

COUNTY OF TAZEVELL, VIRGINIA
ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2010

COUNTY OF TAZEWELL, VIRGINIA
ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2010

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INTRODUCTORY SECTION

COUNTY OF TAZEWELL, VIRGINIA

BOARD OF SUPERVISORS

David R. Anderson, Chair
John Absher
D. Michael Hymes
Jim Campbell, Jr.
Seth White

COUNTY SCHOOL BOARD

Mike Dennis, Chairman
Randy Conn, Vice Chairman
Steve Davis
Estelle Johnson
David Woodard
Brenda Lawson, Superintendent of Schools

SOCIAL SERVICES BOARD

Henry Nickels, Chairman
Earl Griffith
Charles Thomason
Bill Stone
Darrell Addison

EX-OFFICIO MEMBERS

James Spencer, County Administrator
Rex Tester, Director of Social Services

OTHER OFFICIALS

Judge of the Circuit Court Teresa Chaffin
Judge of the Circuit Court Michael L. Moore
Judge of the Circuit Court Henry A. Vanover
Judge of the Circuit Court Patrick R. Johnson
Clerk of the Circuit Court James E. Blevins
Judge of the District Court..... Jack S. Hurley
Judge of the District Court..... Richard C. Patterson
Judge of the Juvenile & Domestic Relations Court..... Michael J. Bush
Judge of the Juvenile & Domestic Relations Court..... Henry A. Barringer
Commonwealth's Attorney Dennis H. Lee
Commissioner of the Revenue Emma N. Hagy
Treasurer Norman L. Cook
Sheriff H.S. Caudill
School Board Clerk Jammie Lester

FINANCIAL SECTION

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Independent Auditors' Report

THE HONORABLE MEMBERS OF THE BOARD OF SUPERVISORS COUNTY OF TAZEWELL, VIRGINIA

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the County of Tazewell, Virginia, as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Tazewell, Virginia's management. 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; 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the County of Tazewell, Virginia, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2011, on our consideration of the County of Tazewell, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and the budgetary comparison information and the Schedule of Pension and OPEB Funding Progress as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures to the Schedule of Pension and OPEB Funding Progress, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Tazewell, Virginia's basic financial statements. The introductory section, other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the County of Tazewell, Virginia. The budgetary comparison schedules, and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements, taken 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 express no opinion on them.

Robinson, Fauser, Cox Associates

Christiansburg, Virginia
January 27, 2011

Tazewell County Board of Supervisors

Tazewell County, Virginia
Seth R. White, Chairman
James H. Spencer III- County Administrator

David R. Anderson, Vice Chairman
John Absher

Jim Campbell
D. Michael Hymes

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

As management of the County of Tazewell, Virginia we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2010. 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 fiscal year by \$22,956,931 (net assets). Of this amount, \$18,975,761 was considered unrestricted.
- The assets of the County's business-type activities exceeded its liabilities at the close of the fiscal year by \$5,974,441 (net assets).
- The assets of the School Board component unit exceeded its liabilities at the close of the fiscal year by \$18,309,267 (net assets). Of this amount \$2,141,359 was considered unrestricted.
- As of the close of the current fiscal year, the County's funds reported combined ending fund balances of \$19,138,138.
- During the year, the County had governmental revenues that were \$50,342 more than expenses. Included in this amount was \$10,963,280 that was transferred to the school funds for the operation of the school system.

Overview of the Financial Statements:

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

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

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

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

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

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

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

The Government-wide Financial Statements include not only the County of Tazewell, Virginia itself (known as the primary government), but also a Landfill Fund (known as business-type activities) and a legally separate school board for which the County of Tazewell, Virginia is financially accountable. The financial statements also include three discretely presented component units that we do not control, but do exercise a significant financial relationship with. These include the Public Service Authority, the Industrial Development Authority and the Tazewell County Airport Authority.

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 Tazewell, Virginia, like other local governments, uses fund accounting to ensure and

demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The County maintains seven 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, Capital Projects Fund, E-911 Fund, Coal Road Improvement Fund, Coal Road Economic Fund, Damage Stamp Fund and the Law Library Fund, of which the General and Capital Project Funds are considered to be major funds. Data from the five other non-major governmental funds are combined into a single presentation. Individual fund data for each of these funds are shown elsewhere in this report.

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

Proprietary Funds – The County maintains one proprietary funds; Landfill Fund. This fund accounts for activities similar to those found in the private sector.

Fiduciary funds – The County is the trustee, or fiduciary, for the County’s agency funds and expendable trust funds. We are responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County’s fiduciary activities are reported in a separate statement of fiduciary net assets. The County excludes these activities from the County’s Government-wide Financial Statements because the County cannot use these assets to finance its operations.

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 statements and accompanying notes, this report also presents certain required supplementary information for budgetary comparison and presentation of combining financial statements for the discretely presented component units and the non-major funds.

Government-wide Financial Analysis

As noted earlier, net assets may serve as a useful indicator of a County’s financial position. In the case of the County, assets exceed liabilities by \$28,931,372 at the close of the most recent fiscal year.

The largest portion of the County’s net assets \$10,876,968 reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the County’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the County’s net assets \$2,246,010, are subject to restrictions on how they may be used. The remaining balance of net assets \$15,808,394 may be used to meet the County’s ongoing obligations.

The following table summarizes the County’s Statement of Net Assets and Statement of Activities for 2010 and 2009.

Statement of Net Assets

	Governmental and Business-type Activities 2010	Governmental and Business-type Activities 2009
Current and other assets	\$ 50,009,700	\$ 50,633,936
Capital and other assets	24,789,358	21,973,507
Total assets	<u>\$ 74,799,058</u>	<u>\$ 72,607,443</u>
Current and other liabilities	\$ 25,555,082	\$ 24,970,883
Long-term liabilities	20,312,604	20,842,301
Total Liabilities	<u>\$ 45,867,686</u>	<u>\$ 45,813,184</u>
Net assets:		
Invested in capital assets, net of related debt	\$ 10,876,968	\$ 17,254,840
Restricted	2,246,010	2,123,987
Unrestricted	15,808,394	7,415,432
Total net assets	<u>\$ 28,931,372</u>	<u>\$ 26,794,259</u>

Statement of Activities

	Governmental and Business-type Activities 2010	Governmental and Business-type Activities 2009
Program revenues		
Charges for services	\$ 1,220,845	\$ 1,298,603
Operating grants and contributions	12,203,375	11,268,684
General revenues		
Property taxes	22,339,123	21,468,696
Other taxes	9,201,493	8,855,016
Revenue from use of money and property	496,920	687,983
Miscellaneous	742,233	1,945,329
Intergovernmental revenues		
Grants and contributions not restricted to specific programs	2,539,185	3,128,364
Total revenues	48,743,174	48,652,675
Expenses		
General government	4,464,306	4,170,651
Judicial administration	2,293,078	2,415,913
Public Safety	12,199,744	11,793,711
Public works	5,327,605	5,111,308
Health and welfare	6,568,843	6,399,621
Education	10,333,375	15,922,682
Parks, recreation and cultural	1,278,302	1,289,353
Community development	2,176,532	1,961,006
Interest on debt	462,972	455,413
Landfill	1,701,481	1,559,347
Total expenses	46,806,238	51,079,005
Change in net assets	\$ 1,936,936	\$ (2,426,330)

At the end of the current fiscal year, the County is able to report positive balances in all categories of net assets, both for the County as a whole and for its business-type activities.

Financial Analysis of the County's Funds

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

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

combined ending fund balances of \$19,138,138. Approximately 42% of this total amount, \$8,082,545, constitutes designated fund balance, which is not available for current spending since it has been reserved for capital and other projects and \$11,055,593 or 58% is available for spending at the County’s discretion.

The general fund is the operating fund of the County. At the end of the current fiscal year, unreserved and total fund balance of the general fund was \$8,592,772. The special revenue funds, at the end of the fiscal year, had a fund balance of \$2,464,386 of which \$2,462,821 was undesignated and the County Capital Projects fund had a designated fund balance of \$8,080,980.

Total governmental fund revenues increased \$381,280 and expenses decreased \$4,634,320 over prior year amounts. For fiscal year ended June 30, 2010, revenues exceeded expenses by \$50,342, an increase of \$5,015,600 over the prior year. The majority of this change was within the capital projects fund and was the result of the completion of a school capital project.

General Fund Budgetary Highlights

There were differences between the original budget and the final amended budget for the current year.

Capital Assets and Debt Administration

Capital assets – The County’s investment in capital assets for its governmental funds and business-type activities as of June 30, 2010 amounts to \$24,789,358 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery and equipment.

Additional information on the County of Tazewell’s capital assets can be found in Note 6 of this report.

Long-term debt – At the end of the current fiscal year, the County had total debt outstanding as follows:

Primary Government:	
Accrued leave	\$ 762,402
OPEB obligation	531,700
General obligation bonds	10,089,325
Literary Funds	877,000
Total	\$ 12,260,427
Business-type Activities:	
Accrued leave	\$ 64,125
Estimated landfill liability	5,041,987
Notes and bonds	2,946,065
Total	\$ 8,052,177

Additional information on the County of Tazewell's long-term debt can be found in Note 7 of this report.

Economic Factors

The June 2010 unemployment rate for the County of Tazewell, Virginia was 7.1%, which is a decrease from a rate of 9.3% in June 2009. This is slightly above the state's average unemployment rate of 7.0% and below the national average rate of 9.5%.

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 requests for additional financial information should be addressed to the County Administrator, 106 East Main Street, Tazewell, Virginia 24651.

Basic Financial Statements

County of Tazewell, Virginia
Statement of Net Assets
June 30, 2010

	Primary Government		Component Units				
	Governmental Activities	Business-type Activities	Total	School Board	Public Service Authority	Industrial Development Authority	County Airport Authority
ASSETS							
Cash and Cash Equivalents	\$ 11,976,155	\$ 1,970,411	\$ 13,946,566	\$ 5,627,234	\$ 632,814	\$ 543,537	\$ 223,968
Cash in Custody of Others	-	-	-	46,950	-	1,249,519	-
Receivables (Net of Allowance for Uncollectibles):							
Taxes	25,412,930	-	25,412,930	-	-	-	-
Accounts Receivable	108,164	108,164	206,328	-	565,865	-	6,438
Other Local Taxes and Fees	287,703	-	287,703	-	-	-	-
Note Receivable	343,673	-	343,673	-	-	732,712	-
Interest Receivable	-	-	-	-	-	96	-
Due from Other Funds	36,010	36,010	72,020	-	-	-	-
Due from Other Governmental Units	2,341,924	-	2,341,924	3,173,538	370,336	-	379,921
Due From Component Units	5,162,481	-	5,162,481	-	-	-	-
Inventory	-	-	-	-	72,552	-	10,021
Prepaid Expenses	33,000	-	33,000	484,065	31,988	-	-
Deferred Charges	31,820	-	66,243	-	67,536	471,850	4,271
Other Assets	-	-	-	-	5,558	326,980	-
Temporarily Restricted:							
Cash and Cash Equivalents	-	2,246,010	2,246,010	-	489,773	-	-
Capital Assets:							
Land	1,735,460	287,598	2,023,058	-	105,668	4,494,293	722,194
Building and System	1,815,223	5,653,137	7,448,360	14,473,630	60,522,635	24,145,413	5,218,800
Tenancy in Common	8,929,743	-	8,929,743	4,482,928	-	-	-
Machinery and Equipment	2,270,487	1,574,534	3,845,021	2,280,747	694,062	-	192,270
Construction in Progress	196,582	2,346,594	2,543,176	-	3,101,421	2,599,127	1,493,281
Total Assets	\$ 60,537,181	\$ 14,236,881	\$ 74,774,062	\$ 30,569,092	\$ 66,660,208	\$ 34,563,527	\$ 8,251,164
LIABILITIES							
Accounts Payable	\$ 277,225	\$ 210,263	\$ 487,488	\$ 538,587	\$ 593,173	\$ 36,038	\$ 404,142
Accrued Wages	-	-	-	3,498,788	-	-	5,456
Customer Deposits	-	-	-	-	164,308	-	-
Interest Payable	188,616	-	188,616	-	20,341	353,178	2,199
Due to Other Funds	36,010	-	36,010	-	-	-	-
Due to Primary Government	-	-	-	3,106,103	-	2,056,378	-
Due to Other Governments	-	-	-	-	71,942	-	-
Amounts Held for Others	-	-	-	46,950	-	-	-
Unearned Revenue	24,817,972	-	24,817,972	-	-	-	-
Long-term Liabilities:							
Due Within One Year	769,534	589,773	1,359,307	343,216	1,635,766	874,274	19,882
Due in More Than One Year	11,490,893	7,482,404	18,973,297	4,726,181	28,424,039	16,465,036	142,680
Total Liabilities	\$ 37,580,250	\$ 8,262,440	\$ 45,842,690	\$ 12,259,825	\$ 30,909,569	\$ 19,784,904	\$ 574,359
NET ASSETS							
Invested in Capital Assets, Net of Related Debt	\$ 3,981,170	\$ 6,895,798	\$ 10,876,968	\$ 16,167,908	\$ 34,723,654	\$ 13,859,523	\$ 7,464,467
Restricted for:							
Debt Service	-	2,246,010	2,246,010	-	489,773	-	-
Unrestricted (deficit)	18,975,761	(3,167,367)	15,808,394	2,141,359	537,212	879,100	212,338
Total Net Assets	\$ 22,956,931	\$ 5,974,441	\$ 28,931,372	\$ 18,309,267	\$ 35,750,639	\$ 14,778,623	\$ 7,676,805

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

County of Tazewell, Virginia
Statement of Activities
For the Fiscal Year Ended June 30, 2010

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets					Component Units			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	School Board	Public Service Authority	Industrial Development Authority	County Airport Authority	
PRIMARY GOVERNMENT:												
Governmental Administration	\$ 4,464,306	\$ 5,427	\$ 579,956	-	\$ (3,876,923)	\$ -	\$ (3,876,923)	\$ -	\$ -	\$ -	\$ -	\$ -
Judicial Administration	2,293,078	141,766	726,273	-	(1,425,039)	-	(1,425,039)	-	-	-	-	-
Public Safety	12,199,744	425,537	3,329,978	-	(8,444,229)	-	(8,444,229)	-	-	-	-	-
Health and Welfare	5,327,605	137,307	9,124	-	(5,181,174)	-	(5,181,174)	-	-	-	-	-
Education	6,568,843	-	7,328,856	-	760,013	-	760,013	-	-	-	-	-
Parks, Recreation and Cultural	10,333,375	-	-	-	(10,333,375)	-	(10,333,375)	-	-	-	-	-
Community Development	1,278,302	31,893	224,338	-	(1,022,071)	-	(1,022,071)	-	-	-	-	-
Interest	2,176,532	-	4,850	-	(2,171,682)	-	(2,171,682)	-	-	-	-	-
Total Governmental Activities	\$ 45,104,757	\$ 7,419,830	\$ 12,203,375	\$ -	\$ (32,159,452)	\$ -	\$ (32,159,452)	\$ -	\$ -	\$ -	\$ -	\$ -
Business-type Activities	\$ 1,701,481	\$ 478,915	\$ -	\$ -	\$ (1,222,566)	\$ (1,222,566)	\$ (1,222,566)	\$ -	\$ -	\$ -	\$ -	\$ -
Landfill	\$ 46,805,238	\$ 1,220,845	\$ 12,203,375	\$ -	\$ (32,159,452)	\$ (1,222,566)	\$ (33,382,018)	\$ -	\$ -	\$ -	\$ -	\$ -
Total Primary Government	\$ 46,805,238	\$ 1,220,845	\$ 12,203,375	\$ -	\$ (32,159,452)	\$ (1,222,566)	\$ (33,382,018)	\$ -	\$ -	\$ -	\$ -	\$ -
Component Units:												
School Board	\$ 56,881,991	\$ 986,433	\$ 46,332,284	\$ 583,614	\$ -	\$ -	\$ (8,979,660)	\$ (8,979,660)	\$ -	\$ -	\$ -	\$ -
Public Service Authority	6,742,945	5,228,516	-	1,461,842	-	-	-	-	(52,587)	-	-	-
Industrial Development Authority	2,210,452	1,989,433	281,738	-	-	-	-	-	-	60,719	-	-
County Airport Authority	550,371	83,501	-	1,394,755	-	-	-	-	-	-	-	917,885
Total Component Units	\$ 66,385,759	\$ 8,287,883	\$ 46,614,022	\$ 3,440,211	\$ -	\$ -	\$ (8,979,660)	\$ (8,979,660)	\$ (52,587)	\$ 60,719	\$ -	\$ 917,885
General Revenues:												
General Property Taxes					\$ 22,339,123	\$ -	\$ 22,339,123	\$ -	\$ -	\$ -	\$ -	\$ -
Other Local Taxes					4,834,793	-	4,834,793	-	-	-	-	-
Local Sales and Use Taxes					789,475	-	789,475	-	-	-	-	-
Consumers' Utility Taxes					49,785	-	49,785	-	-	-	-	-
Utility License Taxes					138,444	-	138,444	-	-	-	-	-
Consumption Taxes					36,275	-	36,275	-	-	-	-	-
Motor Vehicle Licenses					45,115	-	45,115	-	-	-	-	-
Bank Stock Taxes					146,647	-	146,647	-	-	-	-	-
Taxes on Recordation and Wills					2,669,811	-	2,669,811	-	-	-	-	-
Coal Severance Taxes					511,148	-	511,148	-	-	-	-	-
E-911 Communications Taxes					496,519	401	497,920	7,381	19,725	93,471	-	-
Unrestricted Revenues from Use of Money and Property					721,935	20,298	742,233	659,543	129,501	1,506,471	-	1,385
Miscellaneous					2,539,185	-	2,539,185	10,863,280	-	-	-	317,905
Payments from Primary Government					(1,371,241)	-	(1,371,241)	-	-	-	-	-
Grants and Contributions not Restricted to Specific Programs					33,927,014	1,391,940	35,318,954	11,630,204	149,326	1,593,942	-	319,250
Transfers					1,767,562	163,374	1,930,936	2,650,544	96,738	1,660,661	-	1,237,175
Total General Revenues					\$ 21,189,389	\$ 5,805,067	\$ 26,994,456	\$ 2,650,544	\$ 35,853,900	\$ 13,117,962	\$ -	\$ 6,439,630
Change in Net Assets					\$ 22,956,931	\$ 5,974,441	\$ 28,931,372	\$ 15,688,733	\$ 35,853,900	\$ 13,117,962	\$ -	\$ 6,439,630
Net Asset - Beginning, as restated								\$ 10,309,267	\$ 39,750,659	\$ 14,776,833	\$ -	\$ 7,676,905
Net Asset - Ending								\$ 19,509,267	\$ 39,750,659	\$ 14,776,833	\$ -	\$ 7,676,905

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

County of Tazewell, Virginia
Balance Sheet
Governmental Funds
June 30, 2010

	<u>General</u>	<u>County CIP Fund</u>	<u>Other Governmental</u>	<u>Total</u>
ASSETS				
Cash and Cash Equivalents	\$ 4,229,360	\$ 5,555,929	\$ 2,190,866	\$ 11,976,155
Receivables (Net of Allowance for Uncollectibles):				
Property Taxes	25,178,119	-	234,811	25,412,930
Other Taxes	286,114	-	1,589	287,703
Notes Receivable	-	343,673	-	343,673
Prepays	-	-	33,000	33,000
Due from Other Funds	-	125,000	-	125,000
Due from Other Governmental Units	2,336,903	-	5,021	2,341,924
Due from Component Units	3,106,103	2,056,378	-	5,162,481
Total Assets	<u>\$ 35,136,599</u>	<u>\$ 8,080,980</u>	<u>\$ 2,465,287</u>	<u>\$ 45,682,866</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable and Accrued Expenses	\$ 276,324	\$ -	\$ 901	\$ 277,225
Due to Other Funds	36,010	-	-	36,010
Due to Component Unit	125,000	-	-	125,000
Deferred Revenue	26,106,493	-	-	26,106,493
Total Liabilities	<u>\$ 26,543,827</u>	<u>\$ -</u>	<u>\$ 901</u>	<u>\$ 26,544,728</u>
Fund Balances:				
Unreserved:				
Designated	\$ -	\$ 8,080,980	\$ 1,565	\$ 8,082,545
Undesignated (deficit)	8,592,772	-	2,462,821	11,055,593
Total Fund Balances	<u>\$ 8,592,772</u>	<u>\$ 8,080,980</u>	<u>\$ 2,464,386</u>	<u>\$ 19,138,138</u>
Total Liabilities and Fund Balances	<u>\$ 35,136,599</u>	<u>\$ 8,080,980</u>	<u>\$ 2,465,287</u>	<u>\$ 45,682,866</u>

