

COUNTY OF TAZEWELL, VIRGINIA

ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2011

COUNTY OF TAZEWELL, VIRGINIA
ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2011

TABLE OF CONTENTS

INTRODUCTORY SECTION

List of Principal Officials		1
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FINANCIAL SECTION

Independent Auditors' Report		2-3
Management's Discussion and Analysis		4-10

	<u>Exhibit</u>	<u>Page</u>
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Assets	1	11
Statement of Activities	2	12
Fund Financial Statements:		
Balance Sheet - Governmental Funds	3	13
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	4	14
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	5	15
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	6	16
Statement of Net Assets - Proprietary Funds	7	17
Statement of Revenues, Expenses, and Changes in Net Assets - Proprietary Funds	8	18
Statement of Cash Flows - Proprietary Funds	9	19
Statement of Fiduciary Net Assets	10	20
Notes to Financial Statements		21-62
Required Supplementary Information:		
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual:		
General Fund.....	11	63
Schedule of Pension and OPEB Funding Progress.....	12	64
Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual:		
County CIP Fund	13	65

COUNTY OF TAZEWELL, VIRGINIA
ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2011

TABLE OF CONTENTS (CONTINUED)

OTHER SUPPLEMENTARY INFORMATION SECTION

	<u>Exhibit</u>	<u>Page</u>
Supplementary Financial Statements:		
Combining and Individual Fund Statements and Schedules:		
Combining Statement of Fiduciary Net Assets	14	66
Combining Statement of Changes in Fiduciary Net Assets	15	67
Combining Balance Sheet:		
Non-Major Funds	16	68
Non-Major Special Revenue Funds.....	17	69
Combining Statement of Revenues, Expenditures, and Changes in		
Fund Balances - Non-Major Funds	18	70
Combining Schedule of Revenues, Expenditures, and Changes in		
Fund Balances - Budget to Actual - Non-Major Special Revenue Funds	19	71-73
Discretely Presented Component Unit - School Board:		
Balance Sheet	20	74
Statement of Revenues, Expenditures, and Changes in Fund Balance	21	75
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual.....	22	76

	<u>Schedule</u>	<u>Page</u>
Supporting Schedules:		
Governmental Funds and Discretely Presented Component Unit - School Board		
Schedule of Revenues - Budget and Actual	1	77-82
Governmental Funds and Discretely Presented Component Unit - School Board		
Schedule of Expenditures - Budget and Actual	2	83-86

STATISTICAL INFORMATION

	<u>Table</u>	<u>Page</u>
Government-Wide Expenses by Function	1	87
Government-Wide Revenues.....	2	88
General Governmental Expenditures by Function	3	89
General Governmental Revenues by Source	4	90
Property Tax Levies and Collections	5	91

COUNTY OF TAZEWELL, VIRGINIA
ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2011

TABLE OF CONTENTS (CONTINUED)

STATISTICAL INFORMATION (Continued)

	<u>Table</u>	<u>Page</u>
Assessed Value of Taxable Property.....	6	92
Property Tax Rates.....	7	93
Ratio of Net General Obligation Bonded Debt to Assessed Value And Net General Obligation Debt Per Capita	8	94
Ratio of Annual Debt Service Expenditures for General Bonded Debt To Total General Governmental Expenditures	9	95

COMPLIANCE SECTION

	<u>Page</u>
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	96-97
Independent Auditors' 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	98-99
Schedule of Expenditures of Federal Awards	100-101
Schedule of Findings, Responses and Questioned Costs.....	102-103

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 RevenueEmma 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, 2011, 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, and each major fund of the County of Tazewell, Virginia, as of June 30, 2011, 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.

As described in Note 1 to the financial statements, the County of Tazewell, Virginia adopted the provision of *GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions*, effective July 1, 2010.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules of pension and OPEB funding progress be presented to supplement the basic financial statements. Such

information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis and schedules of funding progress in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the management's discussion and analysis and schedules of funding progress because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Tazewell, Virginia's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The combining and individual nonmajor fund financial statements and schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Robinson, Farmer, Co. Associates

Blacksburg, Virginia
December 30, 2011

Tazewell County Board of Supervisors

Tazewell County, Virginia

Dave R. Anderson, Chairman

James H. Spencer III- County Administrator

D. Michael Hymes, Vice Chairman
Jim Campbell

Seth White
John Absher

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, 2011. We encourage readers to consider the information presented here in conjunction with the basic audited financial statements.

Financial Highlights:

- The assets of the County's governmental activities exceeded its liabilities at the close of the fiscal year by \$19,265,037 (net assets). Of this amount, \$10,474,146 was considered unrestricted.
- The assets of the County's business-type activities exceeded its liabilities at the close of the fiscal year by \$6,698,640 (net assets).
- The assets of the School Board component unit exceeded its liabilities at the close of the fiscal year by \$17,885,974 (net assets). Of this amount \$1,148,510 was considered unrestricted.
- As of the close of the current fiscal year, the County's funds reported combined ending fund balances of \$14,680,593. Of the amount \$6,953,194 was considered unassigned, \$3,566,771 was considered committed, \$4,049,980 was considered restricted, and \$110,648 was considered nonspendable.
- During the year, the County had governmental expenditures that were \$2,827,287 more than revenues.

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 of the County's Primary Government, assets exceed liabilities by \$25,963,677 at the close of the most recent fiscal year.

The largest portion of the County's net assets \$11,720,686 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 \$6,399,224, are subject to restrictions on how they may be used. The remaining balance of net assets \$7,843,767 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 2011 and 2010.

Statement of Net Assets

	Governmental and Business-type Activities 2011	Governmental and Business-type Activities 2010
Current and other assets	\$ 47,795,399	\$ 49,984,704
Capital and other assets	24,291,725	24,789,358
Total assets	<u>\$ 72,087,124</u>	<u>\$ 74,774,062</u>
Current and other liabilities	\$ 27,981,810	\$ 25,530,086
Long-term liabilities	18,141,637	20,312,604
Total Liabilities	<u>\$ 46,123,447</u>	<u>\$ 45,842,690</u>
Net assets:		
Invested in capital assets, net of related debt	\$ 11,720,686	\$ 10,876,968
Restricted	6,399,224	2,246,010
Unrestricted	7,843,767	15,808,394
Total net assets	<u>\$ 25,963,677</u>	<u>\$ 28,931,372</u>

Statement of Activities

	Governmental and Business-type Activities 2011	Governmental and Business-type Activities 2010
Program revenues		
Charges for services	\$ 1,350,543	\$ 1,220,845
Operating grants and contributions	14,470,285	12,203,375
General revenues		
Property taxes	22,434,132	22,339,123
Other taxes	10,109,122	9,201,493
Revenue from use of money and property	566,080	496,920
Miscellaneous	572,960	742,233
Intergovernmental revenues		
Grants and contributions not restricted to specific programs	3,015,566	2,539,185
Total revenues	<u>52,518,688</u>	<u>48,743,174</u>
Expenses		
General government	5,765,264	4,464,306
Judicial administration	2,384,875	2,293,078
Public Safety	12,226,338	12,199,744
Public works	5,170,568	5,327,605
Health and welfare	7,935,398	6,568,843
Education	12,498,174	10,333,375
Parks, recreation and cultural	913,958	1,278,302
Community development	6,706,909	2,176,532
Interest on debt	397,317	462,972
Landfill	1,359,364	1,701,481
Total expenses	<u>55,358,165</u>	<u>46,806,238</u>
Change in net assets	<u>\$ (2,839,477)</u>	<u>\$ 1,936,936</u>

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, unassigned 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 \$14,680,593. Approximately 1% of this total amount, \$110,648 is nonspendable because some expenses have been prepaid. Approximately 27% of this total amount, \$4,049,980 constitutes restricted fund balance, which is not available for current spending since it has been restricted by external parties such as grantors, laws or legislation. Approximately 24% or \$3,566,771 has been committed by action of the Board of Supervisors. The remaining balance, \$6,953,194 or 47% is unassigned, meaning there is no restrictions placed on the funds.

The general fund is the operating fund of the County. At the end of the current fiscal year, total fund balance of the general fund was \$7,849,173, of this amount \$6,953,194 was considered unassigned, \$112,241 was committed, \$695,090 was restricted, and \$88,648 was nonspendable. The special revenue funds, at the end of the fiscal year, had a fund balance of \$3,478,095 of which \$3,454,530 was considered committed, \$1,565 was restricted, and \$22,000 was considered nonspendable, and the County Capital Projects fund had a restricted fund balance of \$3,353,325.

Total governmental fund revenues increased \$1,641,517 and expenses increased \$4,519,146 over prior year amounts. For fiscal year ended June 30, 2011, expenses exceeded revenues by \$2,827,287, as compared to the fiscal year ended June 30, 2010, revenues exceeded expenses by \$50,342.

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, 2011 amounts to \$24,291,725 (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	\$ 673,307
OPEB obligation	797,400
General obligation bonds	9,443,333
Literary Funds	750,000
Total	<u>\$ 11,664,040</u>
Business-type Activities:	
Accrued leave	\$ 50,490
Estimated landfill liability	5,085,137
Notes and bonds	2,377,706
Total	<u>\$ 7,513,333</u>

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

Economic Factors

The June 2011 unemployment rate for the County of Tazewell, Virginia was 6.5%, which is a decrease from a rate of 6.9% in June 2010. This is slightly above the state's average unemployment rate of 6.0% and below the national average rate of 9.2%.

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, 2011

	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	\$ 11,117,732	\$ 2,365,743	\$ 13,483,475	\$ 5,943,367	\$ 1,092,150	\$ 1,014,692	\$ 76,750
Cash in Custody of Others	-	-	-	13,176	-	1,262,245	-
Receivables (Net of Allowance for Uncollectibles):							
Taxes	25,583,398	-	25,583,398	-	-	-	-
Accounts Receivable	-	95,754	95,754	-	584,174	-	7,393
Other Local Taxes and Fees	761,006	-	761,006	-	-	-	-
Note Receivable	330,062	-	330,062	-	-	621,609	-
Due from Other Funds	-	31,996	31,996	-	-	566,237	-
Due from Primary Government	2,161,981	-	2,161,981	2,838,648	1,057,337	344,432	6,319
Due from Other Governmental Units	2,831,075	-	2,831,075	-	-	-	-
Due From Component Units	-	-	-	-	-	-	19,013
Inventory	110,648	-	110,648	385,004	46,653	-	984
Prepaid Expenses	30,229	26,531	56,760	-	64,722	446,230	3,646
Deferred Charges	-	-	-	-	-	-	-
Restricted Assets:							
Temporarily Restricted:							
Cash and Cash Equivalents	-	2,349,244	2,349,244	-	67,760	-	-
Capital Assets:							
Land	1,735,460	287,598	2,023,058	-	105,668	4,494,293	722,194
Building and System	1,880,098	5,495,248	7,375,346	13,812,682	66,023,890	23,440,008	6,799,537
Tenancy in Common	8,165,413	-	8,165,413	5,247,258	-	-	-
Machinery and Equipment	2,285,911	1,228,041	3,513,952	2,034,569	494,161	-	187,578
Construction in Progress	867,362	2,346,594	3,213,956	-	5,440,182	8,739,376	110,922
Total Assets	\$ 57,860,375	\$ 14,226,749	\$ 72,087,124	\$ 30,274,724	\$ 75,056,514	\$ 40,929,122	\$ 7,934,336
LIABILITIES							
Accounts Payable	\$ 644,239	\$ 14,776	\$ 659,015	\$ 750,833	\$ 1,286,122	\$ 380,435	\$ 16,094
Accrued Wages	-	-	-	3,521,001	-	-	2,316
Customer Deposits	-	-	-	-	167,383	-	-
Interest Payable	123,895	-	123,895	-	19,805	335,740	-
Due to Other Funds	31,996	-	31,996	-	-	-	-
Due to Primary Government	910,669	-	910,669	2,831,075	-	-	-
Due to Component Units	-	-	-	-	-	-	-
Due to Other Governments	-	-	-	-	58,372	-	-
Amounts Held for Others	-	-	-	13,176	-	-	-
Unearned Revenue	25,220,499	-	25,220,499	-	-	-	-
Long-term Liabilities:							
Due Within One Year	628,305	407,431	1,035,736	364,063	1,735,135	963,442	11,362
Due in More Than One Year	11,035,735	7,105,902	18,141,637	4,908,602	29,983,580	15,601,662	55,913
Total Liabilities	\$ 36,595,338	\$ 7,528,109	\$ 44,123,447	\$ 12,368,750	\$ 33,260,397	\$ 17,281,279	\$ 85,685
NET ASSETS							
Invested in Capital Assets, Net of Related Debt	\$ 4,740,911	\$ 6,979,775	\$ 11,720,686	\$ 16,737,464	\$ 40,816,509	\$ 3,156,127	\$ 7,754,643
Restricted	4,049,980	2,349,244	6,399,224	-	67,760	-	-
Unrestricted	10,474,146	(2,630,379)	7,843,767	1,148,510	911,848	20,491,716	94,008
Total Net Assets	\$ 19,265,037	\$ 6,698,640	\$ 25,963,677	\$ 17,885,974	\$ 41,796,117	\$ 23,647,843	\$ 7,848,651

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, 2011

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets					County Airport Authority		
	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
PRIMARY GOVERNMENT:											
Governmental Activities	\$ 5,785,264	\$ 20,632	\$ 1,552,731	-	\$ (4,191,901)	-	\$ (4,191,901)	\$ -	\$ -	\$ -	\$ -
Judicial Administration	2,384,875	94,809	1,174,801	-	(1,115,265)	-	(1,115,265)	-	-	-	-
Public Safety	12,226,338	416,096	4,341,278	-	(7,468,964)	-	(7,468,964)	-	-	-	-
Public Works	5,170,588	182,599	10,521	-	(4,977,446)	-	(4,977,446)	-	-	-	-
Health and Welfare	7,935,398	-	5,454,120	-	(2,481,278)	-	(2,481,278)	-	-	-	-
Education	12,498,174	-	-	-	(12,498,174)	-	(12,498,174)	-	-	-	-
Parks, Recreation and Cultural	913,958	73,158	190,490	-	(660,310)	-	(660,310)	-	-	-	-
Community Development	6,706,909	-	1,746,344	-	(4,960,565)	-	(4,960,565)	-	-	-	-
Interest	397,317	-	-	-	(397,317)	-	(397,317)	-	-	-	-
Total Governmental Activities	\$ 53,939,801	\$ 787,294	\$ 14,470,265	-	\$ (38,741,222)	-	\$ (38,741,222)	\$ -	\$ -	\$ -	\$ -
Business-type Activities	\$ 1,359,364	\$ 563,249	\$ -	-	(796,115)	-	(796,115)	\$ -	\$ -	\$ -	\$ -
Landfill	55,358,165	1,350,543	14,470,265	-	(38,741,222)	(796,115)	(39,537,337)	-	-	-	-
Total Primary Government	\$ 57,097,683	\$ 976,072	\$ 43,257,942	7,644,443	\$ -	\$ -	\$ (12,863,969)	\$ 5,961,851	\$ -	\$ 2,743,839	\$ -
Component Units:	\$ 653,291	\$ 2,106,583	\$ 3,158,567	512,261	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School Board	\$ 67,005,291	\$ 8,258,560	\$ 46,468,839	\$ 8,196,704	\$ -	\$ -	\$ (12,863,969)	\$ 5,961,851	\$ -	\$ 2,743,839	\$ 37,391
Public Service Authority											
Industrial Development Authority											
County Airport Authority											
Total Component Units	\$ -	\$ -	\$ -	\$ -	\$ 22,434,132	\$ -	\$ 22,434,132	\$ -	\$ -	\$ -	\$ -
General Revenues:											
General Property Taxes											
Other Local Taxes											
Local Sales and Use Taxes											
Consumers' Utility Taxes											
Franchise License Taxes											
Utility License Taxes											
Motor Vehicle Licenses											
Bank Stock Taxes											
Taxes on Recordation and Wills											
Coal Severance Taxes											
E-911 Communications Taxes											
Unrestricted Revenues from Use of Money and Property											
Miscellaneous											
Payments from Primary Government											
Grants and Contributions not Restricted to Specific Programs											
Transfers											
Total General Revenues	\$ 35,049,328	\$ 1,648,532	\$ 36,697,660	\$ 1,630,258	\$ 22,434,132	\$ -	\$ 58,131,842	\$ 5,961,851	\$ -	\$ 6,135,681	\$ 134,455
Change in Net Assets	\$ (3,631,894)	\$ 852,417	\$ (2,639,477)	\$ (2,639,477)	\$ (38,741,222)	\$ (796,115)	\$ (39,537,337)	\$ (12,863,969)	\$ 5,961,851	\$ 2,743,839	\$ 37,391
Net Asset - Beginning, as restated	\$ 22,956,831	\$ 5,846,223	\$ 26,803,154	\$ 8,630,640	\$ -	\$ -	\$ 35,439,828	\$ 35,750,539	\$ -	\$ 14,716,823	\$ 7,676,895
Net Asset - Ending	\$ 19,265,037	\$ 6,698,640	\$ 25,963,677	\$ 6,698,640	\$ -	\$ -	\$ 22,802,351	\$ 22,886,690	\$ -	\$ 17,460,662	\$ 7,714,286

