

COUNTY OF TAZEVELL, VIRGINIA
ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2012

COUNTY OF TAZEWELL, VIRGINIA
ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2012

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		21-64
Required Supplementary Information:		
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual:		
General Fund	11	65
Schedule of Pension and OPEB Funding Progress	12	66

COUNTY OF TAZEWELL, VIRGINIA
ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2012

TABLE OF CONTENTS (CONTINUED)

	<u>Exhibit</u>	<u>Page</u>
Other Supplementary Information:		
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual:		
Major County CIP Fund.....	13	67
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual:		
Non-Major Capital Projects - School Construction Fund	14	68
Combining Statement of Fiduciary Net Assets.....	15	69
Combining Statement of Changes in Fiduciary Net Assets.....	16	70
Discretely Presented Component Unit - School Board:		
Balance Sheet	17	71
Statement of Revenues, Expenditures, and Changes in Fund Balance.....	18	72
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	19	73
Combining Balance Sheet Non-Major Funds.....	20	74
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Funds	21	75
Combining Balance Sheet Non-Major Special Revenue Funds	22	76
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Special Revenue Funds.....	23	77
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual - Non-Major Special Revenue Funds.....	24	78-80
	<u>Schedule</u>	<u>Page</u>
Supporting Schedules:		
Schedule of Revenues - Budget and Actual Governmental Funds	1	81-86
Schedule of Expenditures - Budget and Actual Governmental Funds	2	87-90

STATISTICAL INFORMATION

	<u>Table</u>	<u>Page</u>
Government-Wide Expenses by Function.....	1	91
Government-Wide Revenues	2	92
General Governmental Expenditures by Function	3	93
General Governmental Revenues by Source	4	94
Property Tax Levies and Collections	5	95

COUNTY OF TAZEWELL, VIRGINIA
ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2012

TABLE OF CONTENTS (CONTINUED)

STATISTICAL INFORMATION (Continued)

	<u>Table</u>	<u>Page</u>
Assessed Value of Taxable Property	6	96
Property Tax Rates	7	97
Ratio of Net General Obligation Bonded Debt to Assessed Value And Net General Obligation Debt Per Capita	8	98
Ratio of Annual Debt Service Expenditures for General Bonded Debt To Total General Governmental Expenditures	9	99

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>	100-101
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	102-103
Schedule of Expenditures of Federal Awards.....	104-105
Schedule of Findings and Questioned Costs	106-107

INTRODUCTORY SECTION

COUNTY OF TAZEWELL, VIRGINIA

BOARD OF SUPERVISORS

John Absher, Vice Chair
Dr. Thomas M. Brewster

D. Michael Hymes, Chair

Charles Stacy
Seth White

COUNTY SCHOOL BOARD

Randy Conn, Vice Chairman
Steve Davis

Mike Dennis, Chairman

Brenda Lawson, Superintendent of Schools

James Jones
David Woodard

SOCIAL SERVICES BOARD

Earl Griffith
Charles Thomason

Henry Nickels, Chairman

Bill Stone
Darrell Addison

EX-OFFICIO MEMBERS

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

OTHER OFFICIALS

Commonwealth's AttorneyDennis H. Lee
Commissioner of the RevenueEmma N. Hagy
TreasurerNorman 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, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Tazewell, Virginia's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Tazewell, Virginia, as of June 30, 2012, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 11, 2013, 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, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* 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 schedule 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 schedule 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, other supplementary information, supporting schedules, 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 other supplementary information, supporting 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 section and statistical information 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, Fauner, Co. Associates

Blacksburg, Virginia
January 11, 2013

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, 2012. 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 \$18,697,371 (net assets). Of this amount, \$12,355,961 was considered unrestricted.
- The assets of the County's business-type activities exceeded its liabilities at the close of the fiscal year by \$6,661,766 (net assets).
- The assets of the School Board component unit exceeded its liabilities at the close of the fiscal year by \$19,832,454 (net assets). Of this amount \$1,956,464 was considered unrestricted.
- As of the close of the current fiscal year, the County's funds reported combined ending fund balances of \$14,570,342. Of the amount \$9,825,327 was considered unassigned, \$3,033,197 was considered committed, \$1,637,318 was considered restricted and \$74,500 was considered nonspendable.
- During the year, the County had governmental revenues that were \$665,869 more than expenditures.

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 (a business-type activity) 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 Tazewell Public Service Authority, the Tazewell County 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 classified as one of the following 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 the balance of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financing requirements.

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

of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and 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 is 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 fund; 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 \$25,359,137 at the close of the most recent fiscal year.

The largest portion of the County’s net assets \$11,837,688 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 \$4,108,587, are subject to restrictions on how they may be used. The remaining balance of net assets \$9,412,862 may be used to meet the County’s ongoing obligations.

The following tables summarize the County's Statement of Net Assets and Statement of Activities for 2012 and 2011.

Statement of Net Assets

	Governmental and Business-type Activities 2012	Governmental and Business-type Activities 2011
Current and other assets	\$ 51,568,065	\$ 47,795,399
Capital and other assets	23,360,712	24,291,725
Total assets	\$ 74,928,777	\$ 72,087,124
Current and other liabilities	\$ 30,596,469	\$ 26,946,074
Long-term liabilities	18,973,171	19,177,373
Total Liabilities	\$ 49,569,640	\$ 46,123,447
Net assets:		
Invested in capital assets, net of related debt	\$ 11,837,688	\$ 11,720,686
Restricted	4,108,587	6,399,224
Unrestricted	9,412,862	7,843,767
Total net assets	\$ 25,359,137	\$ 25,963,677

Statement of Activities

	Governmental and Business-type Activities 2012	Governmental and Business-type Activities 2011
Program revenues		
Charges for services	\$ 1,448,420	\$ 1,350,543
Operating grants and contributions	12,554,188	14,470,285
General revenues		
Property taxes	22,432,569	22,434,132
Other taxes	9,840,383	10,109,122
Revenue from use of money and property	508,368	566,080
Miscellaneous	106,179	572,960
Intergovernmental revenues		
Grants and contributions not restricted to specific programs	3,682,169	3,015,566
Total revenues	50,572,276	52,518,688
Expenses		
General government	5,862,984	5,765,264
Judicial administration	2,217,971	2,384,875
Public Safety	12,095,017	12,226,338
Public works	6,260,014	5,170,568
Health and welfare	7,096,754	7,935,398
Education	10,528,952	12,498,174
Parks, recreation and cultural	1,399,357	913,958
Community development	3,731,899	6,706,909
Interest on debt	584,285	397,317
Landfill	1,744,014	1,359,364
Total expenses	51,521,247	55,358,165
Change in net assets	\$ (948,971)	\$ (2,839,477)

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 \$14,570,342. Approximately 11% of this total amount, \$1,637,318 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

21% or \$3,033,197 has been committed by action of the Board of Supervisors. The remaining balance, \$9,825,327 or 67% is unassigned, meaning there are 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 \$9,899,827, of this amount \$9,825,327 was considered unassigned, and \$74,500 was nonspendable. The special revenue funds, at the end of the fiscal year, had a fund balance of \$3,034,762 of which \$3,033,197 was considered committed and \$1,565 was restricted and the County Capital Projects fund had a fund balance of \$1,635,753, which was entirely restricted.

Total governmental fund revenues decreased \$1,140,777 and expenses decreased \$4,633,933 compared to prior year amounts. For fiscal year ended June 30, 2012, revenues exceeded expenditures by \$665,869, as compared to the fiscal year ended June 30, 2011, in which expenditures exceeded revenues by \$2,827,287.

General Fund Budgetary Highlights

There were differences between the original budget and the final amended budget for the current year. These differences are illustrated in the Schedules of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual presented in the RSI section of the financial report.

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, 2012, amounts to \$23,360,712 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery and equipment, and construction in progress.

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	\$ 679,504
OPEB obligation	1,060,800
General obligation bonds	8,876,162
Literary Funds	675,000
Total	\$ 11,291,466
Business-type Activities:	
Accrued leave	\$ 49,752
Estimated landfill liability	5,660,091
Notes and bonds	1,971,862
Total	\$ 7,681,705

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

Economic Factors

The June 2012 unemployment rate for the County of Tazewell, Virginia was 6.9%, which is a slight decrease from a rate of 7.0% in June 2011. This is above the state's average unemployment rate of 5.7% and below the national average rate of 8.2%.

