:					
Connection fee and other income		-	54,016		54,016
Loans to industries		(50,000)	-		(50,000)
Payments received on loans to industries		38,234	-		38,234
Purchase of fixed assets		(2,840,226)	(1,169,796)		(4,010,022)
Principal payments made on debt		(321,322)	(1,029,505)		(1,350,827)
Proceeds from indebtness		1,079,556	642,602		1,722,158
Interest on debt		-	(278,258)		(278,258)
Proceeds from grants		-	 643,772		643,772
Net cash provided (used) by financing activities		(2,093,758)	 (1,137,169)		(3,230,927)
Increase (decrease) in cash & cash equivalents		(558,543)	288,453		(270,090)
Cash & cash equivalents at beginning of year		1,645,418	 2,603,872		4,249,290
Cash & cash equivalents at end of year	\$	1,086,875	\$ 2,892,325	\$	3,979,200

	Discrete	ly Prese	nted Compone	ent Un	its
_	Economic Development Authority	S	Public Service uthority	Total	
Reconciliation of operating income to net cash provided (used) by operating activities:	\$ 791.622	\$	(462,524)	\$	329,098

djustments to reconcile net income (loss) to net cash			
rovided (used) by operations:			
Depreciation	350,105	1,806,690	2,156,795
Bad debts	-	-	-
hanges in operating assets & liabilities:			
Accounts receivable	452,705	(38,809)	413,896
Inventory	-	14,732	14,732
Other assets	-	-	-
Accounts payable & accrued expenses	(58,433)	10,145	(48,288)
Customer deposits	-	-	-
Accrued leave	(784)	(6,350)	(7,134)
Net pension liability	-	121,915	121,915
Net OPEB liabilities	-	70,000	70,000
Deferred outflows of resources	-	(116,612)	(116,612)
Deferred inflows of resources	 -	 (24,593)	 (24,593)
Total adjustments	 743,593	 1,837,118	 2,580,711
Net cash provided (used) by operating activities	\$ 1,535,215	\$ 1,374,594	\$ 2,909,809

Non-Major Governmental Funds

County of Scott, Virginia Combining Balance Sheet Non-Major Governmental Funds June 30, 2019

	Sp	nds		
	al Road	Law		
	rovement	Library		
	 Fund	 Fund		Totals
Assets:				
Cash & cash equivalents	\$ 41,112	\$ 12,854	\$	53,966
Accounts receivable	 	 315		315
Total assets	\$ 41,112	\$ 13,169	\$	54,281
Liabilities:				
Accounts payable	\$ -	\$ -	\$	-
Accrued expenses	 -	 -		-
Total liabilities	 -	 -		-
Fund balance:				
Restricted	 41,112	 13,169		54,281
Total fund balance	 41,112	 13,169		54,281
Total liabilities & fund balance	\$ 41,112	\$ 13,169	\$	54,281

County of Scott, Virginia Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Governmental Funds For the Year Ended June 30, 2019

		Sp	Revenue Fun	nds		
		al Road		Law		
	-	rovement		ibrary		- 1
		Fund	Fund			Totals
Revenues:						
Revenues from local sources:						
Other taxes	\$	1,871	\$	-	\$	1,871
Charges for services		-		4,457		4,457
Total revenues		1,871		4,457		6,328
Expenditures:						
Judicial administration		-		4,029		4,029
Public safety		-		-		-
Public works		936		-		936
Total expenditures		936		4,029		4,965
Excess (deficiency) of						
revenues over expenditures		935		428		1,363
Other financing sources (uses):						
Operating transfers in		-		-		-
Operating transfers out		-		-		-
Total other financing sources		-		-		-
Excess (deficiency) of revenues &						
other sources over expenditure						
& other uses		935		428		1,363
Fund balances at beginning of year		40,177		12,741		52,918
Fund balances at end of year	\$	41,112	\$	13,169	\$	54,281

County of Scott, Virginia Statement of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual Non-Major Governmental Funds

	Coal Road Improvement Fund									
		Budget Original As Budget Amended		As	Actual			ariance From mended		
Revenues:										
Revenues from local sources:										
Other taxes	\$	-	\$	-	\$	1,871	\$	1,871		
Charges for services		-		-		-		-		
Total revenues						1,871		1,871		
Expenditures:										
Judicial administration		-		-		-		-		
Public works		40,000		40,000		936		39,064		
Total expenditures		40,000		40,000		936		39,064		
Excess (deficiency) of revenues over expenditures		(40,000)		(40,000)		935		(40,935)		
Other financing sources (uses): Operating transfers in Operating transfers out		-		-		-		-		
Prior year surplus (deficit)		40,000		40,000		-		40,000		
Total other financing sources		40,000		40,000		-		40,000		
Excess (deficiency) of revenues & other sources over expenditure										
& other uses		-		-		935		(935)		
Fund balances at beginning of year				_		40,177		40,177		
Fund balances at end of year	\$	-	\$	-	\$	41,112	\$	39,242		

County of Scott, Virginia Statement of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual Non-Major Governmental Funds

	Law Library Fund										
	Budget						ariance				
		riginal		As				From			
	E	Budget	A	nended	Actual		A	mended			
Revenues:											
Revenues from local sources:	¢		¢		¢		¢				
Other taxes	\$	-	\$	-	\$	-	\$	-			
Charges for services		-		-		4,457		4,457			
Total revenues		_		-		4,457		4,457			
Expenditures:											
Judicial administration		12,000		12,000		4,029		7,971			
Public works		-		-				-			
Total expenditures		12,000		12,000		4,029		7,971			
Excess (deficiency) of											
revenues over expenditures		(12,000)		(12,000)		428		(12,428)			
Other financing sources (uses):											
Operating transfers in		-		-		-		-			
Operating transfers out		-		-		-		-			
Prior year surplus (deficit)		12,000		12,000		-		12,000			
Total other financing sources		12,000		12,000		-		12,000			
Excess (deficiency) of revenues &											
other sources over expenditure											
& other uses		-		-		428		(428)			
Fund balances at beginning of year		-		-		12,741		12,741			
Fund balances at end of year	\$	-	\$	-	\$	13,169	\$	12,313			