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

County of Tazewell, Virginia
Balance Sheet
Governmental Funds
June 30, 2011

	<u>General</u>	<u>County CIP Fund</u>	<u>Other Governmental</u>	<u>Total</u>
ASSETS				
Cash and Cash Equivalents	\$ 4,191,898	\$ 3,810,558	\$ 3,115,276	\$ 11,117,732
Receivables (Net of Allowance for Uncollectibles):				
Property Taxes	25,225,854	-	357,544	25,583,398
Other Taxes	493,517	-	1,500	495,017
Notes Receivable	-	330,062	-	330,062
Prepays	88,648	-	22,000	110,648
Due from Other Funds	-	125,000	-	125,000
Due from Other Governmental Units	2,152,359	-	9,622	2,161,981
Due from Component Units	2,831,075	-	-	2,831,075
Total Assets	\$ 34,983,351	\$ 4,265,620	\$ 3,505,942	\$ 42,754,913
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable and Accrued Expenses	\$ 614,766	\$ 1,626	\$ 27,847	\$ 644,239
Due to Other Funds	31,996	-	-	31,996
Due to Component Unit	125,000	910,669	-	1,035,669
Deferred Revenue	26,362,416	-	-	26,362,416
Total Liabilities	\$ 27,134,178	\$ 912,295	\$ 27,847	\$ 28,074,320
Fund Balances:				
Nonspendable	\$ 88,648	\$ -	\$ 22,000	\$ 110,648
Restricted	695,090	3,353,325	1,565	4,049,980
Committed	112,241	-	3,454,530	3,566,771
Unassigned	6,953,194	-	-	6,953,194
Total Fund Balances	\$ 7,849,173	\$ 3,353,325	\$ 3,478,095	\$ 14,680,593
Total Liabilities and Fund Balances	\$ 34,983,351	\$ 4,265,620	\$ 3,505,942	\$ 42,754,913

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, 2011

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	14,680,593
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		14,934,244
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		1,407,906
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		<u>(11,757,706)</u>
Net Assets of Governmental Activities	\$	<u><u>19,265,037</u></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, 2011

	General Fund	County CIP Fund	Other Govern- mental Funds	Total
REVENUES				
General Property Taxes	\$ 22,580,736	\$ -	\$ -	22,580,736
Other Local Taxes	7,871,832	-	2,237,290	10,109,122
Permits, Privilege Fees and Regulatory Licenses	387,173	-	-	387,173
Fines and Forfeitures	36,612	-	-	36,612
Revenue from Use of Money and Property	566,042	19	-	566,061
Charges for Services	348,238	-	15,271	363,509
Miscellaneous	288,716	-	-	288,716
Recovered Costs	196,560	-	-	196,560
Intergovernmental Revenues:				
Commonwealth	10,607,148	1,741,206	368,390	12,716,744
Federal Government	4,372,551	41,493	355,063	4,769,107
Total Revenues	<u>\$ 47,255,608</u>	<u>\$ 1,782,718</u>	<u>\$ 2,976,014</u>	<u>\$ 52,014,340</u>
EXPENDITURES:				
Current:				
General Government Administration	\$ 5,079,097	\$ -	\$ -	5,079,097
Judicial Administration	2,332,856	-	1,200	2,334,056
Public Safety	11,081,377	-	1,448,150	12,529,527
Public Works	3,762,953	787,671	629,311	5,179,935
Health and Welfare	7,902,900	-	-	7,902,900
Education	11,733,844	-	-	11,733,844
Parks, Recreation and Cultural	1,227,381	-	-	1,227,381
Community Development	678,047	5,981,952	-	6,659,999
Non-Departmental	728,594	-	-	728,594
Capital Projects	8,000	224,855	-	232,855
Debt Service:				
Principal Retirement	764,330	-	-	764,330
Interest and Other Fiscal Charges	469,109	-	-	469,109
Total Expenditures	<u>\$ 45,768,488</u>	<u>\$ 6,994,478</u>	<u>\$ 2,078,661</u>	<u>\$ 54,841,627</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,487,120</u>	<u>\$ (5,211,760)</u>	<u>\$ 897,353</u>	<u>\$ (2,827,287)</u>
Other Financing Sources (Uses)				
Transfers In	\$ -	\$ 500,000	\$ 116,356	\$ 616,356
Transfers Out	(2,230,719)	(15,895)	-	(2,246,614)
Total Other Financing Sources (Uses)	<u>\$ (2,230,719)</u>	<u>\$ 484,105</u>	<u>\$ 116,356</u>	<u>\$ (1,630,258)</u>
Net Change in Fund Balance	\$ (743,599)	\$ (4,727,655)	\$ 1,013,709	\$ (4,457,545)
Fund Balance - Beginning	8,592,772	8,080,980	2,464,386	19,138,138
Fund Balance - Ending	<u>\$ 7,849,173</u>	<u>\$ 3,353,325</u>	<u>\$ 3,478,095</u>	<u>\$ 14,680,593</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, 2011

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

Net changes in fund balance - total governmental funds	\$	(4,457,545)
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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.		(13,251)
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds		119,385
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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.		764,330
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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>(104,813)</u>
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Change in net assets of governmental activities	\$	<u><u>(3,691,894)</u></u>
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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, 2011

	<u>Tazewell County Landfill Fund</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 2,365,743
Receivables (Net of Allowance for Uncollectibles)	95,754
Due from Other Funds	31,996
Total Current Assets	<u>\$ 2,493,493</u>
Noncurrent Assets:	
Capital Assets:	
Land	\$ 287,598
Construction in Progress	2,346,594
Capital Assets (Net of Accumulated Depreciation)	6,723,289
Total Capital Assets	<u>\$ 9,357,481</u>
Other Assets:	
Restricted Cash	\$ 2,349,244
Deferred Charges	26,531
Total Other Assets	<u>\$ 2,375,775</u>
Total Assets	<u>\$ 14,226,749</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable and Accrued Expenses	\$ 14,776
Current Portion of Long-Term Debt	407,431
Total Current Liabilities	<u>\$ 422,207</u>
Noncurrent Liabilities	
Accrued Leave	\$ 50,490
Estimated Landfill Closure Liability	5,085,137
Noncurrent Portion of Long-Term Debt	1,970,275
Total Noncurrent Liabilities	<u>\$ 7,105,902</u>
Total Liabilities	<u>\$ 7,528,109</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	\$ 6,979,775
Restricted for Other Purposes	2,349,244
Unrestricted	(2,630,379)
Total Net Assets	<u>\$ 6,698,640</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, 2011

	<u>Tazewell County Landfill Fund</u>
OPERATING REVENUES	
Charges for Services	\$ 563,249
Total Operating Revenues	<u>\$ 563,249</u>
OPERATING EXPENSES	
Personal Service	\$ 245,062
Employee Benefits	129,525
Contractual Services	132,152
Repairs and Maintenance	264,276
Closure Reserve Expense	43,150
Other Charges	67,995
Depreciation and Amortization	356,163
Total Operating Expenses	<u>\$ 1,238,323</u>
Operating Income (Loss)	<u>\$ (675,074)</u>
NONOPERATING REVENUES (EXPENSES)	
Interest Earned	\$ 19
Interest Expense	(118,545)
Miscellaneous Income	18,255
Miscellaneous Expense	(2,496)
Total Nonoperating Revenues (Expenses)	<u>\$ (102,767)</u>
Net Transfers	<u>\$ 1,630,258</u>
Increase (Decrease) in Net Assets	\$ 852,417
Net Assets - Beginning, as restated	5,846,223
Net Assets - Ending	<u><u>\$ 6,698,640</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, 2011

	<u>Tazewell County Landfill Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 579,673
Payments to employees for services	(388,222)
Payments for operating expenses	(659,910)
Total cash provided (used) by operating activities	<u>\$ (468,459)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Income	\$ 19
Total cash provided (used) by investing activities	<u>\$ 19</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Transfers from Other Funds	\$ 1,630,258
Other Income (Expense)	15,759
Total cash provided (used) by non-capital financing activities	<u>\$ 1,646,017</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Principal Payments on Debt	\$ (569,946)
Interest Payments on Debt	(109,065)
Total cash provided (used) by capital financing activities	<u>\$ (679,011)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>\$ 498,566</u>
Cash and Cash Equivalents - Beginning	\$ 4,216,421
Cash and Cash Equivalents - Ending (including restricted)	<u>\$ 4,714,987</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating Income (Loss)	\$ (675,074)
Depreciation	356,163
Estimated Landfill Closure Costs	43,150
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:	
(Increase) Decrease in Accounts Receivable	12,410
(Increase) Decrease in Due from Other Funds	4,014
Increase (Decrease) in Accounts Payable	(195,487)
Increase (Decrease) in Accrued Leave	(13,635)
Total Adjustments	<u>\$ (192,698)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (468,459)</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, 2011

	<u>Agency Funds</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 39,873
Investments	2,253,505
Due from Other Governmental Units	1,008,022
Total Assets	<u>\$ 3,301,400</u>
 LIABILITIES	
Current Liabilities:	
Due to Primary Government	\$ 854,600
Due to Other Governmental Units	153,422
Amounts Held for Others	2,293,378
Total Liabilities	<u>\$ 3,301,400</u>

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

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

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, 2011

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 TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

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, 2011.

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, 2011, 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, 2011, the County contributed \$407,000.

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, 2011, the County contributed \$3,402,639.

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

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, 2011

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 and reports financial resources that are restricted, committed, or assigned to expenditure for capital outlays, except for those financed by proprietary funds or for assets held in trust for individuals, private organizations, or other governments.

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, a non-major fund, accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for capital outlays, except for those financed by proprietary funds or for assets held in trust for individuals, private organizations, or other governments.

e. Special Revenue Funds

Special Revenue Funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. 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, 2011

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 TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

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 \$854,099 at June 30, 2011 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, 2011

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. 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.

L. 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.

M. Fund Equity

Fund balances, presented in the governmental fund financial statements, represent the difference between assets and liabilities reported in a governmental fund. GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental funds. This new standard (implemented in 2011) has not affected the total amount of reported fund balances but has substantially changed the categories and terminology used to describe their components. GASB Statement No. 54 requires that fund balances be classified into categories based upon the type of restrictions imposed on the use of funds. The County of Tazewell, Virginia evaluated its funds at June 30, 2011 and classified fund balance into the following five categories:

Non-spendable -items that cannot be spent because they are not in spendable form, such as prepaid items and inventory.

Restricted -items that are restricted by external parties such as creditors or imposed by grants, law or legislation

Committed -items that have been committed by formal action by the entity's "highest level of decision-making authority"; which the County of Tazewell, Virginia considers to be the Board of Directors.

Assigned -items that have been allocated by committee action where the government's intent is to use the funds for a specific purpose. The County of Tazewell, Virginia considers this level of authority to be the Board of Directors or any Committee granted such authority by the Board of Directors.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

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

M. Fund Equity (Continued)

Unassigned -this category is for any balances that have no restrictions placed upon them.

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

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

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

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**COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

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

M. Fund Equity (Continued)

The details of governmental fund balances, as presented in aggregate on Exhibit 3, are as follows:

General Fund	
Nonspendable for:	
Prepays	\$ 88,648
Restricted for:	
Law Enforcement	695,090
Committed for:	
Recreation	112,241
Unassigned	6,953,194
Total General Fund	<u>\$ 7,849,173</u>
County CIP Fund	
Restricted for:	
Capital Improvements	<u>\$ 3,353,325</u>
Other Governmental	
Nonspendable:	
Special Revenue:	
E-911 Fund	
Prepays	<u>\$ 22,000</u>
Restricted:	
Special Revenue:	
School Construction Fund	
Capital Improvements	<u>\$ 1,565</u>
Committed for:	
Special Revenue:	
Law Library Fund	\$ 89,837
Coal Road Improvement Fund	2,216,165
Coal Road Economic Development Fund	124,227
E-911 Fund	1,068,259
Damage Stamp Fund	42
Total Committed for	<u>\$ 3,498,530</u>
Total Other Governmental	<u>\$ 3,522,095</u>

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COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

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 (\$11,757,706) and (\$5,272,665) differences for the primary government and discretely presented component unit, respectively, are as follows:

	<u>Primary Government</u>	<u>Component Unit School Board</u>
Bonds payable	\$ (9,278,765)	\$ -
Literary loans payable	(750,000)	-
Leases payable	-	(4,357,065)
Premium on bond	(164,568)	-
Bond issuance costs	30,229	
Accrued interest payable	(123,895)	-
OPEB Obligation	(797,400)	(915,600)
Compensated absences	(673,307)	-
	<u> </u>	<u> </u>
Net adjustment to reduce <i>fund balance-total governmental funds</i> to arrive at <i>net assets-governmental activities</i>	\$ <u>(11,757,706)</u>	\$ <u>(5,272,665)</u>

Another element of that reconciliation explains that "Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds". The details of this \$1,407,906 difference for the primary government are as follows:

	<u>Primary Government</u>
Unearned revenue	\$ 1,141,917
Local Sales Tax Receivable	265,989
	<u> </u>
Net adjustment to increase <i>fund balance-total governmental funds</i> to arrive at <i>net assets-governmental activities</i>	\$ <u>1,407,906</u>

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

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 (\$13,251) and (\$532,083) differences for the primary government and discretely presented component unit, respectively, are as follows:

	Primary Government	Component Unit School Board
Capital outlays	\$ 1,542,773	\$ 523,879
Disposal of assets	(464)	-
Depreciation expenses	(791,230)	(1,820,292)
Debt free asset transfers	(764,330)	764,330
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>	\$ (13,251)	\$ (532,083)

Another element of that reconciliation explains that "Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds". The details of this \$119,385 difference for the primary government are as follows:

	Primary Government
Unearned revenue	\$ (146,604)
Local sales tax receivable	265,989
Net adjustment to increase (decrease) <i>net changes in fund balances - total government funds</i> to arrive at <i>changes in net assets of governmental activities</i>	\$ 119,385

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

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 \$764,330 and \$437,062 differences in the primary government and discretely presented component unit, respectively, are as follows:

	Primary Government	Component Unit School Board
Principal repayments:		
General obligation debt	\$ 637,330	\$ -
Literary loans	127,000	-
Leases	-	437,062
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>	\$ 764,330	\$ 437,062

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 (\$104,813) and (\$244,300) differences in the primary government and discretely presented component unit, respectively, are as follows:

	Primary Government	Component Unit School Board
(Increase) decrease in compensated absences	\$ 89,095	\$ -
(Increase) decrease in accrued interest	64,721	-
(Increase) decrease in OPEB obligation	(265,700)	(244,300)
Amortization of bond premium	8,662	-
Amortization of bond issuance costs	(1,591)	-
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>	\$ (104,813)	\$ (244,300)

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 3 – Deposits and Investments:

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

Investments – Statutes authorize 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, 2011, were rated by Standard and Poor’s and the ratings are presented below using Standard and Poor’s rating scale.