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

County of Tazewell, Virginia
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Assets
June 30, 2010

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$ 19,138,138
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	14,947,495
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	1,288,521
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(12,417,223)</u>
Net Assets of Governmental Activities	<u>\$ 22,956,931</u>

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

County of Tazewell, Virginia
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2010

	General Fund	County CIP Fund	Other Govern- mental Funds	Total
REVENUES				
General Property Taxes	\$ 22,057,379	\$ -	\$ -	\$ 22,057,379
Other Local Taxes	7,355,439	-	1,846,054	9,201,493
Permits, Privilege Fees and Regulatory Licenses	312,169	-	-	312,169
Fines and Forfeitures	102,915	-	-	102,915
Revenue from Use of Money and Property	493,760	2,759	-	496,519
Charges for Services	311,429	-	15,417	326,846
Miscellaneous	664,296	2,933	54,706	721,935
Recovered Costs	338,719	-	-	338,719
Intergovernmental Revenues:				
Tazewell County School Board	-	1,887,677	184,611	2,072,288
Commonwealth	10,311,871	45,616	527,915	10,885,402
Federal Government	3,550,143	-	307,015	3,857,158
Total Revenues	<u>\$ 45,498,120</u>	<u>\$ 1,938,985</u>	<u>\$ 2,935,718</u>	<u>\$ 50,372,823</u>
EXPENDITURES:				
Current:				
General Government Administration	\$ 4,090,059	\$ -	\$ -	\$ 4,090,059
Judicial Administration	2,221,412	-	5,141	2,226,553
Public Safety	10,642,313	-	1,325,813	11,968,126
Public Works	3,755,653	893,998	564,547	5,214,198
Health and Welfare	6,560,999	-	-	6,560,999
Education	11,023,280	-	-	11,023,280
Parks, Recreation and Cultural	1,264,793	-	-	1,264,793
Community Development	631,835	1,622,242	-	2,254,077
Non-Departmental	414,479	-	-	414,479
Capital Projects	32,525	4,145,991	-	4,178,516
Debt Service:				
Principal Retirement	640,194	-	-	640,194
Interest and Other Fiscal Charges	487,207	-	-	487,207
Total Expenditures	<u>\$ 41,764,749</u>	<u>\$ 6,662,231</u>	<u>\$ 1,895,501</u>	<u>\$ 50,322,481</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 3,733,371</u>	<u>\$ (4,723,246)</u>	<u>\$ 1,040,217</u>	<u>\$ 50,342</u>
Other Financing Sources (Uses)				
Transfers In	\$ -	\$ 3,105,819	\$ 2,340,811	\$ 5,446,630
Transfers Out	(3,971,241)	-	(2,846,630)	(6,817,871)
Total Other Financing Sources (Uses)	<u>\$ (3,971,241)</u>	<u>\$ 3,105,819</u>	<u>\$ (505,819)</u>	<u>\$ (1,371,241)</u>
Net Change in Fund Balance	\$ (237,870)	\$ (1,617,427)	\$ 534,398	\$ (1,320,899)
Fund Balance - Beginning	8,830,642	9,698,407	1,929,988	20,459,037
Fund Balance - Ending	<u>\$ 8,592,772</u>	<u>\$ 8,080,980</u>	<u>\$ 2,464,386</u>	<u>\$ 19,138,138</u>

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

County of Tazewell, Virginia
Reconciliation of Statement of Revenues, Expenditures,
and Changes in Fund Balance of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2010

Amounts reported for governmental activities in the Statement of Activities are different because:

Net changes in fund balance - total governmental funds	\$	2,825,092
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period.		(1,700,989)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds		281,744
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the effect of these differences in the treatment of long-term debt and related items.		640,194
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.		<u>(278,479)</u>
Change in net assets of governmental activities	\$	<u><u>1,767,562</u></u>

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

County of Tazewell, Virginia
Statement of Net Assets
Proprietary Fund
June 30, 2010

	<u>Tazewell County Landfill Fund</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 1,970,411
Receivables (Net of Allowance for Uncollectibles)	108,164
Inventory	-
Prepaid Expenses	-
Due from Other Governments	-
Due from Other Funds	36,010
Other Assets	-
Total Current Assets	<u>\$ 2,114,585</u>
Noncurrent Assets:	
Capital Assets:	
Land	\$ 287,598
Construction in Progress	2,346,594
Capital Assets (Net of Accumulated Depreciation)	7,207,671
Total Capital Assets	<u>\$ 9,841,863</u>
Other Assets:	
Restricted Cash	\$ 2,246,010
Deferred Charges	34,423
Total Other Assets	<u>\$ 2,280,433</u>
Total Assets	<u>\$ 14,236,881</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable and Accrued Expenses	\$ 210,263
Current Portion of Long-Term Debt	569,773
Total Current Liabilities	<u>\$ 780,036</u>
Noncurrent Liabilities	
Accrued Leave	\$ 64,125
Due to Other Governments	-
Meter Deposits	-
Estimated Landfill Closure Liability	5,041,987
Noncurrent Portion of Long-Term Debt	2,376,292
Total Noncurrent Liabilities	<u>\$ 7,482,404</u>
Total Liabilities	<u>\$ 8,262,440</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	\$ 6,895,798
Restricted for Other Purposes	2,246,010
Unrestricted	(3,167,367)
Total Net Assets	<u>\$ 5,974,441</u>

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

County of Tazewell, Virginia
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Fund
For the Fiscal Year Ended June 30, 2010

	<u>Tazewell County Landfill Fund</u>
OPERATING REVENUES	
Charges for Services	\$ 478,915
Total Operating Revenues	<u>\$ 478,915</u>
OPERATING EXPENSES	
Personal Service	\$ 231,111
Employee Benefits	142,225
Contractual Services	245,034
Repairs and Maintenance	176,274
Closure Reserve Expense	394,095
Other Charges	52,940
Depreciation and Amortization	336,826
Total Operating Expenses	<u>\$ 1,578,505</u>
Operating Income (Loss)	<u>\$ (1,099,590)</u>
NONOPERATING REVENUES (EXPENSES)	
Interest Earned	\$ 401
Interest Expense	(119,716)
Connection Fees	-
Miscellaneous Income	20,298
Miscellaneous Expense	(3,260)
Total Nonoperating Revenues (Expenses)	<u>\$ (102,277)</u>
Net Transfers	\$ 1,371,241
Capital Contributions	<u>-</u>
Increase (Decrease) in Net Assets	\$ 169,374
Net Assets - Beginning, as restated	5,805,067
Net Assets - Ending	<u><u>\$ 5,974,441</u></u>

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

County of Tazewell, Virginia
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2010

	<u>Tazewell County Landfill Fund</u>
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES	
Receipts from customers and users	\$ 498,953
Payments to employees for services	(379,277)
Payments for operating expenses	(298,508)
Total cash provided (used) by operating activities	<u>\$ (178,832)</u>
CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES	
Interest Income	\$ 401
Sale of investment securities	5,677
Total cash provided (used) by investing activities	<u>\$ 6,078</u>
CASH FLOWS PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES	
Transfers from Other Funds	\$ 1,371,241
Other Income (Expense)	17,038
Total cash provided (used) by non-capital financing activities	<u>\$ 1,388,279</u>
CASH FLOWS PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	
Purchase of Capital Assets	\$ (507,497)
Principal Payments on Debt	(567,438)
Proceeds from Indebtedness	-
Interest Payments on Debt	(115,642)
Capital Contributions	-
Other Income (Expense)	-
Total cash provided (used) by capital financing activities	<u>\$ (1,190,577)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>\$ 24,948</u>
Cash and Cash Equivalents - Beginning	\$ 4,191,473
Cash and Cash Equivalents - Ending (including restricted)	<u>\$ 4,216,421</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating Income (Loss)	\$ (1,099,590)
Depreciation	336,826
Estimated Landfill Closure Costs	394,095
Adjustments to Reconcile Operating Income to Net Cash	
Provided (used) by Operating Activities:	
(Increase) Decrease in Accounts Receivable	(14,118)
(Increase) Decrease in Inventory and Prepaids	-
(Increase) Decrease in Due from Other Funds	34,156
Increase (Decrease) in Accounts Payable	175,740
Increase (Decrease) in Meter Deposits	-
Increase (Decrease) in OPEB Liability	-
Increase (Decrease) in Accrued Leave	(5,941)
Total Adjustments	<u>\$ 189,837</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (178,832)</u>

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

County of Tazewell, Virginia
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2010

	<u>Agency Funds</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 37,939
Investments	1,994,536
Due from Other Governmental Units	999,393
Total Assets	<u>\$ 3,031,868</u>
 LIABILITIES	
Current Liabilities:	
Due to Primary Government	\$ 838,191
Due to Other Governmental Units	161,202
Amounts Held for Others	2,032,475
Total Liabilities	<u>\$ 3,031,868</u>

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

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

Note 1 – Summary of Significant Accounting Policies:

The County of Tazewell, Virginia is governed by an elected five 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 Tazewell, 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 significant accounting policies are described below.

Financial Statement Presentation

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

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

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COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

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

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

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

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

Budgetary comparison schedules – Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate, in one way or another, in the process of establishing the annual operating budgets of state and local governments, and have a keen interest in following the actual financial progress of their government 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 GASB 34 reporting model, governments provide budgetary comparison information in their annual reports, including the original budget, and a comparison of final budget and actual results.

A. Financial Reporting Entity

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

B. Individual Component Unit Disclosures

Blended Component Units: None

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COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

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

B. Individual Component Unit Disclosures (Continued)

Discretely Presented Component Units:

Tazewell County 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 in the County financial statements for the fiscal year ended June 30, 2010.

Tazewell County Industrial Development Authority is authorized to acquire, own, lease and dispose of properties to the end that such activities may promote industry and develop trade by inducing enterprises to locate and remain in Tazewell County. Tazewell County Board of Supervisors appoints all Board members of the Authority. There exists a financial benefit/burden relationship between the Industrial Development Authority and the County.

Tazewell County Airport Authority was created by the County of Tazewell and the Towns of Bluefield, Cedar Bluff, Pocahontas, Richlands and Tazewell to operate a regional airport. Tazewell County Board of Supervisors appoints a voting majority of the Airport Commission's Board of Directors. The County contributes a significant amount to the Commission's operation and there exists a financial benefit/burden relationship.

Tazewell County Public Service Authority was created by the Board of Supervisors of Tazewell County to acquire, finance, construct and operate water and sewer systems throughout the County. The Board of Directors of the Public Service Authority are appointed by the Tazewell County Board of Supervisors and there exists a financial benefit/burden relationship between the Public Service Authority and the County. In addition, a majority of the Directors of the Authority are also on the Board of Supervisors.

Complete financial statements of the Tazewell County Public Service Authority, Tazewell County Industrial Development Authority and the Tazewell County Airport Authority can be obtained from the business office of each component unit.

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

None

Jointly Governed Organizations

The County of Tazewell and the Counties of Buchanan and Russell participate in supporting the Cumberland Mountain Community Services Board. For the year ended June 30, 2010, the County contributed \$60,000.

The County of Tazewell and the Counties of Russell, Buchanan, Wise, Scott, Lee, Washington, Smyth and Dickenson and the Cities of Norton and Bristol participate in supporting the Appalachian Juvenile Commission. For the year ended June 30, 2010, the County contributed \$298,020.

The County of Tazewell and the Counties of Lee, Wise, Washington, Russell, Smyth, Buchanan and Dickenson along with the City of Norton participate in supporting the Southwest Virginia Regional Jail Authority. For the year ended June 30, 2010, the County contributed \$2,952,205.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

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

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 December 1, 1989 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 proprietary funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position and cash flows. All assets and liabilities, whether current or noncurrent, associated with their activities are reported. Proprietary fund equity is classified as net assets. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

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

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

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.

a. 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.

b. Capital Projects Fund

The Capital Projects Fund (Capital Improvements) accounts for all financial resources used for the acquisition or construction of major capital facilities.

Additionally, Tazewell County reports the following fund types:

c. Proprietary Funds

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

d. School Construction Fund

The School Construction Fund accounts for all financial resources used for the acquisition or construction of school facilities and is reported as a non-major fund.

e. Special Revenue Funds

Special Revenue Funds account for the proceeds of specific revenue sources (other than those dedicated for major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action. The E-911 Fund, Coal Road Improvement Fund, The Coal Road Economic Fund, The Damage Stamp Fund, and The Law Library Fund are reported as non-major special revenue funds.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

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

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

f. Fiduciary Funds (Trust and Agency Funds)

Fiduciary, 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 and they utilize the modified accrual basis of accounting described in the Governmental Fund Presentation. Fiduciary funds are not included in the government-wide financial statements.

D. Budget and Budgetary Accounting

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

1. Prior to March 30, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
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 amount 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 budgetary data presented in the accompanying financial statements is the original to the current comparison of the final budget and actual results.

E. Cash and Cash Equivalents

The government's cash and cash equivalents are considered to be on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State 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. The local Government Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

F. Investments

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

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

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

G. Receivable and payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "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 \$688,330 at June 30, 2010 and is comprised 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 December 5th. The County bills and collects its own property taxes.

H. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as land, buildings, road registered vehicles, and equipment with an estimated useful life in excess of one year and a cost of over \$5,000. 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.

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

<u>Assets</u>	<u>Years</u>
Buildings	40-60
Building improvements	40-60
Vehicles	5
Office and computer equipment	7
Other equipment	7

I. Compensated Absences

Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as an expense in the statement of activities and a long-term obligation in the Statement of Net Assets. In accordance with the provisions of Government Accounting Standards No. 16, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as "terminal leave" prior to retirement.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

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

J. Long-term Obligations

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

In the fund financial statement, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued and premiums on issuances are 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.

K. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

L. Retirement Plan

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

M. Use of Estimates

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

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COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

Note 2 – Reconciliation of Government-Wide and Fund Financial Statements

- A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets:

The governmental fund balance sheet includes a reconciliation between *fund balance-total governmental funds* and *net assets-governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. The details of these (\$12,417,223) and (\$5,069,397) differences for the primary government and discretely presented component unit, respectively, are as follows:

	Primary Government	Component Unit School Board
Bonds payable	\$ (9,916,095)	\$ -
Literary loans payable	(877,000)	-
Leases payable	-	(4,398,097)
Premium on bond	(173,230)	-
Bond issuance costs	31,820	-
Accrued interest payable	(188,616)	-
OPEB Obligation	(531,700)	(671,300)
Compensated absences	(762,402)	-
	<u> </u>	<u> </u>
Net adjustment to reduce <i>fund balance-total governmental funds</i> to arrive at <i>net assets-governmental activities</i>	\$ (12,417,223)	\$ (5,069,397)

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COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

Note 2 – Reconciliation of Government-Wide and Fund Financial Statements (Continued)

- B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities:

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances-total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, "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." The details of these \$2,445,002 and \$4,038,016 differences for the primary government and discretely presented component unit, respectively, are as follows:

	Primary Government	Component Unit School Board
Capital outlays	\$ 3,902,157	\$ 5,234,137
Depreciation expenses	(816,961)	(1,836,315)
Debt free asset transfers	(640,194)	640,194
Net adjustment to increase (decrease) <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	\$ 2,445,002	\$ 4,038,016

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COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

Note 2 – Reconciliation of Government-Wide and Fund Financial Statements (Continued)

- B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities: (Continued)

Another element of that reconciliation states "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of these \$640,194 and \$479,418 differences in the primary government and discretely presented component unit, respectively, are as follows:

	<u>Primary Government</u>	<u>Component Unit School Board</u>
Principal repayments:		
General obligation debt	\$ 498,194	\$ -
Literary loans	142,000	-
Leases	-	479,418
	<u> </u>	<u> </u>
Net adjustment to increase (decrease) <i>net changes in fund balances-total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	\$ <u>640,194</u>	\$ <u>479,418</u>

Another element of that reconciliation states, "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of these (\$278,479) and (\$186,005) differences in the primary government and discretely presented component unit, respectively, are as follows:

	<u>Primary Government</u>	<u>Component Unit School Board</u>
(Increase) decrease in compensated absences	\$ 12,500	\$ -
(Increase) decrease in accrued interest	16,794	-
(Increase) decrease in OPEB obligation	(315,215)	(186,005)
Amortization of bond premium	9,117	-
Amortization of bond issuance costs	(1,675)	-
	<u> </u>	<u> </u>
Net adjustment to increase (decrease) <i>net changes in fund balances-total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	\$ <u>(278,479)</u>	\$ <u>(186,005)</u>

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

Note 3 – Deposits and Investments:

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

Investments – Statutes authorize local governments and other public bodies 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) and 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).

Custodial Credit Risk (Investments)

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Neither the County nor its discretely presented component units have an investment policy for custodial credit risk. The County's only investments consisted of the State's Non-Arbitrage Pool (SNAP), which is an open-end management investment company registered with the Securities and Exchange Commission (SEC) and is not exposed to custodial credit risk.

Credit Risk of Debt Securities

The County's rated debt investments as of June 30, 2010, were rated by Standard and Poor's and the ratings are presented below using Standard and Poor's rating scale.

<u>County's Rated Debt Investments' Values</u>	
<u>Rated Debt Investments</u>	<u>Fair Quality Ratings</u>
	<u>AAAm</u>
SNAP	\$ 16,319

Concentration of Credit Risk

At June 30, 2010, the County did not have any investments meeting the GASB 40 definition requiring concentration of credit risk disclosures that exceeded 5% of total investments.

Interest Rate Risk

At June 30, 2010, the County did not have any investments meeting the GASB 40 definition requiring interest rate risk disclosures.

The State Non-Arbitrage Pool (SNAP) is an open-end management investment company registered with the Securities and Exchange Commission (SEC).

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

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

Fund	Interfund Receivable	Interfund Payable
General	\$ 3,106,103	\$ 36,010
Enterprise Fund	36,010	-
Capital Project Fund	2,056,378	-
School	-	3,106,103
Component Unit IDA	-	2,056,378
Totals	\$ 5,198,491	\$ 5,198,491

Note 5 – Due From Other Governmental Units:

At June 30, 2010, the County, School Board and component units had receivables from other governments as follows:

	Primary Government	Public Service Authority	Discretely Presented Component Unit School Board	Discretely Presented Component Unit Airport
Local Government:				
Southwest Virginia Regional Jail	\$ 469,443	\$ -	\$ -	\$ -
Town of Tazewell	-	72,906	-	-
Commonwealth of Virginia:				
State sales taxes	-	-	858,826	-
Local sales taxes	838,191	-	-	-
VPA	181,317	-	-	-
CSA	207,512	-	-	-
Shared expenses	266,820	-	-	-
Categorical aid	25,374	54,620	-	379,921
Noncategorical aid	125,984	-	-	-
Federal Government:				
VPA	227,283	-	-	-
Categorical aid	-	242,810	2,314,712	-
Total	\$ 2,341,924	\$ 370,336	\$ 3,173,538	\$ 379,921

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

Note 6 – Capital Assets:

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2010:

General Government:

	Beginning Balance	Increases	Decreases	Ending Balance
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 1,735,460	\$ -	\$ -	\$ 1,735,460
Construction in progress	-	196,582	-	196,582
Tenancy in Common	<u>6,249,026</u>	<u>3,320,911</u>	<u>(640,194)</u>	<u>8,929,743</u>
Total capital assets not being depreciated	<u>\$ 7,984,486</u>	<u>\$ 3,517,493</u>	<u>\$ (640,194)</u>	<u>\$ 10,861,785</u>
Capital assets, being depreciated:				
Buildings	\$ 3,517,401	\$ -	\$ -	\$ 3,517,401
Machinery and equipment	<u>10,883,083</u>	<u>384,664</u>	<u>(28,154)</u>	<u>11,239,593</u>
Total capital assets being depreciated	<u>\$ 14,400,484</u>	<u>\$ 384,664</u>	<u>\$ (28,154)</u>	<u>\$ 14,756,994</u>
Less: accumulated depreciation for:				
Buildings	\$ (1,626,488)	\$ (75,690)	\$ -	\$ (1,702,178)
Machinery and equipment	<u>(8,255,989)</u>	<u>(741,271)</u>	<u>28,154</u>	<u>(8,969,106)</u>
Total accumulated depreciation	<u>\$ (9,882,477)</u>	<u>\$ (816,961)</u>	<u>\$ 28,154</u>	<u>\$ (10,671,284)</u>
Total capital assets being depreciated, net	<u>\$ 4,518,007</u>	<u>\$ (432,297)</u>	<u>\$ -</u>	<u>\$ 4,085,710</u>
Governmental activities capital assets, net	<u>\$ 12,502,493</u>	<u>\$ 3,085,196</u>	<u>\$ (640,194)</u>	<u>\$ 14,947,495</u>

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COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

Note 6 – Capital Assets: (Continued)

Proprietary Funds:

Tazewell County Public Service Authority:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital assets, not being depreciated:				
Land and land rights	\$ 133,462	\$ -	\$ (27,794)	\$ 105,668
Construction in progress	7,768,625	1,567,431	(6,234,635)	3,101,421
Total capital assets not being depreciated	\$ 7,902,087	\$ 1,567,431	\$ (6,262,429)	\$ 3,207,089
Capital assets, being depreciated:				
Infrastructure	\$ 75,632,319	\$ 6,259,103	\$ (38,275)	\$ 81,853,147
Machinery and equipment	3,041,471	43,212	-	3,084,683
Total capital assets being depreciated	\$ 78,673,790	\$ 6,302,315	\$ (38,275)	\$ 84,937,830
Less: accumulated depreciation for:				
Infrastructure	\$ (19,597,064)	\$ (1,760,719)	\$ 27,271	\$ (21,330,512)
Machinery and equipment	(2,111,388)	(279,233)	-	(2,390,621)
Total accumulated depreciation	\$ (21,708,452)	\$ (2,039,952)	\$ 27,271	\$ (23,721,133)
Total capital assets being depreciated, net	\$ 56,965,338	\$ 4,262,363	\$ (11,004)	\$ 61,216,697
Business-type activities capital assets, net	\$ 64,867,425	\$ 5,829,794	\$ (6,273,433)	\$ 64,423,786

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COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

Note 6 – Capital Assets: (Continued)

Tazewell County Landfill Fund:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 287,598	\$ -	\$ -	\$ 287,598
Construction in progress	<u>2,314,392</u>	<u>32,202</u>	<u>-</u>	<u>2,346,594</u>
Total capital assets not being depreciated	<u>\$ 2,601,990</u>	<u>\$ 32,202</u>	<u>\$ -</u>	<u>\$ 2,634,192</u>
Capital assets, being depreciated:				
Buildings	\$ 185,603	\$ -	\$ -	\$ 185,603
Land improvements	7,004,666	37,180	-	7,041,846
Machinery and equipment	<u>2,734,201</u>	<u>438,115</u>	<u>(232,839)</u>	<u>2,939,477</u>
Total capital assets being depreciated	<u>\$ 9,924,470</u>	<u>\$ 475,295</u>	<u>\$ (232,839)</u>	<u>\$ 10,166,926</u>
Less: accumulated depreciation for:				
Buildings	\$ (231,203)	\$ (6,187)	\$ -	\$ (237,390)
Land Improvements	(1,225,221)	(131,701)	-	(1,356,922)
Machinery and equipment	<u>(1,398,844)</u>	<u>(198,938)</u>	<u>232,839</u>	<u>(1,364,943)</u>
Total accumulated depreciation	<u>\$ (2,855,268)</u>	<u>\$ (336,826)</u>	<u>\$ 232,839</u>	<u>\$ (2,959,255)</u>
Total capital assets being depreciated, net	<u>\$ 7,069,202</u>	<u>\$ 138,469</u>	<u>\$ -</u>	<u>\$ 7,207,671</u>
Business-type activities capital assets, net	<u>\$ 9,671,192</u>	<u>\$ 170,671</u>	<u>\$ -</u>	<u>\$ 9,841,863</u>

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COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

Note 6 – Capital Assets: (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government administration	\$ 119,000
Judicial administration	16,199
Public safety	449,191
Public works	114,847
Health and welfare	39,620
Parks, recreation, and culture	23,135
Community development	<u>54,969</u>
Total depreciation expense-governmental activities	<u>\$ 816,961</u>
Business-type activities:	
Utility fund	\$ 2,039,952
Landfill fund	<u>336,826</u>
Total depreciation expense - business-type activities	<u>\$ 2,376,778</u>

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COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

Note 6 – Capital Assets: (Continued)

Component Unit School Board:

	Beginning Balance	Increases	Decreases	Ending Balance
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Governmental Activities:				
Capital assets, not being depreciated:				
Tenancy in Common (1)	\$ 3,842,734	\$ 640,194	\$ -	\$ 4,482,928
Total capital assets not being depreciated	<u>\$ 3,842,734</u>	<u>\$ 640,194</u>	<u>\$ -</u>	<u>\$ 4,482,928</u>
Capital assets, being depreciated:				
Buildings	\$ 26,363,885	\$ 4,975,517	\$ -	\$ 31,339,402
Machinery and equipment	14,105,896	258,620	(224,592)	14,139,924
Total capital assets being depreciated	<u>\$ 40,469,781</u>	<u>\$ 5,234,137</u>	<u>\$ (224,592)</u>	<u>\$ 45,479,326</u>
Less: accumulated depreciation for:				
Buildings	\$ (15,801,716)	\$ (1,064,056)	\$ -	\$ (16,865,772)
Machinery and equipment	(11,311,510)	(772,259)	224,592	(11,859,177)
Total accumulated depreciation	<u>\$ (27,113,226)</u>	<u>\$ (1,836,315)</u>	<u>\$ 224,592</u>	<u>\$ (28,724,949)</u>
Total capital assets being depreciated, net	<u>\$ 13,356,555</u>	<u>\$ 3,397,822</u>	<u>\$ -</u>	<u>\$ 16,754,377</u>
Governmental activities capital assets, net	<u>\$ 17,199,289</u>	<u>\$ 4,038,016</u>	<u>\$ -</u>	<u>\$ 21,237,305</u>

(1) Legislation enacted during the year ended June 30, 2003, Section 15.2-1800.1 of the Code of Virginia, (1950), as amended, has changed the reporting of local school capital assets and related debt for financial statement purposes. Historically, debt incurred by local governments "on behalf" of school boards was reported in the school board's discrete column along with the related capital assets. Under the new law, local governments have a "tenancy in common" with the school board whenever the locality incurs any financial obligation for any school property which is payable over more than one fiscal year. For financial reporting purposes, the legislation permits the locality to report the portion of school property related to any outstanding financial obligation eliminating any potential deficit from capitalizing assets financed with debt. The effect on the County of Tazewell, Virginia for the year ended June 30, 2010, is that assets and debt in the amount of \$8,929,743 have been transferred to the primary Government from the Component Unit School Board for financial reporting purposes.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

Note 6 – Capital Assets: (Continued)

Other Component Units:

Tazewell County Airport:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 492,544	\$ 229,650	\$ -	\$ 722,194
Construction in progress	175,425	1,317,856	-	1,493,281
Total capital assets not being depreciated	\$ 667,969	\$ 1,547,506	\$ -	\$ 2,215,475
Capital assets, being depreciated:				
Buildings	\$ 796,061	\$ -	\$ -	\$ 796,061
Land improvements	9,933,914	-	-	9,933,914
Machinery and equipment	455,988	-	-	455,988
Total capital assets being depreciated	\$ 11,185,963	\$ -	\$ -	\$ 11,185,963
Less: accumulated depreciation for:				
Buildings	\$ (529,921)	\$ (27,360)	\$ -	\$ (557,281)
Land Improvements	(4,608,525)	(345,369)	-	(4,953,894)
Machinery and equipment	(239,927)	(23,791)	-	(263,718)
Total accumulated depreciation	\$ (5,378,373)	\$ (396,520)	\$ -	\$ (5,774,893)
Total capital assets being depreciated, net	\$ 5,807,590	\$ (396,520)	\$ -	\$ 5,411,070
Business-type activities capital assets, net	\$ 6,475,559	\$ 1,150,986	\$ -	\$ 7,626,545

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COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

Note 6 – Capital Assets: (Continued)

Other Component Units: (Continued)

Industrial Development Authority:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 4,494,293	\$ -	\$ -	\$ 4,494,293
Construction in progress	1,764,062	835,065	-	2,599,127
Total capital assets not being depreciated	\$ 6,258,355	\$ 835,065	\$ -	\$ 7,093,420
Capital assets, being depreciated:				
Land improvements	\$ 28,952,551	\$ 29,459	\$ -	\$ 28,982,010
Total capital assets being depreciated	\$ 28,952,551	\$ 29,459	\$ -	\$ 28,982,010
Less: accumulated depreciation for:				
Land Improvements	\$ (4,100,674)	\$ (735,923)	\$ -	\$ (4,836,597)
Total accumulated depreciation	\$ (4,100,674)	\$ (735,923)	\$ -	\$ (4,836,597)
Total capital assets being depreciated, net	\$ 24,851,877	\$ (706,464)	\$ -	\$ 24,145,413
Business-type activities capital assets, net	\$ 31,110,232	\$ 128,601	\$ -	\$ 31,238,833

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COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

Note 7 – Long-term Obligations:

Primary Government:

The following is a summary of long-term obligations of the County for the year ended June 30, 2010:

General Long-Term Obligations:

	Balance July 1, 2009	Issuances	Retirements	Balance June 30, 2010
General Obligation				
Bonds	\$ 10,414,289	\$ -	\$ (498,194)	\$ 9,916,095
Premium on bond	182,347	-	(9,117)	173,230
Literary loans	1,019,000	-	(142,000)	877,000
OPEB Obligation	216,485	533,600	(218,385)	531,700
Compensated absences	774,902	-	(12,500)	762,402
 Total	 \$ 12,607,023	 \$ 533,600	 \$ (880,196)	 \$ 12,260,427

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

Year Ending June 30	General Government Debt			
	General Obligation Bonds		Literary Fund Loans	
	Principal	Interest	Principal	Interest
2011	\$ 642,534	\$ 484,653	\$ 127,000	\$ 17,540
2012	553,304	451,837	75,000	15,000
2013	459,862	425,568	75,000	13,500
2014	467,407	405,570	75,000	12,000
2015	460,798	384,846	75,000	10,500
2016-2020	2,456,811	1,580,691	375,000	30,000
2021-2025	2,702,974	907,325	75,000	1,500
2026-2029	2,172,405	224,456	-	-
	 \$ 9,916,095	 \$ 4,864,946	 \$ 877,000	 \$ 100,040

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COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

Note 7 – Long-term Obligations: (Continued)

Primary Government: (Continued)

Details of Long-Term Indebtedness:

	Interest Rates	Issue Dates	Final Maturity Date	Amount of Original Issue	Balance Governmental Activities	Amount Due Within One Year
General Obligation Bonds:						
GO Bond	4.90-6.35%	8/20/1992	7/15/2012	\$ 575,066	\$ 49,580	\$ 37,291
GO Bond	6.10%	11/1/1993	12/15/2013	2,100,000	85,000	40,000
GO Bond	5.64-7.09%	12/15/1994	12/15/2011	2,555,000	205,000	130,000
GO Bond	3.10-5.10%	5/15/2002	7/15/2023	1,900,000	1,330,000	95,000
GO Bond	4.10-5.10%	5/15/2008	7/15/2028	1,880,000	1,825,000	60,000
GO Bond	3.60-5.35%	12/11/2008	1/15/2029	6,698,941	6,421,515	280,243
Subtotal GO Bond					<u>9,916,095</u>	<u>642,534</u>
Add:						
Premium on Bond	n/a	n/a	n/a	n/a	173,230	-
Total GO Bonds					<u>\$ 10,089,325</u>	<u>\$ 642,534</u>
Literary Loans:						
State Literary Loan	2.00%	3/15/1991	3/15/2011	\$ 1,325,000	\$ 52,000	\$ 52,000
State Literary Loan	2.00%	8/1/2000	8/1/2020	1,500,000	825,000	75,000
Total Literary Loans					<u>\$ 877,000</u>	<u>\$ 127,000</u>
Other Obligations:						
OPEB Obligation	n/a	n/a	n/a	n/a	\$ 531,700	\$ -
Compensated Absences	n/a	n/a	n/a	n/a	762,402	-
Total Other Obligations					<u>\$ 1,294,102</u>	<u>\$ -</u>
Total Long-term debt					<u>\$ 12,260,427</u>	<u>\$ 769,534</u>

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COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

Note 7 – Long-term Obligations: (Continued)

Business-type Activities:

Landfill Fund

	Balance			Balance
	July 1, 2009	Issuances	Retirements	June 30, 2010
General Obligation				
Bonds	\$ 3,345,000	\$ -	\$ (485,000)	\$ 2,860,000
Loan premiums	14,160	-	(6,148)	8,012
Loss on redemption	(11,655)	-	2,331	(9,324)
Notes payable	169,815	-	(82,438)	87,377
Landfill closure/ postclosure liability	4,647,892	394,095	-	5,041,987
Compensated absences	70,066	-	(5,941)	64,125
	<u>8,235,278</u>	<u>394,095</u>	<u>(577,196)</u>	<u>8,052,177</u>
Total	\$ 8,235,278	\$ 394,095	\$ (577,196)	\$ 8,052,177

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

Year Ending June 30,	Revenue Bonds		Notes Payable	
	Principal	Interest	Principal	Interest
2011	\$ 505,000	\$ 102,848	\$ 64,773	\$ 3,079
2012	385,000	86,244	22,604	247
2013	400,000	71,908	-	-
2014	245,000	56,985	-	-
2015	255,000	48,035	-	-
2016-2020	1,070,000	108,920	-	-
	<u>2,860,000</u>	<u>474,940</u>	<u>87,377</u>	<u>3,326</u>
Totals	\$ 2,860,000	\$ 474,940	\$ 87,377	\$ 3,326

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COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

Note 7 – Long-term Obligations: (Continued)

Business-type Activities: (Continued)

Details of Long-Term Debt:

	Interest Rates	Issue Dates	Final Maturity Date	Amount of Original Issue	Balance Business-type Activities	Amount Due Within One Year
Revenue Bonds						
Revenue Bonds	3.50%	11/13/2002	5/1/2013	\$ 1,385,000	\$ 460,000	\$ 145,000
Revenue Bonds	2.1-4.51%	12/4/2003	10/10/2010	865,000	135,000	135,000
Revenue Bonds	3.4-4.81%	11/27/2007	10/1/2019	2,675,000	2,265,000	225,000
Total Revenue Bonds					\$ 2,860,000	\$ 505,000
Notes Payable						
Equipment Loan	5.35%	9/1/2006	9/1/2011	\$ 296,901	\$ 87,377	\$ 64,773
Other Obligations:						
Compensated Absences	n/a	n/a	n/a	n/a	\$ 64,125	\$ -
Loan Premiums	n/a	n/a	n/a	n/a	8,012	-
Loss on Redemption	n/a	n/a	n/a	n/a	(9,324)	-
Landfill closure/ postclosure liability	n/a	n/a	n/a	n/a	5,041,987	-
Total Other Obligations					\$ 5,104,800	\$ -
Total Long-term Debt					\$ 8,052,177	\$ 569,773

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COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

Note 7 – Long-term Obligations: (Continued)

Business-type Activities: (Continued)

Tazewell County Public Service Authority

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

Year Ending June 30,	General Obligation Bonds, Revenue Bonds, Notes Payable, and Deferred Loss	
	Principal	Interest
2011	\$ 1,635,766	\$ 361,583
2012	1,209,711	346,894
2013	1,220,210	334,695
2014	1,186,470	322,092
2015	1,199,645	308,917
2016-2020	6,400,806	1,329,457
2021-2025	6,697,467	944,816
2026-2030	6,081,384	530,271
2031-2035	3,676,245	145,299
2036-2040	388,850	-
2041-2045	3,578	-
Totals	\$ 29,700,132	\$ 4,624,024

Changes in Long-Term Debt:

	Balance July 1, 2009	Issuances	Retirements	Balance June 30, 2010
General Obligation				
Bonds	\$ 29,172,312	\$ 8,252,565	\$ (8,924,745)	\$ 28,500,132
Deferred loss on early retirement	(7,780)	-	2,222	(5,558)
Notes payable	1,200,000	-	-	1,200,000
OPEB liability	-	200,500	-	200,500
Compensated absences	168,000	-	(8,827)	159,173
Total	\$ 30,532,532	\$ 8,453,065	\$ (8,931,350)	\$ 30,054,247

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

Note 7 – Long-term Obligations: (Continued)

Business-type Activities: (Continued)

Tazewell County Public Service Authority (Continued)

Details of Long-term Debt:

	Interest Rates	Issue Dates	Final Maturity Date	Amount of Original Issue	Balance Business-type Activities	Amount Due Within One Year
Revenue Bond Series 1999A	2.50%	7/2/1999	2/1/2030	\$ 187,000	\$ 122,420	\$ 4,736
Revenue Bond Series 1999B	0.00%	7/12/1999	12/1/2029	90,024	51,605	2,571
Revenue Bond Series 1999C	2.50%	10/22/1999	10/1/2029	387,415	293,193	11,762
Revenue Bond Series 1999D	1.50%	11/5/1999	3/1/2025	411,320	235,479	14,071
Revenue Bond Series 2000A	0.00%	3/13/2001	9/1/2023	1,877,590	1,231,461	58,645
Revenue Bond Series 2000B	0.00%	3/31/2000	12/1/2030	176,465	120,669	6,026
Revenue Bond Series 2000C	0.00%	8/4/2000	11/1/2031	1,489,480	857,199	39,871
Revenue Bond Series 2000D	2.50%	9/29/2000	3/1/2032	1,579,210	1,281,240	44,132
Revenue Bond Series 2000E	0.00%	11/17/2000	5/1/2032	1,374,516	911,749	41,443
Revenue Bond Series 2000F	0.00%	11/17/2000	5/1/2032	606,016	419,127	19,051
Revenue Bond Series 2001A	0.00%	5/17/2001	3/1/2032	1,752,851	929,635	42,256
Revenue Bond Series 2001B	0.00%	12/20/2001	6/1/2033	4,563,680	3,542,106	154,023
Revenue Bond Series 2001C	0.00%	3/29/2002	6/1/2033	1,978,113	1,509,567	65,668
Revenue Bond Series 2001B	0.00%	12/20/2002	12/1/2034	1,387,467	1,109,888	46,343
Revenue Bond Series 2004A	0.00%	6/16/2004	11/1/2034	463,353	379,139	15,480
Revenue Bond Series 2004B	3.00%	8/24/2004	1/1/2025	111,043	88,397	4,749
Revenue Bond Series 2004C	3.00%	8/24/2004	3/1/2025	555,640	460,148	24,667
Revenue Bond Series 2005A	0.00%	6/17/2005	10/1/2035	349,988	297,515	11,666
Revenue Bond Series 2005B	0.00%	6/17/2005	1/1/2036	1,259,399	1,053,216	40,565
Revenue Bond Series 2005C	3.00%	9/15/2005	1/1/2027	1,328,089	1,116,887	51,232
Revenue Bond Series 2006A	0.00%	5/15/2006	3/1/2032	4,746,285	3,422,043	191,500
Revenue Bond Series 2007A	3.00%	2/12/2007	6/1/2007	228,788	186,039	8,559
Revenue Bond Series 2007B	0.00%	12/20/2007	6/1/2007	309,055	278,684	9,965
Series2005	3.40-4.93%	4/1/2008	10/1/2018	241,259	197,517	21,871
General Obligation and						
Revenue Series 2005	0.00%	7/15/2005	1/1/2037	2,002,799	1,609,930	60,660
Revenue Bond Series 2009A	3.83%	7/1/2009		6,573,235	6,373,210	167,826
Revenue Bond Series 2009B	0.00%	5/1/2010		4,634,378	896,203	29,873
Revenue Bond Series 2009C	0.00%	5/1/2010		705,365	95,241	-
Revenue Bond Series 2010A	3.00%	4/1/2010		1,164,267	187,886	4,232
Line of Credit				750,000	99,066	99,066
Line of Credit (Due to Tazewell County)	n/a	n/a	n/a	450,000	343,673	343,257
Subtotal					\$ 29,700,132	\$ 1,635,766

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

Note 7 – Long-term Obligations: (Continued)

Business-type Activities: (Continued)

Tazewell County Public Service Authority (Continued)

Details of Long-term Debt: (Continued)

	Interest Rates	Issue Dates	Final Maturity Date	Amount of Original Issue	Balance Business-type Activities	Amount Due Within One Year
Deferred Loss	n/a	n/a	n/a	n/a	\$ (5,558)	\$ (2,222)
Other Obligations:						
OPEB Liability	n/a	n/a	n/a	n/a	\$ 200,500	\$ -
Compensated Absences	n/a	n/a	n/a	n/a	159,173	-
Total Long-term debt					\$ 30,054,247	\$ 1,633,544

Component Unit - School Board

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

Year Ending June 30	General long-term debt:	
	Capital Leases	
	Principal	Interest
2011	\$ 343,216	\$ 184,365
2012	266,857	170,102
2013	278,051	158,908
2014	289,716	147,243
2015	301,869	135,090
2016-2020	1,710,261	474,534
2021-2023	1,208,127	102,750
	\$ 4,398,097	\$ 1,372,992

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

Note 7 – Long-term Obligations: (Continued)

Component Unit - School Board (Continued)

The following is a summary of long-term obligations of the Component Unit School Board for the year ended June 30, 2010:

	Balance July 1, 2009	Issuances	Retirements	Balance June 30, 2010
Capital leases	\$ 4,877,515	\$ -	\$ (479,418)	\$ 4,398,097
Notes payable	-	-	-	-
OPEB Obligation	485,295	1,412,200	(1,226,195)	671,300
Total	\$ 5,362,810	\$ 1,412,200	\$ (1,705,613)	\$ 5,069,397

Details of Long-Term Debt:

	Interest Rates	Issue Dates	Final Maturity Date	Amount of Original Issue	Balance Governmental Activities	Amount Due Within One Year
Capital Leases						
Capital Lease	4.04%	9/21/2006	10/10/2010	\$ 418,795	\$ 87,103	\$ 87,103
Capital Lease	4.195%	10/5/2007	10/5/2022	4,792,700	4,310,994	256,113
Total Capital Leases					\$ 4,398,097	\$ 343,216
Other Obligations:						
OPEB Obligation	n/a	n/a	n/a	n/a	\$ 671,300	\$ -
Total Long-term Debt					\$ 5,069,397	\$ 343,216

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

Note 7 – Long-term Obligations: (Continued)

Component Unit – Airport Authority (Continued)

	Interest Rates	Final Maturity Date	Payment Amount	Balance July 1, 2009	New Issues	Principal Repayments	Balance June 30, 2010	Amount Due Within One Year
VRA	varies	7/1/2017	\$ 1,128	\$ 92,484	\$ -	\$ 9,799	\$ 82,685	\$ 10,260
Vending Loan	8.00%	6/27/2010	119	1,378	-	1,250	128	128
VRA	4.81%	7/1/2017	6,357	87,856	-	8,591	79,265	9,010
Total Notes Payable							\$ 162,078	\$ 19,398
Other Obligations:								
Compensated Absences								
	n/a	n/a	n/a	\$ -	\$ 484	\$ -	\$ 484	\$ 484
Total Long-term Debt							\$ 162,562	\$ 19,882

Principal payments required on notes payable are as follows:

Year Ending June 30	Notes Payable	
	Principal	Interest
2011	\$ 19,398	\$ 6,981
2012	20,453	5,798
2013	20,977	4,974
2014	23,042	4,208
2015	23,052	3,198
2016-2018	55,156	3,317
	\$ 162,078	\$ 28,476

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

Note 7 – Long-term Obligations: (Continued)

Component Unit – Industrial Development Authority

Changes in Long-Term Debt:

	Balance		Balance
	<u>July 1, 2009</u>	<u>Issuances</u>	<u>June 30, 2010</u>
Revenue bonds	\$ 18,300,000	\$ -	\$ 17,545,000
Loan premiums	38,900	-	36,612
Loss on redemption	(1,026,606)	-	(966,217)
Notes payable	<u>1,606,658</u>	<u>-</u>	<u>1,005,653</u>
 Total	 <u>\$ 18,918,952</u>	 <u>\$ -</u>	 <u>\$ 17,621,048</u>

Details of Long-Term Indebtedness:

	Interest Rates	Issue Dates	Final Maturity Date	Amount of Original Issue	Balance Business-type Activities	Amount Due Within One Year
Revenue Bonds						
Revenue Bonds	3.50-5.00%	4/13/2005	1/1/2027	\$ 12,430,000	\$ 9,890,000	\$ 600,000
Revenue Bonds	2.50-5.00	12/15/2004	8/1/2034	8,495,000	7,655,000	180,000
 Total Revenue Bonds					 <u>\$ 17,545,000</u>	 <u>\$ 780,000</u>
 Notes Payable						
Note Payable	4.00%	12/1/2003	6/30/2009	\$ 500,000	\$ 281,737	\$ -
Note Payable	4.00%	8/1/2005	6/1/2016	1,000,000	723,916	94,274
 Total Notes Payable					 <u>\$ 1,005,653</u>	 <u>\$ 94,274</u>
 Other Obligations:						
Loan Premiums	n/a	n/a	n/a	n/a	\$ 36,612	\$ -
Loss on Redemption	n/a	n/a	n/a	n/a	(966,217)	-
 Total Other Obligations					 <u>\$ (929,605)</u>	 <u>\$ -</u>
 Total Long-term Debt					 <u>\$ 17,621,048</u>	 <u>\$ 874,274</u>

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

Note 7 – Long-term Obligations: (Continued)

Component Unit – Industrial Development Authority (Continued)

Annual Requirements to amortize the above bonds and related interest are as follows:

Year Ending June 30	Principal	Interest
2011	\$ 874,274	\$ 785,964
2012	913,114	745,496
2013	712,112	702,399
2014	746,272	675,294
2015	780,602	646,265
2016-2020	4,007,542	4,062,673
2021-2025	4,665,000	1,863,899
2026-2030	3,290,000	841,503
2031-2035	2,280,000	280,001
	\$ 18,268,916	\$ 10,603,494

The amortization schedule above does not include the debt due to the Virginia Coalfield Economic Development Authority. Due to the bankruptcy filing of Blue Ridge Wood Products the Authority did not make regular loan payments on the Virginia Coalfield Economic Development Authority note. Rather, equipment that the Authority owns and purchased with debt proceeds is currently being sold. The proceeds from the sale of equipment are being used to satisfy outstanding debt obligations.

The Authority and Tazewell County have entered into lease agreements relating to the lease of the Courthouse from the IDA to the County. Lease payments from the County to the Authority will follow the debt schedule above. The Authority and Tazewell County are considered related parties. The Authority received rent payments of \$966,454 from Tazewell County during the year ended June 30, 2010.

Note 8 – Claims, Judgments, and Compensated Absences:

Compensated Absences:

In accordance with GASB 16, "Accounting for Compensated Absences", the County has accrued liabilities arising from outstanding claims, judgments and compensated absences. Each county employee earns annual leave at various rates. The County has outstanding accrued vacation and sick pay totaling \$762,402, \$64,125 in the Landfill Enterprise Component Unit Fund and \$159,173 in the Public Service Authority Component Unit Fund.

Note 9 – Deferred Revenue:

Deferred revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Deferred revenue totaling \$24,817,972 is comprised solely of deferred property tax revenue representing uncollected tax billings not available for funding of current expenditures. Property taxes due subsequent to June 30, 2010 but paid in advance by taxpayers, totaled \$1,288,521 at June 30, 2010.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

Note 10 – Defined Benefit Pension Plan:

A. Plan Description

Name of Plan:	Virginia Retirement System (VRS)
Identification of Plan:	Agent and Cost-Sharing Multiple-Employer Defined Benefit Pension Plan
Administering Entity:	Virginia Retirement System (System)

All full-time, salaried permanent employees of participating employers must participate in the VRS. Benefits vest after five years of service. Employees are eligible for an unreduced retirement benefit at age 65 with 5 years of service (age 60 for participating local law enforcement officers, firefighters, and sheriffs) or at age 50 with at least 30 years of service if elected by the employer (age 50 with at least 25 years of service for participating local law enforcement officers, firefighters, and sheriffs) payable monthly for life in an amount equal to 1.70% of their average final compensation (AFC) for each year of credited service (1.85% for sheriffs and if the employer elects, to other employees in hazardous duty positions receiving enhanced benefits). Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. In addition, retirees qualify for annual cost-of-living adjustment (COLA) beginning in their second year of retirement. The COLA is limited to 5.00% per year. AFC is defined as the highest consecutive 36 months of reported compensation. Participating local law enforcement officers, firefighters, and sheriffs may receive a monthly benefit supplement if they retire prior to age 65. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

The system issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of that report may be downloaded from their website at <http://www.varetire.org/Pdf/Publications/2009-Annual-Report.pdf> or obtained by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500

B. Funding Policy

Primary Government:

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5.00% of their annual salary to the VRS. This 5.00% member contribution may be assumed by the employer. In addition, the County is required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The County's contribution rate for the fiscal year ended 2010 was 7.70% of annual covered payroll.

Discretely Presented Component Unit - School Board (Non-Professional Employees):

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5.00% of their annual salary to the VRS. This 5.00% member contribution may be assumed by the employer. In addition, the School Board is required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The School Board's contribution rate for the fiscal year ended 2010 was 10.47% of annual covered payroll.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

Note 10 – Defined Benefit Pension Plan: (Continued)

C. Annual Pension Cost

For fiscal year 2010, the County of Tazewell's annual pension cost of \$745,494 (\$484,087 for employee portion) and \$419,780 (\$200,468 for employee portion) was equal to the County of Tazewell's required and actual contributions for the County and the School Board Non-Professionals, respectively.

Fiscal Year Ending	Trend Information		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
Primary Government:			
County:			
6/30/2010	\$ 1,229,581	100%	-
6/30/2009	1,226,614	100%	-
6/30/2008	1,025,464	100%	-
School Board:			
Non-professional Employees:			
6/30/2010	\$ 620,248	100%	-
6/30/2009	635,521	100%	-
6/30/2008	645,176	100%	-

The required contribution was determined as part of the June 30, 2007 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at June 30, 2007 included (a) an investment rate of return (net of administrative expenses) of 7.50%, (b) projected salary increases ranging from 3.75% to 5.60% per year, for general government employees and 3.50% to 4.75% for employees eligible for enhanced benefits available to law enforcement officers, firefighters, and sheriffs, and (c) a cost-of-living adjustment of 2.50% per year. Both the investment rate of return and the projected salary increases include an inflation component of 2.50%. The actuarial value of the County of Tazewell's assets is equal to the modified market value of assets. This method uses techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. The County of Tazewell's unfunded actuarial accrued liability is being amortized as a level percentage of covered payroll on an open basis. The remaining amortization period at June 30, 2007 was 20 years.

D. Funded Status and Funding Progress

Primary Government:

As of June 30, 2009, the most recent actuarial valuation date, the plan was 88.18% funded. The actuarial accrued liability for benefits was \$38,086,346, and the actuarial value of assets was \$33,585,523, resulting in an unfunded actuarial accrued liability (UAAL) of \$4,500,823. The covered payroll (annual payroll of active employees covered by the plan) was \$9,806,004, and ratio of the UAAL to the covered payroll was 45.90%.

Discretely Presented Component Unit - School Board (Non-Professional Employees):

As of June 30, 2009, the most recent actuarial valuation date, the plan was 79.77% funded. The actuarial accrued liability for benefits was \$22,162,220, and the actuarial value of assets was \$17,679,337, resulting in an unfunded actuarial accrued liability (UAAL) of \$4,482,883. The covered payroll (annual payroll of active employees covered by the plan) was \$4,035,361, and ratio of the UAAL to the covered payroll was 111.09%.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

Note 10 – Defined Benefit Pension Plan: (Continued)

D. Funded Status and Funding Progress (Continued)

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

E. Discretely Presented Component Unit - School Board (Professional Employees)

Plan Description

The Tazewell County School Board contributes to the Virginia Retirement System (VRS), a cost-sharing multiple-employer defined benefit pension plan administered by the Virginia Retirement System. VRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia. The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of that report may be downloaded from their website at <http://www.varetire.org/Pdf/Publications/2009-Annual-Report.pdf> or obtained by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Funding Policy

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5.00% of their annual salary to the VRS. The employer may assume this 5.00% member contribution. In addition, the School Board is required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The School Board's contribution to the statewide cost sharing pool for professional employees, including the 5% member contribution, was \$3,271,814, \$2,614,186, and \$4,486,336 for the fiscal years ended 2010, 2009, and 2008, respectively. Required employer and employee contributions represented 8.81% of covered payroll for July 2009 through March 2010 and 0.00% for April through June 2010, 8.81% for the entire fiscal year 2009, and 15.30% for the entire fiscal year 2008.

Note 11 – Other Postemployment Benefits (OPEB):

A. Plan Description

The Tazewell Post-Retirement Medical Plan (TPRMP) is a single-employer defined benefit healthcare plan administered by the County. TPRMP provides health insurance benefits to eligible retirees and their spouses. To be eligible, employees must meet the age and service criteria for retirement benefits under VRS, which requires that the employee be (1) age 50 with 10 years of service; (2) age 55 with 5 years of service; or (3) age 65 with 5 years of service. Additionally, the employee must be of full-time status in VRS and must be covered by the active plan at the time of retirement. Coverage continues for the earlier of a period of ten years or reaching Medicare eligibility (age 65). The benefit provisions, including employer and employee contributions, are governed by the Board of Supervisors and can be amended through board action. The TPRMP does not issue a publicly available financial report.

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

Note 11 – Other Postemployment Benefits: (Continued)

B. Funding Policy

The Tazewell County Government establishes employer medical contribution rates for all medical plan participants as part of the budgetary process each year. The County also determines how the plan will be funded each year, whether it will be partially funded or fully funded in the upcoming fiscal year. For fiscal year 2010, the County will continue on a pay-as-you-go basis and leave the plan unfunded.

For retirees of the County and School Board, the following premiums and retiree responsibilities were effective at March 1, 2009:

	Monthly Contribution	Retiree Share of Premiums
	Pre-Medicare	
Retiree	\$ 525.00	\$ 52.50
Retiree and Spouse	971.00	186.30
Retiree and Child	971.00	186.30
Family	1,418.00	320.40
	Post-Medicare*	
Retiree	\$ 148.00	\$ 148.00
Retiree and Spouse (age 65 and older)	296.00	296.00
Retiree and Spouse (age 64 and younger)	673.00	673.00

* Premiums include medical coverage only

C. Annual OPEB Cost and Net OPEB Obligation

The County and School Board's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the County and School Board's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County and School Board's net OPEB obligation:

	County	School Board	Total
Annual required contribution	\$ 534,300	\$ 1,413,100	\$ 1,947,400
Interest on net OPEB obligation	10,800	15,000	25,800
Adjustment to annual required contribution	(11,500)	(15,900)	(27,400)
Annual OPEB cost (expense)	533,600	1,412,200	1,945,800
Actual contributions	218,385	1,226,195	1,444,580
Increase in net OPEB obligation	315,215	186,005	501,220
Net OPEB obligation - beginning of year	216,485	485,295	701,780
Net OPEB obligation - end of year	\$ 531,700	\$ 671,300	\$ 1,203,000

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

Note 11 – Other Postemployment Benefits: (Continued)

C. Annual OPEB Cost and Net OPEB Obligation (Continued)

The County and School Board's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2010	\$ 1,945,800	74%	\$ 1,203,000
6/30/2009	1,881,500	66%	645,300

D. Funded Status and Funding Progress

Primary Government:

As of March 1, 2008, the most recent actuarial valuation date, the actuarial accrued liability (AAL) was \$4,695,900, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$9,171,680, and ratio of the UAAL to the covered payroll was 51.2%.

Component Unit – School Board:

As of March 1, 2008, the most recent actuarial valuation date, the actuarial accrued liability (AAL) was \$16,084,500, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$31,415,039, and ratio of the UAAL to the covered payroll was 51.2%.

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 the healthcare cost trend. 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. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

E. Actuarial Methods and Assumptions

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

In the March 1, 2008, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.0 percent investment rate of return per annum. An annual healthcare cost trend rate of 9 percent initially, reduced by decrements of 1 percent until an ultimate rate of 5 percent is reached. The UAAL is being amortized as a level percentage over the remaining amortization period, which at June 30, 2010, was 30 years.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

Note 12 – Contingent Liabilities:

Federal programs in which the County and its component units participate were audited in accordance with the provisions of U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Pursuant to the provisions of this circular all major programs and certain other programs were tested for compliance with applicable grant requirements. While no matters of noncompliance were disclosed by audit, the Federal Government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, any future disallowances of current grant program expenditures, if any, would be immaterial.

Note 13 – Landfill Closure and Postclosure Care Cost:

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post closure care costs as an operating expense in each period based on landfill capacity used at each balance sheet date. Of the \$5,041,987 reported as landfill closure and post closure care liability at June 30, 2010, \$5,041,987 represents the cumulative amount reported to date based on use of 58 percent of the estimate capacity of the landfill.

The County will recognize the remaining estimated cost of closure and postclosure care of \$9,975,236 as the remaining capacity is filled. The County expects to close the landfill in 2055. 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 2010.

The County uses the Commonwealth of Virginia's financial assurance mechanism to meet the Department of Environmental Quality's assurance requirements for landfill closure and postclosure costs.

Note 14 – Risk Management:

The County and its component unit – School Board is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The County and its component unit – School Board participate with other localities in a public entity risk pool for their coverage of general liability and auto insurance with the Virginia Municipal Liability Pool. Each member of this risk pool jointly and severally agrees to assume, pay and discharge any liability. The County and its component unit – School Board pay the Virginia Municipal Group contributions and assessments based upon classification and rates into a designated cash reserve fund out of which expenses of the pool, claims and awards are to be paid. In the event of a loss deficit and depletion of all available excess insurance, the pool may assess all members in the proportion in which the premium of each bears to the total premiums of all members in the year in which such deficit occurs. The County and its component unit – School Board continue to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

Note 15 – Interfund Transfers:

Interfund transfers for the year ended June 30, 2010, consisted of the following:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Primary Government:		
General Fund	\$ -	\$ 3,971,241
Coal Road Improvement	-	671,208
E-911 Fund	350,000	-
Capital Projects Fund	3,105,819	-
School Construction Fund	-	184,611
Landfill Enterprise Fund	1,371,241	-
Total	\$ 4,827,060	\$ 4,827,060

Note 16– Surety Bonds:

	<u>Amount</u>
Commonwealth of America, Division of Risk Management	
James E. Blevins, Clerk of the Circuit Court	\$710,000
Norman L. Cook, Treasurer	500,000
Emma N. Hagy, Commissioner of the Revenue	3,000
H.S. Caudill, Sheriff	30,000
 The above constitutional officers' employees	
Blanket bond	50,000
Landfill employees	20,000
 VACO Insurance Program:	
All School Board employees – blanket	250,000
 Fidelity and Deposit Company of Maryland Surety:	
James Spencer, County Administrator	50,000
 St. Paul Fire and Marine Insurance Company	
Rex Tester, Director of Social Services	25,000
All Social Services employees – blanket	100,000

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

Note 17 – Restatement of Beginning Balances:

	Primary Government	Component Unit- School Board	Proprietary Fund Landfill
Beginning net assets, as previously reported	\$ 21,138,218	\$ 10,867,339	\$ 5,656,041
To record fixed assets from prior period	478,867	15,495,124	-
To remove fixed assets from prior period	-	-	(31,735)
To record accumulated depreciation from prior period	(427,716)	(10,703,740)	-
To remove accumulated depreciation from prior period	-	-	180,761
Beginning net assets, as restated	<u>\$ 21,189,369</u>	<u>\$ 15,658,723</u>	<u>\$ 5,805,067</u>

Required Supplementary Information

County of Tazewell, Virginia
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2010

	<u>Budget Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Pos (Neg)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
General Property Taxes	\$ 20,209,400	\$ 20,209,400	\$ 22,057,379	\$ 1,847,979
Other Local Taxes	7,154,000	7,154,000	7,355,439	201,439
Permits, Privilege Fees and Regulatory Licenses	330,185	330,185	312,169	(18,016)
Fines and Forfeitures	25,000	25,000	102,915	77,915
Revenue from Use of Money and Property	932,729	932,729	493,760	(438,969)
Charges for Services	261,500	268,393	311,429	43,036
Miscellaneous	570,000	516,473	664,296	147,823
Recovered Costs	341,841	344,375	338,719	(5,656)
Intergovernmental Revenues:				
Commonwealth	13,459,678	13,585,112	10,311,871	(3,273,241)
Federal Government	102,127	481,227	3,550,143	3,068,916
Total Revenues	<u>\$ 43,386,460</u>	<u>\$ 43,846,894</u>	<u>\$ 45,498,120</u>	<u>\$ 1,651,226</u>
EXPENDITURES:				
Current:				
General Government Administration	\$ 4,484,375	\$ 4,985,789	\$ 4,090,059	\$ 895,730
Judicial Administration	2,054,519	2,135,686	2,221,412	(85,726)
Public Safety	11,117,147	11,557,876	10,642,313	915,563
Public Works	4,377,054	4,427,097	3,755,653	671,444
Health and Welfare	7,949,578	7,957,346	6,560,999	1,396,347
Education	12,242,812	12,242,812	11,023,280	1,219,532
Parks, Recreation and Cultural	1,262,259	1,287,887	1,264,793	23,094
Community Development	658,368	666,409	631,835	34,574
Non-Departmental	1,153,667	883,614	414,479	469,135
Capital Projects	227,282	47,695	32,525	15,170
Debt Service:				
Principal Retirement	-	-	640,194	(640,194)
Interest and Other Fiscal Charges	-	-	487,207	(487,207)
Total Expenditures	<u>\$ 45,527,061</u>	<u>\$ 46,192,211</u>	<u>\$ 41,764,749</u>	<u>\$ 4,427,462</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (2,140,601)</u>	<u>\$ (2,345,317)</u>	<u>\$ 3,733,371</u>	<u>\$ 6,078,688</u>
Other Financing Sources (Uses)				
Transfers Out	\$ (100,000)	\$ (100,000)	\$ (3,971,241)	\$ (3,871,241)
Total Other Financing Sources (Uses)	<u>\$ (100,000)</u>	<u>\$ (100,000)</u>	<u>\$ (3,971,241)</u>	<u>\$ (3,871,241)</u>
Net Change in Fund Balance	\$ (2,240,601)	\$ (2,445,317)	\$ (237,870)	\$ 2,207,447
Fund Balance - Beginning	(471,835)	(482,598)	8,830,642	9,313,240
Fund Balance - Ending	<u>\$ (2,712,436)</u>	<u>\$ (2,927,915)</u>	<u>\$ 8,592,772</u>	<u>\$ 11,520,687</u>