Supporting Schedules

Governmental Funds and Discretely Presented Component Units

Statement of Revenues - Budget and Actual

For the Year Ended June 30, 2019 Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended
Primary Government:				
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 8,759,147	\$ 8,759,147	\$ 8,889,383	\$ 130,236
Real & personal public service				
corporation property taxes	948,458	948,458	904,978	(43,480
Personal property taxes	1,145,974	1,145,974	1,162,690	16,716
Machinery and tools taxes	151,040	151,040	163,706	12,666
Merchants capital	218,701	218,701	227,321	8,620
Mobile home taxes	109,700	109,700	84,842	(24,858
Penalties	125,000	125,000	228,436	103,436
Interest	100,000	100,000	129,901	29,901
TOTAL GENERAL PROPERTY TAXES	11,558,020	11,558,020	11,791,257	233,237
Other local taxes:				
Local sales & use taxes	1,600,615	1,600,615	1,589,210	(11,405
Consumer utility tax	375,000	375,000	397,733	22,733
Local cell phone tax	700,000	700,000	661,214	(38,786
Gross receipts - utility	75,000	75,000	68,819	(6,181
Motor vehicle licenses	459,637	459,637	458,320	(1,317
Bank franchise taxes	3,000	3,000	21,143	18,143
Transient lodging tax	3,500	3,500	1,983	(1,517
Tax on wills	4,000	4,000	4,295	295
Recordation tax	70,000	70,000	83,282	13,282
Coal severance tax	4,500	4,500	3,168	(1,332
TOTAL OTHER LOCAL TAXES	3,295,252	3,295,252	3,289,167	(6,085
Permits, privilege fees & regulatory license:				
Animal licenses	1,300	1,300	1,355	55
Transfer fees	1,000	1,000	773	(22)
	20,850	20,850	19,769	(1,08]
Building and related permits Weapons permits	20,850	20,830	18,335	18,335
Permits and other licenses	5.150	5,150	35,049	29,899
	5,150	5,150	55,049	29,895
TOTAL PERMITS, PRIVILEGE FEES & REGULATORY LICENSES	28,300	28,300	75,281	46,981
	<u>_</u>		·	
Fines and forfeitures:	110 1 / 2	110 140	100 500	07.57
Court fines and forfeitures	112,149	112,149	199,723	87,574
TOTAL FINES & FORFEITURES	112,149	112,149	199,723	87,574
Revenue from use of money & property:				
Revenue from use of money	4,000	4,000	11,205	7,205
Revenue from use of property	95,300	95,300	88,051	(7,249
TOTAL REVENUE FROM USE OF MONEY & PROPERTY	99,300	99,300	99,256	(44
	77,500	77,500	77,230	(4

Statement of Revenues - Budget and Actual

For the Year Ended June 30, 2019	Budget							ariance	
	O	riginal		As			From		
Fund, Major and Minor Revenue Source		Budget		Amended		Actual		Amended	
Charges for services:									
Charges for recreation	\$	57,500	\$	59,200	\$	59,773	\$	573	
Charges for NARF collections	Ψ	-	Ψ	-	Ψ	10	Ψ	10	
Charges for waste collection & disposal		45,000		45.000		38,782		(6,218	
Room and board animals		500		500		996		496	
TOTAL CHARGES FOR SERVICES		103,000		104,700		99,561		(5,139	
Miscellaneous revenue:									
Miscellaneous		60,000		70,185		81,945		11,760	
Payments in lieu of taxes for		120,000		120,000		107,885		(12,115	
TOTAL MISCELLANEOUS REVENUE		180,000		190,185		189,830		(355	
Recovered costs:									
Other recovered cost		336,394		365,355		376,001		10,646	
TOTAL RECOVERED COSTS		336,394		365,355		376,001		10,646	
TOTAL REVENUE FROM LOCAL SOURCES	15	,712,415		15,753,261		16,120,076		366,815	
Revenue from the Commonwealth:									
Noncategorical aid:									
Mobile home titling taxes		15,000		15,000		45,523		30,523	
Tax on deeds		25,000		25,000		18,724		(6,276	
Rolling stock tax		125,000		125,000		263,993		138,993	
Personal property tax relief		734,025		734,025		734,026		1	
TOTAL NONCATAGORICAL AID		899,025		899,025		1,062,266		163,241	
Categorical aid:									
Shared expenses:									
Commonwealth's attorney		360,350		360,350		359,599		(751	
Sheriff	1	,403,112		1,403,112		1,384,707		(18,405	
Commissioner of the Revenue		105,689		105,689		105,199		(490	
Treasurer		106,346		106,346		104,688		(1,658	
Clerk of the Circuit Court		317,585		342,092		345,023		2,931	
Registrar/electoral board		39,987		39,987		39,096		(891	
Office of emergency services		26,000		26,751		41,837		15,086	
TOTAL SHARED EXPENSES	2	.,359,069		2,384,327		2,380,149		(4,178	

Schedule 1 Page 3 of 5

Statement of Revenues - Budget and Actual

For the Year Ended June 30, 2019					
		Budget		Variance	
	Original	As		From Amended	
Fund, Major and Minor Revenue Source	Budget	Amended	Actual		
Other categorical aid: Welfare administration and assistance	\$ 1,428,703	¢ 1 409 702	¢ 1 276 520	¢ (50.174)	
			\$ 1,376,529 870,626	\$ (52,174) 220 (74	
CMPT	658,962		879,636	220,674	
Domestic Violence	50,151		-	(50,151)	
Local law enforcement	-	4,278	4,278	-	
Litter control	11,000		13,005	505	
Fire programs	63,000		65,557	-	
Wireless E911 grant	38,000	105,212	75,846	(29,366)	
Asset forfeiture grant	-	-	27,885	27,885	
Friend of SWVA	172,350	172,350	89,230	(83,120)	
AFID MTH Top Timber	-	260,000	260,000	-	
Other aid	-	10,000	20,000	10,000	
TOTAL OTHER CATEGORICAL AID	2,422,166	2,767,713	2,811,966	44,253	
TOTAL CATEGORICAL AID	4,781,235	5,152,040	5,192,115	40,075	
TOTAL REVENUE FROM THE					
	5 690 260	6 051 065	6 254 291	202 216	
COMMONWEALTH	5,680,260	6,051,065	6,254,381	203,316	
Revenue from the Federal Government:					
Categorical aid:					
Welfare public assistance	2,059,535	2,059,535	1,984,325	(75,210)	
VAW outreach grant	33,511	33,511	83,794	50,283	
Forestry reimbursement	-	-	625	625	
Community Development Block Grant	250,000	250,000	3,409	(246,591)	
Victim/witness grant	96,292		96,292	-	
TOTAL CATEGORICAL AID	2,439,338		2,168,445	(270,893)	
TOTAL REVENUE FROM FEDERAL					
GOVERNMENT	2,439,338	2,439,338	2,168,445	(270,893)	
	* 22 022 012	• • • • • • • • • •	* 24 5 42 002		
TOTAL GENERAL FUND	\$ 23,832,013	\$ 24,243,664	\$ 24,542,902	\$ 299,238	
Special Revenue Fund:					
Law Library					
Revenue from local sources:					
Charges for services					
Law library fees	\$ -	\$ -	\$ 4,457	\$ 4,457	
Coal Road Improvement Fund					
Revenue from local sources:					
Other taxes					
Coal road tax	_	-	1,871	1,871	
			1,071	1,071	
TOTAL SPECIAL REVENUE FUNDS	\$ -	\$ -	\$ 6,328	\$ 6,328	
GRAND TOTAL REVENUES, ALL					
PRIMARY GOVERNMENTAL FUNDS	\$ 23,832,013	\$ 24,243,664	\$ 24,549,230	\$ 305,566	