County's Rated Debt Investments' Values	
Rated Debt Investments	Fair Quality Ratings
	AAAm
SNAP	\$ 444

Concentration of Credit Risk

At June 30, 2011, 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, 2011, 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, 2011

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

Fund	Interfund Receivable	Interfund Payable
General	\$ 2,831,075	\$ 942,665
Enterprise Fund	31,996	-
School	-	2,831,075
Component Unit IDA	910,669	-
Totals	\$ 3,773,740	\$ 3,773,740

Note 5 – Due From Other Governmental Units:

At June 30, 2011, 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	Discretely Presented Component Unit IDA
Local Government:					
Southwest Virginia Regional Jail	\$ 48,900	\$ -	\$ -	\$ -	\$ -
Town of Tazewell	-	59,765	-	-	-
Commonwealth of Virginia:					
State sales taxes	-	-	867,015	-	-
Local sales taxes	854,600	-	-	-	-
VPA	215,810	-	-	-	-
CSA	275,768	-	-	-	-
Shared expenses	265,621	-	-	-	-
Categorical aid	132,542	180,689	-	-	344,432
Noncategorical aid	137,539	-	-	-	-
Federal Government:					
VPA	231,201	-	-	-	-
Categorical aid	-	816,883	1,971,633	6,319	-
Total	\$ 2,161,981	\$ 1,057,337	\$ 2,838,648	\$ 6,319	\$ 344,432

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 6 – Capital Assets:

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2011:

General Government:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 1,735,460	\$ -	\$ -	\$ 1,735,460
Construction in progress	196,582	670,780	-	867,362
Tenancy in Common	8,929,743	-	(764,330)	8,165,413
Total capital assets not being depreciated	\$ 10,861,785	\$ 670,780	\$ (764,330)	\$ 10,768,235
Capital assets, being depreciated:				
Buildings	\$ 3,517,401	\$ 153,969	\$ -	\$ 3,671,370
Machinery and equipment	11,239,593	718,024	(334,860)	11,622,757
Total capital assets being depreciated	\$ 14,756,994	\$ 871,993	\$ (334,860)	\$ 15,294,127
Less: accumulated depreciation for:				
Buildings	\$ (1,702,178)	\$ (89,094)	\$ -	\$ (1,791,272)
Machinery and equipment	(8,969,106)	(702,136)	334,396	(9,336,846)
Total accumulated depreciation	\$ (10,671,284)	\$ (791,230)	\$ 334,396	\$ (11,128,118)
Total capital assets being depreciated, net	\$ 4,085,710	\$ 80,763	\$ (464)	\$ 4,166,009
Governmental activities capital assets, net	\$ 14,947,495	\$ 751,543	\$ (764,794)	\$ 14,934,244

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COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 6 – Capital Assets: (Continued)

Proprietary Funds:

Tazewell County Public Service Authority:

	<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 and land rights	\$ 105,668	\$ -	\$ -	\$ 105,668
Construction in progress	<u>3,101,421</u>	<u>9,578,366</u>	<u>(7,239,605)</u>	<u>5,440,182</u>
Total capital assets not being depreciated	<u>\$ 3,207,089</u>	<u>\$ 9,578,366</u>	<u>\$ (7,239,605)</u>	<u>\$ 5,545,850</u>
Capital assets, being depreciated:				
Infrastructure	\$ 81,853,147	\$ 7,298,752	\$ -	\$ 89,151,899
Machinery and equipment	<u>3,084,683</u>	<u>30,659</u>	<u>-</u>	<u>3,115,342</u>
Total capital assets being depreciated	<u>\$ 84,937,830</u>	<u>\$ 7,329,411</u>	<u>\$ -</u>	<u>\$ 92,267,241</u>
Less: accumulated depreciation for:				
Infrastructure	\$ (21,330,512)	\$ (1,797,497)	\$ -	\$ (23,128,009)
Machinery and equipment	<u>(2,390,621)</u>	<u>(230,560)</u>	<u>-</u>	<u>(2,621,181)</u>
Total accumulated depreciation	<u>\$ (23,721,133)</u>	<u>\$ (2,028,057)</u>	<u>\$ -</u>	<u>\$ (25,749,190)</u>
Total capital assets being depreciated, net	<u>\$ 61,216,697</u>	<u>\$ 5,301,354</u>	<u>\$ -</u>	<u>\$ 66,518,051</u>
Business-type activities capital assets, net	<u>\$ 64,423,786</u>	<u>\$ 14,879,720</u>	<u>\$ (7,239,605)</u>	<u>\$ 72,063,901</u>

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COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 6 – Capital Assets: (Continued)

Tazewell County Landfill Fund:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 287,598	\$ -	\$ -	\$ 287,598
Construction in progress	2,346,594	-	-	2,346,594
Total capital assets not being depreciated	\$ 2,634,192	\$ -	\$ -	\$ 2,634,192
Capital assets, being depreciated:				
Buildings	\$ 185,603	\$ -	\$ -	\$ 185,603
Land improvements	7,041,846	-	-	7,041,846
Machinery and equipment	2,964,746	-	-	2,964,746
Total capital assets being depreciated	\$ 10,192,195	\$ -	\$ -	\$ 10,192,195
Less: accumulated depreciation for:				
Buildings	\$ (115,597)	\$ (6,187)	\$ -	\$ (121,784)
Land Improvements	(1,478,716)	(131,701)	-	(1,610,417)
Machinery and equipment	(1,518,430)	(218,275)	-	(1,736,705)
Total accumulated depreciation	\$ (3,112,743)	\$ (356,163)	\$ -	\$ (3,468,906)
Total capital assets being depreciated, net	\$ 7,079,452	\$ (356,163)	\$ -	\$ 6,723,289
Business-type activities capital assets, net	\$ 9,713,644	\$ (356,163)	\$ -	\$ 9,357,481

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COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 6 – Capital Assets: (Continued)

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

Governmental activities:	
General government administration	\$ 146,909
Judicial administration	16,865
Public safety	422,970
Public works	111,631
Health and welfare	15,080
Parks, recreation, and culture	20,173
Community development	<u>57,602</u>
Total depreciation expense-governmental activities	<u><u>\$ 791,230</u></u>
Business-type activities:	
Utility fund	\$ 2,028,057
Landfill fund	<u>356,163</u>
Total depreciation expense - business-type activities	<u><u>\$ 2,384,220</u></u>

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COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 6 – Capital Assets: (Continued)

Component Unit School Board:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Tenancy in Common (1)	\$ 4,482,928	\$ 764,330	\$ -	\$ 5,247,258
Total capital assets not being depreciated	<u>\$ 4,482,928</u>	<u>\$ 764,330</u>	<u>\$ -</u>	<u>\$ 5,247,258</u>
Capital assets, being depreciated:				
Buildings	\$ 31,339,402	\$ 418,840	\$ -	\$ 31,758,242
Machinery and equipment	14,626,557	105,039	(47,575)	14,684,021
Total capital assets being depreciated	<u>\$ 45,965,959</u>	<u>\$ 523,879</u>	<u>\$ (47,575)</u>	<u>\$ 46,442,263</u>
Less: accumulated depreciation for:				
Buildings	\$ (16,865,772)	\$ (1,079,788)	\$ -	\$ (17,945,560)
Machinery and equipment	(11,956,503)	(740,504)	47,575	(12,649,432)
Total accumulated depreciation	<u>\$ (28,822,275)</u>	<u>\$ (1,820,292)</u>	<u>\$ 47,575</u>	<u>\$ (30,594,992)</u>
Total capital assets being depreciated, net	<u>\$ 17,143,684</u>	<u>\$ (1,296,413)</u>	<u>\$ -</u>	<u>\$ 15,847,271</u>
Governmental activities capital assets, net	<u>\$ 21,626,612</u>	<u>\$ (532,083)</u>	<u>\$ -</u>	<u>\$ 21,094,529</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, 2011, is that assets and debt in the amount of 8,165,413 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, 2011

Note 6 – Capital Assets: (Continued)

Other Component Units:

Tazewell County Airport:

	<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	\$ 722,194	\$ -	\$ -	\$ 722,194
Construction in progress	<u>1,493,281</u>	<u>553,460</u>	<u>(1,935,819)</u>	<u>110,922</u>
Total capital assets not being depreciated	<u>\$ 2,215,475</u>	<u>\$ 553,460</u>	<u>\$ (1,935,819)</u>	<u>\$ 833,116</u>
Capital assets, being depreciated:				
Buildings	\$ 796,061	\$ 18,425	\$ -	\$ 814,486
Land improvements	9,933,914	1,935,819	-	11,869,733
Machinery and equipment	<u>455,988</u>	<u>6,000</u>	<u>-</u>	<u>461,988</u>
Total capital assets being depreciated	<u>\$ 11,185,963</u>	<u>\$ 1,960,244</u>	<u>\$ -</u>	<u>\$ 13,146,207</u>
Less: accumulated depreciation for:				
Buildings	\$ (557,281)	\$ (13,708)	\$ -	\$ (570,989)
Land Improvements	(4,953,894)	(359,799)	-	(5,313,693)
Machinery and equipment	<u>(263,718)</u>	<u>(10,692)</u>	<u>-</u>	<u>(274,410)</u>
Total accumulated depreciation	<u>\$ (5,774,893)</u>	<u>\$ (384,199)</u>	<u>\$ -</u>	<u>\$ (6,159,092)</u>
Total capital assets being depreciated, net	<u>\$ 5,411,070</u>	<u>\$ 1,576,045</u>	<u>\$ -</u>	<u>\$ 6,987,115</u>
Business-type activities capital assets, net	<u>\$ 7,626,545</u>	<u>\$ 2,129,505</u>	<u>\$ (1,935,819)</u>	<u>\$ 7,820,231</u>

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COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

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	2,599,127	6,140,249	-	8,739,376
Total capital assets not being depreciated	\$ 7,093,420	\$ 6,140,249	\$ -	\$ 13,233,669
Capital assets, being depreciated:				
Land improvements	\$ 28,982,010	\$ 31,300	\$ -	\$ 29,013,310
Total capital assets being depreciated	\$ 28,982,010	\$ 31,300	\$ -	\$ 29,013,310
Less: accumulated depreciation for:				
Land Improvements	\$ (4,836,597)	\$ (736,705)	\$ -	\$ (5,573,302)
Total accumulated depreciation	\$ (4,836,597)	\$ (736,705)	\$ -	\$ (5,573,302)
Total capital assets being depreciated, net	\$ 24,145,413	\$ (705,405)	\$ -	\$ 23,440,008
Business-type activities capital assets, net	\$ 31,238,833	\$ 5,434,844	\$ -	\$ 36,673,677

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COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

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, 2011:

General Long-Term Obligations:

	Balance July 1, 2010	Issuances	Retirements	Balance June 30, 2011
General Obligation				
Bonds	\$ 9,916,095	\$ -	\$ (637,330)	\$ 9,278,765
Premium on bond	173,230	-	(8,662)	164,568
Literary loans	877,000	-	(127,000)	750,000
OPEB Obligation	531,700	594,000	(328,300)	797,400
Compensated absences	762,402	-	(89,095)	673,307
Total	<u>\$ 12,260,427</u>	<u>\$ 594,000</u>	<u>\$ (1,190,387)</u>	<u>\$ 11,664,040</u>

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
2012	\$ 553,305	\$ 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	469,334	364,103	75,000	9,000
2017-2021	2,513,819	1,455,148	375,000	22,500
2022-2026	2,696,667	766,193	-	-
2027-2029	1,657,573	127,030	-	-
	<u>\$ 9,278,765</u>	<u>\$ 4,380,295</u>	<u>\$ 750,000</u>	<u>\$ 82,500</u>

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COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

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	\$ 12,289	\$ 12,289
GO Bond	6.10%	11/1/1993	12/15/2013	2,100,000	45,000	25,000
GO Bond	5.64-7.09%	12/15/1994	12/15/2011	2,555,000	75,000	75,000
GO Bond	3.10-5.10%	5/15/2002	7/15/2023	1,900,000	1,240,204	95,000
GO Bond	4.10-5.10%	5/15/2008	7/15/2028	1,880,000	1,765,000	60,000
GO Bond	3.60-5.35%	12/11/2008	1/15/2029	6,698,941	6,141,272	286,016
Subtotal GO Bond					\$ 9,278,765	\$ 553,305
Add:						
Premium on Bond	n/a	n/a	n/a	n/a	164,568	-
Total GO Bonds					\$ 9,443,333	\$ 553,305
Literary Loans:						
State Literary Loan	2.00%	8/1/2000	8/1/2020	\$ 1,500,000	\$ 750,000	\$ 75,000
Total Literary Loans					\$ 750,000	\$ 75,000
Other Obligations:						
OPEB Obligation	n/a	n/a	n/a	n/a	\$ 797,400	\$ -
Compensated Absences	n/a	n/a	n/a	n/a	673,307	-
Total Other Obligations					\$ 1,470,707	\$ -
Total Long-term debt					\$ 11,664,040	\$ 628,305

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COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 7 – Long-term Obligations: (Continued)

Business-type Activities:

Landfill Fund

	Balance July 1, 2010	Issuances	Retirements	Balance June 30, 2011
General Obligation				
Bonds	\$ 2,860,000	\$ -	\$ (505,000)	\$ 2,355,000
Loan premiums	8,012	-	(744)	7,268
Loss on redemption	(9,324)	-	2,331	(6,993)
Notes payable	87,377	-	(64,946)	22,431
Landfill closure/ postclosure liability	5,041,987	43,150	-	5,085,137
Compensated absences	64,125	-	(13,635)	50,490
	<u>\$ 8,052,177</u>	<u>\$ 43,150</u>	<u>\$ (581,994)</u>	<u>\$ 7,513,333</u>
Total	<u>\$ 8,052,177</u>	<u>\$ 43,150</u>	<u>\$ (581,994)</u>	<u>\$ 7,513,333</u>

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
2012	\$ 385,000	\$ 86,244	\$ 22,431	\$ 247
2013	400,000	71,908	-	-
2014	245,000	56,985	-	-
2015	255,000	48,035	-	-
2016	265,000	38,465	-	-
2017-2020	805,000	70,454	-	-
	<u>\$ 2,355,000</u>	<u>\$ 372,091</u>	<u>\$ 22,431</u>	<u>\$ 247</u>
Totals	<u>\$ 2,355,000</u>	<u>\$ 372,091</u>	<u>\$ 22,431</u>	<u>\$ 247</u>

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COUNTY OF TAZEWell, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

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	\$ 315,000	\$ 155,000
Revenue Bonds	3.4-4.81%	11/27/2007	10/1/2019	2,675,000	2,040,000	230,000
Total Revenue Bonds					\$ 2,355,000	\$ 385,000
Notes Payable						
Equipment Loan	5.35%	9/1/2006	9/1/2011	\$ 296,901	\$ 22,431	\$ 22,431
Other Obligations:						
Compensated Absences	n/a	n/a	n/a	n/a	\$ 50,490	\$ -
Loan Premiums	n/a	n/a	n/a	n/a	7,268	-
Loss on Redemption	n/a	n/a	n/a	n/a	(6,993)	-
Landfill closure/ postclosure liability	n/a	n/a	n/a	n/a	5,085,137	-
Total Other Obligations					\$ 5,135,902	\$ -
Total Long-term Debt					\$ 7,513,333	\$ 407,431