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, 2012

	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	\$ 11,067,287	\$ 2,608,940	\$ 13,676,227	\$ 6,553,550	\$ 409,539	\$ 439,148	\$ 41,901
Cash in Custody of Others	-	-	-	13,196	-	1,083,771	-
Receivables (Net of Allowance for Uncollectibles):							
Taxes	27,341,511	-	27,341,511	-	-	-	-
Accounts Receivable	323,797	127,145	450,942	-	629,606	-	5,317
Other Local Taxes and Fees	169,869	-	169,869	-	-	-	-
Note Receivable	324,775	-	324,775	-	-	531,618	-
Internal Balances	(29,620)	29,620	-	-	-	2,737,503	-
Due from Primary Government	-	-	-	-	-	-	-
Due from Public Service Authority	3,167,146	-	3,167,146	3,540,562	126,715	-	37,265
Due from Other Governmental Units	3,844,549	-	3,844,549	-	-	-	-
Due From Component Units	-	-	-	-	92,178	-	33,929
Inventory	74,500	-	74,500	491,569	47,515	-	2,785
Prepaid Expenses	28,638	18,639	47,277	-	61,908	420,610	13,605
Unamortized Bond Issuance Costs	-	-	-	-	-	-	-
Restricted Assets:							
Temporarily Restricted:							
Cash and Cash Equivalents	-	2,471,269	2,471,269	-	177,133	-	-
Capital Assets:							
Land	1,735,460	287,598	2,023,058	-	105,668	3,657,358	722,194
Building and Improvements	1,788,541	7,667,642	9,456,183	15,098,046	69,266,253	22,940,434	6,754,850
Tenancy in Common	7,510,484	-	7,510,484	5,247,258	-	-	-
Machinery and Equipment	2,316,047	1,150,218	3,466,265	1,534,432	565,303	23,522	195,592
Construction in Progress	904,722	-	904,722	-	2,783,276	11,670,243	116,165
Total Assets	\$ 60,567,706	\$ 14,361,071	\$ 74,928,777	\$ 32,478,613	\$ 74,265,094	\$ 43,504,207	\$ 7,923,604
LIABILITIES							
Accounts Payable	\$ 723,818	\$ 17,600	\$ 741,418	\$ 219,178	\$ 161,921	\$ 534,554	\$ 56,163
Accrued Wages	-	-	-	3,511,760	33,086	-	2,292
Contracts Payable	-	-	-	12,560	-	-	-
Customer Deposits	-	-	-	-	177,133	-	-
Accrued Interest Payable	226,993	-	226,993	-	19,249	316,907	-
Due to Primary Government	2,737,503	-	2,737,503	3,798,615	45,934	-	-
Due to Component Units	26,890,555	-	26,890,555	-	-	-	-
Unearned Revenue	459,862	400,000	859,862	378,737	1,826,654	704,351	22,029
Long-term Liabilities:							
Due Within One Year	10,831,604	7,281,705	18,113,309	4,725,309	30,281,411	15,005,544	334,401
Due in More Than One Year	41,870,335	7,699,305	49,569,640	12,646,159	32,545,388	16,561,356	414,885
Total Liabilities	\$ 4,704,092	\$ 7,133,596	\$ 11,837,688	\$ 17,875,990	\$ 41,227,401	\$ 22,581,662	\$ 7,434,109
NET ASSETS							
Invested in Capital Assets, Net of Related Debt	1,637,318	2,471,269	4,108,587	-	232,560	-	-
Restricted	12,355,961	(2,943,099)	9,412,862	1,956,464	259,745	4,361,189	74,610
Unrestricted	18,697,371	6,661,766	25,359,137	19,832,454	41,719,706	26,942,851	7,508,719
Total Net Assets	\$ 32,690,650	\$ 6,189,936	\$ 38,880,586	\$ 19,824,918	\$ 63,699,011	\$ 28,484,690	\$ 7,583,329

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, 2012

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets													
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Units										
					Governmental Activities	Business-type Activities	School Board	Public Service Authority	Industrial Development Authority	County Airport Authority							
PRIMARY GOVERNMENT:																	
Governmental Activities:																	
General Government Administration	\$ 5,862,984	\$ 32,089	\$ 313,846	\$ -	\$ (5,517,049)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Judicial Administration	2,217,971	113,085	1,413,023	-	(691,863)	-	-	-	-	-	-	-	-	-	-	-	-
Public Safety	12,095,017	198,636	1,875,370	-	(10,021,011)	-	-	-	-	-	-	-	-	-	-	-	-
Public Works	6,260,014	399,335	18,984	-	(5,841,695)	-	-	-	-	-	-	-	-	-	-	-	-
Health and Welfare	7,096,754	-	7,143,384	-	46,630	-	-	-	-	-	-	-	-	-	-	-	-
Education	10,528,952	-	-	-	(10,528,952)	-	-	-	-	-	-	-	-	-	-	-	-
Parks, Recreation and Cultural	1,399,357	49,831	158,054	-	(1,191,472)	-	-	-	-	-	-	-	-	-	-	-	-
Community Development	3,731,899	84,425	1,631,527	-	(2,015,947)	-	-	-	-	-	-	-	-	-	-	-	-
Interest	584,285	-	-	-	(584,285)	-	-	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	\$ 49,777,233	\$ 877,401	\$ 12,554,188	\$ -	\$ (36,345,644)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Business-type Activities																	
Landfill	\$ 1,744,014	\$ 571,019	\$ -	\$ -	\$ -	\$ (1,172,995)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Primary Government	\$ 51,521,247	\$ 1,448,420	\$ 12,554,188	\$ -	\$ (36,345,644)	\$ (1,172,995)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Component Units:																	
School Board	\$ 55,927,640	\$ 1,047,381	\$ 46,280,088	\$ -	\$ -	\$ -	\$ -	\$ (8,600,171)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Service Authority	7,417,329	5,407,346	-	1,834,875	-	-	-	-	-	-	-	-	-	-	-	-	-
Industrial Development Authority	3,047,257	1,790,376	2,092,876	-	-	-	-	-	-	-	-	-	-	-	-	-	-
County Airport Authority	616,092	67,230	88,175	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Component Units	\$ 67,008,318	\$ 8,312,333	\$ 48,461,139	\$ 1,834,875	\$ -	\$ -	\$ -	\$ (8,600,171)	\$ -	\$ (175,108)	\$ -	\$ -	\$ (460,687)	\$ -	\$ -	\$ -	\$ -
General Revenues:																	
General Property Taxes																	
Other Local Taxes																	
Local Sales and Use Taxes					\$ 22,432,569	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Consumers' Utility Taxes					5,178,955	-	-	-	-	-	-	-	-	-	-	-	-
Utility License Taxes					887,861	-	-	-	-	-	-	-	-	-	-	-	-
Motor Vehicle Licenses					31,971	-	-	-	-	-	-	-	-	-	-	-	-
Bank Stock Taxes					32,761	-	-	-	-	-	-	-	-	-	-	-	-
Taxes on Recordation and Wills					40,795	-	-	-	-	-	-	-	-	-	-	-	-
Coal Severance Taxes					181,292	-	-	-	-	-	-	-	-	-	-	-	-
Unrestricted Revenues from Use of Money and Property					3,486,748	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous					508,340	28	28	593,405	1,578	1,578	70,618	-	-	-	-	-	-
Payments from Primary Government					90,637	15,542	15,542	139,223	97,119	97,119	2,904,505	-	-	-	-	-	-
Grants and Contributions not Restricted to Specific Programs					3,682,169	-	-	9,814,023	-	-	2,904,505	-	-	-	-	-	-
Transfers					(1,120,551)	-	-	-	-	-	-	-	-	-	-	-	-
Total General Revenues and Transfers					\$ 35,433,547	\$ 1,136,121	\$ 36,569,668	\$ 10,546,651	\$ 98,697	\$ 2,975,123	\$ 120,755	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change in Net Assets					\$ (912,097)	\$ (36,874)	\$ (948,971)	\$ 1,946,480	\$ (76,411)	\$ 3,811,118	\$ (339,932)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Asset - Beginning, as restated					\$ 19,609,468	\$ 6,698,640	\$ 26,308,108	\$ 17,885,974	\$ 41,796,117	\$ 23,131,733	\$ 7,848,651	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Asset - Ending					\$ 18,697,371	\$ 6,661,766	\$ 25,359,137	\$ 19,832,454	\$ 41,719,706	\$ 26,942,851	\$ 7,508,719	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

County of Tazewell, Virginia
Balance Sheet
Governmental Funds
June 30, 2012

	<u>General</u>	<u>County CIP Fund</u>	<u>Other Governmental</u>	<u>Total</u>
ASSETS				
Cash and Cash Equivalents	\$ 4,343,232	\$ 3,923,481	\$ 2,800,574	\$ 11,067,287
Receivables (Net of Allowance for Uncollectibles):				
Property Taxes	27,081,709	-	259,802	27,341,511
Other Taxes	-	-	186	186
Other Receivables	323,797	-	-	323,797
Prepays	74,500	-	-	74,500
Due from Other Funds	-	125,000	-	125,000
Due from Public Service Authority	-	324,775	-	324,775
Due from Other Governmental Units	3,167,146	-	-	3,167,146
Due from Component Units	3,844,549	-	-	3,844,549
Total Assets	<u>\$ 38,834,933</u>	<u>\$ 4,373,256</u>	<u>\$ 3,060,562</u>	<u>\$ 46,268,751</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable and Accrued Expenses	\$ 698,018	\$ -	\$ 25,800	\$ 723,818
Due to Other Funds	154,620	-	-	154,620
Due to Component Unit	-	2,737,503	-	2,737,503
Deferred Revenue	28,082,468	-	-	28,082,468
Total Liabilities	<u>\$ 28,935,106</u>	<u>\$ 2,737,503</u>	<u>\$ 25,800</u>	<u>\$ 31,698,409</u>
Fund Balances:				
Nonspendable	\$ 74,500	\$ -	\$ -	\$ 74,500
Restricted	-	1,635,753	1,565	1,637,318
Committed	-	-	3,033,197	3,033,197
Unassigned	9,825,327	-	-	9,825,327
Total Fund Balances	<u>\$ 9,899,827</u>	<u>\$ 1,635,753</u>	<u>\$ 3,034,762</u>	<u>\$ 14,570,342</u>
Total Liabilities and Fund Balances	<u>\$ 38,834,933</u>	<u>\$ 4,373,256</u>	<u>\$ 3,060,562</u>	<u>\$ 46,268,751</u>