Governmental Funds and Discretely Presented Component Units

Statement of Revenues - Budget and Actual

For the Year Ended June 30, 2019				
Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended
Commenced Unit School Deced				
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	\$ 3,021	\$ (1,979)
Revenue from use of property	\$ 5,000	\$ 5,000	\$ 3,021	\$ (1,979)
Charges for services:				
Transportation	35,000	35,000	48,139	13,139
			-,	- ,
Miscellaneous revenue:				
Miscellaneous	280,675	280,675	45,564	(235,111)
Recovered costs:				
Other	12,000	12,000	47,008	35,008
TOTAL REVENUE FROM LOCAL				
SOURCES	332,675	332,675	143,732	(188,943)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	3,387,081	3,387,081	3,419,971	32,890
Basic school aid	14,131,006	14,131,006	14,129,725	(1,281)
Primary class size	588,260	588,260	573,156	(15,104)
Medicaid	300,000	300,000	366,191	66,191
GED funding	7,859	7,859	8,355	496
Foster care	20,028	20,028	8,668	(11,360)
Early intervention	86,458	86,458	94,564	8,106
Gifted & talented children	134,118	134,118	134,275	157
SOL	71,362	71,362	74,064	2,702
At - risk	732,958	732,958	814,680	81,722
Special education	2,232,499	2,232,499	2,372,858	140,359
English second language	9,244	9,244	5,438	(3,806)
Preschool initiative	255,665	255,665	255,665	-
Vocational education	756,381	756,381 2,939,652	770,291 2,943,081	13,910 3,429
Fringe benefits	2,939,652			
Remedial education/summer school Textbooks	568,645	568,645	604,057	35,412 322
VPSA technology grant	275,599 414,000	275,599 414,000	275,921 496,529	82,529
Alternative education	414,000 362,424	414,000 362,424	496,529 362,424	62,329
Textbook lottery	919,887	562,424 919,887	997,880	- 77,993
Other revenue	145,292	145,292	152,633	7,341
TOTAL REVENUE FROM THE	145,292	143,292	152,055	/,541
COMMONWEALTH	28,338,418	28,338,418	28,860,426	522,008
COMMONWEALTH	20,330,410	20,330,410	20,000,420	522,000

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Statement of Revenues - Budget and Actual

For the Year Ended June 30, 2019								
				Budget			Variance	
		Original		As			From	
Fund, Major and Minor Revenue Source		Budget	Amended		Actual			Amended
Revenue from the federal government:								
Categorical aid:								
Title I	\$	860,190	\$	860,190	\$	885,024	\$	24,834
Title II		126,000		126,000		122,511		(3,489)
Title IV - A		-		-		7,213		7,213
Title IV - B		477,987		477,987		486,383		8,396
Title VI - B		791,289		791,289		815,010		23,721
Preschool handicapped allocation		31,065		31,065		31,671		606
Vocational education		62,227		62,227		63,458		1,231
Forest reserve		4,800		4,800		47,045		42,245
Other revenue		100		100		-		(100)
TOTAL REVENUE FROM THE FEDERAL								
GOVERNMENT		2,353,658	. <u> </u>	2,353,658		2,458,315		104,657
TOTAL SCHOOL OPERATING FUND	\$	31,024,751	\$	31,024,751	\$	31,462,473	\$	437,722
School Food Service Fund:								
Revenue from local sources:								
Charges for services:								
Cafeteria sales		614,241		614,241		480,031		(134,210)
TOTAL REVENUE FROM LOCAL SOURCES		614,241		614,241		480,031		(134,210)
Revenue from the government:								
Categorical aid:								
Federal funds		1,530,000		1,530,000		2,006,965		476,965
State funds		50,000		50,000		49,461		(539)
TOTAL REVENUE FROM THE		50,000		50,000		19,101		(33))
GOVERNMENT		1,580,000		1,580,000		2,056,426		476,426
TOTAL SCHOOL FOOD SERVICE FUND	\$	2,194,241	\$	2,194,241	\$	2,536,457	\$	342,216
	Ψ	2,174,241	Ψ	2,174,241	Ψ	2,550,457	Ψ	542,210
School Insurance Fund:								
Charges for services:	¢		¢		¢	2 519 229	¢	2 519 229
Insurance premiums	\$	-	\$		\$	3,518,228	\$	3,518,228
Scott County Headstart:								
Revenue from local sources:								
Miscellaneous		319,955		319,955		530,011		210,056
Revenue from the federal government:								
Categorical aid:								
Headstart grant		1,465,893		1,465,893		2,174,073		708,180
neaustait grain		1,403,893		1,403,693		2,174,075		700,100
TOTAL SPECIAL REVENUE FUNDS	\$	1,785,848	\$	1,785,848	\$	2,704,084	\$	918,236
GRAND TOTAL REVENUES - COMPONENT UNIT - SCHOOL BOARD	\$	35,004,840	\$	35,004,840	\$	40,221,242	\$	5,216,402
	Ψ	22,007,070	Ψ	22,007,070	Ψ	,	Ψ	5,210,702

Governmental Funds and Discretely Presented Component Units

Statement of Expenditures - Budget and Actual

For the Year Ended June 30, 2019		D		T T •		
		Budget		Variance		
	Original	As		From		
Fund, Function, Activities and Elements	Budget	Amended	Actual	Amended		
Primary Government:						
General Fund:						
General government administration:						
Legislative:						
Board of supervisors	\$ 566,102	\$ 494,049	\$ 472,719	21,330		
General & financial administration:						
County administrator	184,202	184,202	182,770	1,432		
Legal services & assessment	203,629	203,629	158,515	45,114		
Independent auditors report	58,500	61,100	61,100	-		
Commissioner of revenue	207,068	207,218	206,959	259		
Treasurer	237,188	239,188	242,812	(3,624)		
Info Systems Manager	158,938	226,061	217,867	8,194		
Central accounting	99,192	99,192	98,719	473		
Purchasing	122,448	122,448	121,626	822		
TOTAL GENERAL & FINANCIAL						
ADMINISTRATION	1,271,165	1,343,038	1,290,368	52,670		
Board of elections:						
Electoral board & officials	195,306	195,467	144,804	50,663		
TOTAL GENERAL GOVERNMENT						
ADMINISTRATION	2,032,573	2,032,554	1,907,891	124,663		
Judicial administration:						
Courts:						
Clerk of the circuit court	472,242	464,442	442,722	21,720		
Circuit court	79,419	80,014	80,314	(300)		
General district court	5,631	5,631	5,046	585		
Magistrate	3,125	3,125	1,902	1,223		
IT funds from comp board	41,000	73,383	48,400	24,983		
Juvenile & domestic relations	215,871	215,871	215,856	15		
TOTAL COURTS	817,288	842,466	794,240	48,226		
Commonwealth's attorney:						
Commonwealth's attorney	614,348	615,449	515,542	99,907		
TOTAL JUDICIAL ADMINISTRATION	1,431,636	1,457,915	1,309,782	148,133		

Governmental Funds and Discretely Presented Component Units

Statement of Expenditures - Budget and Actual

For the Year Ended June 30, 2019			Variance		
	Original	As		From	
Fund, Function, Activities and Elements	Budget	Amended	Actual	Amended	
Public safety:					
Law enforcement & traffic control:					
Sheriff	\$ 2,391,495	\$ 2,411,018	\$ 2,406,541	\$ 4,477	
VAW outreach	33,511	33,511	23,729	9,782	
Criminal investigation	26,700	26,700	24,008	2,692	
Mental Health Transport	10,000	10,000	5,738	4,262	
Victim witness	96,292	96,292	96,004	288	
Class Action on VA Laws	239,346	239,346	218,565	20,781	
E-911 grant	44,800	107,542	48,984	58,558	
Domestic violence grant	50,151	50,151	44,503	5,648	
Central dispatcher	676,441	687,864	685,942	1,922	
TOTAL LAW ENFORCEMENT &			<u>,</u>		
TRAFFIC CONTROL	3,568,736	3,662,424	3,554,014	108,410	
Fire & rescue services:					
Volunteer fire department	456,500	459,057	459,057	-	
Ambulance & rescue services	235,000	235,751	230,751	5,000	
Southwest Virginia EMS, Inc.	3,203	3,203	3,203	-	
Forest fire service	18,703	19,729	19,728	1	
TOTAL FIRE & RESCUE SERVICES	713,406	717,740	712,739	5,001	
Correction and detention:					
Sheriff - jail	1,724,080	1,687,452	2,541,784	(854,332	
Inspections:					
Board of building appeals	93,762	93,762	90,112	3,650	
Other protection:					
Emergency services	24,072	31,977	27,256	4,721	
Medical examiner	500	500	340	160	
Concealed weapon	49,000	49,000	62,644	(13,644	
Litter control	55,272	56,772	55,029	1,743	
Animal control	89,598	88,448	79,931	8,517	
TOTAL OTHER PROTECTION	218,442	226,697	225,200	1,497	
TOTAL PUBLIC SAFETY	6,318,426	6,388,075	7,123,849	(735,774	