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COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

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
2012	\$ 1,737,357	\$ 369,629
2013	1,318,674	356,551
2014	1,285,839	343,043
2015	1,299,947	328,934
2016	1,361,006	314,222
2017-2021	6,970,045	1,335,186
2022-2026	7,267,483	913,094
2027-2031	6,384,510	468,674
2032-2036	3,149,696	85,924
2037-2041	472,835	-
Totals	\$ 31,247,392	\$ 4,515,257

Changes in Long-Term Debt:

	Balance July 1, 2010	Issuances	Retirements	Balance June 30, 2011
Bonds and notes payable	\$ 29,700,132	\$ 3,060,607	\$ (1,513,347)	\$ 31,247,392
Deferred loss on early retirement	(5,558)	-	2,222	(3,336)
OPEB liability	200,500	99,900	-	300,400
Compensated absences	159,173	25,086	-	184,259
Total	\$ 30,054,247	\$ 3,185,593	\$ (1,511,125)	\$ 31,728,715

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

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	\$ 117,635	\$ 4,855
Revenue Bond Series 1999B	0.00%	7/12/1999	12/1/2029	90,024	48,979	2,570
Revenue Bond Series 1999C	2.50%	10/22/1999	10/1/2029	387,415	281,359	12,058
Revenue Bond Series 1999D	1.50%	11/5/1999	3/1/2025	411,320	221,369	14,253
Revenue Bond Series 2000A	0.00%	3/13/2001	9/1/2023	1,877,590	1,172,815	58,645
Revenue Bond Series 2000B	0.00%	3/31/2000	12/1/2030	176,465	114,787	6,026
Revenue Bond Series 2000C	0.00%	8/4/2000	11/1/2031	1,489,480	817,328	39,871
Revenue Bond Series 2000D	2.50%	9/29/2000	3/1/2032	1,579,210	1,236,928	45,248
Revenue Bond Series 2000E	0.00%	11/17/2000	5/1/2032	1,374,516	870,306	41,443
Revenue Bond Series 2000F	0.00%	11/17/2000	5/1/2032	606,016	400,076	19,051
Revenue Bond Series 2001A	0.00%	5/17/2001	3/1/2032	1,752,851	887,379	42,256
Revenue Bond Series 2001B	0.00%	12/20/2001	6/1/2033	4,563,680	3,388,008	154,023
Revenue Bond Series 2001C	0.00%	3/29/2002	6/1/2033	1,978,113	1,443,762	65,668
Revenue Bond Series 2001B	0.00%	12/20/2002	12/1/2034	1,387,467	1,064,077	46,343
Revenue Bond Series 2004A	0.00%	6/16/2004	11/1/2034	463,353	363,609	15,480
Revenue Bond Series 2004B	3.00%	8/24/2004	1/1/2025	111,043	83,449	4,893
Revenue Bond Series 2004C	3.00%	8/24/2004	3/1/2025	555,640	435,680	25,418
Revenue Bond Series 2005A	0.00%	6/17/2005	10/1/2035	349,988	285,849	11,666
Revenue Bond Series 2005B	0.00%	6/17/2005	1/1/2036	1,259,399	1,011,551	40,565
Revenue Bond Series 2005C	3.00%	9/15/2005	1/1/2027	1,328,089	1,063,681	52,790
Revenue Bond Series 2006A	0.00%	5/15/2006	3/1/2032	4,746,285	3,230,543	191,500
Revenue Bond Series 2007A	3.00%	2/12/2007	6/1/2007	228,788	177,054	8,820
Revenue Bond Series 2007B	0.00%	12/20/2007	6/1/2007	309,055	268,559	9,965
Series2005	3.40-4.93%	4/1/2008	10/1/2018	241,259	175,646	21,059
General Obligation and						
Revenue Series 2005	0.00%	7/15/2005	1/1/2037	2,002,799	1,549,273	60,660
Revenue Bond Series 2009A	3.83%	7/1/2009		6,573,235	6,205,383	174,253
Revenue Bond Series 2009B	0.00%	5/1/2010		4,634,378	2,724,203	93,938
Revenue Bond Series 2009C	0.00%	5/1/2010		705,365	234,122	7,804
Revenue Bond Series 2010A	3.00%	4/1/2010		1,164,267	943,920	36,174
Line of Credit				750,000	100,000	100,000
Line of Credit (Due to Tazewell County)	n/a	n/a	n/a	450,000	330,062	330,062
Subtotal					\$ 31,247,392	\$ 1,737,357

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

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	\$ (3,336)	\$ (2,222)
Other Obligations:						
OPEB Liability	n/a	n/a	n/a	n/a	\$ 300,400	\$ -
Compensated Absences	n/a	n/a	n/a	n/a	184,259	-
Total Long-term debt					\$ 31,728,715	\$ 1,735,135

Component Unit - School Board

The following is a summary of long-term obligations of the Component Unit School Board for the year ended June 30, 2011:

	Balance July 1, 2010	Issuances	Retirements	Balance June 30, 2011
Capital leases	\$ 4,794,128	\$ -	\$ (437,063)	\$ 4,357,065
OPEB Obligation	671,300	1,405,400	(1,161,100)	915,600
Total	\$ 5,465,428	\$ 1,405,400	\$ (1,598,163)	\$ 5,272,665

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COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 7 – Long-term Obligations: (Continued)

Component Unit - School Board (Continued)

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	3.58%	8/19/2008	8/19/2013	\$ 486,633	\$ 302,184	\$ 97,206
Capital Lease	4.195%	10/5/2007	10/5/2022	4,792,700	4,054,881	266,857
Total Capital Leases					\$ 4,357,065	\$ 364,063
Other Obligations:						
OPEB Obligation	n/a	n/a	n/a	n/a	\$ 915,600	\$ -
Total Long-term Debt					\$ 5,272,665	\$ 364,063

The School Board has entered into capital leases for school buses and energy renovations on the elementary schools. These lease agreements qualify as capital leases for accounting purposes and therefore have been recorded at the present value of their future minimum lease payments as of the inception date.

Total assets acquired through capital leases are as follows:

School Buses	\$ 486,633
Building Renovations	3,378,030
Total Assets	<u>\$ 3,864,663</u>
Accumulated Depreciation	(314,891)
Net Book Value of Assets	<u>\$ 3,549,772</u>

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COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 7 – Long-term Obligations: (Continued)

Component Unit - School Board (Continued)

Present value of future minimum lease payments:

Year Ending June 30,	Capital Leases
2012	\$ 544,983
2013	544,983
2014	544,984
2015	436,959
2016	436,959
2017-2021	2,184,795
2022-2023	<u>873,918</u>
Total minimum lease payments	\$ 5,567,581
Less: amount representing interest	<u>(1,210,516)</u>
Present value of future minimum lease payments	\$ 4,357,065

Component Unit – Airport Authority

The following is a summary of long-term obligations of the Component Unit Airport Authority for the year ended June 30, 2011:

	Balance July 1, 2010	Issuances	Retirements	Balance June 30, 2011
Notes payable	\$ 79,265	\$ -	\$ (13,677)	\$ 65,588
Compensated absences	<u>484</u>	<u>1,203</u>	<u>-</u>	<u>1,687</u>
Total	<u>\$ 79,749</u>	<u>\$ 1,203</u>	<u>\$ (13,677)</u>	<u>\$ 67,275</u>

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COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 7 – Long-term Obligations: (Continued)

Component Unit – Airport Authority (Continued)

Details of Long-Term Debt:

	Interest Rates	Issuance Date	Final Maturity Date	Amount of Original Issuance	Balance Governmental Activities	Amount Due Within One Year
Notes Payable						
VRA	4.81%	7/1/2007	7/1/2017	\$ 100,000	\$ 65,588	\$ 9,675
Other Obligations:						
Compensated Absences	n/a	n/a	n/a	n/a	\$ 1,687	\$ 1,687
Total Long-term Debt					\$ 67,275	\$ 11,362

Principal payments required on notes payable are as follows:

Year Ending June 30	Notes Payable	
	Principal	Interest
2012	\$ 9,675	\$ 3,039
2013	10,146	2,569
2014	10,640	2,075
2015	11,157	1,557
2016	11,701	1,013
2017-2018	12,269	444
	\$ 65,588	\$ 10,697

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COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 7 – Long-term Obligations: (Continued)

Component Unit – Industrial Development Authority

Changes in Long-Term Debt:

	Balance July 1, 2010	Issuances	Retirements	Balance June 30, 2011
Revenue bonds	\$ 17,545,000	\$ -	\$ (780,000)	\$ 16,765,000
Loan premiums	36,612	-	(2,288)	34,324
Loss on redemption	(966,217)	-	60,389	(905,828)
Notes payable	723,916	50,000	(102,308)	671,608
Total	\$ 17,339,311	\$ 50,000	\$ (824,207)	\$ 16,565,104

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	\$ 9,290,000	\$ 630,000
Revenue Bonds	2.50-5.00	12/15/2004	8/1/2034	8,495,000	7,475,000	185,000
Total Revenue Bonds					\$ 16,765,000	\$ 815,000
Notes Payable						
Note Payable	4.20%	9/22/2010	6/22/012	\$ 50,000	\$ 50,000	\$ 50,000
Note Payable	4.00%	8/1/2005	6/1/2016	1,000,000	621,608	98,442
Total Notes Payable					\$ 671,608	\$ 148,442
Other Obligations:						
Loan Premiums	n/a	n/a	n/a	n/a	\$ 34,324	\$ -
Loss on Redemption	n/a	n/a	n/a	n/a	(905,828)	-
Total Other Obligations					\$ (871,504)	\$ -
Total Long-term Debt					\$ 16,565,104	\$ 963,442

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 7 – Long-term Obligations: (Continued)

Component Unit – Industrial Development Authority (Continued)

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

Year Ending June 30	Bonds Payable		Notes Payable	
	Principal	Interest	Principal	Interest
2012	\$ 815,000	\$ 722,096	\$ 148,442	\$ 25,173
2013	610,000	682,996	102,452	19,062
2014	640,000	660,052	106,626	14,888
2015	670,000	635,352	110,971	10,544
2016	695,000	1,933,852	115,492	6,023
2017-2021	3,960,000	2,569,678	87,625	1,413
2022-2026	4,860,000	1,661,503	-	-
2027-2031	2,650,000	691,590	-	-
2032-2035	1,865,000	183,308	-	-
	<u>\$ 16,765,000</u>	<u>\$ 9,740,427</u>	<u>\$ 671,608</u>	<u>\$ 77,103</u>

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 \$959,460 from Tazewell County during the year ended June 30, 2011.

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 \$673,307, \$50,490 in the Landfill Enterprise Component Unit Fund and \$184,259 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 \$25,220,499 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, 2011 but paid in advance by taxpayers, totaled \$1,141,917 at June 30, 2011.

COUNTY OF TAZEWell, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

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 (professional) employees of public school divisions and employees of participating employers are automatically covered by VRS upon employment. Benefits vest after five years of service. Members earn one month of service credit for each month they are employed and their employer is paying into the VRS. Members are eligible to purchase prior public service, active duty military service, certain periods of leave and previously refunded VRS service as credit in their plan.

VRS administers two defined benefit plans for local government employees – Plan 1 and Plan 2:

Members hired before July 1, 2010 and who have service credits before July 1, 2010 are covered under Plan 1. Non-hazardous duty members are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or at age 50 with at least 30 years of service credit. They may retire with a reduced benefit early at age 55 with at least 10 years of service credit or at age 50 with at least five years of service credit.

Members hired or rehired on or after July 1, 2010 and who have no service credits before July 1, 2010 are covered under Plan 2. Non-hazardous duty members are eligible for an unreduced benefit beginning at their normal Social Security retirement age with at least five years of service credit or when the sum of their age and service equals 90. They may retire with a reduced benefit as early as age 60 with at least five years of service credit.

Eligible hazardous duty members in Plan 1 and Plan 2 are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. These members include sheriffs, deputy sheriffs and hazardous duty employees of political subdivisions that have elected to provide enhanced coverage for hazardous duty service. They may retire with a reduced benefit as early as age 50 with at least five years of service credit. All other provisions of the member's plan apply.

The VRS Basic Benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the member's average final compensation multiplied by the member's total service credit. Under Plan 1, average final compensation is the average of the member's 36 consecutive months of highest compensation. Under Plan 2, average final compensation is the average of the member's 60 consecutive months of highest compensation. The retirement multiplier for non-hazardous duty members is 1.70%. The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. The retirement multiplier for eligible political subdivision hazardous duty employees other than sheriffs and jail superintendents is 1.70% or 1.85% as elected by employer. At retirement, members can elect the Basic Benefit, the Survivor Option, a Partial Lump-Sum Option Payment (PLOP) or the Advance Pension Option. A retirement reduction factor is applied to the Basic Benefit amount for members electing the Survivor Option, PLOP or Advance Pension Option or those retiring with a reduced benefit.

Retirees are eligible for an annual cost-of-living adjustment (COLA) effective July 1 of the second calendar year of retirement. Under Plan 1, the COLA cannot exceed 5.00%; under Plan 2, the COLA cannot exceed 6.00%. During years of no inflation or deflation, the COLA is 0.00%. 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.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 10 – Defined Benefit Pension Plan: (Continued)

A. Plan Description

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/2010-annual-report.pdf> or 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 2011 was 8.16% 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 2011 was 11.37% of annual covered payroll.

C. Annual Pension Cost

For fiscal year 2011, the County of Tazewell's annual pension cost of \$792,833 (\$485,804 for employee portion) and \$430,694 (\$189,400 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:			
6/30/2011	\$ 1,278,637	100%	-
6/30/2010	1,229,581	100%	-
6/30/2009	1,226,614	100%	-
School Board:			
Non-professional Employees:			
6/30/2011	\$ 620,094	100%	-
6/30/2010	620,248	100%	-
6/30/2009	635,521	100%	-

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 10 – Defined Benefit Pension Plan: (Continued)

C. Annual Pension Cost (Continued)

The required contribution was determined as part of the June 30, 2009 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at June 30, 2009 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, 2009 for the Unfunded Actuarial Accrued Liability (UAAL) was 20 years.

D. Funded Status and Funding Progress

Primary Government:

As of June 30, 2010, the most recent actuarial valuation date, the plan was 81.07% funded. The actuarial accrued liability for benefits was \$41,488,518, and the actuarial value of assets was \$33,636,379, resulting in an unfunded actuarial accrued liability (UAAL) of \$7,852,140. The covered payroll (annual payroll of active employees covered by the plan) was \$9,816,701, and ratio of the UAAL to the covered payroll was 79.99%.

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

As of June 30, 2010, the most recent actuarial valuation date, the plan was 72.28% funded. The actuarial accrued liability for benefits was \$23,830,457, and the actuarial value of assets was \$17,224,515, resulting in an unfunded actuarial accrued liability (UAAL) of \$6,605,942. The covered payroll (annual payroll of active employees covered by the plan) was \$3,931,143, and ratio of the UAAL to the covered payroll was 168.04%.

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/2010-annual-report.pdf> or obtained by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

COUNTY OF TAZEWell, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 10 – Defined Benefit Pension Plan: (Continued)

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

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 \$1,111,829, \$3,271,814, and \$2,614,186 for the fiscal years ended 2011, 2010, and 2009, respectively. Required employer and employee contributions represented 3.93% for the entire fiscal year 2011, 8.81% of covered payroll for July 2009 through March 2010 and 0.00% for April through June 2010, and 8.81% for the entire fiscal year 2009.

Note 11 – Other Postemployment Benefits (OPEB):

A. Plan Description

The Tazewell Post-Retirement Medical Plan (TPRMP) is a single-employer defined benefit healthcare plan administer 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.