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

County of Tazewell, Virginia
 Reconciliation of the Balance Sheet of Governmental Funds
 To the Statement of Net Assets
 June 30, 2012

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	14,570,342
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		14,255,254
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		1,361,596
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		<u>(11,489,821)</u>
Net Assets of Governmental Activities	\$	<u><u>18,697,371</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, 2012

	General Fund	County CIP Fund	Other Govern- mental Funds	Total
REVENUES				
General Property Taxes	\$ 22,382,573	\$ -	\$ -	\$ 22,382,573
Other Local Taxes	8,097,009	-	2,411,762	10,508,771
Permits, Privilege Fees and Regulatory Licenses	460,872	-	-	460,872
Fines and Forfeitures	31,625	-	-	31,625
Revenue from Use of Money and Property	468,955	39,385	-	508,340
Charges for Services	372,872	-	12,032	384,904
Miscellaneous	167,497	19,446	-	186,943
Recovered Costs	841,566	-	-	841,566
Intergovernmental Revenues:				
Commonwealth	10,483,377	-	234,109	10,717,486
Federal Government	4,850,483	-	-	4,850,483
Total Revenues	<u>\$ 48,156,829</u>	<u>\$ 58,831</u>	<u>\$ 2,657,903</u>	<u>\$ 50,873,563</u>
EXPENDITURES:				
Current:				
General Government Administration	\$ 5,496,926	\$ -	\$ -	\$ 5,496,926
Judicial Administration	2,202,710	-	1,150	2,203,860
Public Safety	11,448,131	-	1,120,305	12,568,436
Public Works	3,381,710	820,890	1,979,781	6,182,381
Health and Welfare	7,198,253	-	-	7,198,253
Education	9,874,023	-	-	9,874,023
Parks, Recreation and Cultural	1,223,664	176,812	-	1,400,476
Community Development	797,164	2,873,132	-	3,670,296
Non-Departmental	491,276	-	-	491,276
Debt Service:				
Principal Retirement	633,509	-	-	633,509
Interest and Other Fiscal Charges	488,258	-	-	488,258
Total Expenditures	<u>\$ 43,235,624</u>	<u>\$ 3,870,834</u>	<u>\$ 3,101,236</u>	<u>\$ 50,207,694</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 4,921,205</u>	<u>\$ (3,812,003)</u>	<u>\$ (443,333)</u>	<u>\$ 665,869</u>
Other Financing Sources (Uses)				
Transfers In	\$ -	\$ 1,750,000	\$ -	\$ 1,750,000
Transfers Out	(2,870,551)	-	-	(2,870,551)
Total Other Financing Sources (Uses)	<u>\$ (2,870,551)</u>	<u>\$ 1,750,000</u>	<u>\$ -</u>	<u>\$ (1,120,551)</u>
Net Change in Fund Balance	\$ 2,050,654	\$ (2,062,003)	\$ (443,333)	\$ (454,682)
Fund Balance - Beginning, as restated	7,849,173	3,697,756	3,478,095	15,025,024
Fund Balance - Ending	<u>\$ 9,899,827</u>	<u>\$ 1,635,753</u>	<u>\$ 3,034,762</u>	<u>\$ 14,570,342</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, 2012

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

Net changes in fund balance - total governmental funds	\$	(454,682)
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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.		(678,990)
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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		(46,310)
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The issuance of long-term obligations (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations 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 obligations and related items.		633,509
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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.		(365,624)
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Change in net assets of governmental activities	\$	<u>(912,097)</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, 2012

	<u>Tazewell County Landfill Fund</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 2,608,940
Receivables (Net of Allowance for Uncollectibles)	127,145
Due from Other Funds	29,620
Total Current Assets	<u>\$ 2,765,705</u>
Noncurrent Assets:	
Capital Assets (Net of Accumulated Depreciation):	
Land	\$ 287,598
Buildings and Improvements	7,667,642
Machinery and Equipment	1,150,218
Total Capital Assets	<u>\$ 9,105,458</u>
Other Assets:	
Restricted Cash	\$ 2,471,269
Unamortized Loan Costs	18,639
Total Other Assets	<u>\$ 2,489,908</u>
Total Assets	<u>\$ 14,361,071</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	\$ 17,600
Current Portion of Long-Term Obligations	400,000
Total Current Liabilities	<u>\$ 417,600</u>
Noncurrent Liabilities	
Compensated Absences	\$ 49,752
Estimated Landfill Closure Liability	5,660,091
Noncurrent Portion of Long-Term Obligations	1,571,862
Total Noncurrent Liabilities	<u>\$ 7,281,705</u>
Total Liabilities	<u>\$ 7,699,305</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	\$ 7,133,596
Restricted for Other Purposes	2,471,269
Unrestricted	(2,943,099)
Total Net Assets	<u>\$ 6,661,766</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, 2012

	<u>Tazewell County Landfill Fund</u>
OPERATING REVENUES	
Charges for Services	\$ 571,019
Total Operating Revenues	<u>\$ 571,019</u>
OPERATING EXPENSES	
Personnel Service	\$ 253,280
Employee Benefits	149,507
Contractual Services	159,541
Repairs and Maintenance	43,753
Closure Reserve Expense	574,953
Other Charges	66,570
Depreciation and Amortization	416,380
Total Operating Expenses	<u>\$ 1,663,984</u>
Operating Income (Loss)	<u>\$ (1,092,965)</u>
NONOPERATING REVENUES (EXPENSES)	
Interest Earned	\$ 28
Interest Expense	(80,030)
Miscellaneous Income	15,542
Total Nonoperating Revenues (Expenses)	<u>\$ (64,460)</u>
Net Transfers	<u>\$ 1,120,551</u>
Increase (Decrease) in Net Assets	\$ (36,874)
Net Assets - Beginning	6,698,640
Net Assets - Ending	<u><u>\$ 6,661,766</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, 2012

	Tazewell County Landfill Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 539,628
Payments to employees for services	(403,525)
Payments for operating expenses	(267,039)
Total cash Provided by (Used For) operating activities	<u>\$ (130,936)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Income	\$ 28
Total cash Provided by (Used For) investing activities	<u>\$ 28</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Transfers from Other Funds	\$ 1,122,927
Other Income (Expense)	15,542
Total cash Provided by (Used For) non-capital financing activities	<u>\$ 1,138,469</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Purchase of Capital Assets	\$ (156,465)
Principal Payments on Debt	(405,844)
Interest Payments on Debt	(80,030)
Total cash Provided by (Used For) capital financing activities	<u>\$ (642,339)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>\$ 365,222</u>
Cash and Cash Equivalents - Beginning	\$ 4,714,987
Cash and Cash Equivalents - Ending (including restricted)	<u>\$ 5,080,209</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:	
Operating Income (Loss)	\$ (1,092,965)
Depreciation	416,380
Estimated Landfill Closure Costs	574,954
Adjustments to Reconcile Operating Income to Net Cash	
Provided by (Used For) Operating Activities:	
(Increase) Decrease in Accounts Receivable	(31,391)
Increase (Decrease) in Accounts Payable	2,824
Increase (Decrease) in Accrued Leave	(738)
Total Adjustments	<u>\$ (29,305)</u>
Net Cash Provided by (Used For) Operating Activities	<u>\$ (130,936)</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, 2012

	Agency Funds
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 48,622
Investments	2,322,386
Due from Other Governmental Units	1,008,022
Total Assets	\$ 3,379,030
 LIABILITIES	
Current Liabilities:	
Due to Primary Government	\$ 854,600
Due to Other Governmental Units	153,422
Amounts Held for Others	2,371,008
Total Liabilities	\$ 3,379,030

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

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

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.

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*.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

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

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

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, 2012.

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.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

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

B. Individual Component Unit Disclosures (Continued)

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, 2012, 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, 2012, the County contributed \$406,260.

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, 2012, the County contributed \$3,362,651.

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.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

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

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

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.

When both restricted and unrestricted resources are available for use, The County generally first uses restricted assets. The County may defer the use of restricted assets based on a review of the specific transaction.

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, 2012

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 and report all financial transactions and resources except those required to be accounted for and reported 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 County Capital Improvements Fund accounts for and reported all financial resources used for the acquisition or construction of major capital facilities and is reported as a major fund.

Additionally, Tazewell County reports the following fund types:

c. Proprietary Funds

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

d. School Construction Fund

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

e. Special Revenue Funds

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

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

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. The County and School Deferred Comp Funds are reported as Trust Funds and the Special Welfare and Local Sales Tax Funds are reported as Agency Funds.

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.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

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

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.

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 \$759,382 at June 30, 2012 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 the asset's life 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 is included as part of the capitalized value of the assets constructed.

Property, plant, equipment, and infrastructure 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
Land Improvements	40-60
Vehicles	5
Office and computer equipment	7
Other equipment	7

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

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

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.