Governmental Funds and Discretely Presented Component Units

Statement of Expenditures - Budget and Actual

For the Year Ended June 30, 2019 Fund, Function, Activities and Elements		Original Budget		Budget As Amended		Actual		Variance From Amended	
Public works:									
Sanitation & waste removal:	<u>_</u>		.		÷		.		
Refuse collection	\$	387,650	\$	387,590	\$	276,719	\$	110,871	
Refuse disposal		843,606		858,539		845,688		12,851	
Manned solid waste sites		231,954		233,264		232,237		1,027	
TOTAL SANITATION & WASTE REMOVAL		1,463,210		1,479,393		1,354,644		124,749	
Maintenance of general buildings & grounds:									
General properties		593,652		595,258		564,846		30,412	
General properties		575,052		575,250		504,040		50,412	
Capital Outlays		190,871		214,857		79,533		135,324	
TOTAL PUBLIC WORKS		2,247,733		2,289,508		1,999,023		290,485	
Health & welfare: Health:									
Supplement of local health department		246,639		246,639		220,639		26,000	
Montal health & mantal recordation.									
Mental health & mental retardation:		112 500		112 500		112 500			
Chapter X board		112,500		112,500		112,500		-	
State & local hospitalization:									
Older American program		30,000		30,000		30,000		-	
Welfare:									
Welfare administration		2,180,180		2,180,180		2,332,737		(152,557)	
Public assistance		1,699,541		1,699,541		1,354,174		345,367	
CMPT		985,250		985,250		1,188,811		(203,561)	
Other social services		173,000		173,000		5,000		168,000	
TOTAL WELFARE		5,037,971		5,037,971		4,880,722		157,249	
TOTAL HEALTH & WELFARE		5,427,110		5,427,110		5,243,861		183,249	
Education:									
Community colleges:									
Contributions to community colleges		27,899		27,899		27,899		-	
Parks, recreation & cultural:									
Parks & recreation:									
Recreation centers & playgrounds		224,593		226,952		198,980		27,972	
Non-park recreation		95,016		95,016		89,989		5,027	
TOTAL PARKS & RECREATION		319,609		321,968		288,969		32,999	
Library:									
Lonesome Pine Regional Library		209,330		209,330		209,330		-	
TOTAL PARK, RECREATION									
& CULTURAL		528,939		531,298		498,299		32,999	