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 2011, 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, 2010:

	Monthly Contribution		Retiree Share of Premiums
	Pre-Medicare		
Retiree	\$ 575.00	\$	57.50
Retiree and Spouse	1,064.00		204.20
Retiree and Child	1,064.00		204.20
Family	1,553.00		350.90
	Post-Medicare*		
Retiree	\$ 160.00	\$	160.00

* Premiums include medical coverage only

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 11 – Other Postemployment Benefits: (Continued)

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	\$ 595,400	\$ 1,407,000	\$ 2,002,400
Interest on net OPEB obligation	21,300	26,900	48,200
Adjustment to annual required contribution	(22,700)	(28,500)	(51,200)
Annual OPEB cost (expense)	594,000	1,405,400	1,999,400
Actual contributions	328,300	1,161,100	1,489,400
Increase in net OPEB obligation	265,700	244,300	510,000
Net OPEB obligation - beginning of year	531,700	671,300	1,203,000
Net OPEB obligation - end of year	<u>\$ 797,400</u>	<u>\$ 915,600</u>	<u>\$ 1,713,000</u>

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
6/30/2011	\$ 1,999,400	74%	\$ 1,713,000
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, 2010, the most recent actuarial valuation date, the actuarial accrued liability (AAL) was \$6,509,460, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$12,516,483, and ratio of the UAAL to the covered payroll was 52.01%.

Component Unit – School Board:

As of March 1, 2010, the most recent actuarial valuation date, the actuarial accrued liability (AAL) was \$15,188,740, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$29,205,126, and ratio of the UAAL to the covered payroll was 52.01%.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 11 – Other Postemployment Benefits: (Continued)

D. Funded Status and Funding Progress (Continued)

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, 2010, 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 March 1, 2010, was 30 years.

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 \$5,085,137 reported as landfill closure and post closure care liability at June 30, 2011, \$5,085,137 represents the cumulative amount reported to date based on use of 34 percent of the estimate capacity of the landfill.

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 13 – Landfill Closure and Postclosure Care Cost: (Continued)

The County will recognize the remaining estimated cost of closure and postclosure care of \$9,977,593 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 2011.

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.

Note 15 – Interfund Transfers:

Interfund transfers for the year ended June 30, 2011, consisted of the following:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Primary Government:		
General Fund	\$ -	\$ 2,230,719
Coal Road Improvement	16,356	-
E-911 Fund	100,000	-
Capital Projects Fund	500,000	15,895
Landfill Enterprise Fund	1,630,258	-
Total	<u>\$ 2,246,614</u>	<u>\$ 2,246,614</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgeting authorization.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

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

Note 17 – Restatement of Beginning Balances:

	Component Unit- School Board	Proprietary Fund Landfill
Beginning net assets, as previously reported	\$ 18,309,267	\$ 5,974,441
To record fixed assets from prior period	486,633	25,269
To record accumulated depreciation from prior period	(97,326)	(153,487)
To record capital lease from prior period	(396,030)	-
Beginning net assets, as restated	\$ 18,302,544	\$ 5,846,223

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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, 2011

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Pos (Neg)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
General Property Taxes	\$ 21,974,515	\$ 21,974,515	\$ 22,580,736	\$ 606,221
Other Local Taxes	7,410,800	7,410,800	7,871,832	461,032
Permits, Privilege Fees and Regulatory Licenses	330,185	333,045	387,173	54,128
Fines and Forfeitures	25,000	25,000	36,612	11,612
Revenue from Use of Money and Property	682,629	682,629	566,042	(116,587)
Charges for Services	274,000	292,090	348,238	56,148
Miscellaneous	570,000	508,049	288,716	(219,333)
Recovered Costs	228,998	262,355	196,560	(65,795)
Intergovernmental Revenues:				
Commonwealth	10,026,558	10,034,202	10,607,148	572,946
Federal Government	4,965,225	4,965,225	4,372,551	(592,674)
Total Revenues	<u>\$ 46,487,910</u>	<u>\$ 46,487,910</u>	<u>\$ 47,255,608</u>	<u>\$ 767,698</u>
EXPENDITURES:				
Current:				
General Government Administration	\$ 6,337,052	\$ 6,336,287	\$ 5,079,097	\$ 1,257,190
Judicial Administration	2,085,255	2,143,906	2,332,856	(188,950)
Public Safety	11,431,450	11,626,040	11,081,377	544,663
Public Works	4,332,429	4,477,318	3,762,953	714,365
Health and Welfare	7,884,947	7,889,452	7,902,900	(13,448)
Education	12,242,812	12,242,812	11,733,844	508,968
Parks, Recreation and Cultural	1,238,654	1,288,559	1,227,381	61,178
Community Development	766,636	791,404	678,047	113,357
Non-Departmental	1,428,129	1,162,216	728,594	433,622
Capital Projects	250,000	8,000	8,000	-
Debt Service:				
Principal Retirement	-	-	764,330	(764,330)
Interest and Other Fiscal Charges	-	-	469,109	(469,109)
Total Expenditures	<u>\$ 47,997,364</u>	<u>\$ 47,965,994</u>	<u>\$ 45,768,488</u>	<u>\$ 2,197,506</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (1,509,454)</u>	<u>\$ (1,478,084)</u>	<u>\$ 1,487,120</u>	<u>\$ 2,965,204</u>
Other Financing Sources (Uses)				
Transfers Out	\$ (100,000)	\$ (100,000)	\$ (2,230,719)	\$ (2,130,719)
Total Other Financing Sources (Uses)	<u>\$ (100,000)</u>	<u>\$ (100,000)</u>	<u>\$ (2,230,719)</u>	<u>\$ (2,130,719)</u>
Net Change in Fund Balance	\$ (1,609,454)	\$ (1,578,084)	\$ (743,599)	\$ 834,485
Fund Balance - Beginning	(2,712,436)	(2,927,915)	8,592,772	11,520,687
Fund Balance - Ending	<u>\$ (4,321,890)</u>	<u>\$ (4,505,999)</u>	<u>\$ 7,849,173</u>	<u>\$ 12,355,172</u>

County of Tazewell, Virginia
Required Supplementary Information
Schedule of Pension and OPEB Funding Progress
For the Fiscal Year Ended June 30, 2011

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, 2010 \$	33,636,379 \$	41,488,519 \$	7,852,140	81.07% \$	9,816,701	79.99%
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%

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, 2010 \$	- \$	6,509,460 \$	6,509,460	0.00% \$	12,516,483	52.01%
March 1, 2008	-	4,695,900	4,695,900	0.00%	9,171,680	51.20%

*Only two years 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, 2010 \$	17,224,515 \$	23,830,457 \$	6,605,942	72.28% \$	3,931,143	168.04%
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%

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, 2010 \$	- \$	15,188,740 \$	15,188,740	0.00% \$	29,205,126	52.01%
March 1, 2008	-	16,084,500	16,084,500	0.00%	31,415,039	51.20%

*Only two years 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, 2011

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Pos (Neg)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Revenue from Use of Money and Property	\$ -	\$ -	19	19
Intergovernmental Revenues:				
Commonwealth	4,902,355	4,902,355	1,741,206	(3,161,149)
Federal Government	509,840	509,840	41,493	(468,347)
Total Revenues	<u>\$ 5,412,195</u>	<u>\$ 5,412,195</u>	<u>\$ 1,782,718</u>	<u>\$ (3,629,477)</u>
EXPENDITURES:				
Current:				
Public Works	\$ 787,671	\$ 787,671	\$ 787,671	-
Community Development	5,138,970	5,138,970	5,981,952	(842,982)
Capital Projects	-	-	224,855	(224,855)
Total Expenditures	<u>\$ 5,926,641</u>	<u>\$ 5,926,641</u>	<u>\$ 6,994,478</u>	<u>\$ (1,067,837)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (514,446)</u>	<u>\$ (514,446)</u>	<u>\$ (5,211,760)</u>	<u>\$ (4,697,314)</u>
Other Financing Sources (Uses)				
Transfers In	\$ -	\$ -	500,000	500,000
Transfer Out	-	-	(15,895)	(15,895)
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 484,105</u>	<u>\$ 484,105</u>
Net Change in Fund Balance	<u>\$ (514,446)</u>	<u>\$ (514,446)</u>	<u>\$ (4,727,655)</u>	<u>\$ (4,213,209)</u>
Fund Balance - Beginning	(1,359,497)	(24,393,424)	8,080,980	32,474,404
Fund Balance - Ending	<u>\$ (1,873,943)</u>	<u>\$ (24,907,870)</u>	<u>\$ 3,353,325</u>	<u>\$ 28,261,195</u>

Other Supplementary Information

County of Tazewell, Virginia
Combining Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

	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	\$ -	\$ -	\$ 39,873	\$ -	\$ 39,873
Investments	588,125	1,665,380	-	-	2,253,505
Due from Other Governmental Units	-	-	-	1,008,022	1,008,022
Total Assets	<u>\$ 588,125</u>	<u>\$ 1,665,380</u>	<u>\$ 39,873</u>	<u>\$ 1,008,022</u>	<u>\$ 3,301,400</u>
LIABILITIES					
Current Liabilities:					
Due to Primary Government	\$ -	\$ -	\$ -	\$ 854,600	\$ 854,600
Due to Other Governmental Units	-	-	-	153,422	153,422
Amounts Held for Others	588,125	1,665,380	39,873	-	2,293,378
Total Liabilities	<u>\$ 588,125</u>	<u>\$ 1,665,380</u>	<u>\$ 39,873</u>	<u>\$ 1,008,022</u>	<u>\$ 3,301,400</u>

County of Tazewell, Virginia
Combining Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

	Expendable Trust Funds		Agency Funds	
	School Deferred Comp Fund	Deferred Comp Fund	Special Welfare Fund	Local Sales Tax Fund
ASSETS				
Balance, July 1, 2010	\$ 647,516	\$ 1,347,020	\$ 37,939	\$ 999,393
Additions	2,305	373,306	50,269	6,890,695
Deductions	(61,696)	(54,946)	(48,335)	(6,882,066)
Balance, June 30, 2011	<u>\$ 588,125</u>	<u>\$ 1,665,380</u>	<u>\$ 39,873</u>	<u>\$ 1,008,022</u>
LIABILITIES				
Balance, July 1, 2010	\$ 647,516	\$ 1,347,020	\$ 37,939	\$ 999,393
Additions	2,305	373,306	50,269	6,890,695
Deductions	(61,696)	(54,946)	(48,335)	(6,882,066)
Balance, June 30, 2011	<u>\$ 588,125</u>	<u>\$ 1,665,380</u>	<u>\$ 39,873</u>	<u>\$ 1,008,022</u>

County of Tazewell, Virginia
 Non-Major Funds
 Combining Balance Sheet
 June 30, 2011

	<u>Special Revenue Funds</u>	<u>School Construction Fund</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 3,113,711	\$ 1,565	\$ 3,115,276
Receivables (Net of Allowance for Uncollectibles):			
Taxes	357,544	-	357,544
Other Local Taxes and Fees	1,500	-	1,500
Prepays	22,000	-	22,000
Due from Other Governmental Units	9,622	-	9,622
Total Assets	<u>\$ 3,504,377</u>	<u>\$ 1,565</u>	<u>\$ 3,505,942</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 27,847	\$ -	\$ 27,847
Total Liabilities	<u>\$ 27,847</u>	<u>\$ -</u>	<u>\$ 27,847</u>
Fund Balances:			
Nonspendable	\$ 22,000	\$ -	\$ 22,000
Restricted	-	1,565	1,565
Committed	3,454,530	-	3,454,530
Total Fund Balances	<u>\$ 3,476,530</u>	<u>\$ 1,565</u>	<u>\$ 3,478,095</u>
Total Liabilities and Fund Balances	<u>\$ 3,504,377</u>	<u>\$ 1,565</u>	<u>\$ 3,505,942</u>

County of Tazewell, Virginia
 Non-Major Special Revenue Funds
 Combining Balance Sheet
 For the Fiscal Year Ended June 30, 2011

	<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>
Cash and Cash Equivalents	\$ 88,337	\$ 2,033,993	\$ 44,326	\$ 947,013	\$ 42	\$ 3,113,711
Receivables (Net of Allowance for Uncollectibles):						
Taxes	-	182,172	79,901	95,471	-	357,544
Other Local Taxes and Fees	1,500	-	-	-	-	1,500
Prepaids	-	-	-	22,000	-	22,000
Due from Other Governmental Units	-	-	-	9,622	-	9,622
Total Assets	\$ 89,837	\$ 2,216,165	\$ 124,227	\$ 1,074,106	\$ 42	\$ 3,504,377

ASSETS

Cash and Cash Equivalents
 Receivables (Net of Allowance for Uncollectibles):
 Taxes
 Other Local Taxes and Fees
 Prepaids
 Due from Other Governmental Units
 Total Assets

LIABILITIES AND FUND BALANCES

Liabilities						
Accounts Payable	\$ -	\$ -	\$ -	\$ 27,847	\$ -	\$ 27,847
Total Liabilities	\$ -	\$ -	\$ -	\$ 27,847	\$ -	\$ 27,847

Fund Balances:

Nonspendable	\$ -	\$ -	\$ -	\$ 22,000	\$ -	\$ 22,000
Committed	\$ 89,837	\$ 2,216,165	\$ 124,227	\$ 1,024,259	\$ 42	\$ 3,454,530
Total Fund Balances	\$ 89,837	\$ 2,216,165	\$ 124,227	\$ 1,046,259	\$ 42	\$ 3,476,530
Total Liabilities and Fund Balances	\$ 89,837	\$ 2,216,165	\$ 124,227	\$ 1,074,106	\$ 42	\$ 3,504,377

County of Tazewell, Virginia
 Non-Major Funds
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance
 For the Fiscal Year Ended June 30, 2011

	Special Revenue Funds	School Construction Fund	Total
REVENUES			
Other Local Taxes	\$ 2,237,290	\$ -	\$ 2,237,290
Charges for Services	15,271	-	15,271
Intergovernmental Revenues:			
Commonwealth	368,390	-	368,390
Federal Government	355,063	-	355,063
Total Revenues	<u>\$ 2,976,014</u>	<u>\$ -</u>	<u>\$ 2,976,014</u>
EXPENDITURES:			
Current:			
Judicial Administration	\$ 1,200	\$ -	\$ 1,200
Public Safety	1,448,150	-	1,448,150
Public Works	629,311	-	629,311
	<u>\$ 2,078,661</u>	<u>\$ -</u>	<u>\$ 2,078,661</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 897,353</u>	<u>\$ -</u>	<u>\$ 897,353</u>
Other Financing Sources (Uses)			
Transfers In	\$ 116,356	\$ -	\$ 116,356
Total Other Financing Sources (Uses)	<u>\$ 116,356</u>	<u>\$ -</u>	<u>\$ 116,356</u>
Net Change in Fund Balance	\$ 1,013,709	\$ -	\$ 1,013,709
Fund Balance - Beginning	2,462,821	1,565	2,464,386
Fund Balance - Ending	<u>\$ 3,476,530</u>	<u>\$ 1,565</u>	<u>\$ 3,478,095</u>