County of Tazewell, Virginia
Required Supplementary Information
Schedule of Pension and OPEB Funding Progress
For the Fiscal Year Ended June 30, 2010

Primary Government:

County Retirement Plan

Valuation as of (1)	Actuarial Value of Assets (2)	Actuarial Accrued Liability (AAL) (3)	Unfunded AAL (UAAL) (3)-(2) (4)	Funded Ratio Assets as % of AAL (2)/(3) (5)	Annual Covered Payroll (6)	UAAL as a % of Covered Payroll (4)/(6) (7)
June 30, 2009 \$	33,585,523 \$	38,086,346 \$	4,500,823	88.18% \$	9,806,004	45.90%
June 30, 2008	33,103,893	35,832,857	2,728,964	92.38%	9,464,682	28.83%
June 30, 2007	30,022,501	32,098,322	2,075,821	93.53%	9,068,320	22.89%

County Post-Retirement Medical Plan

Valuation as of (1)	Actuarial Value of Assets (2)	Actuarial Accrued Liability (AAL) (3)	Unfunded AAL (UAAL) (3)-(2) (4)	Funded Ratio Assets as % of AAL (2)/(3) (5)	Annual Covered Payroll (6)	UAAL as a % of Covered Payroll (4)/(6) (7)
March 1, 2008* \$	-	4,695,900 \$	4,695,900	0.00% \$	9,171,680	51.20%

*Only one year of data available

Discretely Presented Component Unit:

School Board Non-professional Retirement Plan

Valuation as of (1)	Actuarial Value of Assets (2)	Actuarial Accrued Liability (AAL) (3)	Unfunded AAL (UAAL) (3)-(2) (4)	Funded Ratio Assets as % of AAL (2)/(3) (5)	Annual Covered Payroll (6)	UAAL as a % of Covered Payroll (4)/(6) (7)
June 30, 2009 \$	17,679,337 \$	22,162,220 \$	4,482,883	79.77% \$	4,035,361	111.09%
June 30, 2008	17,804,116	20,840,092	3,035,976	85.43%	3,996,614	75.96%
June 30, 2007	16,287,334	19,500,904	3,213,570	83.52%	3,769,406	85.25%

School Board Post-Retirement Medical Plan

Valuation as of (1)	Actuarial Value of Assets (2)	Actuarial Accrued Liability (AAL) (3)	Unfunded AAL (UAAL) (3)-(2) (4)	Funded Ratio Assets as % of AAL (2)/(3) (5)	Annual Covered Payroll (6)	UAAL as a % of Covered Payroll (4)/(6) (7)
March 1, 2008* \$	-	16,084,500 \$	16,084,500	0.00% \$	31,415,039	51.20%

*Only one year of data available

County of Tazewell, Virginia
Major Capital Projects Fund-County CIP Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2010

	<u>Budget Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Pos (Neg)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Revenue from Use of Money and Property	\$ -	\$ -	\$ 2,759	\$ 2,759
Miscellaneous	-	-	2,933	2,933
Intergovernmental Revenues:				
Tazewell County School Board	-	-	1,887,677	1,887,677
Commonwealth	5,830,514	-	45,616	45,616
Federal Government	340,942	-	-	-
Total Revenues	<u>\$ 6,171,456</u>	<u>\$ -</u>	<u>\$ 1,938,985</u>	<u>\$ 1,938,985</u>
EXPENDITURES:				
Current:				
Public Works	\$ 787,671	\$ 787,671	\$ 893,998	\$ (106,327)
Community Development	5,893,970	5,893,970	1,622,242	4,271,728
Capital Projects	-	9,809,073	4,145,991	5,663,082
Total Expenditures	<u>\$ 6,681,641</u>	<u>\$ 16,490,714</u>	<u>\$ 6,662,231</u>	<u>\$ 9,828,483</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (510,185)</u>	<u>\$ (16,490,714)</u>	<u>\$ (4,723,246)</u>	<u>\$ 11,767,468</u>
Other Financing Sources (Uses)				
Transfers In	\$ 1,844,010	\$ 1,844,010	\$ 3,105,819	\$ 1,261,809
Proceeds from Issuance	150,000	150,000	-	(150,000)
Total Other Financing Sources (Uses)	<u>\$ 1,994,010</u>	<u>\$ 1,994,010</u>	<u>\$ 3,105,819</u>	<u>\$ 1,111,809</u>
Net Change in Fund Balance	\$ 1,483,825	\$ (14,496,704)	\$ (1,617,427)	\$ 12,879,277
Fund Balance - Beginning	(2,843,322)	(9,896,720)	9,698,407	19,595,127
Fund Balance - Ending	<u>\$ (1,359,497)</u>	<u>\$ (24,393,424)</u>	<u>\$ 8,080,980</u>	<u>\$ 32,474,404</u>

Other Supplementary Information

County of Tazewell, Virginia
Non - Major Capital Projects-School Construction Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2010

	<u>Budget Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Pos (Neg)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental Revenues:				
Tazewell County School Board	\$ -	\$ -	\$ 184,611	\$ 184,611
Total Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 184,611</u>	<u>\$ 184,611</u>
EXPENDITURES:				
Current:				
Capital Projects	\$ 1,475,000	\$ 1,475,000	\$ -	\$ 1,475,000
	<u>\$ 1,475,000</u>	<u>\$ 1,475,000</u>	<u>\$ -</u>	<u>\$ 1,475,000</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	\$ (1,475,000)	\$ (1,475,000)	\$ 184,611	\$ 1,659,611
Other Financing Sources (Uses)				
Transfers In	\$ -	\$ -	\$ 1,990,811	\$ 1,990,811
Transfers Out	-	-	(2,175,422)	(2,175,422)
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (184,611)</u>	<u>\$ (184,611)</u>
Net Change in Fund Balance	\$ (1,475,000)	\$ (1,475,000)	\$ -	\$ 1,475,000
Fund Balance - Beginning	(3,520,898)	(3,520,898)	1,565	3,522,463
Fund Balance - Ending	<u>\$ (4,995,898)</u>	<u>\$ (4,995,898)</u>	<u>\$ 1,565</u>	<u>\$ 4,997,463</u>

County of Tazewell, Virginia
Combining Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2010

	Expendable Trust Funds		Agency Funds		Total
	School Deferred Comp Fund	Deferred Comp Fund	Special Welfare Funds	Local Sales Tax Fund	
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ -	\$ -	\$ 37,939	\$ -	\$ 37,939
Investments	647,516	1,347,020	-	-	1,994,536
Due from Other Governmental Units	-	-	-	999,393	999,393
Total Assets	<u>\$ 647,516</u>	<u>\$ 1,347,020</u>	<u>\$ 37,939</u>	<u>\$ 999,393</u>	<u>\$ 3,031,868</u>
LIABILITIES					
Current Liabilities:					
Due to Primary Government	\$ -	\$ -	\$ -	\$ 838,191	\$ 838,191
Due to Other Governmental Units	-	-	-	161,202	161,202
Amounts Held for Others	647,516	1,347,020	37,939	-	2,032,475
Total Liabilities	<u>\$ 647,516</u>	<u>\$ 1,347,020</u>	<u>\$ 37,939</u>	<u>\$ 999,393</u>	<u>\$ 3,031,868</u>

County of Tazewell, Virginia
Combining Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
June 30, 2010

	Expendable Trust Funds		Agency Funds	
	School Deferred Comp Fund	Deferred Comp Fund	Special Welfare Fund	Local Sales Tax Fund
ASSETS				
Balance, July 1, 2009	\$ 721,352	\$ 1,173,575	\$ 41,967	\$ 1,015,449
Additions	8,283	191,681	40,360	6,780,077
Deductions	(82,119)	(18,236)	(44,388)	(6,796,133)
Balance, June 30, 2010	<u>\$ 647,516</u>	<u>\$ 1,347,020</u>	<u>\$ 37,939</u>	<u>\$ 999,393</u>
LIABILITIES				
Balance, July 1, 2009	\$ 721,352	\$ 1,173,575	\$ 41,967	\$ 1,015,449
Additions	8,283	191,681	40,360	6,780,077
Deductions	(82,119)	(18,236)	(44,388)	(6,796,133)
Balance, June 30, 2010	<u>\$ 647,516</u>	<u>\$ 1,347,020</u>	<u>\$ 37,939</u>	<u>\$ 999,393</u>

County of Tazewell, Virginia
Special Revenue Fund - Discretely Presented Component Unit - School Board
Balance Sheet
June 30, 2010

	<u>School Fund</u>	<u>Internal Service Fund</u>
ASSETS		
Cash and Cash Equivalents	\$ 5,627,234	\$ -
Cash Held for Others	46,950	-
Due from Other Governmental Units	3,173,538	-
Prepaid expenses	484,065	-
Total Assets	\$ 9,331,787	\$ -
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts Payable	\$ 538,587	\$ -
Accrued wages payable	3,498,788	-
Due to Primary Government	3,106,103	-
Amounts held for others	46,950	-
Total Liabilities	\$ 7,190,428	\$ -
Fund Balances:		
Unreserved:		
Designated	\$ 6,897	\$ -
Undesignated (deficit)	2,134,462	-
Total Fund Balances	\$ 2,141,359	\$ -
Total Liabilities and Fund Balances	\$ 9,331,787	\$ -

Amounts reported for governmental activities in the Statement of Net Assets (Exhibit 1) are different because:

Total fund balances - per above	\$	2,141,359
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		21,237,305
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds		(5,069,397)
Net assets of governmental activities - component unit school board	\$	18,309,267

County of Tazewell, Virginia
Special Revenue Fund-Discretely Presented Component Unit-School Board
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2010

	<u>School Fund</u>	<u>Internal Service Fund</u>
REVENUES		
Revenue from Use of Money and Property	\$ 7,381	\$ -
Charges for Services	986,433	-
Miscellaneous	659,543	-
Recovered Costs	446,702	-
Intergovernmental Revenues:		
Local Government	10,963,280	-
Commonwealth	37,829,697	-
Federal Government	9,086,201	-
Total Revenues	<u>\$ 59,979,237</u>	<u>\$ -</u>
EXPENDITURES:		
Current:		
Education	\$ 61,055,620	\$ -
Debt Service:		
Principal Retirement	479,418	-
Interest and Other Fiscal Charges	125,084	-
Total Expenditures	<u>\$ 61,660,122</u>	<u>\$ -</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (1,680,885)</u>	<u>\$ -</u>
Other Financing Sources (Uses)		
Transfers In	\$ 518,996	\$ -
Transfers Out	(310,000)	(208,996)
Total Other Financing Sources (Uses)	<u>\$ 208,996</u>	<u>\$ (208,996)</u>
Net Change in Fund Balance	<u>\$ (1,471,889)</u>	<u>\$ (208,996)</u>
Fund Balance - Beginning	3,613,248	208,996
Fund Balance - Ending	<u>\$ 2,141,359</u>	<u>\$ -</u>

Amounts reported for governmental activities in the Statement of Activities (Exhibit 2)
are different because:

Net change in fund balance - total governmental funds - per above \$ (1,471,889)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period. 4,038,016

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the effect of these differences in the treatment of long-term debt and related items. 479,418

Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities. (208,996)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore are not reported as expenditure in governmental funds. (186,005)

Change in net assets of governmental funds - component unit school board \$ 2,650,544

County of Tazewell, Virginia
Major Special Revenue Fund-Discretely Presented Component Unit-School Board
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2010

	Budget Amounts		Actual Amounts	Variance with Final Budget Pos (Neg)
	Original	Final		
REVENUES				
Revenue from Use of Money and Property	\$ 8,768	\$ 8,768	\$ 7,381	\$ (1,387)
Charges for Services	979,500	979,500	986,433	6,933
Miscellaneous	721,996	721,996	659,543	(62,453)
Recovered Costs	175,000	175,000	446,702	271,702
Intergovernmental Revenues:				
Local Government	12,182,812	12,182,812	10,963,280	(1,219,532)
Commonwealth	40,843,823	40,843,823	37,829,697	(3,014,126)
Federal Government	9,966,297	9,966,297	9,086,201	(880,096)
Total Revenues	\$ 64,878,196	\$ 64,878,196	\$ 59,979,237	\$ (4,898,959)
EXPENDITURES:				
Current:				
Education	\$ 63,626,515	\$ 63,626,515	\$ 61,055,620	\$ 2,570,895
Debt Service:				
Principal Retirement	1,355,401	1,355,401	479,418	875,983
Interest and Other Fiscal Charges	521,110	521,110	125,084	396,026
Total Expenditures	\$ 65,503,026	\$ 65,503,026	\$ 61,660,122	\$ 3,842,904
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (624,830)	\$ (624,830)	\$ (1,680,885)	\$ (1,056,055)
Other Financing Sources (Uses)				
Transfers In	\$ 310,000	\$ 310,000	\$ 518,996	\$ 208,996
Transfers Out	-	-	(310,000)	(310,000)
Total Other Financing Sources (Uses)	\$ 310,000	\$ 310,000	\$ 208,996	\$ (101,004)
Net Change in Fund Balance	\$ (314,830)	\$ (314,830)	\$ (1,471,889)	\$ (1,157,059)
Fund Balance - Beginning	(1,912,152)	(1,912,152)	3,613,248	5,525,400
Fund Balance - Ending	\$ (2,226,982)	\$ (2,226,982)	\$ 2,141,359	\$ 4,368,341

County of Tazewell, Virginia
Non-Major Funds
Combining Balance Sheet
June 30, 2010

	<u>Special Revenue Funds</u>	<u>School Construction Fund</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 2,189,301	\$ 1,565	\$ 2,190,866
Receivables (Net of Allowance for Uncollectibles):			
Taxes	234,811	-	234,811
Other Local Taxes and Fees	1,589	-	1,589
Prepays	33,000	-	33,000
Due from Other Governmental Units	5,021	-	5,021
Total Assets	<u>\$ 2,463,722</u>	<u>\$ 1,565</u>	<u>\$ 2,465,287</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 901	\$ -	\$ 901
Total Liabilities	<u>\$ 901</u>	<u>\$ -</u>	<u>\$ 901</u>
Fund Balances:			
Unreserved:			
Designated	\$ -	\$ 1,565	\$ 1,565
Undesignated (deficit)	2,462,821	-	2,462,821
Total Fund Balances	<u>\$ 2,462,821</u>	<u>\$ 1,565</u>	<u>\$ 2,464,386</u>
Total Liabilities and Fund Balances	<u>\$ 2,463,722</u>	<u>\$ 1,565</u>	<u>\$ 2,465,287</u>

County of Tazewell, Virginia
 Non-Major Special Revenue Funds
 Combining Balance Sheet
 For the Fiscal Year Ended June 30, 2010

	<u>Law Library Fund</u>	<u>Coal Road Improvement Fund</u>	<u>Coal Road Economic Development Fund</u>	<u>E-911 Fund</u>	<u>Damage Stamp Fund</u>	<u>Total</u>
ASSETS						
Cash and Cash Equivalents	\$ 74,177	\$ 1,206,427	\$ 75,319	\$ 833,193	\$ 185	\$ 2,189,301
Receivables (Net of Allowance for Uncollectibles):						
Taxes	-	92,506	30,835	111,470	-	234,811
Other Local Taxes and Fees	1,589	-	-	-	-	1,589
Prepays	-	-	-	33,000	-	33,000
Due from Other Governmental Units	-	-	-	5,021	-	5,021
Total Assets	<u>\$ 75,766</u>	<u>\$ 1,298,933</u>	<u>\$ 106,154</u>	<u>\$ 982,684</u>	<u>\$ 185</u>	<u>\$ 2,463,722</u>

LIABILITIES AND FUND BALANCES

Liabilities						
Accounts Payable	\$ -	\$ -	\$ -	\$ 901	\$ -	\$ 901
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 901</u>	<u>\$ -</u>	<u>\$ 901</u>

Fund Balances:

Unreserved:						
Undesignated (deficit)	\$ 75,766	\$ 1,298,933	\$ 106,154	\$ 981,783	\$ 185	\$ 2,462,821
Total Fund Balances	<u>\$ 75,766</u>	<u>\$ 1,298,933</u>	<u>\$ 106,154</u>	<u>\$ 981,783</u>	<u>\$ 185</u>	<u>\$ 2,462,821</u>
Total Liabilities and Fund Balances	<u>\$ 75,766</u>	<u>\$ 1,298,933</u>	<u>\$ 106,154</u>	<u>\$ 982,684</u>	<u>\$ 185</u>	<u>\$ 2,463,722</u>

County of Tazewell, Virginia
Non-Major Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2010

	<u>Special Revenue Funds</u>	<u>School Construction Fund</u>	<u>Total</u>
REVENUES			
Other Local Taxes	1,846,054	-	1,846,054
Charges for Services	15,417	-	15,417
Miscellaneous	54,706	-	54,706
Intergovernmental Revenues:			
Tazewell County School Board	-	184,611	184,611
Commonwealth	527,915	-	527,915
Federal Government	307,015	-	307,015
Total Revenues	<u>\$ 2,751,107</u>	<u>\$ 184,611</u>	<u>\$ 2,935,718</u>
EXPENDITURES:			
Current:			
Judicial Administration	\$ 5,141	\$ -	\$ 5,141
Public Safety	1,325,813	-	1,325,813
Public Works	564,547	-	564,547
	<u>\$ 1,895,501</u>	<u>\$ -</u>	<u>\$ 1,895,501</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 855,606</u>	<u>\$ 184,611</u>	<u>\$ 1,040,217</u>
Other Financing Sources (Uses)			
Transfers In	\$ 350,000	\$ 1,990,811	\$ 2,340,811
Transfers Out	(671,208)	(2,175,422)	(2,846,630)
Total Other Financing Sources (Uses)	<u>\$ (321,208)</u>	<u>\$ (184,611)</u>	<u>\$ (505,819)</u>
Net Change in Fund Balance	<u>\$ 534,398</u>	<u>\$ -</u>	<u>\$ 534,398</u>
Fund Balance - Beginning	1,928,423	1,565	1,929,988
Fund Balance - Ending	<u>\$ 2,462,821</u>	<u>\$ 1,565</u>	<u>\$ 2,464,386</u>

County of Tazewell, Virginia
 Non-Major Special Revenue Funds
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Cash Basis)
 For the Fiscal Year Ended June 30, 2010

	Law Library Fund				Coal Road Improvement Fund				Variance with Final Budget Pos (Neg)
	Budget Amounts		Actual Amounts	Variance with Final Budget Pos (Neg)	Budget Amounts		Actual Amounts	Variance with Final Budget Pos (Neg)	
	Original	Final			Original	Final			
REVENUES									
Other Local Taxes	- \$	- \$	- \$	- \$	725,000 \$	725,000 \$	851,118 \$	126,118	
Charges for Services	17,500	17,500	15,417	(2,083)	-	-	54,000	54,000	
Miscellaneous	-	-	-	-	-	-	-	-	
Intergovernmental Revenues:									
Commonwealth	-	-	-	-	-	-	-	-	
Federal Government	-	-	-	-	-	-	-	-	
Total Revenues	17,500 \$	17,500 \$	15,417 \$	(2,083)	725,000 \$	725,000 \$	905,118 \$	180,118	
EXPENDITURES:									
Current:									
Judicial Administration	17,500 \$	17,500 \$	5,141 \$	12,359	- \$	- \$	- \$	-	
Public Safety	-	-	-	-	1,900,953	1,900,953	143,485	1,757,468	
Public Works	17,500 \$	17,500 \$	5,141 \$	12,359	1,900,953 \$	1,900,953 \$	143,485 \$	1,757,468	
Excess (Deficiency) of Revenues Over (Under) Expenditures	- \$	- \$	10,276 \$	10,276	(1,175,953) \$	(1,175,953) \$	761,633 \$	1,937,586	
Other Financing Sources (Uses)									
Transfers In	- \$	- \$	- \$	-	- \$	- \$	- \$	-	
Transfers Out	-	-	-	-	-	-	(671,208)	(671,208)	
Total Other Financing Sources (Uses)	- \$	- \$	- \$	-	- \$	- \$	(671,208) \$	(671,208)	
Net Change in Fund Balance	- \$	- \$	10,276 \$	10,276	(1,175,953) \$	(1,175,953) \$	90,425 \$	1,266,378	
Fund Balance - Beginning	50,000 \$	50,000 \$	65,490 \$	15,490	(946,940) \$	(746,940) \$	1,208,508 \$	1,955,448	
Fund Balance - Ending	50,000 \$	50,000 \$	75,766 \$	25,766	(2,122,893) \$	(1,922,893) \$	1,298,933 \$	3,221,826	