Statement of Expenditures - Budget and Actual

Budget Variance Fund, Function, Activities and Elements Budget Amended Actual Amended Community development: Planning & community development: Budget \$ 38,424 \$ 38,424 \$ 38,424 \$ 38,424 \$ - Planning district commission \$ 2400 2.400 980,136 194,271 Chamber of commerce 7.500 7.500 7.500 - Tourism 152,687 162,687 83,625 79,062 TOTAL PLANNING & COMMUNITY 1,113,810 1,385,418 1,1110,183 275,235 Environmental management: Soil and water conservation 63,529 63,529 53,190 10,339 VPI extension program: VPI extension 63,529 63,529 53,190 10,339 TOTAL COMMUNITY DEVELOPMENT 1,218,139 1,489,747 1,204,173 285,574 Debt service: - - 302,086 (302,086) (302,086) TOTAL COMMUNITY DEVELOPMENT 1,218,139 1,489,747 1,204,173 285,574 Debt se	For the Year Ended June 30, 2019							
Fund, Function, Activities and ElementsBudgetAmendedActualAmendedCommunity development: Planning & community development: LENOWISCO\$ 38,424\$ 38,424\$ 38,424\$ 38,424\$ $38,424$ <				-			,	
Community development: Planning & community development: LENOWISCO \$ 38,424 \$ 38,625 70062 Tourisin 152,687 162,687 83,625 70,662 70,662 70,662 70,662 70,662 70,662 70,662 70,662 70,662 70,662 70,662 75,205 71,602,600 75,00 53,190 </th <th></th> <th></th> <th>-</th> <th></th> <th></th> <th></th> <th></th> <th></th>			-					
Planning & community development: Image: Second	Fund, Function, Activities and Elements	E	Budget	/	Amended	 Actual		Amended
Planning & community development: Image: Second	Community development:							
Planning district commission 2,400 2,400 498 1,902 Economic Development Authority 912,799 1,174,407 980,136 194,271 Chamber of commerce 7,500 7,500 7,500 7,500 7,500 TOTAL PLANNING & COMMUNITY 152,687 162,687 83,625 79,062 DEVELOPMENT 1,113,810 1,385,418 1,110,183 275,235 Environmental management: Soil and water conservation 40,800 40,800 40,800 - Cooperative extension program: VPI extension 63,529 63,529 53,190 10,339 TOTAL COMMUNITY DEVELOPMENT 1,218,139 1,489,747 1,204,173 285,574 Debt service: Principal retirement - - 283,834 (283,834) Interest & fiscal charges - - 302,086 (302,086) TOTAL DEBT SERVICE - - 302,086 (302,086) TOTAL DEBT SERVICE - - 302,086 (302,086) TOTAL GENERAL FUND \$ 19,232,455 \$ 19,644,106 \$ 19,616,863 \$ 27,243								
Economic Development Authority 912,799 1,174,407 980,136 194,271 Chamber of commerce 7,500 7,500 7,500 - TOTAL PLANNING & COMMUNITY 152,687 162,687 83,625 79,062 TOTAL PLANNING & COMMUNITY 1,113,810 1,385,418 1,110,1183 275,235 Environmental management: Soil and water conservation 40,800 40,800 - - Cooperative extension program: VPI extension 63,529 63,529 53,190 10,339 TOTAL COMMUNITY DEVELOPMENT 1.218,139 1.489,747 1,204,173 285,574 Debt service: Principal retirement - - 283,834 (283,834) Interest & fiscal charges - - 18,252 (18,252) TOTAL DEBT SERVICE - - 302,086 (302,086) TOTAL GENERAL FUND \$ 19,232,455 \$ 19,644,106 \$ 19,616,863 \$ 27,243 Special Revenue Fund: - - 302,086 (302,086) (302,086) Law Library Fund: - - 302,086 \$ 27,971 Coal Road	LENOWISCO	\$	38,424	\$	38,424	\$ 38,424	\$	-
Economic Development Authority 912,799 1,174,407 980,136 194,271 Chamber of commerce 7,500 7,500 7,500 - TOTAL PLANNING & COMMUNITY 152,687 162,687 83,625 79,062 TOTAL PLANNING & COMMUNITY 1,113,810 1,385,418 1,110,1183 275,235 Environmental management: Soil and water conservation 40,800 40,800 - - Cooperative extension program: VPI extension 63,529 63,529 53,190 10,339 TOTAL COMMUNITY DEVELOPMENT 1.218,139 1.489,747 1,204,173 285,574 Debt service: Principal retirement - - 283,834 (283,834) Interest & fiscal charges - - 18,252 (18,252) TOTAL DEBT SERVICE - - 302,086 (302,086) TOTAL GENERAL FUND \$ 19,232,455 \$ 19,644,106 \$ 19,616,863 \$ 27,243 Special Revenue Fund: - - 302,086 (302,086) (302,086) Law Library Fund: - - 302,086 \$ 27,971 Coal Road	Planning district commission		2,400		2,400	498		1,902
Chamber of commerce 7,500 7,500 7,500 7,500 Tourism 152,687 162,687 83,625 79,062 TOTAL PLANNING & COMMUNITY 1,113,810 1,385,418 1,110,183 275,235 Environmental management: 501 and water conservation 40,800 40,800 40,800 - Cooperative extension program: VPI extension 63,529 63,529 53,190 10,339 TOTAL COMMUNITY DEVELOPMENT 1,218,139 1,489,747 1,204,173 285,574 Debt service: Principal retirement - - 283,834 (283,834) Interest & fiscal charges - - 302,086 (302,086) TOTAL DEBT SERVICE - - 302,086 (302,086) TOTAL GENERAL FUND \$ 19,232,455 \$ 19,644,106 \$ 19,616,863 \$ 27,243 Special Revenue Fund: - - 302,086 (302,086) Law Library Fund: - - 302,006 \$ 7,971 Coal Road Improvement Fund: - - - 7,971 Coal Road Improvement Fund: -	-		912,799		1,174,407	980,136		194,271
TOTAL PLANNING & COMMUNITY 1,113,810 1,385,418 1,110,183 275,235 Environmental management: Soil and water conservation 40,800 40,800 40,800 - Cooperative extension program: 40,800 40,800 40,800 - - VPI extension 63,529 63,529 53,190 10,339 TOTAL COMMUNITY DEVELOPMENT 1,218,139 1,489,747 1,204,173 285,574 Debt service: Principal retirement - - 283,834 (283,834) Interest & fiscal charges - - 302,086 (302,086) TOTAL GENERAL FUND \$ 19,232,455 \$ 19,616,863 \$ 27,243 Special Revenue Fund: - - - 302,086 (302,086) Law Library Fund: Judicial administration: Courts: - - 302,008 \$ 7,971 Coal Road Improvement Fund: Public works: - 12,000 \$ 12,000 \$ 4,029 \$ 7,971 Coal Road Improvement Fund: - - - 30,064 - - - - - -	Chamber of commerce		7,500		7,500	7,500		-
DEVELOPMENT 1,113,810 1,385,418 1,110,183 275,235 Environmental management: Soil and water conservation district 40,800 40,800 40,800 - Cooperative extension program: VPI extension 63,529 63,529 53,190 10,339 TOTAL COMMUNITY DEVELOPMENT 1,218,139 1,489,747 1,204,173 285,574 Debt service: Principal retirement - - 283,834 (283,834) Interest & fiscal charges - 18,252 (18,252) TOTAL DEBT SERVICE - 302,086 (302,086) TOTAL GENERAL FUND \$ 19,232,455 \$ 19,644,106 \$ 19,616,863 \$ 27,243 Special Revenue Fund: Law Library Fund: Judicial administration: Courts: Law library \$ 12,000 \$ 12,000 \$ 4,029 \$ 7,971 Coal Road Improvement Fund: Public works: Maintenance of highways, streets, bridges, sidewalks: Coal road _40,000 _40,000 _936 _39,064 TOTAL SPECIAL REVENUE FUND \$ 52,000 \$ 52,000 \$ 4,965 \$ 47,035 GRAND TOTAL EXPENDITURES, ALL \$ 52,000 \$ 52,000 \$ 4,965	Tourism		152,687		162,687	83,625		79,062
Environmental management: 301 40,800 40,800 40,800 - Cooperative extension program: VPI extension 63,529 63,529 53,190 10,339 TOTAL COMMUNITY DEVELOPMENT 1,218,139 1,489,747 1,204,173 285,574 Debt service: Principal retirement - - 283,834 (283,834) Interest & fiscal charges - - 18,252 (18,252) (302,086) TOTAL GENERAL FUND \$ 19,232,455 \$ 19,644,106 \$ 19,616,863 \$ 27,243 Special Revenue Fund: Law Library Fund: Judicial administration: Courts: - 302,086 (302,086) Law library \$ 12,000 \$ 12,000 \$ 4,029 \$ 7,971 Soperative fund: Law library \$ 12,000 \$ 12,000 \$ 4,029 \$ 7,971 Coal Road Improvement Fund: - - - - - - - - - - - - - - - - - - -	TOTAL PLANNING & COMMUNITY							
Soil and water conservation 40,800 40,800 40,800 - Cooperative extension program: 63,529 63,529 53,190 10,339 TOTAL COMMUNITY DEVELOPMENT 1,218,139 1,489,747 1,204,173 285,574 Debt service: - - 283,834 (283,834) Interest & fiscal charges - - 18,252 (18,252) TOTAL DEBT SERVICE - - 302,086 (302,086) TOTAL GENERAL FUND \$ 19,232,455 \$ 19,644,106 \$ 19,616,863 \$ 27,243 Special Revenue Fund: - - 302,086 (302,086) Law Library Fund: Judicial administration: Courts: - - 7,971 Coal Road Improvement Fund: - 12,000 \$ 12,000 \$ 4,029 \$ 7,971 Coal Road Improvement Fund: - - - 302,086 - - Public works: Maintenance of highways, streets, bridges, sidewalks: - - - - - - - - - - - - - - -	DEVELOPMENT		1,113,810		1,385,418	 1,110,183		275,235