J. Long-term Obligations

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

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

K. Fund Equity

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 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.

Non-spendable -amounts that cannot be spent because they are not in spendable form, such as prepaid items and inventory or are required to be maintained intact (corpus of a permanent fund).

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

Committed -amounts 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. Amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

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

K. Fund Equity (Continued)

Assigned -amounts 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.

Unassigned -this category is for any balances that have no restrictions placed upon them. Positive amounts are only reported in the general fund.

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.

L. Retirement Plan

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

M. Use of Estimates

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

N. Net Assets

Net assets are the difference between assets and liabilities. Net assets invested in capital assets represent capital assets, less accumulated depreciation, less any outstanding debt related to the acquisition, construction, or improvement of those assets.

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COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

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 (\$11,489,821) and (\$5,104,046) differences for the primary government and discretely presented component unit, respectively, are as follows:

	<u>Primary Government</u>	<u>Component Unit School Board</u>
General obligation bonds	\$ (8,720,256)	\$ -
Literary loans payable	(675,000)	-
Capital leases	-	(4,003,746)
Premium on bond	(155,906)	-
Bond issuance costs	28,638	-
Accrued interest payable	(226,993)	-
OPEB Obligation	(1,060,800)	(1,100,300)
Compensated absences	(679,504)	-
	\$ (11,489,821)	\$ (5,104,046)
<i>governmental funds to arrive at net assets- governmental activities</i>		

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 \$1,361,596 difference for the primary government are as follows:

	<u>Primary Government</u>
Deferred revenue	\$ 1,191,913
Local Sales Tax Receivable	169,683
	\$ 1,361,596
<i>Net adjustment to increase fund balance-total governmental funds to arrive at net assets- governmental activities</i>	

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

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 (\$678,990) and (\$785,207) differences for the primary government and discretely presented component unit, respectively, are as follows:

	<u>Primary Government</u>	<u>Component Unit School Board</u>
Capital outlays	\$ 724,513	\$ 2,638,760
Tenancy in common	(654,929)	-
Depreciation expenses	<u>(748,574)</u>	<u>(1,853,553)</u>
Net adjustment to increase (decrease) <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	\$ <u>(678,990)</u>	\$ <u>785,207</u>

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 \$46,310 difference for the primary government are as follows:

	<u>Primary Government</u>
Deferred revenue	\$ 49,996
Local sales tax receivable	<u>(96,306)</u>
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>	\$ <u><u>(46,310)</u></u>

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

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 \$633,509 and \$353,319 differences in the primary government and discretely presented component unit, respectively, are as follows:

	<u>Primary Government</u>	<u>Component Unit School Board</u>
Principal repayments:		
General obligation bonds	\$ 558,509	\$ -
Literary loan	75,000	-
Capital leases	-	353,319
	<u>633,509</u>	<u>353,319</u>
 Net adjustment to increase (decrease) <i>net changes in fund balances-total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	 \$ <u>633,509</u>	 \$ <u>353,319</u>

Another element of that reconciliation states, “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of these (\$365,624) and (\$184,700) differences in the primary government and discretely presented component unit, respectively, are as follows:

	<u>Primary Government</u>	<u>Component Unit School Board</u>
(Increase) decrease in compensated absences	\$ (6,197)	\$ -
(Increase) decrease in accrued interest payable	(103,098)	-
(Increase) decrease in OPEB obligation	(263,400)	(184,700)
Amortization of bond premium	8,662	-
Amortization of bond issuance costs	(1,591)	-
	<u>(365,624)</u>	<u>(184,700)</u>
 Net adjustment to increase (decrease) <i>net changes in fund balances-total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	 \$ <u>(365,624)</u>	 \$ <u>(184,700)</u>

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

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, 2012, 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	\$ 445

Concentration of Credit Risk

At June 30, 2012, the County did not have any investments meeting the GASB 40 definition requiring concentration of credit risk disclosures that exceeded 5% of total investments.

COUNTY OF TAZEWELL, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2012

Note 3 - Deposits and Investments: (Continued)

Interest Rate Risk

At June 30, 2012, the County did not have any investments meeting the GASB 40 definition requiring interest rate risk disclosures.

External Investment Pool

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

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

Fund	Interfund Receivable	Interfund Payable
General	\$ -	\$ 154,620
Enterprise Fund	29,620	-
Capital Project Fund	125,000	-
Totals	\$ 154,620	\$ 154,620

	Due From	Due to
General	\$ 3,844,549	\$ 2,737,503
Component Unit School	-	3,798,615
Component Unit IDA	2,737,503	-
Component Unit PSA	-	45,934
Totals	\$ 6,582,052	\$ 6,582,052

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COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

Note 5 - Due From Other Governmental Units:

At June 30, 2012, the County, School Board and component units had receivables from other governments as follows:

	<u>Primary Government</u>	<u>Public Service Authority</u>	<u>Discretely Presented Component Unit School Board</u>	<u>Discretely Presented Component Unit Airport</u>
Local Government:				
Southwest Virginia Regional Jail	\$ 503,583	\$ -	\$ -	\$ -
Town of Tazewell	9,172	50,352	-	-
Commonwealth of Virginia:				
State sales taxes	834,744	-	1,017,712	-
Local sales taxes	-	-	-	-
VPA	171,590	-	-	-
CSA	243,741	-	-	-
Shared expenses	258,538	-	-	-
Categorical aid	73,936	76,363	-	25,115
Noncategorical aid	51,476	-	-	-
Federal Government:				
VPA	226,186	-	-	-
Categorical aid	794,180	-	2,522,850	12,150
Total	<u>\$ 3,167,146</u>	<u>\$ 126,715</u>	<u>\$ 3,540,562</u>	<u>\$ 37,265</u>

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COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

Note 6 - Capital Assets:

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2012:

General Government:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 1,735,460	\$ -	\$ -	\$ 1,735,460
Construction in progress	867,362	37,360	-	904,722
Tenancy in Common	<u>8,165,413</u>	<u>-</u>	<u>(654,929)</u>	<u>7,510,484</u>
Total capital assets not being depreciated	<u>\$ 10,768,235</u>	<u>\$ 37,360</u>	<u>\$ (654,929)</u>	<u>\$ 10,150,666</u>
Capital assets, being depreciated:				
Buildings	\$ 3,671,370	\$ -	\$ -	\$ 3,671,370
Machinery and equipment	<u>11,622,757</u>	<u>687,153</u>	<u>(112,479)</u>	<u>12,197,431</u>
Total capital assets being depreciated	<u>\$ 15,294,127</u>	<u>\$ 687,153</u>	<u>\$ (112,479)</u>	<u>\$ 15,868,801</u>
Less: accumulated depreciation for:				
Buildings	\$ (1,791,272)	\$ (91,557)	\$ -	\$ (1,882,829)
Machinery and equipment	<u>(9,336,846)</u>	<u>(657,017)</u>	<u>112,479</u>	<u>(9,881,384)</u>
Total accumulated depreciation	<u>\$ (11,128,118)</u>	<u>\$ (748,574)</u>	<u>\$ 112,479</u>	<u>\$ (11,764,213)</u>
Total capital assets being depreciated, net	<u>\$ 4,166,009</u>	<u>\$ (61,421)</u>	<u>\$ -</u>	<u>\$ 4,104,588</u>
Governmental activities capital assets, net	<u>\$ 14,934,244</u>	<u>\$ (24,061)</u>	<u>\$ (654,929)</u>	<u>\$ 14,255,254</u>

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COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

Note 6 - Capital Assets: (Continued)

Tazewell County Landfill Fund:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 287,598	\$ -	\$ -	\$ 287,598
Construction in progress	<u>2,346,594</u>	<u>3,795</u>	<u>(2,350,389)</u>	<u>-</u>
Total capital assets not being depreciated	<u>\$ 2,634,192</u>	<u>\$ 3,795</u>	<u>\$ (2,350,389)</u>	<u>\$ 287,598</u>
Capital assets, being depreciated:				
Buildings and improvements	\$ 185,603	\$ -	\$ -	\$ 185,603
Land improvements	7,041,846	2,350,389	-	9,392,235
Machinery and equipment	<u>2,964,746</u>	<u>152,670</u>	<u>-</u>	<u>3,117,416</u>
Total capital assets being depreciated	<u>\$ 10,192,195</u>	<u>\$ 2,503,059</u>	<u>\$ -</u>	<u>\$ 12,695,254</u>
Less: accumulated depreciation for:				
Buildings and improvements	\$ (121,784)	\$ (6,187)	\$ -	\$ (127,971)
Land Improvements	(1,610,417)	(171,808)	-	(1,782,225)
Machinery and equipment	<u>(1,736,705)</u>	<u>(230,493)</u>	<u>-</u>	<u>(1,967,198)</u>
Total accumulated depreciation	<u>\$ (3,468,906)</u>	<u>\$ (408,488)</u>	<u>\$ -</u>	<u>\$ (3,877,394)</u>
Total capital assets being depreciated, net	<u>\$ 6,723,289</u>	<u>\$ 2,094,571</u>	<u>\$ -</u>	<u>\$ 8,817,860</u>
Business-type activities capital assets, net	<u>\$ 9,357,481</u>	<u>\$ 2,098,366</u>	<u>\$ (2,350,389)</u>	<u>\$ 9,105,458</u>