Exhibit 23

County of Tazewell, Virginia
 Non-Major Special Revenue Funds
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Cash Basis)
 For the Fiscal Year Ended June 30, 2010

	Coal Road Economic Development Fund					E-911 Fund				
	Budget Amounts		Actual Amounts	Variance with Final Budget Pos (Neg)	Budget Amounts		Actual Amounts	Variance with Final Budget Pos (Neg)		
	Original	Final			Original	Final				
REVENUES	\$ 500,000	\$ 500,000	\$ 483,788	(16,212)	\$ 482,838	\$ 482,838	\$ 511,148	\$ 28,310		
Other Local Taxes	-	-	-	-	-	-	-	-		
Charges for Services	-	-	-	-	-	-	706	706		
Miscellaneous	-	-	-	-	-	-	-	-		
Intergovernmental Revenues:	-	-	-	-	1,242,392	1,242,392	527,915	(714,477)		
Commonwealth	-	-	-	-	-	-	307,015	307,015		
Federal Government	-	-	-	-	-	-	-	-		
Total Revenues	\$ 500,000	\$ 500,000	\$ 483,788	(16,212)	\$ 1,725,230	\$ 1,725,230	\$ 1,346,784	(378,446)		
EXPENDITURES:										
Current:	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-		
Judicial Administration	-	-	-	-	2,114,208	2,119,806	1,325,813	793,993		
Public Safety	500,000	500,000	421,062	78,938	-	-	-	-		
Public Works	500,000	500,000	421,062	78,938	2,114,208	2,119,806	1,325,813	793,993		
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ 62,726	62,726	\$ (388,976)	\$ (394,576)	\$ 20,971	\$ 415,547		
Other Financing Sources (Uses)										
Transfers In	\$ -	\$ -	\$ -	-	\$ 100,000	\$ 100,000	\$ 360,000	\$ 250,000		
Transfers Out	-	-	-	-	-	-	-	-		
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	-	\$ 100,000	\$ 100,000	\$ 360,000	\$ 250,000		
Net Change in Fund Balance	\$ -	\$ -	\$ 62,726	62,726	\$ (288,976)	\$ (294,576)	\$ 370,971	\$ 665,547		
Fund Balance - Beginning	50,000	50,000	43,428	(6,572)	1,978	1,978	610,812	608,834		
Fund Balance - Ending	\$ 50,000	\$ 50,000	\$ 106,154	\$ 56,154	\$ (287,000)	\$ (292,598)	\$ 981,783	\$ 1,274,381		

County of Tazewell, Virginia
 Non-Major Special Revenue Funds
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Cash Basis)
 For the Fiscal Year Ended June 30, 2010

	Damaged Stamp Fund				Total			
	Budget Amounts		Actual Amounts	Variance with Final Budget Pos (Neg)	Budget Amounts		Actual Amounts	Variance with Final Budget Pos (Neg)
	Original	Final			Original	Final		
REVENUES								
Other Local Taxes	\$ -	\$ -	\$ -	-	\$ 1,707,838	\$ 1,707,838	\$ 1,846,054	\$ 138,216
Charges for Services	-	-	-	-	17,500	17,500	15,417	(2,083)
Miscellaneous	-	-	-	-	-	-	54,706	54,706
Intergovernmental Revenues:								
Commonwealth	-	-	-	-	1,242,392	1,242,392	527,915	(714,477)
Federal Government	-	-	-	-	-	-	307,015	307,015
Total Revenues	\$ -	\$ -	\$ -	-	\$ 2,967,730	\$ 2,967,730	\$ 2,751,107	\$ (216,623)
EXPENDITURES:								
Current:								
Judicial Administration	\$ -	\$ -	\$ -	-	\$ 17,500	\$ 17,500	\$ 5,141	\$ 12,359
Public Safety	-	-	-	-	2,114,208	2,119,806	1,325,813	793,993
Public Works	-	-	-	-	2,400,953	2,400,953	564,547	1,836,406
Total Expenditures	\$ -	\$ -	\$ -	-	\$ 4,532,661	\$ 4,538,259	\$ 1,895,501	\$ 2,642,758
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	-	\$ (1,564,931)	\$ (1,570,529)	\$ 855,606	\$ 2,426,135
Other Financing Sources (Uses)								
Transfers In	\$ -	\$ -	\$ -	-	\$ 100,000	\$ 100,000	\$ 350,000	\$ 250,000
Transfers Out	-	-	-	-	-	-	(671,208)	(671,208)
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	-	\$ 100,000	\$ 100,000	\$ (321,208)	\$ (421,208)
Net Change in Fund Balance	\$ -	\$ -	\$ -	-	\$ (1,464,931)	\$ (1,470,529)	\$ 534,398	\$ 2,004,927
Fund Balance - Beginning	144	144	185	41	(844,818)	(644,818)	1,928,423	2,573,241
Fund Balance - Ending	144	144	185	41	(2,309,749)	(2,115,347)	2,462,821	4,578,168

Supporting Schedules

County of Tazewell, Virginia
Schedule of Revenues-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2010

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Pos (Neg)</u>
Primary Government:				
General Fund:				
Revenue from Local Sources:				
General Property Taxes:				
Real property taxes	\$ 11,750,000	\$ 11,750,000	\$ 13,617,922	\$ 1,867,922
Real and personal public service corporation taxes	895,900	895,900	861,201	(34,699)
Personal property taxes	5,062,500	5,062,500	4,646,504	(415,996)
Mobile home taxes	155,000	155,000	174,718	19,718
Machinery and tools taxes	900,000	900,000	1,249,642	349,642
Merchant's capital taxes	996,000	996,000	1,054,268	58,268
Penalties	295,000	295,000	294,062	(938)
Interest	155,000	155,000	159,062	4,062
Total General Property Taxes	<u>\$ 20,209,400</u>	<u>\$ 20,209,400</u>	<u>\$ 22,057,379</u>	<u>\$ 1,847,979</u>
Other Local Taxes:				
Local sales and use taxes	\$ 4,860,000	\$ 4,860,000	\$ 4,834,793	\$ (25,207)
Consumers' utility taxes	900,000	900,000	769,475	(130,525)
Utility license taxes	30,000	30,000	49,785	19,785
Consumption taxes	-	-	138,444	138,444
Motor vehicle licenses	36,000	36,000	36,275	275
Bank franchise taxes	40,000	40,000	45,115	5,115
Taxes on recordation and wills	288,000	288,000	146,647	(141,353)
Coal severance taxes	1,000,000	1,000,000	1,334,905	334,905
Total Other Local Taxes	<u>\$ 7,154,000</u>	<u>\$ 7,154,000</u>	<u>\$ 7,355,439</u>	<u>\$ 201,439</u>
Permits, Privilege Fees and Regulatory Licenses:				
Animal licenses	\$ 3,785	\$ 3,785	\$ 7,023	\$ 3,238
Land use application fees	500	500	366	(134)
Transfer fees	1,500	1,500	1,234	(266)
Zoning and subdivision permits	-	-	312	312
Transient fee	192,500	192,500	183,339	(9,161)
Cavitts Creek camping fee	12,500	12,500	12,068	(432)
Collection fees	-	-	568	568
Building permits	90,000	90,000	68,677	(21,323)
Return check fees	1,000	1,000	1,148	148
Junk dealers license	2,400	2,400	3,850	1,450
Other permits and licenses	26,000	26,000	33,584	7,584
Total Permits, Privilege Fees and Regulatory Licenses	<u>\$ 330,185</u>	<u>\$ 330,185</u>	<u>\$ 312,169</u>	<u>\$ (18,016)</u>
Fines and Forfeitures:				
Court fines and forfeitures	\$ 25,000	\$ 25,000	\$ 102,915	\$ 77,915
Total Fines and Forfeitures	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 102,915</u>	<u>\$ 77,915</u>
Revenue from Use of Money and Property:				
Revenue from use of money	\$ 412,500	\$ 412,500	\$ 94,942	\$ (317,558)
Revenue from use of property	520,229	520,229	398,818	(121,411)
Total Revenue from Use of Money and Property	<u>\$ 932,729</u>	<u>\$ 932,729</u>	<u>\$ 493,760</u>	<u>\$ (438,969)</u>
Charges for Services:				
Commonwealth attorney fees	\$ 3,500	\$ 3,500	\$ 5,074	\$ 1,574
Courthouse maintenance fees	12,500	12,500	13,697	1,197
Courthouse security fees	45,000	45,000	72,974	27,974
Courthouse admission fee	-	-	13,583	13,583
Library fees	25,000	31,893	31,893	-
Court appointed attorney	-	-	4,777	4,777
Sheriff special project fees	-	-	3,743	3,743
Gun permit fees	-	-	28,986	28,986
Jail admission fee	-	-	7,665	7,665
County garage service fees	175,000	175,000	123,610	(51,390)
Other fees	500	500	5,427	4,927
Total Charges for Services	<u>\$ 261,500</u>	<u>\$ 268,393</u>	<u>\$ 311,429</u>	<u>\$ 43,036</u>

County of Tazewell, Virginia
Schedule of Revenues-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2010

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Pos (Neg)</u>
General Fund: (continued)				
Miscellaneous:				
Miscellaneous	\$ 570,000	\$ 449,398	\$ 98,092	\$ (351,306)
Expenditure refunds	-	67,075	566,204	499,129
Total Miscellaneous	<u>\$ 570,000</u>	<u>\$ 516,473</u>	<u>\$ 664,296</u>	<u>\$ 147,823</u>
Recovered Costs:				
Library	\$ 15,000	\$ 15,000	\$ 30,016	\$ 15,016
Administrator's salary	36,608	36,608	36,316	(292)
Health department	112,843	112,843	89,531	(23,312)
Welfare recoveries	95,000	95,000	22,286	(72,714)
Sherriff	3,743	3,743	-	(3,743)
Insurance recoveries	78,647	81,181	160,570	79,389
Total Recovered Costs	<u>\$ 341,841</u>	<u>\$ 344,375</u>	<u>\$ 338,719</u>	<u>\$ (5,656)</u>
Total Revenue from Local Sources	<u>\$ 29,824,655</u>	<u>\$ 29,780,555</u>	<u>\$ 31,636,106</u>	<u>\$ 1,855,551</u>
Intergovernmental Revenues:				
Revenue from the Commonwealth:				
Non-categorical Aid:				
ABC profits	\$ 16,370	\$ 16,370	\$ -	\$ (16,370)
Wine taxes	17,160	17,160	-	(17,160)
Mobile home titling tax	99,446	99,446	82,430	(17,016)
Motor vehicle rental tax	20,000	20,000	30,207	10,207
Rolling stock tax	82,000	82,000	100,879	18,879
Grantor's tax	-	-	35,500	35,500
State recordation tax	-	-	63,084	63,084
Personal property tax relief funds	-	-	2,205,643	2,205,643
Total Non-categorical Aid	<u>\$ 234,976</u>	<u>\$ 234,976</u>	<u>\$ 2,517,743</u>	<u>\$ 2,282,767</u>
Categorical Aid:				
Shared Expenses:				
Commonwealth's Attorney	\$ 771,392	\$ 771,392	\$ 629,240	\$ (142,152)
Sheriff	1,925,287	1,925,287	1,640,705	(284,582)
Commissioner of the Revenue	174,029	174,029	153,061	(20,968)
Treasurer	182,416	182,416	173,656	(8,760)
Medical Examiner	1,000	1,000	-	(1,000)
Registrar/Electoral Board	55,000	55,000	48,950	(6,050)
Clerk of the Circuit Court	403,682	403,682	391,491	(12,191)
Funds returned to Commonwealth	(219,120)	(219,120)	(219,120)	-
Total Shared Expenses	<u>\$ 3,512,806</u>	<u>\$ 3,293,686</u>	<u>\$ 2,817,983</u>	<u>\$ (475,703)</u>
Other Categorical Aid:				
Public assistance and welfare administration	\$ 6,362,211	\$ 6,362,211	\$ 2,385,719	\$ (3,976,492)
Arts grant	5,000	5,000	5,000	-
Fire programs	80,672	80,672	162,456	81,784
Library grant	210,324	219,424	178,208	(41,216)
Emergency medical services	123,223	123,223	38,200	(85,023)
At risk youth and family	1,823,300	1,823,300	1,615,398	(207,902)
Litter control	11,750	11,750	9,124	(2,626)
Workforce investment	100,000	435,454	328,729	(106,725)
Community Correction Services	123,263	123,263	125,196	1,933
Virginia domestic violence	40,000	40,000	60,000	20,000
Game and inland fishery	-	-	4,775	4,775
Community connect grant	684,000	684,000	-	(684,000)
Creating lasting family connections grant	48,750	48,750	-	(48,750)
Victim witness grant	26,572	26,572	26,572	-
Talent solutions grant	30,000	30,000	30,000	-
VA tourism grant	4,850	4,850	4,850	-
Other categorical aid	37,981	37,981	1,918	(36,063)
Total Other Categorical Aid	<u>\$ 9,711,896</u>	<u>\$ 10,056,450</u>	<u>\$ 4,976,145</u>	<u>\$ (5,080,305)</u>

County of Tazewell, Virginia
Schedule of Revenues-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2010

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Pos (Neg)</u>
General Fund: (continued)				
Intergovernmental Revenues: (continued)				
Revenue from the Commonwealth: (continued)				
Total Revenue from the Commonwealth	\$ 13,459,678	\$ 13,585,112	\$ 10,311,871	\$ (3,273,241)
Revenue from the Federal Government:				
Non-categorical Aid:				
Payment in lieu of taxes	\$ 10,000	\$ 10,000	\$ 21,442	\$ 11,442
Categorical Aid:				
Public assistance and welfare administration	\$ -	\$ -	\$ 2,873,814	\$ 2,873,814
Emergency management	-	374,100	374,100	-
Emergency preparedness	7,192	7,192	7,192	-
EMS patient resource	-	-	76,650	76,650
Victim witness	59,860	59,860	70,461	10,601
Sheriff ground transportation	-	5,000	5,000	-
JAG funding	-	-	96,706	96,706
V-Stop	25,075	25,075	24,778	(297)
Total Categorical Aid	\$ 92,127	\$ 471,227	\$ 3,528,701	\$ 3,057,474
Total Revenue from the Federal Government	\$ 102,127	\$ 481,227	\$ 3,550,143	\$ 3,068,916
Total General Fund	\$ 43,386,460	\$ 43,846,894	\$ 45,498,120	\$ 1,651,226
Non-major Special Revenue Funds:				
Law Library				
Revenue from Local Sources:				
Charges for Services:				
Law library fees	\$ 17,500	\$ 17,500	\$ 15,417	\$ (2,083)
Total Law Library Fund	\$ 17,500	\$ 17,500	\$ 15,417	\$ (2,083)
Coal Road Improvement Fund				
Revenue from Local Sources:				
Other Local Taxes:				
Coal road tax	\$ 725,000	\$ 725,000	\$ 851,118	\$ 126,118
Miscellaneous:				
Miscellaneous	\$ 335,604	\$ 335,604	\$ 54,000	(281,604)
Total Revenue from Local Sources	\$ 1,060,604	\$ 1,060,604	\$ 905,118	(155,486)
Total Coal Road Improvement Fund	\$ 1,060,604	\$ 1,060,604	\$ 905,118	(155,486)
Coal Road Economic Development Fund				
Revenue from Local Sources:				
Other Local Taxes:				
Coal road tax	\$ 500,000	\$ 500,000	\$ 483,788	(16,212)
Total Coal Road Economic Development Fund	\$ 500,000	\$ 500,000	\$ 483,788	(16,212)

County of Tazewell, Virginia
Schedule of Revenues-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2010

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Pos (Neg)</u>
Non-major Special Revenue Funds: (continued)				
E-911 Fund				
Revenue from the Commonwealth:				
Non-Categorical Aid:				
E-911 communications tax	\$ 482,838	\$ 482,838	\$ 511,148	\$ 28,310
Miscellaneous:				
Miscellaneous	\$ -	\$ -	\$ 706	\$ 706
Total Revenue from Local Sources	\$ 482,838	\$ 482,838	\$ 511,854	\$ 29,016
Intergovernmental Revenues:				
Revenue from the Commonwealth:				
Categorical Aid:				
Other grant revenues	\$ 1,242,392	\$ 1,242,392	\$ 527,915	\$ (714,477)
Revenue from the Federal Government:				
Categorical Aid:				
Other grant revenues	\$ -	\$ -	\$ 307,015	\$ 307,015
Total E-911 Fund	\$ 1,725,230	\$ 1,725,230	\$ 1,346,784	\$ (378,446)
Total Non-Major Special Revenue Funds	\$ 3,303,334	\$ 3,303,334	\$ 2,751,107	\$ (552,227)
Major Capital Projects Fund:				
County CIP Fund:				
Revenue from Local Sources:				
Revenue from Use of Money and Property:				
Revenue from use of money	\$ -	\$ -	\$ 2,759	\$ 2,759
Miscellaneous:				
Miscellaneous	\$ -	\$ -	\$ 2,933	\$ 2,933
Total Revenue from Local Sources	\$ -	\$ -	\$ 5,692	\$ 5,692
Intergovernmental Revenues:				
Revenue from Local Governments:				
Contribution from the Tazewell County School Board	\$ -	\$ -	\$ 1,887,677	\$ 1,887,677
Revenue from the Commonwealth:				
Categorical Aid:				
Other Categorical Aid:				
GOF incentives	\$ 400,000	\$ -	\$ -	\$ -
TROF incentives	400,000	-	-	-
Transportation enhancement grant	178,159	-	9,261	9,261
Kersey Road reimbursements	25,000	-	-	-
Ceramic technology	36,355	-	36,355	36,355
Bluestone workforce training center	2,041,000	-	-	-
Bluestone TROF incentives	2,000,000	-	-	-
EOC building grant	750,000	-	-	-
Total Other Categorical Aid	\$ 5,830,514	\$ -	\$ 45,616	\$ 45,616
Total Revenue from the Commonwealth	\$ 5,830,514	\$ -	\$ 45,616	\$ 45,616
Revenue from the Federal Government:				
Categorical Aid:				
Transportation enhancement grant	\$ 340,942	\$ -	\$ -	\$ -
Total County CIP Fund	\$ 6,171,456	\$ -	\$ 1,938,985	\$ 1,938,985

County of Tazewell, Virginia
Schedule of Revenues-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2010

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Pos (Neg)</u>
Non-Major Capital Projects Fund:				
School Construction Fund:				
Intergovernmental Revenues:				
Revenue from Local Governments:				
Contribution from the Tazewell County School Board	\$ -	\$ -	\$ 184,611	\$ 184,611
Total Primary Government	\$ 52,861,250	\$ 47,150,228	\$ 50,372,823	\$ 3,222,595
Discretely Presented Component Unit-School Board:				
Major Special Revenue Fund:				
School Operating Fund:				
Revenue from Use of Money and Property:				
Revenue from use of money and property	\$ 8,768	\$ 8,768	\$ 7,381	\$ (1,387)
Discretely Presented Component Unit-School Board: (continued)				
Major Special Revenue Fund: (continued)				
School Operating Fund: (continued)				
Revenue from Local Sources: (continued)				
Charges for Services:				
Tuition	\$ 28,500	\$ 28,500	\$ 43,847	\$ 15,347
Cafeteria sales	950,000	950,000	941,029	(8,971)
Charges for damaged books	1,000	1,000	1,557	557
Total Charges for Services	\$ 979,500	\$ 979,500	\$ 986,433	\$ 6,933
Miscellaneous:				
Miscellaneous	\$ 721,996	\$ 721,996	\$ 659,543	\$ (62,453)
Recovered Costs:				
Other recoveries	\$ 175,000	\$ 175,000	\$ 446,702	271,702
Total Revenue from Local Sources	\$ 1,885,264	\$ 1,885,264	\$ 2,100,059	\$ 214,795
Intergovernmental Revenues:				
Revenue from Local Governments:				
Contribution from the County of Tazewell	\$ 12,182,812	\$ 12,182,812	\$ 10,963,280	\$ (1,219,532)
Revenue from the Commonwealth:				
Categorical Aid:				
Categorical Aid:				
At risk four-year olds	\$ 442,483	\$ 442,483	\$ 442,483	\$ -
At risk payments	748,844	748,844	736,529	(12,315)
Basic school aid	23,774,700	23,774,700	21,659,190	(2,115,510)
Construction	458,286	458,286	583,614	125,328
Enrollment loss	149,167	149,167	151,834	2,667
ESL	23,825	23,825	15,801	(8,024)
GED funding	23,576	23,576	23,576	-
Gifted and talented children	226,949	226,949	227,481	532
Mentor teaching program	1,558	1,558	5,930	4,372
Reading intervention	103,704	103,704	108,418	4,714
Reduced K-3 classroom	1,024,711	1,024,711	1,017,734	(6,977)
Regular foster care	-	-	11,112	11,112
Remedial education	776,670	776,670	778,489	1,819
Remedial summer education	103,457	103,457	20,763	(82,694)
School food	46,542	46,542	43,193	(3,349)
Share of fringe benefits	3,152,069	3,152,069	2,709,548	(442,521)
Share of state sales tax	5,120,078	5,120,078	4,886,157	(233,921)
Special education - SOQ	2,506,587	2,506,587	2,505,493	(1,094)
Special education - homebound	87,066	87,066	85,684	(1,382)
Standards of learning algebra readiness	96,295	96,295	93,939	(2,356)