Soil and water conservation 40,800 40,800 40,800 - Cooperative extension program: 63,529 63,529 53,190 10,339 TOTAL COMMUNITY DEVELOPMENT 1,218,139 1,489,747 1,204,173 285,574 Debt service: - - 283,834 (283,834) Interest & fiscal charges - - 18,252 (18,252) TOTAL DEBT SERVICE - - 302,086 (302,086) TOTAL GENERAL FUND \$ 19,232,455 \$ 19,644,106 \$ 19,616,863 \$ 27,243 Special Revenue Fund: - - 302,086 (302,086) Law Library Fund: Judicial administration: Courts: - - 7,971 Coal Road Improvement Fund: - 12,000 \$ 12,000 \$ 4,029 \$ 7,971 Coal Road Improvement Fund: - - - 302,086 - - Public works: Maintenance of highways, streets, bridges, sidewalks: - - - - - - - - - - - - - - -	Environmental management:							
Cooperative extension program: Discrete Discrete VPI extension 63,529 63,529 53,190 10,339 TOTAL COMMUNITY DEVELOPMENT 1,218,139 1,489,747 1,204,173 285,574 Debt service: Principal retirement - 283,834 (283,834) Interest & fiscal charges - 18,252 (18,252) TOTAL DEBT SERVICE - 302,086 (302,086) TOTAL GENERAL FUND \$ 19,232,455 \$ 19,644,106 \$ 19,616,863 \$ 27,243 Special Revenue Fund: - - 302,008 (302,086) (302,086) Law Library Fund: Judicial administration: Courts: - 302,000 \$ 19,616,863 \$ 27,243 Special Revenue Fund: Law Library \$ 12,000 \$ 12,000 \$ 4,029 \$ 7,971 Coal Road Improvement Fund: Public works: Maintenance of highways, streets, bridges, sidewalks: - - 39,064 Coal road 40,000 \$ 52,000 \$ 52,000 \$ 4,965 \$ 47,035 GRAND TOTAL EXP								
VPI extension 63,529 53,190 10,339 TOTAL COMMUNITY DEVELOPMENT 1,218,139 1,489,747 1,204,173 285,574 Debt service: Principal retirement - - 283,834 (283,834) Interest & fiscal charges - - 283,834 (283,834) Interest & fiscal charges - - 18,252 (18,252) TOTAL DEBT SERVICE - - 302,086 (302,086) TOTAL GENERAL FUND \$ 19,232,455 \$ 19,644,106 \$ 19,616,863 \$ 27,243 Special Revenue Fund: Law Library Fund: Judicial administration: Courts: - - 300,086 39,064 Coal Road Improvement Fund: Public works: Maintenance of highways, streets, bridges, sidewalks: -	district		40,800		40,800	 40,800		-
VPI extension 63,529 53,190 10,339 TOTAL COMMUNITY DEVELOPMENT 1,218,139 1,489,747 1,204,173 285,574 Debt service: Principal retirement - - 283,834 (283,834) Interest & fiscal charges - - 283,834 (283,834) Interest & fiscal charges - - 18,252 (18,252) TOTAL DEBT SERVICE - - 302,086 (302,086) TOTAL GENERAL FUND \$ 19,232,455 \$ 19,644,106 \$ 19,616,863 \$ 27,243 Special Revenue Fund: Law Library Fund: Judicial administration: Courts: - - 300,086 39,064 Coal Road Improvement Fund: Public works: Maintenance of highways, streets, bridges, sidewalks: -	Cooperative extension program:							
Debt service:283,834(283,834)Interest & fiscal charges18,252(18,252)TOTAL DEBT SERVICE302,086(302,086)TOTAL GENERAL FUND\$ 19,232,455\$ 19,644,106\$ 19,616,863\$ 27,243Special Revenue Fund:Law Library Fund:Judicial administration:\$ 12,000\$ 12,000\$ 4,029\$ 7,971Coal Road Improvement Fund:Public works:Maintenance of highways, streets, bridges, sidewalks:\$ 40,00040,00093639,064TOTAL SPECIAL REVENUE FUND\$ 52,000\$ 52,000\$ 4,965\$ 47,035GRAND TOTAL EXPENDITURES, ALL\$ 52,000\$ 52,000\$ 4,965\$ 47,035			63,529		63,529	 53,190		10,339
Principal retirement - - 283,834 (283,834) Interest & fiscal charges - - 18,252 (18,252) TOTAL DEBT SERVICE - - 302,086 (302,086) TOTAL GENERAL FUND \$ 19,232,455 \$ 19,644,106 \$ 19,616,863 \$ 27,243 Special Revenue Fund:	TOTAL COMMUNITY DEVELOPMENT		1,218,139		1,489,747	 1,204,173		285,574
Interest & fiscal charges - - 18,252 (18,252) TOTAL DEBT SERVICE - - 302,086 (302,086) TOTAL GENERAL FUND \$ 19,232,455 \$ 19,644,106 \$ 19,616,863 \$ 27,243 Special Revenue Fund: Law Library Fund: Judicial administration: -	Debt service:							
Interest & fiscal charges - - 18,252 (18,252) TOTAL DEBT SERVICE - - 302,086 (302,086) TOTAL GENERAL FUND \$ 19,232,455 \$ 19,644,106 \$ 19,616,863 \$ 27,243 Special Revenue Fund: Law Library Fund: Judicial administration: -	Principal retirement		-		-	283,834		(283,834)
TOTAL DEBT SERVICE302,086(302,086)TOTAL GENERAL FUND\$ 19,232,455\$ 19,644,106\$ 19,616,863\$ 27,243Special Revenue Fund: Law Library Fund: Judicial administration: Courts: Law library\$ 12,000\$ 12,000\$ 4,029\$ 7,971Coal Road Improvement Fund: Public works: Maintenance of highways, streets, bridges, sidewalks: Coal road\$ 12,000\$ 40,00093639,064TOTAL SPECIAL REVENUE FUND\$ 52,000\$ 52,000\$ 4,965\$ 47,035GRAND TOTAL EXPENDITURES, ALL </td <td>-</td> <td></td> <td>-</td> <td></td> <td>-</td> <td></td> <td></td> <td></td>	-		-		-			
Special Revenue Fund: Law Library Fund: Judicial administration: Courts: Law library \$ 12,000 \$ 12,000 \$ 4,029 \$ 7,971 Coal Road Improvement Fund: Public works: Maintenance of highways, streets, bridges, sidewalks: 40,000 40,000 936 39,064 TOTAL SPECIAL REVENUE FUND \$ 52,000 \$ 52,000 \$ 4,965 \$ 47,035 GRAND TOTAL EXPENDITURES, ALL For the second s			-		-	 302,086		
Law Library Fund: Judicial administration: Courts: Law library\$ 12,000 \$ 12,000 \$ 4,029 \$ 7,971Coal Road Improvement Fund: Public works: Maintenance of highways, streets, bridges, sidewalks: Coal road40,000 40,000 936 39,064TOTAL SPECIAL REVENUE FUND\$ 52,000 \$ 52,000 \$ 4,965 \$ 47,035GRAND TOTAL EXPENDITURES, ALL	TOTAL GENERAL FUND	\$ 1	9,232,455	\$	19,644,106	\$ 19,616,863	\$	27,243
Judicial administration: Courts: Law library <u>\$ 12,000 \$ 12,000 \$ 4,029 \$ 7,971</u> Coal Road Improvement Fund: Public works: Maintenance of highways, streets, bridges, sidewalks: Coal road <u>40,000 40,000 936 39,064</u> TOTAL SPECIAL REVENUE FUND <u>\$ 52,000 \$ 4,965 \$ 47,035</u> GRAND TOTAL EXPENDITURES, ALL	Special Revenue Fund:							
Courts: Law library\$ 12,000\$ 12,000\$ 4,029\$ 7,971Coal Road Improvement Fund: Public works: Maintenance of highways, streets, bridges, sidewalks: Coal road40,00040,00093639,064TOTAL SPECIAL REVENUE FUND\$ 52,000\$ 52,000\$ 4,965\$ 47,035GRAND TOTAL EXPENDITURES, ALL	Law Library Fund:							
Law library\$12,000\$12,000\$4,029\$7,971Coal Road Improvement Fund: Public works: Maintenance of highways, streets, bridges, sidewalks: Coal road40,00040,00093639,064TOTAL SPECIAL REVENUE FUND\$52,000\$52,000\$4,965\$47,035GRAND TOTAL EXPENDITURES, ALL	Judicial administration:							
Coal Road Improvement Fund: Public works: Maintenance of highways, streets, bridges, sidewalks: Coal road 40,000 936 39,064 TOTAL SPECIAL REVENUE FUND \$ 52,000 \$ 4,965 \$ 47,035 GRAND TOTAL EXPENDITURES, ALL	Courts:							
Public works: Maintenance of highways, streets, bridges, sidewalks: Coal road 40,000 40,000 936 39,064 TOTAL SPECIAL REVENUE FUND \$ 52,000 \$ 52,000 \$ 4,965 \$ 47,035 GRAND TOTAL EXPENDITURES, ALL	Law library	\$	12,000	\$	12,000	\$ 4,029	\$	7,971
Maintenance of highways, streets, bridges, sidewalks: Coal road40,00040,00093639,064TOTAL SPECIAL REVENUE FUND\$ 52,000\$ 52,000\$ 4,965\$ 47,035GRAND TOTAL EXPENDITURES, ALL	Coal Road Improvement Fund:							
Coal road 40,000 40,000 936 39,064 TOTAL SPECIAL REVENUE FUND \$ 52,000 \$ 4,965 \$ 47,035 GRAND TOTAL EXPENDITURES, ALL	Public works:							
TOTAL SPECIAL REVENUE FUND\$ 52,000\$ 52,000\$ 4,965\$ 47,035GRAND TOTAL EXPENDITURES, ALL	Maintenance of highways, streets, bridges, sidewalks:							
GRAND TOTAL EXPENDITURES, ALL			40,000		40,000	 936		39,064
	TOTAL SPECIAL REVENUE FUND	\$	52,000	\$	52,000	\$ 4,965	\$	47,035
	GRAND TOTAL EXPENDITURES ALL							
$\frac{1}{2}$	PRIMARY GOVERNMENTAL FUNDS	\$ 1	9,284,455	\$	19,696,106	\$ 19,621,828	\$	74,278