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COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

Note 6 - Capital Assets: (Continued)

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

Governmental activities:	
General government administration	\$ 90,812
Judicial administration	13,597
Public safety	412,792
Public works	131,927
Health and welfare	22,591
Parks, recreation, and culture	19,480
Community development	<u>57,375</u>
 Total depreciation expense-governmental activities	 \$ <u><u>748,574</u></u>
 Business-type activities:	
Landfill fund	<u>408,488</u>

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COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

Note 6 - Capital Assets: (Continued)

Component Unit School Board:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Tenancy in Common (1)	\$ 5,247,258	\$ -	\$ -	\$ 5,247,258
Total capital assets not being depreciated	\$ 5,247,258	\$ -	\$ -	\$ 5,247,258
Capital assets, being depreciated:				
Buildings and improvements	\$ 31,758,242	\$ 2,487,098	\$ -	\$ 34,245,340
Machinery and equipment	14,684,021	151,662	-	14,835,683
Total capital assets being depreciated	\$ 46,442,263	\$ 2,638,760	\$ -	\$ 49,081,023
Less: accumulated depreciation for:				
Buildings and improvements	\$ (17,945,560)	\$ (1,201,734)	\$ -	\$ (19,147,294)
Machinery and equipment	(12,649,432)	(651,819)	-	(13,301,251)
Total accumulated depreciation	\$ (30,594,992)	\$ (1,853,553)	\$ -	\$ (32,448,545)
Total capital assets being depreciated, net	\$ 15,847,271	\$ 785,207	\$ -	\$ 16,632,478
Governmental activities capital assets, net	\$ 21,094,529	\$ 785,207	\$ -	\$ 21,879,736

(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, 2012, is that assets and debt in the amount of \$7,510,484 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, 2012

Note 6 - Capital Assets: (Continued)

Other Component Units:

Tazewell County Public Service Authority:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital assets, not being depreciated:				
Land and land rights	\$ 105,668	\$ -	\$ -	\$ 105,668
Construction in progress	5,935,873	1,967,757	(5,120,354)	2,783,276
Total capital assets not being depreciated	\$ 6,041,541	\$ 1,967,757	\$ (5,120,354)	\$ 2,888,944
Capital assets, being depreciated:				
Buildings and Improvements	\$ 89,151,899	\$ 5,374,931	\$ -	\$ 94,526,830
Machinery and equipment	3,115,342	114,142	-	3,229,484
Total capital assets being depreciated	\$ 92,267,241	\$ 5,489,073	\$ -	\$ 97,756,314
Less: accumulated depreciation for:				
Buildings and Improvements	\$ (23,128,009)	\$ (2,132,568)	\$ -	\$ (25,260,577)
Machinery and equipment	(2,621,181)	(43,000)	-	(2,664,181)
Total accumulated depreciation	\$ (25,749,190)	\$ (2,175,568)	\$ -	\$ (27,924,758)
Total capital assets being depreciated, net	\$ 66,518,051	\$ 3,313,505	\$ -	\$ 69,831,556
Business-type activities capital assets, net	\$ 72,559,592	\$ 5,281,262	\$ (5,120,354)	\$ 72,720,500

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COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

Note 6 - Capital Assets: (Continued)

Other Component Units:

Tazewell County Airport Authority:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 722,194	\$ -	\$ -	\$ 722,194
Construction in progress	<u>110,922</u>	<u>341,404</u>	<u>(336,161)</u>	<u>116,165</u>
Total capital assets not being depreciated	\$ <u>833,116</u>	\$ <u>341,404</u>	\$ <u>(336,161)</u>	\$ <u>838,359</u>
Capital assets, being depreciated:				
Buildings and improvements	\$ 814,486	\$ 336,161	\$ -	\$ 1,150,647
Land improvements	11,869,733	-	-	11,869,733
Machinery and equipment	<u>461,987</u>	<u>10,700</u>	<u>-</u>	<u>472,687</u>
Total capital assets being depreciated	\$ <u>13,146,206</u>	\$ <u>346,861</u>	\$ <u>-</u>	\$ <u>13,493,067</u>
Less: accumulated depreciation for:				
Buildings and improvements	\$ (573,593)	\$ (25,481)	\$ -	\$ (599,074)
Land Improvements	(5,313,693)	(352,763)	-	(5,666,456)
Machinery and equipment	<u>(271,806)</u>	<u>(5,289)</u>	<u>-</u>	<u>(277,095)</u>
Total accumulated depreciation	\$ <u>(6,159,092)</u>	\$ <u>(383,533)</u>	\$ <u>-</u>	\$ <u>(6,542,625)</u>
Total capital assets being depreciated, net	\$ <u>6,987,114</u>	\$ <u>(36,672)</u>	\$ <u>-</u>	\$ <u>6,950,442</u>
Business-type activities capital assets, net	\$ <u><u>7,820,230</u></u>	\$ <u><u>304,732</u></u>	\$ <u><u>(336,161)</u></u>	\$ <u><u>7,788,801</u></u>

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COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

Note 6 - Capital Assets: (Continued)

Other Component Units: (Continued)

Industrial Development Authority:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 3,657,358	\$ -	\$ -	\$ 3,657,358
Construction in progress	<u>8,739,376</u>	<u>2,930,867</u>	<u>-</u>	<u>11,670,243</u>
Total capital assets not being depreciated	<u>\$ 12,396,734</u>	<u>\$ 2,930,867</u>	<u>\$ -</u>	<u>\$ 15,327,601</u>
Capital assets, being depreciated:				
Buildings and Improvements	\$ 30,275,677	\$ -	\$ -	\$ 30,275,677
Equipment	<u>-</u>	<u>29,402</u>	<u>-</u>	<u>29,402</u>
Total capital assets being depreciated	<u>\$ -</u>	<u>\$ 29,402</u>	<u>\$ -</u>	<u>\$ 30,305,079</u>
Less: accumulated depreciation for:				
Buildings and Improvements	\$ (6,514,844)	(820,399)	\$ -	\$ (7,335,243)
Equipment	<u>-</u>	<u>(5,880)</u>	<u>-</u>	<u>(5,880)</u>
Total accumulated depreciation	<u>\$ (6,514,844)</u>	<u>\$ (826,279)</u>	<u>\$ -</u>	<u>\$ (7,341,123)</u>
Total capital assets being depreciated, net	<u>\$ (6,514,844)</u>	<u>\$ (796,877)</u>	<u>\$ -</u>	<u>\$ 22,963,956</u>
Business-type activities capital assets, net	<u><u>\$ 5,881,890</u></u>	<u><u>\$ 2,133,990</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 38,291,557</u></u>

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COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

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, 2012:

Change in Long-Term Obligations:

	Balance July 1, 2011	Increases/ Issuances	Decreases/ Retirements	Balance June 30, 2012
General Obligation Bonds	\$ 9,278,765	\$ -	\$ (558,509)	\$ 8,720,256
Premium on bond	164,568	-	(8,662)	155,906
Literary loan	750,000	-	(75,000)	675,000
OPEB Obligation	797,400	619,100	(355,700)	1,060,800
Compensated absences	673,307	6,197	-	679,504
Total	\$ 11,664,040	\$ 625,297	\$ (997,871)	\$ 11,291,466

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

Year Ending June 30	General Government Obligations			
	General Obligation Bonds		Literary Loan	
	Principal	Interest	Principal	Interest
2013	\$ 459,862	\$ 425,568	\$ -	\$ -
2014	467,407	405,570	75,000	13,500
2015	460,798	384,846	75,000	12,000
2016	469,334	364,103	75,000	10,500
2017	479,570	341,402	75,000	9,000
2018-2022	2,575,176	1,324,237	375,000	22,500
2023-2027	2,682,379	625,952	-	-
2028-2029	1,125,730	56,778	-	-
	\$ 8,720,256	\$ 3,928,456	\$ 675,000	\$ 67,500

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COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

Note 7 - Long-term Obligations: (Continued)

Primary Government: (Continued)

Details of Long-Term Obligations:

	Interest Rates	Issue Dates	Final Maturity Date	Amount of Original Issue	Balance Governmental Activities	Amount Due Within One Year
General Obligation Bonds:						
GO Bond	6.10%	11/1/1993	12/15/2013	\$ 2,100,000	\$ 20,000	\$ 10,000
GO Bond	3.10-5.10%	5/15/2002	7/15/2023	1,900,000	1,140,000	95,000
GO Bond	4.10-5.10%	5/15/2008	7/15/2028	1,880,000	1,705,000	65,000
GO Bond	3.60-5.35%	12/11/2008	1/15/2029	6,698,941	5,855,256	289,862
Subtotal GO Bond					\$ 8,720,256	\$ 459,862
Add:						
Premium on Bond	n/a	n/a	n/a	n/a	155,906	-
Total General Obligation Bonds					\$ 8,876,162	\$ 459,862
Literary Loan:						
State Literary Loan	2.00%	8/1/2000	8/1/2020	\$ 1,500,000	\$ 675,000	\$ -
Total Literary Loan					\$ 675,000	\$ -
Other Obligations:						
OPEB Obligation	n/a	n/a	n/a	n/a	\$ 1,060,800	\$ -
Compensated Absences	n/a	n/a	n/a	n/a	679,504	-
Total Other Obligations					\$ 1,740,304	\$ -
Total Long-term obligations					\$ 11,291,466	\$ 459,862