County of Tazewell, Virginia
Schedule of Revenues-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2010

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Pos (Neg)</u>
Discretely Presented Component Unit-School Board: (continued)				
Major Special Revenue Fund: (continued)				
School Operating Fund: (continued)				
Intergovernmental Revenues: (continued)				
Revenue from the Commonwealth: (continued)				
Categorical Aid: (continued)				
State textbook payments	597,733	597,733	273,961	(323,772)
Teacher training	-	-	15,000	15,000
Technology assistance	466,000	466,000	512,526	46,526
Vocational education - SOQ	852,319	852,319	854,316	1,997
Vocational education - equipment	\$ -	\$ -	\$ 14,975	\$ 14,975
Vocational occupational preparedness	59,191	59,191	39,425	(19,766)
Other state payments	2,013	2,013	12,526	10,513
Total Categorical Aid	<u>\$ 40,843,823</u>	<u>\$ 40,843,823</u>	<u>\$ 37,829,697</u>	<u>\$ (3,014,126)</u>
Total Revenue from the Commonwealth	<u>\$ 40,843,823</u>	<u>\$ 40,843,823</u>	<u>\$ 37,829,697</u>	<u>\$ (3,014,126)</u>
Revenue from the Federal Government:				
Categorical Aid:				
Forest reserve funds	\$ 10,000	10,000	14,981	\$ 4,981
Adult basic education	51,702	51,702	-	(51,702)
Outdoor discovery grant	20,555	20,555	-	(20,555)
Title I	1,808,050	1,808,050	1,691,781	(116,269)
Title I, Recovery Act	735,171	735,171	499,336	(235,835)
Title II, Part D	17,977	17,977	5,368	(12,609)
Title II, Part D, Recovery Act	52,900	52,900	52,900	-
Title VI-A, Library	17,500	17,500	-	(17,500)
Title VI-B	1,571,751	1,571,751	1,964,553	392,802
Title VI-B, Recovery Act	821,901	821,901	563,686	(258,215)
Vocational education	145,000	145,000	159,907	14,907
Title VI-B-2	166,000	166,000	-	(166,000)
Drug free schools	34,000	34,000	92,325	58,325
Title II, Part A-Teacher quality grant	450,000	450,000	467,354	17,354
Reading first	115,000	115,000	143,491	28,491
State fiscal stabilization fund	2,691,353	2,691,353	1,671,062	(1,020,291)
School breakfast	-	-	366,971	366,971
School lunch	1,257,437	1,257,437	1,203,556	(53,881)
School USDA donated food	-	-	150,451	150,451
County summer feeding program	-	-	328	328
School food ffv	-	-	38,151	38,151
Total Categorical Aid	<u>\$ 9,966,297</u>	<u>\$ 9,966,297</u>	<u>\$ 9,086,201</u>	<u>\$ (880,096)</u>
Total Revenue from the Federal Government	<u>\$ 9,966,297</u>	<u>\$ 9,966,297</u>	<u>\$ 9,086,201</u>	<u>\$ (880,096)</u>
Total Discretely Presented Component Unit-School Board	<u>\$ 64,878,196</u>	<u>\$ 64,878,196</u>	<u>\$ 59,979,237</u>	<u>\$ (4,898,959)</u>

County of Tazewell, Virginia
Schedule of Expenditures-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2010

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Pos (Neg)</u>
Primary Government:				
General Fund:				
General Government Administration:				
Legislative:				
Board of supervisors	\$ 91,899	\$ 105,407	\$ 115,971	\$ (10,564)
General and Financial Administration:				
County administrator	\$ 223,801	\$ 226,853	229,086	\$ (2,233)
Legal services	178,018	172,289	172,637	(348)
Economic development	329,401	284,628	221,442	63,186
Commissioner of revenue	527,911	536,506	527,658	8,848
Treasurer	598,514	632,928	598,867	34,061
Finance office	199,632	200,804	199,038	1,766
Administration services	203,798	203,482	192,322	11,160
County garage	282,122	264,685	247,461	17,224
Information technology	1,491,345	1,523,498	806,224	717,274
Workforce consortium	73,000	548,699	539,152	9,547
Transit system	79,650	79,650	72,000	7,650
Total General and Financial Administration	\$ 4,187,192	\$ 4,674,022	\$ 3,805,887	\$ 868,135
Board of Elections:				
Electoral Board	\$ 77,250	\$ 77,250	\$ 47,720	\$ 29,530
Registrar	128,034	129,110	120,481	8,629
Total Board of Elections	\$ 205,284	\$ 206,360	\$ 168,201	\$ 38,159
Total General Government Administration	\$ 4,484,375	\$ 4,985,789	\$ 4,090,059	\$ 895,730
Judicial Administration:				
Courts:				
Clerk of the Circuit Court	\$ 697,526	\$ 703,447	\$ 647,911	\$ 55,536
Circuit court	111,004	112,081	101,264	10,817
District court	11,500	13,431	13,475	(44)
Magistrate	9,575	9,575	5,815	3,760
Victim's witness assistance	123,869	124,945	121,682	3,263
V - stop	38,042	38,580	38,489	91
Juvenile and domestic relations court	6,900	6,900	5,918	982
Total Courts	\$ 998,416	\$ 1,008,959	\$ 934,554	\$ 74,405
Commonwealth's Attorney:				
Commonwealth's attorney	\$ 1,056,103	\$ 1,126,727	\$ 1,286,858	\$ (160,131)
Total Judicial Administration	\$ 2,054,519	\$ 2,135,686	\$ 2,221,412	\$ (85,726)
Public Safety				
Law Enforcement and Traffic Control:				
Sheriff	\$ 3,403,307	\$ 3,435,883	\$ 3,348,355	\$ 87,528
DARE program	10,046	16,046	16,247	(201)
Total Law Enforcement and Traffic Control	\$ 3,413,353	\$ 3,451,929	\$ 3,364,602	\$ 87,327
Fire and Rescue Services:				
Volunteer fire departments	\$ 460,037	\$ 445,052	\$ 369,961	\$ 75,091
Volunteer rescue squads	252,852	267,837	253,219	14,618
Total Fire and Rescue Services	\$ 712,889	\$ 712,889	\$ 623,180	\$ 89,709
Correction and Detention:				
Jail	\$ 3,035,262	\$ 3,030,359	\$ 2,952,205	\$ 78,154
Probation office	319,020	323,923	321,766	2,157
Youth and family services	2,420,250	2,420,250	2,008,728	411,522
Special police	255,387	253,112	224,569	28,543
Total Correction and Detention	\$ 6,029,919	\$ 6,027,644	\$ 5,507,268	\$ 520,376

County of Tazewell, Virginia
Schedule of Expenditures-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2010

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Pos (Neg)</u>
General Fund: (continued)				
Public Safety (continued)				
Other Protection:				
Human services	\$ 530,637	\$ 904,737	\$ 715,749	\$ 188,988
Emergency services	72,685	98,448	98,083	365
Animal control	187,722	181,173	152,773	28,400
Building inspection	154,942	159,398	159,002	396
Property maintenance	-	1,798	1,796	2
Forestry service	15,000	19,860	19,860	-
Total Other Protection	<u>\$ 960,986</u>	<u>\$ 1,365,414</u>	<u>\$ 1,147,263</u>	<u>\$ 218,151</u>
Total Public Safety	<u>\$ 11,117,147</u>	<u>\$ 11,557,876</u>	<u>\$ 10,642,313</u>	<u>\$ 915,563</u>
Public Works:				
Maintenance of Streets, Highways, and Bridges:				
Orphan Road upgrading	\$ 286,469	\$ 282,517	\$ 54,351	\$ 228,166
Sanitation and Waste Removal:				
Transfer station	\$ 652,987	\$ 707,214	\$ 703,991	\$ 3,223
Landfill	400,000	405,347	-	405,347
Contribution to PSA	174,922	174,922	174,922	-
Total Sanitation and Waste Removal	<u>\$ 1,227,909</u>	<u>\$ 1,287,483</u>	<u>\$ 878,913</u>	<u>\$ 408,570</u>
Maintenance of General Building and Grounds:				
General properties	\$ 2,818,976	\$ 2,798,915	\$ 2,766,535	\$ 32,380
Fairgrounds operations	43,700	58,182	55,854	2,328
Total Maintenance of General Buildings and Grounds	<u>\$ 2,862,676</u>	<u>\$ 2,857,097</u>	<u>\$ 2,822,389</u>	<u>\$ 34,708</u>
Total Public Works	<u>\$ 4,377,054</u>	<u>\$ 4,427,097</u>	<u>\$ 3,755,653</u>	<u>\$ 671,444</u>
Health and Welfare:				
Health:				
Supplement of Local Health Department	\$ 433,933	\$ 441,701	\$ 441,502	\$ 199
Mental health and mental Retardation:				
Chapter X board	\$ 60,000	\$ 60,000	\$ 60,000	\$ -
Welfare:				
Public Assistance	\$ 3,740,043	\$ 3,740,043	\$ 2,343,895	\$ 1,396,148
Welfare Administration	3,715,602	3,715,602	3,715,602	-
Total Welfare	<u>\$ 7,455,645</u>	<u>\$ 7,455,645</u>	<u>\$ 6,059,497</u>	<u>\$ 1,396,148</u>
Total Health and Welfare	<u>\$ 7,949,578</u>	<u>\$ 7,957,346</u>	<u>\$ 6,560,999</u>	<u>\$ 1,396,347</u>
Education:				
Other Instructional Costs:				
Contribution to community colleges	\$ 60,000	60,000	\$ 60,000	-
Contribution to Tazewell County School Board	12,182,812	12,182,812	10,963,280	1,219,532
Total Education	<u>\$ 12,242,812</u>	<u>\$ 12,242,812</u>	<u>\$ 11,023,280</u>	<u>\$ 1,219,532</u>
Parks, Recreational and Cultural:				
Parks and Recreation:				
Youth sports activities	\$ 34,830	\$ 33,700	\$ 55,040	\$ (21,340)
Tazewell recreation department	171,806	172,883	143,068	29,815
Museums	98,666	98,666	80,537	18,129
Total Parks and Recreation	<u>\$ 305,302</u>	<u>\$ 305,249</u>	<u>\$ 278,645</u>	<u>\$ 26,604</u>
Library:				
Library Administration	\$ 956,957	\$ 982,638	\$ 986,148	\$ (3,510)
Total Parks, Recreation and Cultural	<u>\$ 1,262,259</u>	<u>\$ 1,287,887</u>	<u>\$ 1,264,793</u>	<u>\$ 23,094</u>

County of Tazewell, Virginia
Schedule of Expenditures-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2010

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Pos (Neg)</u>
General Fund: (continued)				
Community Development:				
Planning and Community Development:				
Community Development	\$ 53,200	\$ 53,200	\$ 53,351	\$ (151)
Tourism	74,889	80,777	66,533	14,244
Planning and engineering	267,613	269,766	237,555	32,211
American disabilities	350	350	-	350
Contribution to Airport	128,255	128,255	128,255	-
Contribution to IDA	25,818	25,818	73,879	(48,061)
Total Planning and Community Development	<u>\$ 550,125</u>	<u>\$ 558,166</u>	<u>\$ 559,573</u>	<u>\$ (1,407)</u>
Cooperative Extension Program:				
VPI extension	<u>\$ 108,243</u>	<u>\$ 108,243</u>	<u>\$ 72,262</u>	<u>\$ 35,981</u>
Total Community Development	<u>\$ 658,368</u>	<u>\$ 666,409</u>	<u>\$ 631,835</u>	<u>\$ 34,574</u>
Non-departmental:				
District funds	\$ 300,507	\$ 305,588	\$ 178,203	\$ 127,385
Employee benefits	-	15,148	15,148	-
Contingent expenditures	698,900	400,233	58,484	341,749
Hospitalization - retirees	154,260	162,645	162,644	1
Total Non-departmental	<u>\$ 1,153,667</u>	<u>\$ 883,614</u>	<u>\$ 414,479</u>	<u>\$ 469,135</u>
Debt Service:				
Principal retirement	\$ -	\$ -	\$ 640,194	\$ (640,194)
Interest	-	-	487,207	(487,207)
Total Debt Service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,127,401</u>	<u>\$ (1,127,401)</u>
Capital Projects:				
Contingent expenditures	<u>\$ 227,282</u>	<u>\$ 47,695</u>	<u>\$ 32,525</u>	<u>\$ 15,170</u>
Total General Fund	<u>\$ 45,527,061</u>	<u>\$ 46,192,211</u>	<u>\$ 41,764,749</u>	<u>\$ 4,427,462</u>
Non-Major Special Revenue Funds:				
Law Library Fund:				
Judicial Administration:				
Courts:				
Law library	<u>\$ 17,500</u>	<u>\$ 17,500</u>	<u>\$ 5,141</u>	<u>\$ 12,359</u>
Coal Road Improvement Fund:				
Public Works:				
Maintenance of Highways, streets, bridges, and sidewalks	\$ 1,900,953	\$ 1,900,953	\$ 111,485	\$ 1,789,468
Contribution to the PSA	-	-	32,000	(32,000)
Total Public Works	<u>\$ 1,900,953</u>	<u>\$ 1,900,953</u>	<u>\$ 143,485</u>	<u>\$ 1,757,468</u>
Coal Road Economic Development Fund:				
Public Works:				
Economic development	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 421,062</u>	<u>\$ 78,938</u>
E-911 Fund:				
Other Protection:				
Public safety	<u>\$ 2,114,208</u>	<u>\$ 2,119,806</u>	<u>\$ 1,325,813</u>	<u>\$ 793,993</u>
Damage Stamp Fund:				
Other Protection:				
Animal control	\$ -	\$ -	\$ -	\$ -
Total Non-major Special Revenue Funds	<u>\$ 4,532,661</u>	<u>\$ 4,538,259</u>	<u>\$ 1,895,501</u>	<u>\$ 2,642,758</u>

County of Tazewell, Virginia
Schedule of Expenditures-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2010

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Pos (Neg)</u>
Major Capital Project Fund:				
County CIP Fund:				
Public Works:				
Contributions to the Public Service Authority	\$ 787,671	\$ 787,671	\$ 893,998	\$ (106,327)
Community Development:				
Contributions to the Industrial Development Authority	\$ 5,693,970	\$ 5,693,970	\$ 1,432,592	\$ 4,261,378
Contributions to the airport	200,000	200,000	189,650	10,350
Total Community Development	\$ 5,893,970	\$ 5,893,970	\$ 1,622,242	\$ 4,271,728
Capital Projects:				
County capital project	\$ 750,000	\$ 750,000	\$ -	\$ 750,000
Kersey Road project	10,000	10,000	13,650	(3,650)
Ind park stowers purchase	555,000	555,000	-	555,000
Bluestone bus and ind park	5,138,970	5,138,970	2,260	5,136,710
Walking trail grant	612,603	612,603	37,638	574,965
Cavits creek permit update	200,000	200,000	3,500	196,500
Courthouse parking	50,000	50,000	7,243	42,757
New garage	142,500	142,500	-	142,500
GOF incentives	400,000	400,000	-	400,000
TROF incentives	400,000	400,000	-	400,000
Recreation authority	150,000	150,000	-	150,000
Courthouse HVAC	450,000	450,000	18,600	431,400
Airport project	200,000	200,000	-	200,000
School project	-	-	4,063,100	(4,063,100)
EDC building grant	750,000	750,000	-	750,000
Total Capital Projects	\$ 9,809,073	\$ 9,809,073	\$ 4,145,991	\$ 5,663,082
Total County CIP Fund	\$ 16,490,714	\$ 16,490,714	\$ 6,662,231	\$ 9,828,483
Non-Major Capital Project Fund:				
School Construction Fund:				
Capital Projects:				
School construction	\$ 1,475,000	\$ 1,475,000	\$ -	\$ 1,475,000
Total Primary Government	\$ 68,025,436	\$ 68,696,184	\$ 50,322,481	\$ 18,373,703
Discretely Presented Component Unit-School Board:				
Major Special Revenue Fund:				
School Operating Fund:				
Education:				
Administration of schools:				
Administration, health and attendance	\$ 1,867,154	\$ 1,867,154	\$ 1,941,586	\$ (74,432)
Cafeteria operation	3,097,080	3,097,080	3,091,143	5,937
Total Administration of school	\$ 4,964,234	\$ 4,964,234	\$ 5,032,729	\$ (68,495)
Instructional:				
Instruction	\$ 49,040,748	\$ 49,040,748	\$ 44,927,098	\$ 4,113,650
Other operating costs				
Pupil transportation	\$ 3,897,290	3,897,290	3,492,959	404,331
Operation and maintenance of school plant	5,724,243	5,724,243	7,602,834	(1,878,591)
Total other operating costs	\$ 9,621,533	\$ 9,621,533	\$ 11,095,793	\$ (1,474,260)
Total Education	\$ 63,626,515	\$ 63,626,515	\$ 61,055,620	\$ 2,570,895
Debt Service:				
Principal retirement	\$ 1,355,401	\$ 1,355,401	\$ 479,418	\$ 875,983
Interest and fiscal charges	521,110	521,110	125,084	396,026
Total Debt Service	\$ 1,876,511	\$ 1,876,511	\$ 604,502	\$ 1,272,009
Total Discretely Presented Component Unit-School Board	\$ 65,503,026	\$ 65,503,026	\$ 61,660,122	\$ 3,842,904

Statistical Information

County of Tazewell, Virginia
Government-wide Expenses by Function
Last Ten Fiscal Years (1)

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education	Parks, Recreation, and Cultural	Community Development	Non-Departmental	Capital Projects	Interest on Long-Term Debt	Landfill	Total
2002-03	\$ 1,994,778	\$ 1,181,533	\$ 7,628,976	\$ 3,629,180	\$ 5,534,221	\$ 11,444,257	\$ 892,384	\$ 614,002	\$ 254,388	\$ 326,241	\$ 239,741	\$ -	\$ 33,739,701
2003-04	2,046,636	1,241,987	8,536,763	3,728,153	5,683,466	10,520,739	992,083	549,469	385,169	2,125,692	287,469	-	38,097,626
2004-05	2,321,089	1,259,257	9,063,408	4,444,743	6,125,845	11,503,242	980,189	4,132,358	256,159	1,345,605	236,603	-	41,668,498
2005-06	2,830,715	1,515,233	8,144,480	5,891,609	6,377,945	10,497,335	1,184,570	1,827,915	239,126	404,090	212,269	-	39,125,287
2006-07	2,994,361	1,864,223	10,409,443	5,113,766	6,710,708	11,161,639	1,197,136	1,793,435	250,301	235,624	189,366	-	41,920,202
2007-08	4,493,767	2,315,448	11,261,101	3,691,063	7,133,235	12,009,617	1,168,824	3,799,582	-	-	163,250	1,515,886	47,551,753
2008-09	4,170,651	2,415,913	11,793,711	5,111,308	6,399,621	15,922,882	1,289,353	1,961,006	-	-	455,413	1,559,347	51,079,005
2009-10	4,464,306	2,293,078	12,199,744	5,327,605	6,568,843	10,333,375	1,278,302	2,176,532	-	-	462,972	1,701,481	46,806,238

(1) Information has only been available for the past eight years.