Statement of Expenditures - Budget and Actual For the Year Ended June 30, 2019

Fund, Function, Activities and Elements	Original Budget	Budget As Amended	Actual	Variance From Amended	
	Dudger				
Component unit - School Board					
Special revenue funds:					
School Operating Fund:					
Education:					
Administration & health services	\$ 1,576,960	\$ 1,576,960	\$ 1,577,855	\$ (895)	
Instruction costs:					
Instructional costs	28,696,680	28,696,680	28,482,765	213,915	
Operating costs:					
Pupil transportation	1,687,075	1,687,075	1,809,766	(122,691)	
Operation & maintenance of school plant	4,604,036	4,604,036	8,267,015	(3,662,979)	
TOTAL OPERATING COSTS	6,291,111	6,291,111	10,076,781	(3,785,670)	
TOTAL SCHOOL OPERATING FUND	\$ 36,564,751	\$ 36,564,751	\$ 40,137,401	\$ (3,572,650)	
School Food Service Fund:					
Education					
Cafeteria operation	\$ 2,094,241	\$ 2,094,241	\$ 2,552,686	\$ (458,445)	
School Debt Fund:					
Education					
Construction	\$ -	\$ -	\$ -	\$ -	
School Health Insurance:					
Education					
Insurance cost	\$ -	\$ -	\$ 3,914,517	\$ (3,914,517)	
Scott County Headstart Fund:					
Education					
Instruction costs	\$ 1,785,848	\$ 1,785,848	\$ 2,689,026	\$ (903,178)	
GRAND TOTAL EXPENDITURES - COMPONENT UNIT					
- SCHOOL BOARD	\$ 40,444,840	\$ 40,444,840	\$ 49,293,630	\$ (8,848,790)	

Fiscal Year Ending	R	ntractually Required ntribution	R Co F	tributions in elation to ntractually Required ontribution	Contribution Deficiency / Excess	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
Pension							
Primary Gov	vernme	ent:					
6/30/2015	\$	750,270	\$	750,270	-	\$ 5,479,756	13.69%
6/30/2016		783,453		783,453	-	5,433,100	14.42%
6/30/2017		689,936		689,936	-	5,481,934	12.59%
6/30/2018		712,516		712,516	-	5,663,894	12.58%
6/30/2019		697,098		697,098	-	5,870,616	11.87%
Component	Unit S	chool Board	- Non	Professional:			
6/30/2015	\$	199,237	\$	199,237	-	\$ 2,321,227	8.58%
6/30/2016		195,934		195,934	-	2,118,205	9.25%
6/30/2017		155,619		155,619	-	2,178,285	7.14%
6/30/2018		151,520		151,520	-	2,174,214	6.97%
6/30/2019		115,979		115,979	-	2,233,030	5.19%
Other Poster	nployı	nent Benefits	5				
Primary Gov	vernme	ent:					
6/30/2015	\$	-	\$	-	-	\$ 4,686,262	0.00%
6/30/2016		83,253		83,253	-	4,686,262	1.78%
6/30/2017		83,254		83,254	-	4,686,262	1.78%
6/30/2018		86,543		86,543	-	5,663,894	1.53%
6/30/2019		30,226		30,226	-	5,888,413	0.51%
Component	Unit S	chool Board:					
6/30/2015	\$	383,223	\$	383,223	-	\$ 22,509,776	1.70%
6/30/2016		421,545		421,545	-	22,509,776	1.87%
6/30/2017		369,801		369,801	-	22,509,776	1.64%
6/30/2018		99,010		99,010	-	22,624,219	0.44%
6/30/2019		361,151		361,151	-	23,022,584	1.57%

Notes to Schedule:

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

Federal Granting Agency / Recipient State Agency /	Federal Catalogue			
Grant Program / Grant Number	Number	Expenditures		
DEPARTMENT OF AGRICULTURE:				
Direct Payments:	10 559	¢ 170.09 <i>c</i>		
Child and Adult Care Food Program	10.558	\$ 170,086		
Pass Through Payments:				
Virginia Resources Authority Grant/Loan:				
Capitalization Grants for Drinking Water State				
Revolving Fund	66.468	_		
Capitalization Grants for Drinking Water State	00.400			
Revolving Fund (Loan)	66.468	46,374		
Revolving Fund (Loan)	00.400	+0,57+		
Pass Through Payments:				
State Department of Agriculture:				
Child Nutrition Cluster:				
Food Distribution - Schools	10.555	150,028		
Fresh Fruit and Vegetables	10.582	(369)		
		()		
Department of Social Services:				
Administrative Grant for Food Stamps	10.561	339,645		
Department of Environmental Quailty:				
Forestry Reimbursements	10.000	625		
Department of Education:				
Child Nutrition Cluster:	10 555	1 0 (0 100		
National School Lunch Program (SL-11)	10.555	1,269,189		
National School Breakfast Program (SL-4)	10.553	212,067		
Supper Program	10.559	376,050		
Forest Reserve Funds	10.665	47,045		
TOTAL AGRICULTURE		\$ 2610.740		
IUIAL AURICULIURE		\$ 2,610,740		

Federal Granting Agency / Recipient State Agency /	Federal Catalogue		
Grant Program / Grant Number	Number	Ex	penditures
DEPARTMENT OF HEALTH & HUMAN SERVICES: Direct Payments:			
Administration to Children, Youth and Families Head Start	93.600	\$	2,003,987
Pass Through Payments: Department of Social Services:			
Family Preservation	93.556		5,273
Temporary Assistance to Needy Families	93.558		310,923
Child Care and Development Fund	93.596		51,963
Chafee Education & Training	93.599		1,126
Adoption Incentive Payments Program	93.603		499
Child Welfare Services	93.645		348
Foster Care - Title IV - E	93.658		349,821
Adoption Assistance	93.659		281,312
Social Service Block Grant	93.667		199,083
Independent Living	93.674		5,017
State Children's Insurance Program	93.767		8,218
Pass Through Payments:			
State Administered Program:			
Refugee and Entrant Assistance	93.566		191
Low - Income Home Energy Assistance	93.568		47,292
Medicaid Assistance	93.778		383,614
TOTAL HEALTH & HUMAN SERVICES		\$	3,648,667
DEPARTMENT OF HOUSING & URBAN DEVELOPMENT: Pass Through Payments:			
Virginia Department of Housing & Community Development: Community Development Block Grant	14.228	\$	3,409