Exhibit 19

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, 2011

	Law Library Fund				Coal Road Improvement 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								
Other Local Taxes	\$ -	\$ -	\$ -	-	\$ 725,000	\$ 725,000	\$ 985,897	\$ 260,897
Charges for Services	17,500	17,500	15,271	(2,229)	-	-	-	-
Intergovernmental Revenues:								
Commonwealth	-	-	-	-	-	-	-	-
Federal Government	-	-	-	-	-	-	-	-
Total Revenues	\$ 17,500	\$ 17,500	\$ 15,271	(2,229)	\$ 725,000	\$ 725,000	\$ 985,897	\$ 260,897
EXPENDITURES:								
Current:								
Judicial Administration	\$ 17,500	\$ 17,500	\$ 1,200	16,300	\$ -	\$ -	\$ -	\$ -
Public Safety	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	1,075,945	1,992,301	85,021	1,007,280
	\$ 17,500	\$ 17,500	\$ 1,200	16,300	\$ 1,075,945	\$ 1,992,301	\$ 85,021	\$ 1,007,280
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ 14,071	14,071	\$ (350,945)	\$ (367,301)	\$ 900,876	\$ 1,268,177
Other Financing Sources (Uses)								
Transfers In	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ 16,356	\$ 16,356
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ 16,356	\$ 16,356
Net Change in Fund Balance	\$ -	\$ -	\$ 14,071	14,071	\$ (350,945)	\$ (367,301)	\$ 917,232	\$ 1,284,533
Fund Balance - Beginning	50,000	50,000	75,766	25,766	(2,122,893)	(1,922,893)	1,298,933	3,221,826
Fund Balance - Ending	\$ 50,000	\$ 50,000	\$ 89,837	\$ 39,837	\$ (2,473,838)	\$ (2,290,194)	\$ 2,216,165	\$ 4,506,359

Exhibit 19

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, 2011

	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								
Other Local Taxes	\$ 500,000	\$ 500,000	\$ 562,363	\$ 62,363	\$ 463,608	\$ 463,608	\$ 689,030	\$ 225,422
Charges for Services	-	-	-	-	-	-	-	-
Intergovernmental Revenues:								
Commonwealth	-	-	-	-	-	-	368,390	368,390
Federal Government	-	-	-	-	1,907,866	1,907,866	355,063	(1,552,803)
Total Revenues	\$ 500,000	\$ 500,000	\$ 562,363	\$ 62,363	\$ 2,371,474	\$ 2,371,474	\$ 1,412,483	\$ (958,991)
EXPENDITURES:								
Current:								
Judicial Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety	-	-	-	-	2,966,672	2,974,047	1,448,007	1,526,040
Public Works	500,000	500,000	544,290	(44,290)	-	-	-	-
Total Expenditures	\$ 500,000	\$ 500,000	\$ 544,290	\$ (44,290)	\$ 2,966,672	\$ 2,974,047	\$ 1,448,007	\$ 1,526,040
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ 18,073	\$ 18,073	\$ (595,198)	\$ (602,573)	\$ (35,524)	\$ 567,049
Other Financing Sources (Uses)								
Transfers In	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Net Change in Fund Balance	\$ -	\$ -	\$ 18,073	\$ 18,073	\$ (495,198)	\$ (502,573)	\$ 64,476	\$ 567,049
Fund Balance - Beginning	50,000	50,000	106,154	56,154	(287,000)	(292,598)	981,783	1,274,381
Fund Balance - Ending	\$ 50,000	\$ 50,000	\$ 124,227	\$ 74,227	\$ (782,198)	\$ (795,171)	\$ 1,046,259	\$ 1,841,430

Exhibit 19

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, 2011

	Damaged Stamp Fund				Total
	Budget Amounts		Actual Amounts	Variance with Final Budget Pos (Neg)	
	Original	Final			
REVENUES					
Other Local Taxes	\$ -	\$ -	\$ -	-	\$ 1,688,608
Charges for Services	-	-	-	-	17,500
Intergovernmental Revenues:					
Commonwealth	-	-	-	-	368,390
Federal Government	-	-	-	-	355,063
Total Revenues	\$ -	\$ -	\$ -	-	\$ 2,976,014
					\$ (637,960)
EXPENDITURES:					
Current:					
Judicial Administration	\$ -	\$ -	\$ -	-	\$ 1,200
Public Safety	-	-	143	(143)	1,448,150
Public Works	-	-	-	-	629,990
	\$ -	\$ -	\$ 143	(143)	\$ 2,078,661
					\$ 2,505,187
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ (143)	(143)	\$ 897,353
Other Financing Sources (Uses)					
Transfers In	\$ -	\$ -	\$ -	-	\$ 116,356
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	-	\$ 116,356
Net Change in Fund Balance	\$ -	\$ -	\$ (143)	(143)	\$ 1,013,709
Fund Balance - Beginning	144	144	185	41	2,462,821
Fund Balance - Ending	\$ 144	\$ 144	\$ 42	(102)	\$ 3,476,530

County of Tazewell, Virginia
Special Revenue Fund - Discretely Presented Component Unit - School Board
Balance Sheet
June 30, 2011

	School Fund
ASSETS	
Cash and Cash Equivalents	\$ 5,943,367
Cash Held for Others	13,176
Due from Other Governmental Units	2,838,648
Prepaid expenses	385,004
Total Assets	\$ 9,180,195
LIABILITIES AND FUND BALANCES	
Liabilities	
Accounts Payable	\$ 750,833
Accrued wages payable	3,521,001
Due to Primary Government	2,831,075
Amounts held for others	13,176
Total Liabilities	\$ 7,116,085
Fund Balances:	
Nonspendable	\$ 385,004
Committed	1,679,106
Total Fund Balances	\$ 2,064,110
Total Liabilities and Fund Balances	\$ 9,180,195
Amounts reported for governmental activities in the Statement of Net Assets (Exhibit 1) are different because:	
Total fund balances - per above	\$ 2,064,110
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	21,094,529
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds	(5,272,665)
Net assets of governmental activities - component unit school board	\$ 17,885,974

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, 2011

	<u>School Fund</u>
REVENUES	
Revenue from Use of Money and Property	\$ 20,220
Charges for Services	976,072
Miscellaneous	753,335
Recovered Costs	430,063
Intergovernmental Revenues:	
Local Government	11,673,844
Commonwealth	34,500,873
Federal Government	8,757,069
Total Revenues	<u>\$ 57,111,476</u>
EXPENDITURES:	
Current:	
Education	\$ 56,022,561
Capital Projects	539,988
Debt Service:	
Principal Retirement	437,062
Interest and Other Fiscal Charges	189,114
Total Expenditures	<u>\$ 57,188,725</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ <u>(77,249)</u>
Other Financing Sources (Uses)	
Transfers In	\$ 395,848
Transfers Out	<u>(395,848)</u>
Total Other Financing Sources (Uses)	<u>\$ -</u>
Net Change in Fund Balance	\$ (77,249)
Fund Balance - Beginning	2,141,359
Fund Balance - Ending	<u>\$ 2,064,110</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	\$ (77,249)
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.	(532,083)
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.	437,062
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.	(244,300)
Change in net assets of governmental funds - component unit school board	<u>\$ (416,570)</u>

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, 2011

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Pos (Neg)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Revenue from Use of Money and Property	\$ 8,768	\$ 8,768	\$ 20,220	\$ 11,452
Charges for Services	979,500	979,500	976,072	(3,428)
Miscellaneous	163,000	163,000	753,335	590,335
Recovered Costs	175,000	175,000	430,063	255,063
Intergovernmental Revenues:				
Local Government	12,182,812	12,182,812	11,673,844	(508,968)
Commonwealth	36,039,254	36,039,254	34,500,873	(1,538,381)
Federal Government	8,947,044	8,947,044	8,757,069	(189,975)
Total Revenues	<u>\$ 58,495,378</u>	<u>\$ 58,495,378</u>	<u>\$ 57,111,476</u>	<u>\$ (1,383,902)</u>
EXPENDITURES:				
Current:				
Education	\$ 59,532,776	\$ 59,532,776	\$ 56,022,561	\$ 3,510,215
Capital Projects	-	-	539,988	(539,988)
Debt Service:				
Principal Retirement	1,938,449	1,938,449	437,062	1,501,387
Interest and Other Fiscal Charges	-	-	189,114	(189,114)
Total Expenditures	<u>\$ 61,471,225</u>	<u>\$ 61,471,225</u>	<u>\$ 57,188,725</u>	<u>\$ 4,282,500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (2,975,847)</u>	<u>\$ (2,975,847)</u>	<u>\$ (77,249)</u>	<u>\$ 2,898,598</u>
Other Financing Sources (Uses)				
Transfers In	\$ 310,000	\$ 310,000	\$ 395,848	\$ 85,848
Transfers Out	(310,000)	(310,000)	(395,848)	(85,848)
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Change in Fund Balance	<u>\$ (2,975,847)</u>	<u>\$ (2,975,847)</u>	<u>\$ (77,249)</u>	<u>\$ 2,898,598</u>
Fund Balance - Beginning	(4,887,999)	(4,887,999)	2,141,359	7,029,358
Fund Balance - Ending	<u>\$ (7,863,846)</u>	<u>\$ (7,863,846)</u>	<u>\$ 2,064,110</u>	<u>\$ 9,927,956</u>

Supporting Schedules

County of Tazewell, Virginia
Schedule of Revenues-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2011

<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	\$ 12,577,615	\$ 12,577,615	\$ 13,700,346	\$ 1,122,731
Real and personal public service corporation taxes	895,900	895,900	893,654	(2,246)
Personal property taxes	6,000,000	6,000,000	5,138,990	(861,010)
Mobile home taxes	155,000	155,000	177,871	22,871
Machinery and tools taxes	900,000	900,000	1,207,077	307,077
Merchant's capital taxes	996,000	996,000	976,552	(19,448)
Penalties	295,000	295,000	322,793	27,793
Interest	155,000	155,000	163,453	8,453
Total General Property Taxes	<u>\$ 21,974,515</u>	<u>\$ 21,974,515</u>	<u>\$ 22,580,736</u>	<u>\$ 606,221</u>
Other Local Taxes:				
Local sales and use taxes	\$ 4,950,000	\$ 4,950,000	\$ 4,998,718	\$ 48,718
Consumers' utility taxes	900,000	900,000	760,681	(139,319)
Franchise license taxes	200,000	200,000	139,331	(60,669)
Utility license taxes	30,000	30,000	33,485	3,485
Motor vehicle licenses	36,000	36,000	33,079	(2,921)
Bank franchise taxes	44,800	44,800	41,331	(3,469)
Taxes on recordation and wills	250,000	250,000	316,945	66,945
Coal severance taxes	1,000,000	1,000,000	1,548,262	548,262
Total Other Local Taxes	<u>\$ 7,410,800</u>	<u>\$ 7,410,800</u>	<u>\$ 7,871,832</u>	<u>\$ 461,032</u>
Permits, Privilege Fees and Regulatory Licenses:				
Animal licenses	\$ 3,785	\$ 3,785	\$ 8,896	\$ 5,111
Land use application fees	500	500	394	(106)
Transfer fees	1,500	1,500	1,250	(250)
Zoning and subdivision permits	-	-	1,366	1,366
Legal service fees	15,000	15,000	53,320	38,320
Transient fee	192,500	192,500	202,777	10,277
Cavitts Creek camping fee	12,500	12,500	14,910	2,410
Collection fees	1,000	1,000	2,065	1,065
Building permits	90,000	90,000	69,483	(20,517)
Installment service fees	10,000	10,000	9,864	(136)
Return check fees	1,000	1,000	1,079	79
Junk dealers license	2,400	2,400	3,300	900
Other permits and licenses	-	2,860	18,469	15,609
Total Permits, Privilege Fees and Regulatory Licenses	<u>\$ 330,185</u>	<u>\$ 333,045</u>	<u>\$ 387,173</u>	<u>\$ 54,128</u>
Fines and Forfeitures:				
Court fines and forfeitures	\$ 25,000	\$ 25,000	\$ 36,612	\$ 11,612
Total Fines and Forfeitures	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 36,612</u>	<u>\$ 11,612</u>
Revenue from Use of Money and Property:				
Revenue from use of money	\$ 250,000	\$ 250,000	\$ 97,588	\$ (152,412)
Revenue from use of property	432,629	432,629	468,454	35,825
Total Revenue from Use of Money and Property	<u>\$ 682,629</u>	<u>\$ 682,629</u>	<u>\$ 566,042</u>	<u>\$ (116,587)</u>
Charges for Services:				
Commonwealth attorney fees	\$ 3,500	\$ 3,500	\$ 4,877	\$ 1,377
Courthouse maintenance fees	12,500	12,500	12,006	(494)
Courthouse security fees	57,500	57,500	86,106	28,606
Library fees	25,000	43,090	42,977	(113)
Sheriff special project fees	-	-	3,743	3,743
Gun permit fees	-	-	20,312	20,312
County garage service fees	175,000	175,000	170,593	(4,407)
Other fees	500	500	7,624	7,124
Total Charges for Services	<u>\$ 274,000</u>	<u>\$ 292,090</u>	<u>\$ 348,238</u>	<u>\$ 56,148</u>

County of Tazewell, Virginia
Schedule of Revenues-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2011

<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	\$ 492,950	\$ 82,663	\$ (410,287)
Expenditure refunds	-	15,099	206,053	190,954
Total Miscellaneous	<u>\$ 570,000</u>	<u>\$ 508,049</u>	<u>\$ 288,716</u>	<u>\$ (219,333)</u>
Recovered Costs:				
Library	\$ 15,000	\$ 15,000	\$ 15,008	\$ 8
Administrator's salary	36,608	36,608	36,023	(585)
Health department	-	-	2,128	2,128
Welfare recoveries	95,000	95,000	14,140	(80,860)
Sherriff	3,743	3,743	-	(3,743)
Insurance recoveries	78,647	112,004	129,261	17,257
Total Recovered Costs	<u>\$ 228,998</u>	<u>\$ 262,355</u>	<u>\$ 196,560</u>	<u>\$ (65,795)</u>
Total Revenue from Local Sources	<u>\$ 31,496,127</u>	<u>\$ 31,488,483</u>	<u>\$ 32,275,909</u>	<u>\$ 787,426</u>
Intergovernmental Revenues:				
Revenue from the Commonwealth:				
Non-categorical Aid:				
Mobile home titling tax	\$ 99,446	\$ 99,446	\$ 104,329	\$ 4,883
Motor vehicle rental tax	20,000	20,000	45,588	25,588
Rolling stock tax	90,000	90,000	97,636	7,636
Personal property tax relief funds	-	-	2,758,262	2,758,262
Total Non-categorical Aid	<u>\$ 209,446</u>	<u>\$ 209,446</u>	<u>\$ 3,005,815</u>	<u>\$ 2,796,369</u>
Categorical Aid:				
Shared Expenses:				
Commonwealth's Attorney	\$ 649,250	\$ 649,250	\$ 638,764	\$ (10,486)
Sheriff	1,760,028	1,767,672	1,713,222	(54,450)
Commissioner of the Revenue	141,621	141,621	139,988	(1,633)
Treasurer	160,494	160,494	153,708	(6,786)
Registrar/Electoral Board	55,000	55,000	43,128	(11,872)
Clerk of the Circuit Court	430,772	430,772	451,784	21,012
Total Shared Expenses	<u>\$ 3,197,165</u>	<u>\$ 3,204,809</u>	<u>\$ 3,140,594</u>	<u>\$ (64,215)</u>
Other Categorical Aid:				
Public assistance and welfare administration	\$ 2,808,321	\$ 2,808,321	\$ 2,436,110	\$ (372,211)
Arts grant	5,000	5,000	5,000	-
Fire programs	81,785	81,785	85,594	3,809
Library grant	149,022	149,022	149,135	113
Emergency medical services	-	-	40,749	40,749
At risk youth and family	1,823,300	1,823,300	1,541,928	(281,372)
Litter control	11,750	11,750	10,521	(1,229)
Community Correction Services	125,196	125,196	125,196	-
Department of Labor grant	555,195	555,195	-	(555,195)
Virginia domestic violence	40,000	40,000	40,000	-
Community connect grant	855,000	855,000	-	(855,000)
Victim witness grant	93,948	93,948	23,487	(70,461)
Justice assistance grant	33,231	33,231	-	(33,231)
Other categorical aid	38,199	38,199	3,019	(35,180)
Total Other Categorical Aid	<u>\$ 6,619,947</u>	<u>\$ 6,619,947</u>	<u>\$ 4,460,739</u>	<u>\$ (2,159,208)</u>