Table 2

**County of Tazewell, Virginia
Government-wide Revenues
Last Ten Fiscal Years (1)**

Fiscal Year	Program Revenues			General Revenues						Grants and Contributions Not Restricted to Specific Programs	Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous				
2002-03	\$ 781,139	\$ 10,147,843	\$ -	\$ 15,388,305	\$ 6,335,522	\$ 212,871	\$ 174,479	\$ 4,748,799	\$ 37,788,958		
2003-04	675,440	11,169,511	-	15,419,049	6,506,017	242,942	89,872	3,084,512	37,187,343		
2004-05	690,744	12,193,134	-	16,123,747	6,987,323	1,124,252	104,242	2,963,008	40,186,450		
2005-06	717,647	10,493,205	-	16,436,254	7,972,452	729,836	85,310	3,172,950	39,607,654		
2006-07	758,253	11,266,369	512,000	19,310,939	8,568,301	1,027,776	282,294	3,111,473	44,837,405		
2007-08	6,826,918	11,818,329	1,736,610	21,106,417	9,318,707	1,126,950	574,869	3,041,728	55,550,528		
2008-09	1,298,603	11,268,684	-	21,468,696	8,855,016	687,983	1,945,329	3,128,364	48,652,675		
2009-10	1,220,845	12,203,375	-	22,339,123	9,201,493	496,920	742,233	2,539,185	48,743,174		

(1) Information has only been available for the past eight years.

**County of Tazewell, Virginia
General Governmental Expenditures by Function (f)
Last Ten Fiscal Years**

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education	Parks, Recreation, and Cultural	Community Development	Non-Departmental	Capital Projects	Debt Service	Total
2000-01	\$ 1,827,294	\$ 1,052,683	\$ 6,359,403	\$ 1,344,674	\$ 5,046,431	\$ 47,267,581	\$ 873,747	\$ 423,240	\$ 64,982	\$ 69,906	\$ 4,406,201	\$ 68,736,142
2001-02	1,942,207	1,115,278	6,841,007	1,476,477	5,570,722	45,703,368	910,400	365,672	105,276	134,198	1,950,598	66,115,203
2002-03	1,914,003	1,148,751	7,503,454	2,457,506	5,513,404	47,610,899	916,362	620,014	262,888	407,383	1,756,959	70,111,623
2003-04	2,018,850	1,205,704	8,479,727	2,412,365	5,666,635	50,670,878	999,694	433,143	395,599	2,765,385	1,128,527	76,176,507
2004-05	2,318,239	1,249,376	9,875,781	2,951,328	6,176,514	55,140,986	1,269,987	552,772	256,159	1,642,426	1,052,300	82,485,868
2005-06	2,757,015	1,456,975	8,156,257	2,574,998	6,411,920	55,121,364	1,165,065	663,032	239,126	463,603	1,003,328	80,014,683
2006-07	3,097,314	1,630,751	10,290,184	3,098,064	6,709,886	59,925,486	1,210,973	735,022	304,440	439,729	966,987	89,608,936
2007-08	3,935,603	2,522,491	11,218,109	3,574,391	7,034,792	59,847,265	1,279,918	877,894	504,462	1,035,830	1,020,678	92,851,433
2008-09	3,791,274	2,416,746	11,722,369	5,129,037	6,548,043	65,487,685	1,293,482	1,916,024	585,953	8,077,792	1,709,701	108,678,106
2009-10	4,090,059	2,226,553	11,968,126	5,214,198	6,560,999	59,043,332	1,264,793	2,254,077	417,479	4,178,516	1,731,903	98,950,035

(f) Includes general, special revenue funds, and capital project funds of the primary government and its discretely presented component unit - school board

County of Tazewell, Virginia
General Governmental Revenues by Source (1)
Last Ten Fiscal Years

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental	Total
2000-01	\$ 14,954,656	\$ 6,208,998	\$ 254,874	\$ 105,898	\$ 502,095	\$ 1,294,864	\$ 454,433	\$ 443,160	\$ 46,994,861	\$ 71,213,839
2001-02	15,318,551	6,244,740	219,763	29,998	351,872	1,287,090	480,607	385,995	47,669,005	71,987,621
2002-03	14,931,768	6,235,952	182,409	42,741	235,742	1,244,084	381,624	705,708	49,482,634	73,442,662
2003-04	15,289,632	6,390,935	232,794	50,401	239,712	1,242,321	340,011	287,193	53,074,566	77,147,565
2004-05	16,621,612	6,860,510	229,347	56,447	1,001,326	1,318,676	240,297	507,971	57,228,483	84,064,669
2005-06	16,484,166	7,826,590	285,221	26,485	746,364	1,423,870	244,930	429,856	57,493,120	84,960,602
2006-07	20,072,264	8,376,273	324,028	89,050	1,033,506	1,350,564	674,595	354,759	61,972,005	94,247,044
2007-08	20,918,920	9,123,793	327,368	1,494,872 *	1,094,394	1,426,764	709,530	394,124	67,001,280	102,491,045
2008-09	21,466,436	8,855,016	359,727	77,003	676,358	1,440,408	2,453,702	605,399	64,363,320	100,287,369
2009-10	22,057,379	9,201,493	312,169	102,915	503,900	1,313,279	1,381,478	785,421	61,658,458	97,316,492

(1) Includes general, special revenue funds, and capital projects funds of the primary government and its discretely presented component unit - school board.

* Includes one time federal bounty funds received

Table 5

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

Fiscal Year	Total Tax Levy (1)	Current Tax Collections (1)	Percent of Levy Collected	Delinquent Tax Collections (1,2)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1)	Percent of Delinquent Taxes to Tax Levy
2000-01	\$ 14,713,639	\$ 13,574,613	92.26%	\$ 818,314	\$ 14,392,927	97.82%	\$ 1,890,963	12.85%
2001-02	14,967,335	13,880,510	92.74%	846,532	14,727,042	98.39%	1,822,943	12.18%
2002-03	15,350,465	14,073,297	91.68%	540,057	14,613,354	95.20%	2,212,429	14.41%
2003-04	15,380,725	14,304,697	93.00%	692,261	14,996,958	97.50%	2,017,149	13.11%
2004-05	15,782,974	14,760,548	93.52%	1,242,919	16,003,467	101.40%	1,621,379	10.27%
2005-06	16,534,589	15,512,597	93.82%	756,251	16,268,848	98.39%	1,538,414	9.30%
2006-07	19,610,189	18,571,110	94.70%	779,634	19,350,744	98.68%	1,039,501	5.30%
2007-08	20,588,946	19,619,232	95.29%	747,150	20,366,382	98.92%	969,714	4.71%
2008-09	24,385,205	23,160,618	94.98%	783,128	23,943,746	98.19%	1,057,084	4.33%
2009-10	23,808,926	23,109,101	97.06%	700,797	23,809,898	100.00%	1,133,717	4.76%

(1) Excludes penalty and interest.

(2) Does not include land redemptions

Table 6

County of Tazewell, Virginia
Assessed Value (1) of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Estate	Personal Property and Mobile Home	Machinery and Tools	Merchants' Capital	Public Service (2)	Total
2000-01	\$ 1,496,705,536	\$ 295,337,957	\$ 46,897,100	\$ 17,759,800	\$ 97,139,033	\$ 1,953,839,426
2001-02	1,537,915,116	298,681,398	50,695,000	17,122,650	95,771,923	2,000,186,087
2002-03	1,571,441,260	312,941,557	34,203,600	21,323,400	94,389,663	2,034,299,480
2003-04	1,590,272,500	323,686,878	31,355,500	22,177,800	97,130,290	2,064,622,968
2004-05	1,636,589,486	320,080,928	34,503,100	21,888,000	104,902,133	2,117,963,647
2005-06	1,681,113,196	354,822,089	30,602,696	22,409,400	99,196,670	2,188,144,051
2006-07	2,211,465,970	363,540,973	43,516,700	23,738,800	116,846,412	2,759,108,855
2007-08	2,228,173,720	378,565,936	50,524,500	25,181,600	153,633,681	2,836,079,437
2008-09	2,242,848,000	433,721,052	63,194,200	26,242,900	134,364,627	2,900,370,779
2009-10	2,344,151,900	385,307,872	52,822,200	24,935,700	145,812,842	2,953,030,514

(1) Assessments at 100% of fair market value.

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

Table 7

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

Fiscal Year	Real Estate	Personal Property	Machinery and Tools	Merchants Capital	Public Service	
					Real Estate	Personal Property
2000-01	\$ 0.56	2.00	2.00	4.30	0.56	2.00
2001-02	0.60	2.00	2.00	4.30	0.60	2.00
2002-03	0.60	2.00	2.00	4.30	0.60	2.00
2003-04	0.60	2.00	2.00	4.30	0.60	2.00
2004-05	0.60	2.00	2.00	4.30	0.60	2.00
2005-06	0.60	2.00	2.00	4.30	0.60	2.00
2006-07	0.58	2.00	2.00	4.30	0.58	2.00
2007-08	0.58	2.00	2.00	4.30	0.58	2.00
2008-09	0.58	2.00	2.00	4.30	0.58	2.00
2009-10	0.58	2.00	2.00	4.30	0.58	2.00

(1) Per \$100 of assessed value.

Table 8

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

Fiscal Year	Population (1)	Assessed Value	Gross Bonded Debt (2)	Ratio of Net General Obligation Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2000-01	45,960	\$ 1,953,839,426	\$ 6,798,796	0.35%	148
2001-02	44,600	2,000,186,087	5,503,730	0.28%	123
2002-03	44,600	2,034,299,480	6,229,998	0.31%	140
2003-04	44,600	2,064,622,968	5,660,528	0.27%	127
2004-05	44,600	2,117,963,647	5,090,249	0.24%	114
2005-06	44,600	2,188,144,051	4,534,067	0.21%	102
2006-07	44,600	2,759,108,855	3,963,233	0.14%	89
2007-08	44,600	2,836,079,437	5,311,945	0.19%	119
2008-09	44,600	2,900,370,779	11,433,289	0.39%	256
2009-10	44,600	2,953,030,514	10,793,095	0.37%	242

(1) Bureau of the Census.

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

Table 9

COUNTY OF TAZEWELL, VIRGINIA
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED
DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES (1)
LAST TEN FISCAL YEARS

Fiscal Year	Principal	Interest	Total Debt Service (2)	Total General Expenditures	Ratio of Debt Service to General Governmental Expenditures
2000-01	\$ -	\$ -	\$ 4,406,201	\$ 68,736,142	6.41%
2001-02	-	-	1,950,598	66,115,203	2.95%
2002-03	1,241,623	239,741	1,481,364	70,111,623	2.11%
2003-04	643,464	284,469	927,933	76,176,507	1.22%
2004-05	623,333	236,603	859,936	82,485,868	1.04%
2005-06	556,182	212,269	768,451	80,014,683	0.96%
2006-07	544,186	189,366	733,552	88,608,936	0.83%
2007-08	822,508	198,170	1,020,678	92,851,433	1.10%
2008-09	577,597	250,006	827,603	108,678,106	0.76%
2009-10	640,194	487,207	1,127,401	98,950,035	1.14%

(1) Includes General Fund of the Primary Government

(2) Detail unavailable prior to fiscal year 2003

COMPLIANCE SECTION

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

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*

To the Members of the Board of Supervisors
County of Tazewell

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the County of Tazewell, as of and for the year ended June 30, 2010, which collectively comprise the County of Tazewell's basic financial statements and have issued our report thereon dated January 27, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the County of Tazewell's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Tazewell's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County of Tazewell's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings, responses, and questioned costs that we consider to be significant deficiencies in internal control over financial reporting (reference 2010-1). 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Tazewell's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant 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.

The County of Tazewell, Virginia's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

We noted certain matters that we reported to management of the County of Tazewell in a separate letter dated January 27, 2011.

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

Robinson, Fauser, Cox Associates

Christiansburg, Virginia
January 27, 2011

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

INDEPENDENT AUDITORS' REPORT

To the Members of the Board of Supervisors
County of Tazewell

Compliance

We have audited the County of Tazewell's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the County of Tazewell's major federal programs for the year ended June 30, 2010. The County of Tazewell's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County of Tazewell's management. Our responsibility is to express an opinion on the County of Tazewell's compliance based on our audit.

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

In our opinion, the County of Tazewell complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

Management of the County of Tazewell is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County of Tazewell's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County of Tazewell's internal control over compliance.

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

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

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

Robinson, Fauner, Cox Associates

Christiansburg, Virginia
January 27, 2011

County of Tazewell, Virginia
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2010

Federal Grantor/State Pass-Through Grantor/ Program or Cluster Title (Pass-Through Grantor's Number)	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
Department of Health and Human Services:			
Pass-through Payments:			
Department of Social Services:			
Promoting Safe and Stable Families	93.556	90249, 90359, 90360, 90361	\$ 18,053
Temporary Assistance for Needy Families (TANF)	93.558	90109, 90110, 90111, 90112 90127, 90229, 90230, 90231 90232, 90247, 90365, 90366 90367, 90377, 90409, 90410 90411, 90412, 90601, 90603 90113, 90233, 90413, 90713	633,644
Refugee and Entrant Assistance - State Administered Programs	93.566	90114, 90115, 90234, 90235	1,275
Low-Income Home Energy Assistance	93.568		31,432
Child Care and Development Fund Cluster:			
Child Care and Development Block Grant	93.575	90544, 90545, 90547	85,990
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	90116, 90117, 90118, 90119 90236, 90237, 90238, 90239 90378, 90540, 90517, 90529 90544, 90545, 90547	132,287
ARRA- Child Care and Development Block Grant	93.713	90353	42,152
Chafee Education and Training Vouchers Program	93.599	90251	5,123
Child Welfare Services-State Grants	93.645		2,102
Foster Care - Title IV-E	93.658	90105, 90106, 90107, 90209 90225, 90226, 90227, 90253 90258, 90405, 90406, 90407 90636, 90637, 90639, 90641 90657, 90658, 90705, 90706 90707, 90733, 90738	435,132
ARRA - Foster Care - Title IV-E	93.658	90636, 90637, 90639, 90658	32,757
Adoption Assistance	93.659	90108, 90214, 90228, 90408 90606, 90607, 90627, 90708 90606	238,205
ARRA - Adoption Assistance	93.659	90120, 90122, 90123, 90124 90125, 90126, 90240, 90242 90243, 90244, 90245, 90246 90262, 90314, 90335, 90338 90340, 90379	27,005
Social Services Block Grant	93.667	90254, 90356	247,446
Chafee Foster Care Independence Program	93.674	90102, 90222, 90402, 90702	19,468
Children's Health Insurance Program	93.767	90101, 90146, 90213, 90221 90266, 90401, 90446, 90701 90746	24,400
Medical Assistance Program	93.778		324,119
Total Department of Health and Human Services			<u>\$ 2,300,590</u>
Department of Agriculture:			
Pass-through Payments:			
Department of Agriculture:			
Child Nutrition Cluster:			
Food Distribution (Note 2)	10.555	40623	\$ 150,779
Department of Education:			
Child Nutrition Cluster:			
National School Breakfast Program	10.553	40591	366,971
National School Lunch Program	10.555	40623	1,203,556
Fresh Fruits and Vegetables	10.582	40599	38,151
Schools and Roads - Grants to States	10.665	43841	14,981
Total Department of Education			<u>\$ 1,623,659</u>
Department of Social Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	90103, 90104, 90150, 90212, 90223, 90224, 90304, 90303 90403, 90404, 90507, 90703, 90704	\$ 570,862
ARRA - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	90103, 90104, 90150, 90212, 90223, 90224, 90304, 90303 90403, 90404, 90507, 90703, 90704	\$ 2,562
Total Department of Agriculture			<u>\$ 2,347,862</u>
Department of Homeland Security:			
Pass-through Payments:			
Department of Emergency Management:			
Emergency Management Performance Grants	97.042	52749	\$ 7,192
State Homeland Security Grant	97.074	52717	374,100
State Homeland Security Program	97.073	52707	76,650
Public Safety Interoperable Communications Grant	11.555	52927	307,015
Total Department of Homeland Security			<u>\$ 764,957</u>

County of Tazewell, Virginia
Schedule of Expenditures of Federal Awards (continued)
For the Fiscal Year Ended June 30, 2010

Federal Grantor/State Pass-Through Grantor/ Program or Cluster Title (Pass-Through Grantor's Number)	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
Department of Transportation: State and Community Highway Safety Program	20.600	SC-2010 50357 3977	\$ 5,000
Department of Justice: Pass-through Payments: Department of Criminal Justice Services: Crime Victim Assistance	16.575	09VAGX0007	\$ 70,461
Violence Against Women Formula Grants	16.588	09WFAX0037	24,778
Total Department of Criminal Justice Services			\$ 95,239
Compensation Board: ARRA - Edward Byrne Memorial Justice Assistance Grant Program - Grants to States and Territories	16.803	09SUB9033	\$ 96,706
Total Department of Justice:			\$ 191,945
Department of Education: Pass-through Payments: Department of Education: Title I, Part A Cluster: Title I: Grants to Local Educational Agencies	84.010	42892, 42901	\$ 1,691,781
ARRA - Title I: Grants to Local Educational Agencies	84.389	42913	499,336
Special Education Cluster: Special Education - Grants to States	84.027	43071	1,964,553
ARRA - Special Education - Grants to States	84.391	61245	563,686
Career and Technical Education: Basic Grants to States	84.048	61095	159,907
Safe and Drug-Free Schools and Communities - State Grants	84.186	65011	92,325
Reading First State Grants	84.357	60885	143,491
Education Technology State Grants Cluster: Education Technology State Grants	84.318	61600	5,368
ARRA - Education Technology State Grants	84.386	60897	52,900
Improving Teacher Quality - State Grants	84.367	61480	467,354
ARRA - State Fiscal Stabilization Fund - Education State Grants	84.394	62532	1,671,062
Total Department of Education			\$ 7,311,763
Total Expenditures of Federal Awards			\$ 12,921,917

Note 1 -- Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the County of Tazewell, Virginia under programs of the federal government for the year ended June 30, 2010. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the County of Tazewell, Virginia, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County of Tazewell, Virginia.

Note 2 -- Summary of Significant Accounting Policies

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Pass-through entity identifying numbers are presented where available.

Note 3 -- Food Distribution

Nonmonetary assistance is reported in the schedule at the fair market value of commodities received and disbursed. At June 30, 2010, the County had no food commodities in inventory.

Note 4 -- Relationship to the Financial Statements:

Federal expenditures, revenues and capital contributions are reported in the County's basic financial statements as follows:

Intergovernmental federal revenues per the basic financial statements:

Primary Government:

General Fund total	\$ 3,550,143
Less: Payment in lieu of taxes	(21,442)
E911 Fund	307,015

Total Primary Government \$ 3,835,716

Component Unit Schools:

School Operating Fund total	\$ 9,086,201
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Total federal expenditures per basic financial statements \$ 12,921,917

Total federal expenditures per the Schedule of Expenditures of Federal Awards \$ 12,921,917

County of Tazewell, Virginia

Schedule of Findings, Responses and Questioned Costs
Year Ended June 30, 2010

Section I - Summary of Auditor's Results**Financial Statements**

Type of auditor's report issued:	Unqualified
Internal control over financial reporting: Material weakness(es) identified?	No
Significant deficiency(ies) identified?	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs: Material weaknesses identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510 (a)?	No

Identification of major programs:

<u>CFDA #</u>	<u>Name of Federal Program or Cluster</u>
84.010/84.389	Title I, Part A Cluster
84.027/84.391	Special Education Cluster
84.367	Improving Teacher Quality State Grants
84.394	ARRA - State Fiscal Stabilization Fund - Education State Grants
93.575/93.596/93.713	Child Care Cluster
93.658	Foster Care/ARRA Foster Care
93.659	Adoption Assistance/ ARRA Adoption Assistance
10.561	SNAP Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	\$387,658
Auditee qualified as low-risk auditee?	No

County of Tazewell, Virginia

Schedule of Findings, Responses and Questioned Costs
 Year Ended June 30, 2010

Section II - Financial Statement Findings**2010-1**

Condition:	The School Board's capital asset listing required significant adjustments by the auditors. In addition, the listing should be reviewed annually for retired assets and assets that fall below the School Board's capitalization threshold. Additionally, the landfill fund adjusted trial balance required significant adjustments that were made by the auditors.
Criteria:	Per Statement on Auditing Standards 115, an auditee should have sufficient expertise in the selection and application of accounting principles used in the preparation of the annual financial report. In addition, the auditee should have sufficient internal controls over the preparation of financial statements in accordance with Generally Accepted Accounting Principles. Furthermore, reliance on the auditors to correct errors in the County's financial report is not a component of internal controls.
Effect:	There is more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal controls over financial reporting.
Management's Response:	Management is dedicated to complying with the concepts set forth in the Statement on Auditing Standards 115 and has taken steps to correct the capital asset listing for future years and ensure that all significant adjustments are made prior to the audit.

Section III - Federal Award Findings and Questioned Costs

There are no federal award findings and questioned costs to report.

Section IV - Status of Prior Audit Findings and Questioned Costs

Finding 2009-1 from prior year's Schedule of Findings, Responses, and Questioned Costs has been resolved.