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COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

Note 7 - Long-term Obligations: (Continued)

The following is a summary of long-term obligations of the County for the year ended June 30, 2012:

Business-type Activities:

Landfill Fund

	<u>Balance</u> <u>July 1, 2011</u>	<u>Increases/</u> <u>Issuances</u>	<u>Decreases/</u> <u>Retirements</u>	<u>Balance</u> <u>June 30, 2012</u>
Revenue bonds	\$ 2,355,000	\$ -	\$ (385,000)	\$ 1,970,000
Loan premiums	7,268	-	(744)	6,524
Loss on redemption	(6,993)	-	2,331	(4,662)
Notes payable	22,431	-	(22,431)	-
Landfill closure/ postclosure liability	5,085,137	574,954	-	5,660,091
Compensated absences	<u>50,490</u>	<u>-</u>	<u>(738)</u>	<u>49,752</u>
 Total	 <u>\$ 7,513,333</u>	 <u>\$ 574,954</u>	 <u>\$ (406,582)</u>	 <u>\$ 7,681,705</u>

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

<u>Year Ending</u> <u>June 30,</u>	<u>Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2013	\$ 400,000	\$ 71,908
2014	245,000	56,985
2015	255,000	48,035
2016	265,000	38,465
2017	190,000	29,865
2018-2020	<u>615,000</u>	<u>40,590</u>
 Totals	 <u>\$ 1,970,000</u>	 <u>\$ 285,848</u>

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COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

Note 7 - Long-term Obligations: (Continued)

Business-type Activities: (Continued)

Details of Long-Term Obligations:

	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	\$ 160,000	\$ 160,000
Revenue Bonds	3.4-4.81%	11/27/2007	10/1/2019	2,675,000	1,810,000	240,000
Total Revenue Bonds					<u>\$ 1,970,000</u>	<u>\$ 400,000</u>
Other Obligations:						
Compensated Absences	n/a	n/a	n/a	n/a	\$ 49,752	\$ -
Loan Premiums	n/a	n/a	n/a	n/a	6,524	-
Loss on Redemption	n/a	n/a	n/a	n/a	(4,662)	-
Landfill closure/ postclosure liability	n/a	n/a	n/a	n/a	5,660,091	-
Total Other Obligations					<u>\$ 5,711,705</u>	<u>\$ -</u>
Total Long-term Obligations					<u>\$ 7,681,705</u>	<u>\$ 400,000</u>

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COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

Note 7 - Long-term Obligations: (Continued)

Component Unit: - Tazewell County Public Service Authority (Continued)

Changes in Long-Term Obligations:

	<u>Balance</u> <u>July 1, 2011</u>	<u>Increases/</u> <u>Issuances</u>	<u>Decreases/</u> <u>Retirements</u>	<u>Balance</u> <u>June 30, 2012</u>
Bonds and notes payable	\$ 31,247,392	\$ 1,743,150	\$ (1,496,329)	\$ 31,494,213
Deferred loss on early retirement	(3,336)	-	2,222	(1,114)
OPEB obligation	300,400	117,400	(11,700)	406,100
Compensated absences	<u>184,259</u>	<u>24,607</u>	<u>-</u>	<u>208,866</u>
 Total	 \$ <u>31,728,715</u>	 \$ <u>1,885,157</u>	 \$ <u>(1,505,807)</u>	 \$ <u>32,108,065</u>

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

<u>Year Ending</u> <u>June 30,</u>	<u>General Obligation Bonds,</u> <u>Revenue Bonds and Notes</u> <u>Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2013	\$ 1,827,768	\$ 393,416
2014	1,328,902	379,050
2015	1,343,900	364,051
2016	1,405,883	348,415
2017	1,422,074	332,221
2018-2022	7,269,062	1,385,995
2023-2027	7,570,282	943,374
2028-2032	6,286,756	469,874
2033-2037	2,502,230	188,054
2038-2041	<u>537,356</u>	<u>15,316</u>
 Totals	 \$ <u>31,494,213</u>	 \$ <u>4,819,766</u>

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

Note 7 - Long-term Obligations: (Continued)

Component Unit: - Tazewell County Public Service Authority (Continued)

Details of Long-term Obligations:

	Interest	Issue	Final	Amount of	Balance	Amount
	Rates	Dates	Maturity	Original	Business-type	Due Within
			Date	Issue	Activities	One Year
Revenue Bond Series 1999A	2.50%	7/2/1999	2/1/2030	\$ 187,000	\$ 112,729	\$ 4,977
Revenue Bond Series 1999B	0.00%	7/12/1999	12/1/2029	90,024	46,354	2,570
Revenue Bond Series 1999C	2.50%	10/22/1999	10/1/2029	387,415	269,228	12,361
Revenue Bond Series 1999D	1.50%	11/5/1999	3/1/2025	411,320	207,047	14,467
Revenue Bond Series 2000A	0.00%	3/13/2001	9/1/2023	1,877,590	1,114,260	58,645
Revenue Bond Series 2000B	0.00%	3/31/2000	12/1/2030	176,465	108,905	6,026
Revenue Bond Series 2000C	0.00%	8/4/2000	11/1/2031	1,489,480	777,457	39,871
Revenue Bond Series 2000D	2.50%	9/29/2000	3/1/2032	1,579,210	1,191,500	46,392
Revenue Bond Series 2000E	0.00%	11/17/2000	5/1/2032	1,374,516	828,863	41,443
Revenue Bond Series 2000F	0.00%	11/17/2000	5/1/2032	606,016	381,024	19,051
Revenue Bond Series 2001A	0.00%	5/17/2001	3/1/2032	1,752,851	845,123	42,256
Revenue Bond Series 2001B	0.00%	12/20/2001	6/1/2033	4,563,680	3,234,008	154,023
Revenue Bond Series 2001C	0.00%	3/29/2002	6/1/2033	1,978,113	1,378,136	65,668
Revenue Bond Series 2001B	0.00%	12/20/2002	12/1/2034	1,387,467	1,018,797	46,343
Revenue Bond Series 2004A	0.00%	6/16/2004	11/1/2034	463,353	348,136	15,480
Revenue Bond Series 2004B	3.00%	8/24/2004	1/1/2025	111,043	80,919	5,042
Revenue Bond Series 2004C	3.00%	8/24/2004	3/1/2025	555,640	410,220	26,191
Revenue Bond Series 2005A	0.00%	6/17/2005	10/1/2035	349,988	274,157	11,666
Revenue Bond Series 2005B	0.00%	6/17/2005	1/1/2036	1,259,399	990,907	40,565
Revenue Bond Series 2005C	3.00%	9/15/2005	1/1/2027	1,328,089	1,036,478	55,558
Revenue Bond Series 2006A	0.00%	5/15/2006	3/1/2032	4,746,285	3,039,044	191,500
Revenue Bond Series 2007A	3.00%	2/12/2007	6/1/2007	228,788	168,285	9,088
Revenue Bond Series 2007B	0.00%	12/20/2007	6/1/2007	309,055	263,586	9,965
Revenue Bond Series 2005	3.40-4.93%	4/1/2008	10/1/2018	241,259	154,587	20,085
General Obligation and						
Revenue Bond Series 2005	0.00%	7/15/2005	1/1/2037	2,002,799	1,486,610	60,660
Revenue Bond Series 2009A	3.83%	7/1/2009	6/1/2034	6,573,235	6,031,130	180,927
Revenue Bond Series 2009B	0.00%	5/1/2010	11/1/2039	4,634,378	3,159,129	112,826
Revenue Bond Series 2009C	0.00%	5/1/2010	11/1/2030	705,365	210,610	7,804
Revenue Bond Series 2010A	3.00%	4/1/2010	10/1/2031	1,164,267	1,119,565	45,971
Line of Credit (BB&T)	n/a	n/a	n/a	750,000	142,115	142,115
Line of Credit (Tazewell County)	n/a	n/a	n/a	450,000	324,776	324,775
Line of Credit (Town of Tazewell)	n/a	n/a	n/a	750,266	740,528	13,457
Total					\$ 31,494,213	\$ 1,827,768

**COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2012**

Note 7 - Long-term Obligations: (Continued)

Component Unit: - Tazewell County Public Service Authority (Continued)

Details of Long-term Obligations: (Continued)

	Interest Rates	Issue Dates	Final Maturity Date	Amount of Original Issue	Balance Business-type Activities	Amount Due Within One Year
Deferred Loss on Early Retirement	n/a	n/a	n/a	n/a	\$ (1,114)	\$ (1,114)
Other Obligations:						
OPEB Obligations	n/a	n/a	n/a	n/a	\$ 406,100	\$ -
Compensated Absences	n/a	n/a	n/a	n/a	208,866	-
Total Long-term obligations					\$ 32,108,065	\$ 1,826,654

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, 2012:

	Balance July 1, 2011	Increases	Decreases	Balance June 30, 2012
Capital leases	\$ 4,357,065	\$ -	\$ (353,319)	\$ 4,003,746
OPEB Obligation	915,600	1,442,600	(1,257,900)	1,100,300
Total	\$ 5,272,665	\$ 1,442,600	\$ (1,611,219)	\$ 5,104,046