Federal Granting Agency /	Federal		
Recipient State Agency /	Catalogue		
Grant Program / Grant Number	Number	Ex	penditures
DEPARTMENT OF EDUCATION:			
Pass Through Payments:			
Department of Education:			
Title I:			
Educationally Deprived Children's - LEA	84.010	\$	885,024
Improving Academic Achievement of the Disadvantaged	84.010		_
Title II: Improving Teacher Quality	84.367		122,511
Title IV-A: Student Support and Academic Enrichment	84.424		7,213
Title IV-B: 21st Century Community Learning Centers	84.287		486,383
Title VI-B:	0.11207		100,000
Assistance to States for Education of Handicapped Children:			
Handicapped State Grants (5-E002581) (6-E002585)	84.027		815,010
Title VI-D:	011027		010,010
Vocational Education:			
Basic Grant to States	84.048		63,458
Preschool Handicapped	84.173		31,671
	01170		51,071
TOTAL EDUCATION		\$	2,411,270
DEPARTMENT OF JUSTICE:			
Pass Through Payments:			
Department of Criminal Justice Services:			
Violence Against Woman Grant	16.588	\$	83,794
VOCA Victim Assistance	16.575		96,292
			, -
TOTAL JUSTICE		\$	180,086
		¢	0.054.170
TOTAL FEDERAL FINANCIAL ASSISTANCE		\$	8,854,172

Federal Granting Agency /	Federal	
Recipient State Agency /	Catalogue	
Grant Program / Grant Number	Number	Expenditures

Notes to Schedule:

- 1) * Denotes major program.
- 2) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Scott County, Virginia under programs of the federal government for the year ended June 30, 2018. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Scott County, it is not intended to and does not present the financial position, changes in nets position, or cash flows of the County.

- 3) Summary of Significant Accounting Policies
 - a) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
 - b) Pass-through entity identifying numbers are presented where available.
 - c) Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed.
- 4) The County did not have any subrecipients for the year ended June 30, 2018.

Section I - Summary of Auditor Results

Type of auditor's opinion issued:		Uni	modified
Internal control over financial reporting:			
Material weakness(es) identified?			No
Significant deficiencies in internal control were disclosed by the audit of the financial statements:		None	Reported
Noncompliance material to financial statements noted?			No
Federal Awards			
Internal control over major programs:			No
Material weakness(es) identified?		None	Reported
Significant deficiencies in internal control were disclosed by the audit of the financial statements:		Uni	modified
Type of auditor's opinion issued on compliance for major programs:			
Any findings disclosed that are required to be reported in accordance with 2 CFR§200.516(a)?			No
Major programs identified:	CFDA		
National School Lunch Program (SL-11) Administration to Children, Youth and Families Head Start Educational Deprived Children's - LEA Hanicapped State Grants Safe, Accountable, Flexible Efficient Transportation Equity Act	10.555 93.600 84.010 84.027 20.205		
Dollar threshold used to distinguish between Type A and Type B		\$	750,000
Auditee qualified as low risk under 2 CFR§200.520?			Yes
tion II - Financial Statement Findings			

Section III - Federal Awards Findings and Questioned Costs

None Reported

Prior Year Findings

None Reported

Statistical Tables

Fiscal Year	General Adminis- tration	Judicial Adminis- tration	Public Safety	Public Works	Health and Welfare	Education	Recreation and Cultural	Community Develop- ment	Debt Service	Total
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	58,289,734
2016-17	1,935,305	1,353,712	6,527,005	2,335,041	4,522,147	43,367,620	518,862	1,446,435	275,305	58,255,525
2017-18	1,917,215	1,369,616	5,906,279	2,077,353	4,597,897	46,990,301	501,347	742,627	294,746	64,397,381
2018-19	1,907,891	1,313,811	7,123,849	1,999,959	5,243,861	49,321,529	498,299	1,204,173	302,086	68,915,458

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

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

			Permit Privilege	T ' 0	Revenues from the	a			T. J.	
F ' 1	General	Other	Fees &	Fines &	Use of	Charges	NC 11		Inter-	
Fiscal	Property	Local	Regulatory	Forfei-	Money &	for	Miscell-	Recovered	govern-	
Year	Taxes	Taxes	Licenses	tures	Property	Services	aneous	Costs	mental	Total
2009-10	7,845,243	3,119,899	48,642	185,820	101,279	5,323,624	297,840	350,720	40,596,723	58,798,597
2010-11	10,048,135	3,190,210	57,986	139,181	104,685	4,390,092	513,576	145,582	37,484,945	57,869,790
2011-12	10,385,555	3,158,479	71,233	122,300	101,870	4,927,846	777,389	201,067	36,941,261	56,074,392
2012-13	10,328,263	3,237,175	85,239	193,027	104,025	5,861,257	800,162	207,854	37,236,030	56,687,000
2013-14	10,484,330	3,170,027	71,939	207,646	100,348	5,096,716	609,109	201,090	36,849,405	58,053,032
2014-15	10,768,184	3,134,530	61,121	202,900	98,042	4,771,809	896,774	713,887	37,625,174	56,790,610
2015-16	10,805,616	3,140,302	72,092	199,654	98,088	5,267,550	683,993	405,993	37,548,062	58,272,421
2016-17	11,907,890	3,262,651	67,099	215,584	112,743	4,244,690	235,362	473,862	38,194,440	58,221,350
2017-18	11,706,326	3,301,761	72,744	215,765	106,768	4,638,469	802,274	475,787	40,815,533	62,135,427
2018-19	11,791,257	3,291,038	75,281	199,723	102,277	4,150,416	765,405	423,009	43,972,066	64,770,472

(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
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%
2017-18	12,231,360	10,815,916	88.43%	552,705	11,368,621	92.95%	1,171,569	9.58%
2018-19	11,801,705	10,977,998	93.02%	454,922	11,432,920	96.88%	1,181,771	10.01%

(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.

			Public S	ervice	
Fiscal	Real	Personal	Real	Personal	
Year	Estate	Property	Estate	Property	Total
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	1,514,606,398
2017-18	1,224,046,823	189,872,988	126,744,090	605,499	1,541,269,400
2018-19	1,105,352,532	244,177,009	121,792,968	400,164	1,471,722,673

(1) 100% fair market value.

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

Fiscal	Real	Personal	Mobile	Machinery and	Merchants'
Year	Estate	Property	Homes	Tools	Capital
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	0.74	1.40	0.74	0.72	0.72
2017-18	0.74	1.40	0.74	0.72	0.72
2018-19	0.74	1.40	0.74	0.72	0.72

(1) Per \$100 of assessed value.

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

Fiscal	Population	Assessed Value (in thousands)	Gross Bonded	Ratio of Net General Obligation Bonded Debt to Assessed	Net Bonded Debt per
Year	(1)	(2)	Debt (3)	Value	Capita
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	-	0.00%	-
2012-13	23,177	1,472,533,965	-	-	-
2013-14	23,177	1,491,639,920	-	-	-
2014-15	23,177	1,514,606,398	-	-	-
2015-16	23,177	1,514,606,398	-	-	-
2016-17	23,177	1,560,981,856	-	-	-
2017-18	23,177	1,541,269,400	-	-	-
2018-19	23,177	1,471,722,673	-	-	-

(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.