County of Tazewell, Virginia
Schedule of Revenues-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2011

<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	\$ 10,026,558	\$ 10,034,202	\$ 10,607,148	\$ 572,946
Revenue from the Federal Government:				
Non-categorical Aid:				
Payment in lieu of taxes	\$ 10,000	\$ 10,000	\$ 9,751	\$ (249)
Categorical Aid:				
Public assistance and welfare administration	\$ 3,489,259	\$ 3,489,259	\$ 3,018,010	\$ (471,249)
Workforce investment	1,433,996	1,433,996	1,212,888	(221,108)
Emergency preparedness	7,192	7,192	44,518	37,326
Victim witness	-	-	70,461	70,461
V-Stop	24,778	24,778	13,792	(10,986)
FEMA	-	-	3,131	3,131
Total Categorical Aid	\$ 4,955,225	\$ 4,955,225	\$ 4,362,800	\$ (592,425)
Total Revenue from the Federal Government	\$ 4,965,225	\$ 4,965,225	\$ 4,372,551	\$ (592,674)
Total General Fund	\$ 46,487,910	\$ 46,487,910	\$ 47,255,608	\$ 767,698
Non-major Special Revenue Funds:				
Law Library				
Revenue from Local Sources:				
Charges for Services:				
Law library fees	\$ 17,500	\$ 17,500	\$ 15,271	\$ (2,229)
Total Law Library Fund	\$ 17,500	\$ 17,500	\$ 15,271	\$ (2,229)
Coal Road Improvement Fund				
Revenue from Local Sources:				
Other Local Taxes:				
Coal road tax	\$ 725,000	\$ 725,000	\$ 985,897	\$ 260,897
Miscellaneous:				
Miscellaneous	\$ 335,604	\$ 335,604	\$ -	\$ (335,604)
Total Revenue from Local Sources	\$ 1,060,604	\$ 1,060,604	\$ 985,897	\$ (74,707)
Total Coal Road Improvement Fund	\$ 1,060,604	\$ 1,060,604	\$ 985,897	\$ (74,707)
Coal Road Economic Development Fund				
Revenue from Local Sources:				
Other Local Taxes:				
Coal road tax	\$ 500,000	\$ 500,000	\$ 562,363	\$ 62,363
Total Coal Road Economic Development Fund	\$ 500,000	\$ 500,000	\$ 562,363	\$ 62,363

County of Tazewell, Virginia
Schedule of Revenues-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2011

<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	\$ 463,608	\$ 463,608	\$ 689,030	\$ 225,422
Total Revenue from Local Sources	\$ 463,608	\$ 463,608	\$ 689,030	\$ 225,422
Intergovernmental Revenues:				
Revenue from the Commonwealth:				
Categorical Aid:				
Other grant revenues	\$ -	\$ -	\$ 368,390	\$ 368,390
Revenue from the Federal Government:				
Categorical Aid:				
Other grant revenues	\$ 1,907,866	\$ 1,907,866	\$ 355,063	\$ (1,552,803)
Total E-911 Fund	\$ 2,371,474	\$ 2,371,474	\$ 1,412,483	\$ (958,991)
Total Non-Major Special Revenue Funds	\$ 3,949,578	\$ 3,949,578	\$ 2,976,014	\$ (973,564)
Major Capital Projects Fund:				
County CIP Fund:				
Revenue from Local Sources:				
Revenue from Use of Money and Property:				
Revenue from use of money	\$ -	\$ -	\$ 19	\$ 19
Total Revenue from Local Sources	\$ -	\$ -	\$ 19	\$ 19
Intergovernmental Revenues:				
Revenue from the Commonwealth:				
Categorical Aid:				
Other Categorical Aid:				
GOF incentives	\$ 400,000	\$ 400,000	\$ -	\$ (400,000)
TROF incentives	400,000	400,000	-	(400,000)
Kersey Road reimbursements	25,000	25,000	-	(25,000)
Ceramic technology	36,355	36,355	36,355	-
Bluestone workforce training center	2,041,000	2,041,000	1,704,851	(336,149)
Bluestone TROF incentives	2,000,000	2,000,000	-	(2,000,000)
Total Other Categorical Aid	\$ 4,902,355	\$ 4,902,355	\$ 1,741,206	\$ (3,161,149)
Total Revenue from the Commonwealth	\$ 4,902,355	\$ 4,902,355	\$ 1,741,206	\$ (3,161,149)
Revenue from the Federal Government:				
Categorical Aid:				
Transportation enhancement grant	\$ 509,840	\$ 509,840	\$ 41,493	\$ (468,347)
Total County CIP Fund	\$ 5,412,195	\$ 5,412,195	\$ 1,782,718	\$ (3,629,477)
Total Primary Government	\$ 55,849,683	\$ 55,849,683	\$ 52,014,340	\$ (3,835,343)

County of Tazewell, Virginia
Schedule of Revenues-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2011

<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:				
Major Special Revenue Fund:				
School Operating Fund:				
Revenue from Local Sources:				
Revenue from Use of Money and Property:				
Revenue from use of money and property	\$ 8,768	\$ 8,768	\$ 20,220	\$ 11,452
Charges for Services:				
Tuition	\$ 28,500	\$ 28,500	\$ 52,526	\$ 24,026
Cafeteria sales	950,000	950,000	921,989	(28,011)
Charges for damaged books	1,000	1,000	1,557	557
Total Charges for Services	\$ 979,500	\$ 979,500	\$ 976,072	\$ (3,428)
Miscellaneous:				
Miscellaneous	\$ 163,000	\$ 163,000	\$ 753,335	\$ 590,335
Recovered Costs:				
Other recoveries	\$ 175,000	\$ 175,000	\$ 430,063	\$ 255,063
Total Revenue from Local Sources	\$ 1,326,268	\$ 1,326,268	\$ 2,179,690	\$ 853,422
Intergovernmental Revenues:				
Revenue from Local Governments:				
Contribution from the County of Tazewell	\$ 12,182,812	\$ 12,182,812	\$ 11,673,844	\$ (508,968)
Revenue from the Commonwealth:				
Categorical Aid:				
Categorical Aid:				
At risk four-year olds	\$ 351,608	\$ 351,608	\$ 351,608	\$ -
At risk payments	642,322	642,322	629,538	(12,784)
Basic school aid	20,818,488	20,818,488	19,269,574	(1,548,914)
Composite Index Trans	689,505	689,505	650,056	(39,449)
ESL	15,816	15,816	15,816	-
GED funding	23,576	23,576	23,576	-
Gifted and talented children	222,120	222,120	217,691	(4,429)
Mentor teaching program	-	-	4,270	4,270
Reading intervention	105,006	105,006	95,875	(9,131)
Reduced K-3 classroom	871,926	871,926	874,142	2,216
Remedial education	686,104	686,104	672,423	(13,681)
Remedial summer education	19,958	19,958	15,484	(4,474)
School food	45,284	45,284	37,584	(7,700)
Share of fringe benefits	2,157,034	2,157,034	2,114,021	(43,013)
Share of state sales tax	4,876,998	4,876,998	5,076,366	199,368
Special education - SOQ	2,838,408	2,838,408	2,654,591	(183,817)
Special education - homebound	-	-	84,978	84,978
Standards of learning algebra readiness	86,620	86,620	88,789	2,169
Textbook payment	259,337	259,337	254,166	(5,171)
Teacher training	-	-	10,000	10,000
Technology assistance	440,000	440,000	466,000	26,000
Vocational education - SOQ	829,249	829,249	812,713	(16,536)
Vocational education - equipment	-	-	12,105	12,105
Vocational education - adult	-	-	9,541	9,541
Vocational education occup/tech	54,239	54,239	40,151	(14,088)
Other state payments	5,656	5,656	19,815	14,159
Total Categorical Aid	\$ 36,039,254	\$ 36,039,254	\$ 34,500,873	\$ (1,538,381)
Total Revenue from the Commonwealth	\$ 36,039,254	\$ 36,039,254	\$ 34,500,873	\$ (1,538,381)

County of Tazewell, Virginia
Schedule of Revenues-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2011

<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 Federal Government:				
Categorical Aid:				
Forest reserve funds	\$ 10,000	\$ 10,000	\$ 13,456	\$ 3,456
Adult basic education	51,702	51,702	-	(51,702)
Education Jobs	395,129	395,129	395,129	-
Title I	1,808,050	1,808,050	1,417,533	(390,517)
Title I, Recovery Act	1,057,817	1,057,817	741,762	(316,055)
Title I, State Academic	-	-	22,262	22,262
Title II, A Staff training	225,000	225,000	890,950	665,950
Title II, A CSR	225,000	225,000	1,728	(223,272)
Title II, Part D	17,978	17,978	-	(17,978)
Title VI-B	1,571,751	1,571,751	1,308,993	(262,758)
Title VI-B, Recovery Act	1,643,802	1,643,802	272,875	(1,370,927)
Vocational education	145,000	145,000	170,702	25,702
Title VI-B-2	-	-	164,448	164,448
Drug free schools	34,000	34,000	27,141	(6,859)
Reading first	32,009	32,009	99,059	67,050
State fiscal stabilization fund	306,369	306,369	1,330,800	1,024,431
School improvement	-	-	24,691	24,691
School lunch	1,257,437	1,257,437	1,861,141	603,704
School food direct	-	-	14,399	14,399
School reform	166,000	166,000	-	(166,000)
Total Categorical Aid	<u>\$ 8,947,044</u>	<u>\$ 8,947,044</u>	<u>\$ 8,757,069</u>	<u>\$ (189,975)</u>
Total Revenue from the Federal Government	<u>\$ 8,947,044</u>	<u>\$ 8,947,044</u>	<u>\$ 8,757,069</u>	<u>\$ (189,975)</u>
Total Discretely Presented Component Unit-School Board	<u>\$ 58,495,378</u>	<u>\$ 58,495,378</u>	<u>\$ 57,111,476</u>	<u>\$ (1,383,902)</u>

County of Tazewell, Virginia
Schedule of Expenditures-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2011

<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	\$ 117,257	\$ 122,142	\$ 112,450	\$ 9,692
General and Financial Administration:				
County administrator	\$ 225,177	\$ 239,521	\$ 233,549	\$ 5,972
Legal services	169,894	180,989	180,405	584
Economic development	273,317	231,212	229,893	1,319
Commissioner of revenue	528,050	540,368	535,234	5,134
Reassessment	275,000	154,605	86,627	67,978
Treasurer	570,804	583,591	591,863	(8,272)
Finance office	200,097	230,560	225,633	4,927
Administration services	204,747	205,019	195,959	9,060
County garage	253,964	317,399	321,439	(4,040)
Information technology	1,193,391	1,199,750	976,457	223,293
Workforce consortium	2,045,590	2,048,886	1,143,503	905,383
Transit system	78,625	78,625	72,000	6,625
Total General and Financial Administration	\$ 6,018,656	\$ 6,010,525	\$ 4,792,562	\$ 1,217,963
Board of Elections:				
Electoral Board	\$ 77,250	\$ 77,250	\$ 53,010	\$ 24,240
Registrar	123,889	126,370	121,075	5,295
Total Board of Elections	\$ 201,139	\$ 203,620	\$ 174,085	\$ 29,535
Total General Government Administration	\$ 6,337,052	\$ 6,336,287	\$ 5,079,097	\$ 1,257,190
Judicial Administration:				
Courts:				
Clerk of the Circuit Court	\$ 698,452	\$ 710,574	\$ 709,742	\$ 832
Circuit court	100,295	102,044	108,748	(6,704)
District court	11,500	13,348	12,754	594
Magistrate	6,075	5,385	5,479	(94)
Victim's witness assistance	125,106	127,645	125,343	2,302
V - stop	39,136	39,992	39,719	273
Juvenile and domestic relations court	6,900	6,742	6,584	158
Total Courts	\$ 987,464	\$ 1,005,730	\$ 1,008,369	\$ (2,639)
Commonwealth's Attorney:				
Commonwealth's attorney	\$ 1,097,791	\$ 1,138,176	\$ 1,324,487	\$ (186,311)
Total Judicial Administration	\$ 2,085,255	\$ 2,143,906	\$ 2,332,856	\$ (188,950)
Public Safety				
Law Enforcement and Traffic Control:				
Sheriff	\$ 3,457,095	\$ 3,570,056	\$ 3,512,232	\$ 57,824
DARE program	10,046	10,646	12,008	(1,362)
Total Law Enforcement and Traffic Control	\$ 3,467,141	\$ 3,580,702	\$ 3,524,240	\$ 56,462
Fire and Rescue Services:				
Volunteer fire departments	\$ 486,151	\$ 477,856	\$ 401,380	\$ 76,476
Volunteer rescue squads	173,074	182,325	156,010	26,315
Total Fire and Rescue Services	\$ 659,225	\$ 660,181	\$ 557,390	\$ 102,791
Correction and Detention:				
Jail	\$ 3,397,690	\$ 3,402,640	\$ 3,402,639	\$ 1
Probation office	428,000	433,376	433,526	(150)
Youth and family services	2,420,250	2,420,250	2,069,877	350,373
Special police	189,193	241,488	237,660	3,828
Total Correction and Detention	\$ 6,435,133	\$ 6,497,754	\$ 6,143,702	\$ 354,052

County of Tazewell, Virginia
Schedule of Expenditures-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2011

<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	\$ 418,820	\$ 418,820	\$ 397,680	\$ 21,140
Emergency services	74,578	103,458	103,722	(264)
Animal control	122,510	125,874	118,527	7,347
Building inspection	159,043	168,159	168,448	(289)
Property maintenance	75,000	51,092	47,808	3,284
Forestry service	20,000	20,000	19,860	140
Total Other Protection	<u>\$ 869,951</u>	<u>\$ 887,403</u>	<u>\$ 856,045</u>	<u>\$ 31,358</u>
Total Public Safety	<u>\$ 11,431,450</u>	<u>\$ 11,626,040</u>	<u>\$ 11,081,377</u>	<u>\$ 544,663</u>
Public Works:				
Maintenance of Streets, Highways, and Bridges:				
Orphan Road upgrading	<u>\$ 261,504</u>	<u>\$ 255,933</u>	<u>\$ 54,918</u>	<u>\$ 201,015</u>
Sanitation and Waste Removal:				
Transfer station	\$ 676,094	\$ 820,302	\$ 827,603	\$ (7,301)
Landfill	400,000	400,000	32,000	368,000
Contribution to PSA	174,922	174,922	174,922	-
Total Sanitation and Waste Removal	<u>\$ 1,251,016</u>	<u>\$ 1,395,224</u>	<u>\$ 1,034,525</u>	<u>\$ 360,699</u>
Maintenance of General Building and Grounds:				
General properties	\$ 2,776,209	\$ 2,768,547	\$ 2,614,666	\$ 153,881
Fairgrounds operations	43,700	57,614	58,844	(1,230)
Total Maintenance of General Buildings and Grounds	<u>\$ 2,819,909</u>	<u>\$ 2,826,161</u>	<u>\$ 2,673,510</u>	<u>\$ 152,651</u>
Total Public Works	<u>\$ 4,332,429</u>	<u>\$ 4,477,318</u>	<u>\$ 3,762,953</u>	<u>\$ 714,365</u>
Health and Welfare:				
Health:				
Supplement of Local Health Department	<u>\$ 433,933</u>	<u>\$ 438,438</u>	<u>\$ 438,438</u>	<u>\$ -</u>
Mental health and mental Retardation:				
Chapter X board	<u>\$ 60,000</u>	<u>\$ 60,000</u>	<u>\$ 60,000</u>	<u>\$ -</u>
Welfare:				
Public Assistance	\$ 3,576,278	\$ 3,576,278	\$ 3,582,785	\$ (6,507)
Welfare Administration	3,814,736	3,814,736	3,821,677	(6,941)
Total Welfare	<u>\$ 7,391,014</u>	<u>\$ 7,391,014</u>	<u>\$ 7,404,462</u>	<u>\$ (13,448)</u>
Total Health and Welfare	<u>\$ 7,884,947</u>	<u>\$ 7,889,452</u>	<u>\$ 7,902,900</u>	<u>\$ (13,448)</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	11,673,844	508,968
Total Education	<u>\$ 12,242,812</u>	<u>\$ 12,242,812</u>	<u>\$ 11,733,844</u>	<u>\$ 508,968</u>
Parks, Recreational and Cultural:				
Parks and Recreation:				
Youth sports activities	\$ 40,500	\$ 42,719	\$ 26,931	\$ 15,788
Tazewell recreation department	143,812	145,233	149,864	(4,631)
Museums	98,667	115,334	113,747	1,587
Total Parks and Recreation	<u>\$ 282,979</u>	<u>\$ 303,286</u>	<u>\$ 290,542</u>	<u>\$ 12,744</u>
Library:				
Library Administration	<u>\$ 955,675</u>	<u>\$ 985,273</u>	<u>\$ 936,839</u>	<u>\$ 48,434</u>
Total Parks, Recreation and Cultural	<u>\$ 1,238,654</u>	<u>\$ 1,288,559</u>	<u>\$ 1,227,381</u>	<u>\$ 61,178</u>