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COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

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	\$ 204,978	\$ 100,686
Capital Lease	4.195%	10/5/2007	10/5/2022	4,792,700	3,798,768	278,051
Total Capital Leases					<u>\$ 4,003,746</u>	<u>\$ 378,737</u>
Other Obligations:						
OPEB Obligation	n/a	n/a	n/a	n/a	<u>\$ 1,100,300</u>	<u>\$ -</u>
Total Long-term Debt					<u><u>\$ 5,104,046</u></u>	<u><u>\$ 378,737</u></u>

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	<u>3,378,030</u>
Total Assets	\$ 3,864,663
Accumulated Depreciation	<u>(448,004)</u>
Net Book Value of Assets	<u><u>\$ 3,416,659</u></u>

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COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

Note 7 - Long-term Obligations: (Continued)

Component Unit - School Board (Continued)

Present value of future minimum lease payments:

Year Ending June 30,	Capital Leases
2013	\$ 544,983
2014	544,984
2015	436,959
2016	436,959
2017	436,959
2018-2022	2,194,795
2023	447,803
Total minimum lease payments	\$ 5,043,442
Less: amount representing interest	(1,039,696)
Present value of future minimum lease payments	\$ 4,003,746

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, 2012:

	Balance July 1, 2011	Increases/ Issuances	Decreases/ Retirements	Balance June 30, 2012
Notes payable	\$ 65,588	\$ 299,100	\$ (9,996)	\$ 354,692
Compensated absences	1,687	51	-	1,738
Total	\$ 67,275	\$ 299,151	\$ (9,996)	\$ 356,430

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COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

Note 7 - Long-term Obligations: (Continued)

Component Unit - Airport Authority (Continued)

Principal payments required on notes payable are as follows:

Year Ending June 30	Notes Payable	
	Principal	Interest
2013	\$ 20,291	\$ 11,984
2014	20,811	11,100
2015	19,822	10,261
2016	20,641	9,441
2017	21,493	8,588
2018-2022	50,703	36,141
2023-2027	59,279	27,567
2028-2032	69,306	17,539
2033-2037	72,346	5,816
	\$ 354,692	\$ 138,437

Details of Long-Term Obligations:

	Interest Rates	Issuance Date	Final Maturity Date	Amount of Original Issuance	Balance Governmental Activities	Amount Due Within One Year
Notes Payable						
VRA	varies	7/1/2012	7/1/2037	\$ 295,000	\$ 295,000	\$ 8,140
TruPoint Loan	6.50%	4/5/2012	4/5/2014	4,100	3,778	2,005
VRA	4.81%	7/1/2007	7/1/2017	100,000	55,914	10,146
Total Notes Payable					\$ 354,692	\$ 20,291
Other Obligations:						
Compensated Absences	n/a	n/a	n/a	n/a	\$ 1,738	\$ 1,738
Total Long-term Obligations					\$ 356,430	\$ 22,029

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COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

Note 7 - Long-term Obligations: (Continued)

Component Unit - Industrial Development Authority

Changes in Long-Term Obligations:

	Balance July 1, 2011	Issuances	Retirements	Balance June 30, 2012
Revenue bonds	\$ 16,765,000	\$ -	\$ (815,000)	\$ 15,950,000
Loan premiums	34,324	-	(2,288)	32,036
Loss on redemption	(905,828)	-	60,389	(845,439)
Notes payable	671,608	-	(98,310)	573,298
	<u>671,608</u>	<u>-</u>	<u>(98,310)</u>	<u>573,298</u>
 Total	 \$ 16,565,104	 \$ -	 \$ (855,209)	 \$ 15,709,895
	<u>\$ 16,565,104</u>	<u>\$ -</u>	<u>\$ (855,209)</u>	<u>\$ 15,709,895</u>

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
2013	\$ 610,000	\$ 682,996	\$ 152,452	\$ 19,809
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	730,000	575,852	87,757	1,413
2018-2022	4,120,000	2,406,734	-	-
2023-2027	5,075,000	1,447,551	-	-
2028-2032	1,980,000	570,202	-	-
2033-2035	1,430,000	105,740	-	-
	<u>1,430,000</u>	<u>105,740</u>	<u>-</u>	<u>-</u>
	<u>\$ 15,950,000</u>	<u>\$ 9,018,331</u>	<u>\$ 573,298</u>	<u>\$ 52,677</u>

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

Note 7 - Long-term Obligations: (Continued)

Component Unit - Industrial Development Authority (Continued)

Details of Long-Term Obligations:

	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	\$ 8,660,000	\$ 415,000
Revenue Bonds	2.50-5.00	12/15/2004	8/1/2034	8,495,000	7,290,000	195,000
Total Revenue Bonds					\$ 15,950,000	\$ 610,000
Notes Payable						
Note Payable	4.20%	9/22/2010	N/A	\$ 50,000	\$ 50,000	\$ 50,000
Note Payable	4.00%	8/1/2005	6/1/2016	1,000,000	523,298	102,452
Total Notes Payable					\$ 573,298	\$ 152,452
Other Obligations:						
Loan Premiums	n/a	n/a	n/a	n/a	\$ 32,036	\$ 2,288
Loss on Redemption	n/a	n/a	n/a	n/a	(845,439)	(60,389)
Total Other Obligations					\$ (813,403)	\$ (58,101)
Total Long-term Debt					\$ 15,709,895	\$ 704,351

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, 2012.

Note 8 -Compensated Absences:

Compensated Absences:

In accordance with GASB 16, "Accounting for Compensated Absences", the County has accrued liabilities arising from outstanding compensated absences. Each county employee earns annual leave at various rates. The County has outstanding accrued vacation and sick pay totaling \$679,504 and \$49,752 in the Landfill Enterprise Component Unit Fund, which is liquidated in the County General 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 \$28,082,468 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, 2012 but paid in advance by taxpayers, totaled \$1,191,913 at June 30, 2012.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

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 credit. 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 five years of service credit or age 50 with at least 30 years of service credit. They may retire with a reduced benefit early at age 55 with at least five years of service credit or age 50 with at least 10 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 the 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.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

Note 10 - Defined Benefit Pension Plan: (Continued)

A. Plan Description (Continued)

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.

The system issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of the most recent report may be obtained from the VRS Web site at <http://www.varetire.org/Pdf/Publications/2011-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 compensation toward their retirement. All or part of the 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 2012 was 13.16% 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 compensation toward their retirement. All or part of the 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 2012 was 16.37% of annual covered payroll.

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COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

Note 10 - Defined Benefit Pension Plan: (Continued)

C. Annual Pension Cost

For fiscal year 2012, the County's and School Board's annual pension costs were \$1,314,225 (\$499,326 for employee portion) and \$634,313 (\$193,742 for employee portion) was equal to the County and School Board'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:			
6/30/2012	\$ 1,314,225	100%	-
6/30/2011	1,278,637	100%	-
6/30/2010	1,229,581	100%	-
School Board:			
Non-professional Employees:			
6/30/2012	\$ 634,313	100%	-
6/30/2011	620,094	100%	-
6/30/2010	620,248	100%	-

The FY 2012 required contribution was determined as part of the June 30, 2009 actuarial valuation using the entry age 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's and the School Board'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's and the School Board's unfunded actuarial accrued liability is being amortized as a level percentage of projected 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, 2011, the most recent actuarial valuation date, the plan was 78.52% funded. The actuarial accrued liability for benefits was \$43,637,160, and the actuarial value of assets was \$34,262,993, resulting in an unfunded actuarial accrued liability (UAAL) of \$9,374,167. The covered payroll (annual payroll of active employees covered by the plan) was \$9,802,238, and ratio of the UAAL to the covered payroll was 95.63%.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

Note 10 - Defined Benefit Pension Plan: (Continued)

D. Funded Status and Funding Progress: (Continued)

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

As of June 30, 2011, the most recent actuarial valuation date, the plan was 69.61% funded. The actuarial accrued liability for benefits was \$24,444,497, and the actuarial value of assets was \$17,016,576, resulting in an unfunded actuarial accrued liability (UAAL) of \$7,427,921. The covered payroll (annual payroll of active employees covered by the plan) was \$3,758,650, and ratio of the UAAL to the covered payroll was 197.62%.

The schedule of funding progress, presented as required supplementary information (RSI) 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 (AAL) 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 the most recent report may be obtained from the VRS website at <http://www.varetire.org/Pdf/Publications/2011-annual-report.pdf> or obtained by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Funding Policy

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5.00% of their compensation toward their retirement. All or part of the 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 to the statewide cost sharing pool for professional employees, including the 5% member contribution, was \$3,956,125, \$3,270,976, and \$3,271,814 for the fiscal years ended 2012, 2011, and 2010, respectively. These contributions were 11.33%, 8.93%, and 13.81 for the fiscal years ended 2012, 2011, and 2010, respectively.

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COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

Note 11 - Other Postemployment Benefits (OPEB) - Health Insurance:

A. Plan Description

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

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 2012, 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, the most recent actuarial valuation date:

	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

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.