County of Tazewell, Virginia
Schedule of Expenditures-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2011

<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	\$ 53,021	\$ 179
Tourism	84,217	85,116	80,740	4,376
Planning and engineering	362,479	386,348	277,791	108,557
Contribution to Airport	120,755	120,755	121,743	(988)
Contribution to IDA	44,036	44,036	44,036	-
Total Planning and Community Development	<u>\$ 664,687</u>	<u>\$ 689,455</u>	<u>\$ 577,331</u>	<u>\$ 112,124</u>
Cooperative Extension Program:				
VPI extension	\$ 101,949	\$ 101,949	\$ 100,716	\$ 1,233
Total Community Development	<u>\$ 766,636</u>	<u>\$ 791,404</u>	<u>\$ 678,047</u>	<u>\$ 113,357</u>
Non-departmental:				
District funds	\$ 317,013	\$ 332,528	\$ 267,901	\$ 64,627
Employee benefits	230,000	25,878	-	25,878
Contingent expenditures	700,000	622,694	282,711	339,983
Hospitalization - retirees	181,116	181,116	177,982	3,134
Total Non-departmental	<u>\$ 1,428,129</u>	<u>\$ 1,162,216</u>	<u>\$ 728,594</u>	<u>\$ 433,622</u>
Debt Service:				
Principal retirement	\$ -	\$ -	\$ 764,330	\$ (764,330)
Interest	-	-	469,109	(469,109)
Total Debt Service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,233,439</u>	<u>\$ (1,233,439)</u>
Capital Projects:				
Contingent expenditures	\$ 250,000	\$ 8,000	\$ 8,000	-
Total General Fund	<u>\$ 47,997,364</u>	<u>\$ 47,965,994</u>	<u>\$ 45,768,488</u>	<u>\$ 2,197,506</u>
Non-Major Special Revenue Funds:				
Law Library Fund:				
Judicial Administration:				
Courts:				
Law library	\$ 17,500	\$ 17,500	\$ 1,200	\$ 16,300
Coal Road Improvement Fund:				
Public Works:				
Maintenance of Highways, streets, bridges, and sidewalks	\$ 1,075,945	\$ 1,092,301	\$ 85,021	\$ 1,007,280
Total Public Works	<u>\$ 1,075,945</u>	<u>\$ 1,092,301</u>	<u>\$ 85,021</u>	<u>\$ 1,007,280</u>
Coal Road Economic Development Fund:				
Public Works:				
Economic development	\$ 500,000	\$ 500,000	\$ 544,290	\$ (44,290)
E-911 Fund:				
Other Protection:				
Public safety	\$ 2,966,672	\$ 2,974,047	\$ 1,448,007	\$ 1,526,040
Damage Stamp Fund:				
Other Protection:				
Animal control	\$ -	\$ -	\$ 143	\$ (143)
Total Non-major Special Revenue Funds	<u>\$ 4,560,117</u>	<u>\$ 4,583,848</u>	<u>\$ 2,078,661</u>	<u>\$ 2,505,187</u>

County of Tazewell, Virginia
Schedule of Expenditures-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2011

<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	\$ 787,671	\$ -
Community Development:				
Contributions to the Industrial Development Authority	\$ 5,138,970	\$ 5,138,970	\$ 5,981,952	\$ (842,982)
Total Community Development	\$ 5,138,970	\$ 5,138,970	\$ 5,981,952	\$ (842,982)
Capital Projects:				
County capital project	\$ 500,000	\$ 325,000	\$ 13,612	\$ 311,388
Cavits creek permit update	595,628	595,628	32,732	562,896
Courthouse parking	190,000	190,000	5,100	184,900
New garage	43,200	43,200	39,681	3,519
GOF incentives	142,500	142,500	-	142,500
TROF Incentives	400,000	400,000	-	400,000
Recreation authority	400,000	400,000	-	400,000
Courthouse HVAC	800,000	800,000	19,446	780,554
Sheriffs dept/911 remodel	-	175,000	114,284	60,716
Total Capital Projects	\$ 3,071,328	\$ 3,071,328	\$ 224,855	\$ 2,846,473
Total County CIP Fund	\$ 8,997,969	\$ 8,997,969	\$ 6,994,478	\$ 2,003,491
Total Primary Government	\$ 61,555,450	\$ 61,547,811	\$ 54,841,627	\$ 6,706,184
Discretely Presented Component Unit-School Board:				
Major Special Revenue Fund:				
School Operating Fund:				
Education:				
Administration of schools:				
Administration, health and attendance	\$ 1,765,119	\$ 1,765,119	\$ 1,827,576	\$ (62,457)
Cafeteria operation	3,056,589	3,056,589	2,958,762	97,827
Total Administration of school	\$ 4,821,708	\$ 4,821,708	\$ 4,786,338	\$ 35,370
Instructional:				
Instruction	\$ 45,561,182	\$ 45,561,182	\$ 43,050,411	\$ 2,510,771
Other operating costs				
Pupil transportation	\$ 3,621,387	\$ 3,621,387	\$ 3,218,748	\$ 402,639
Operation and maintenance of school plant	5,528,499	5,528,499	4,967,064	561,435
Total other operating costs	\$ 9,149,886	\$ 9,149,886	\$ 8,185,812	\$ 964,074
Total Education	\$ 59,532,776	\$ 59,532,776	\$ 56,022,561	\$ 3,510,215
Debt Service:				
Principal retirement	\$ 1,938,449	\$ 1,938,449	\$ 437,062	\$ 1,501,387
Interest and fiscal charges	-	-	189,114	(189,114)
Total Debt Service	\$ 1,938,449	\$ 1,938,449	\$ 626,176	\$ 1,312,273
Capital Projects				
Capital Outlay	\$ -	\$ -	\$ 539,988	\$ (539,988)
Total School Operating Fund	\$ 61,471,225	\$ 61,471,225	\$ 57,188,725	\$ 4,822,488
Total Discretely Presented Component Unit-School Board	\$ 61,471,225	\$ 61,471,225	\$ 57,188,725	\$ 4,822,488

Statistical Information

Table 1

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	\$ 3,629,189	\$ 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	10,920,739	992,083	549,469	385,169	2,129,692	287,469	-	36,097,628
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	-	41,668,488
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	250,501	235,624	189,386	-	41,920,202
2007-08	4,493,767	2,315,448	11,261,101	3,691,063	7,133,235	12,009,617	1,166,824	3,799,582	-	-	163,250	1,515,866	47,551,753
2008-09	4,170,651	2,415,913	11,793,711	5,111,308	6,399,621	15,922,682	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
2010-11	5,765,264	2,364,875	12,226,338	5,170,568	7,935,398	12,498,174	913,988	6,706,909	-	-	397,317	1,359,364	55,358,165

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

Table 2

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

Fiscal Year	Program Revenues				General Revenues					Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs	
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
2010-11	1,350,543	14,470,285	-	-	22,434,132	10,109,122	566,080	572,960	3,015,566	52,618,688

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

Table 3

County of Tazewell, Virginia
General Governmental Expenditures by Function (1)
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
2001-02	\$ 1,942,207	\$ 1,115,278	\$ 6,841,007	\$ 1,478,477	\$ 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	282,888	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	395,593	2,765,385	1,126,527	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	8,158,257	2,574,988	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	1,830,751	10,290,184	3,095,064	6,709,896	59,925,486	1,210,973	735,022	304,440	439,728	966,987	86,608,936
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	109,670,106
2009-10	4,090,059	2,226,553	11,966,126	5,214,198	6,560,999	59,043,332	1,264,793	2,254,077	477,479	4,178,516	1,731,903	99,950,035
2010-11	5,079,087	2,334,056	12,529,527	5,179,935	7,802,900	56,082,561	1,227,381	6,659,999	728,594	772,843	1,859,615	100,356,508

(1) 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
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	64,353,320	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
2010-11	22,580,736	10,109,122	387,173	36,612	586,281	1,339,581	1,042,051	626,623	60,743,793	97,451,972

(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
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%
2010-11	23,879,022	22,772,442	95.37%	757,589	23,530,031	98.54%	1,106,580	4.63%

(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
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
2010-11	2,287,048,300	410,218,953	60,574,600	21,779,750	151,502,180	2,931,123,783

(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		Public Service Personal Property
	\$	\$						
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	
2010-11		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		Net Bonded Debt per Capita
				General Obligation Bonded Debt to Assessed Value	General Obligation Bonded Debt to Assessed Value	
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
2010-11	45,078	2,931,123,783	10,028,765	0.34%		222

(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 Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
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%
2010-11	764,330	469,109	1,233,439	100,356,508	1.23%

(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, 2011, which collectively comprise the County of Tazewell's basic financial statements and have issued our report thereon dated December 30, 2011. 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 2011-1). 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 December 30, 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, Fauner, Co. Associates

Blacksburg, Virginia
December 30, 2011

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Independent Auditors' 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

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, 2011. 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, 2011.

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, Turner, Cox Associates

Blacksburg, Virginia
December 30, 2011

County of Tazewell, Virginia
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2011

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	\$ 7,705
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	616,513
Refugee and Entrant Assistance - State Administered Programs	93.566	90113, 90233, 90413, 90713	1,026
Low-Income Home Energy Assistance	93.568	90114, 90115, 90234, 90235	39,436
Child Care and Development Fund Cluster:			
Child Care and Development Block Grant	93.575	90544, 90545, 90547	112,975
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	135,078
ARRA- Child Care and Development Block Grant	93.713	90544, 90545, 90547 90236, 90237, 90238, 90239 90378, 90540, 90517, 90529	11,412
Chafea Education and Training Vouchers Program			
Child Welfare Services-State Grants	93.599	90353	8,721
Foster Care - Title IV-E	93.645	90251	2,436
	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	\$ 490,164
ARRA - Foster Care - Title IV-E	93.658	90636, 90637, 90639, 90658	22,504
Adoption Assistance	93.659	90108, 90214, 90228, 90408 90606, 90607, 90627, 90708	\$ 228,302
ARRA - Adoption Assistance	93.659	90606	15,596
Social Services Block Grant	93.667	90120, 90122, 90123, 90124 90125, 90126, 90240, 90242 90243, 90244, 90245, 90246 90262, 90314, 90335, 90338 90340, 90379	430,719
Chafea Foster Care Independence Program			
Children's Health Insurance Program	93.674	90254, 90356	21,260
Medical Assistance Program	93.767	90102, 90222, 90402, 90702	15,212
	93.778	90101, 90146, 90213, 90221 90266, 90401, 90446, 90701 90746	313,181
Total Department of Health and Human Services			\$ 2,472,240
Department of Agriculture:			
Pass-through Payments:			
Department of Agriculture:			
Child Nutrition Cluster:			
Food Distribution (Note 2)	10.555	40623	\$ 209,042
Department of Education:			
Child Nutrition Cluster:			
National School Lunch Program	10.555		1,321,169 \$
Department of Agriculture:			
Summer Feeding Program	10.559		317
Department of Education:			
Child Nutrition Cluster:			
National School Breakfast Program	10.553	40591	345,012
Schools and Roads - Grants to States	10.665	43841	13,456
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	535,891
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	9,879 \$
Total Department of Agriculture			\$ 2,434,766
Department of Homeland Security:			
Pass-through Payments:			
Department of Emergency Management:			
Emergency Management Performance Grants	97.042	52749	\$ 44,518
Hazard Mitigation Grant	97.039		3,131
Public Safety Interoperable Communications Grant	11.555	52927	355,063
Total Department of Homeland Security			\$ 402,712

County of Tazewell, Virginia
Schedule of Expenditures of Federal Awards (continued)
For the Fiscal Year Ended June 30, 2011

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 Labor: Workforce Investment Act	17.258	53427	\$ 1,212,888
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	13,792
Total Department of Justice:			\$ 84,253
Department of Education: Pass-through Payments: Department of Education: Title I, Part A Cluster: Title I: Grants to Local Educational Agencies ARRA - Title I: Grants to Local Education Agencies	84.010 84.389	42892, 42901 42913	\$ 1,464,486 741,762
Special Education Cluster: Special Education - Grants to States ARRA - Special Education - Grants to States	84.027 84.391	43071 61245	1,308,993 272,875
Career and Technical Education - Basic Grants to States Safe and Drug-Free Schools and Communities - State Grants	84.048 84.186	61095 65011	170,702 27,141
Reading First State Grants Rural Education	84.357 84.358	60885	99,059 164,448
Improving Teacher Quality - State Grants ARRA - State Fiscal Stabilization Fund - Education State Grants	84.367 84.394	61480 62532	892,678 1,330,800
Education Jobs Fund	84.410		395,129
Total Department of Education			\$ 6,868,073
Total Expenditures of Federal Awards			\$ 13,474,932
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, 2011. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, <i>Audits of States, Local Governments, and Non-Profit Organizations</i> . 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, <i>Cost Principles for State, Local, and Indian Tribal Governments</i> , 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			\$ 4,372,551
Less: Payment in lieu of taxes			(9,751)
E911 Fund			355,063
Total Primary Government			\$ 4,717,863
Component Unit Schools:			
School Operating Fund total			\$ 8,757,069
Total federal expenditures per basic financial statements			\$ 13,474,932
Total federal expenditures per the Schedule of Expenditures of Federal Awards			\$ 13,474,932

County of Tazewell, Virginia

Schedule of Findings, Responses and Questioned Costs
Year Ended June 30, 2011

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
84.394	ARRA - State Fiscal Stabilization Fund - Education State Grants
93.575/93.596/93.713	Child Care Cluster
93.667	Social Services Block Grant
93.658	Foster Care/ARRA Foster Care
93.659	Adoption Assistance/ ARRA Adoption Assistance
17.258	Workforce Investment Act
84.410	Education Jobs Fund

Dollar threshold used to distinguish between Type A and Type B programs:	\$404,248
Auditee qualified as low-risk auditee?	No

County of Tazewell, Virginia

Schedule of Findings, Responses and Questioned Costs
Year Ended June 30, 2011

Section II - Financial Statement Findings

 2011-1

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.

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.

Cause of Condition:

The County has historically relied on the auditors for assistance in preparing the financial statements and related adjustments.

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.

Recommendation:

Management should continue to implement and follow review procedures in order to make adjustments in a timely manner.

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 2010-1 from prior year's Schedule of Findings, Responses, and Questioned Costs is recurring.