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

Note 11 - Other Postemployment Benefits - Health Insurance: (Continued)

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

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	\$ 621,000	\$ 1,444,900	\$ 2,065,900
Interest on net OPEB obligation	31,900	36,600	68,500
Adjustment to annual required contribution	(33,800)	(38,900)	(72,700)
Annual OPEB cost (expense)	619,100	1,442,600	2,061,700
Contributions made	355,700	1,257,900	1,613,600
Increase in net OPEB obligation	263,400	184,700	448,100
Net OPEB obligation - beginning of year	797,400	915,600	1,713,000
Net OPEB obligation - end of year	<u>\$ 1,060,800</u>	<u>\$ 1,100,300</u>	<u>\$ 2,161,100</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 for 2012 and the two preceding years are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of	
		Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2012	\$ 2,061,700	78%	\$ 2,161,100
6/30/2011	1,999,400	74%	1,713,000
6/30/2010	1,945,800	74%	1,203,000

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, 2012

Note 11 - Other Postemployment Benefits - Health Insurance: (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, the most recent actuarial valuation date, 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 \$5,660,091 reported as landfill closure and post closure care liability at June 30, 2012, \$5,660,091 represents the cumulative amount reported to date based on use of 36 percent of the estimate capacity of the landfill.

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

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

The County will recognize the remaining estimated cost of closure and postclosure care of \$9,554,268 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 2012.

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. The county has demonstrated financial assurance requirements for closure and post closure care and corrective action costs through the submission of a Local Government Financial Test to the Virginia Department of Environmental Quality in accordance with Section 9VAC20-70 of the Virginia Administrative Code.

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, 2012, consisted of the following:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Primary Government:		
General Fund	\$ -	\$ 2,870,551
County CIP Fund	1,750,000	-
Landfill Enterprise Fund	1,120,551	-
Total	<u>\$ 2,870,551</u>	<u>\$ 2,870,551</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, 2012

Note 16- Surety Bonds:

	Amount
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	
The above constitutional officers' employees	
Blanket bond	
Landfill employees	
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:

	County CIP Fund
Beginning fund balance, as previously reported	\$ 3,353,325
To adjust the due from the IDA	344,431
Beginning fund balance, as restated	\$ 3,697,756

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

Note 18 - Designations of Fund Balances

General Fund		
Nonspendable for:		
Prepays	\$	74,500
County CIP Fund		
Restricted for:		
Capital Improvements		1,635,753
Special Revenue Fund		
Restricted for:		
Capital Improvements		3,033,197
School Construction Fund		
Restricted for:		
Capital Improvements		1,565
Law Library Fund		
Committed for:		
Special Revenue		100,719
Coal Road Improvement Fund		
Committed for:		
Special Revenue		2,002,532
Coal Road Economic Development Fund		
Committed for:		
Special Revenue		101,453
E-911 Fund		
Committed for:		
Special Revenue		828,451
Damage Stamp Fund		
Committed for:		
Special Revenue		42
School Fund		
Nonspendable for:		
Prepays		491,569
Committed for:		
Special Revenue		2,565,195

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, 2012

	<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	\$ 22,946,900	\$ 22,946,900	\$ 22,382,573	\$ (564,327)
Other Local Taxes	7,466,000	7,466,000	8,097,009	631,009
Permits, Privilege Fees and Regulatory Licenses	346,900	346,900	460,872	113,972
Fines and Forfeitures	25,000	25,000	31,625	6,625
Revenue from Use of Money and Property	522,629	522,629	468,955	(53,674)
Charges for Services	289,743	303,450	372,872	69,422
Miscellaneous	570,000	523,978	167,497	(356,481)
Recovered Costs	130,500	135,245	841,566	706,321
Intergovernmental Revenues:				
Commonwealth	9,232,501	9,260,072	10,483,377	1,223,305
Federal Government	5,003,897	5,003,897	4,850,483	(153,414)
Total Revenues	<u>\$ 46,534,070</u>	<u>\$ 46,534,071</u>	<u>\$ 48,156,829</u>	<u>\$ 1,622,758</u>
EXPENDITURES:				
Current:				
General Government Administration	\$ 5,898,625	\$ 6,036,589	\$ 5,496,926	\$ 539,663
Judicial Administration	2,250,844	2,293,194	2,202,710	90,484
Public Safety	12,690,038	12,962,515	11,448,131	1,514,384
Public Works	4,392,924	4,326,347	3,381,710	944,637
Health and Welfare	7,790,371	7,568,922	7,198,253	370,669
Education	12,442,812	12,442,812	9,874,023	2,568,789
Parks, Recreation and Cultural	1,223,779	1,226,953	1,223,664	3,289
Community Development	902,272	918,317	797,164	121,153
Non-Departmental	1,244,551	1,043,807	491,276	552,531
Debt Service:				
Principal Retirement	-	-	633,509	(633,509)
Interest and Other Fiscal Charges	-	-	488,258	(488,258)
Total Expenditures	<u>\$ 48,836,216</u>	<u>\$ 48,819,456</u>	<u>\$ 43,235,624</u>	<u>\$ 5,583,832</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (2,302,146)</u>	<u>\$ (2,285,385)</u>	<u>\$ 4,921,205</u>	<u>\$ 7,206,590</u>
Other Financing Sources (Uses)				
Transfers In	\$ 400,000	\$ 400,000	\$ -	\$ (400,000)
Transfers Out	-	-	(2,870,551)	(2,870,551)
Total Other Financing Sources (Uses)	<u>\$ 400,000</u>	<u>\$ 400,000</u>	<u>\$ (2,870,551)</u>	<u>\$ (3,270,551)</u>
Net Change in Fund Balance	<u>\$ (1,902,146)</u>	<u>\$ (1,885,385)</u>	<u>\$ 2,050,654</u>	<u>\$ 3,936,039</u>
Fund Balance - Beginning	1,902,146	1,885,385	7,849,173	5,963,788
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,899,827</u>	<u>\$ 9,899,827</u>

County of Tazewell, Virginia
Schedule of Pension and OPEB Funding Progress
For the Fiscal Year Ended June 30, 2012

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, 2011 \$	34,262,993 \$	43,637,160 \$	9,374,167	78.52% \$	9,802,238	95.63%
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%

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, 2011 \$	17,016,576 \$	24,444,497 \$	7,427,921	69.61% \$	3,758,650	197.62%
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%

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

Other Supplementary Information

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, 2012

	<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	\$ 36,355	\$ 36,355	\$ 39,385	\$ 3,030
Miscellaneous	4,075,800	4,075,800	19,446	(4,056,354)
Intergovernmental Revenues:				
Commonwealth	1,355,352	1,355,352	-	(1,355,352)
Federal Government	509,840	509,840	-	(509,840)
Total Revenues	<u>\$ 5,977,347</u>	<u>\$ 5,977,347</u>	<u>\$ 58,831</u>	<u>\$ (5,918,516)</u>
EXPENDITURES:				
Current:				
Public Works	\$ 820,890	\$ 820,890	\$ 820,890	-
Education	-	-	-	-
Community Development	4,345,431	4,345,431	2,873,132	1,472,299
Parks, Recreation and Cultural	3,066,923	3,066,923	176,812	2,890,111
Total Expenditures	<u>\$ 8,233,244</u>	<u>\$ 8,233,244</u>	<u>\$ 3,870,834</u>	<u>\$ 4,362,410</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (2,255,897)</u>	<u>\$ (2,255,897)</u>	<u>\$ (3,812,003)</u>	<u>\$ (1,556,106)</u>
Other Financing Sources (Uses)				
Transfers In	\$ -	\$ -	\$ 1,750,000	\$ 1,750,000
Transfer Out	(550,000)	(550,000)	-	550,000
Total Other Financing Sources (Uses)	<u>\$ (550,000)</u>	<u>\$ (550,000)</u>	<u>\$ 1,750,000</u>	<u>\$ 2,300,000</u>
Net Change in Fund Balance	\$ (2,805,897)	\$ (2,805,897)	\$ (2,062,003)	\$ 743,894
Fund Balance - Beginning, as restated	3,500,000	3,500,000	3,697,756	197,756
Fund Balance - Ending	<u>\$ 694,103</u>	<u>\$ 694,103</u>	<u>\$ 1,635,753</u>	<u>\$ 941,650</u>

County of Tazewell, Virginia
Non - Major Capital Projects-School Construction Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Pos (Neg)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Total Revenues	\$ -	\$ -	\$ -	-
EXPENDITURES:				
Total Expenses	\$ -	\$ -	\$ -	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	-
Net Change in Fund Balance	\$ -	\$ -	\$ -	-
Fund Balance - Beginning	-	-	1,565	1,565
Fund Balance - Ending	\$ -	\$ -	\$ 1,565	\$ 1,565

County of Tazewell, Virginia
 Combining Statement of Fiduciary Net Assets
 Fiduciary Funds
 June 30, 2012

	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	\$ -	\$ -	\$ 48,622	\$ -	\$ 48,622
Investments	588,233	1,734,153	-	-	2,322,386
Due from Other Governmental Units	-	-	-	1,008,022	1,008,022
Total Assets	\$ 588,233	\$ 1,734,153	\$ 48,622	\$ 1,008,022	\$ 3,379,030
LIABILITIES					
Current Liabilities:					
Due to Primary Government	\$ -	\$ -	\$ -	\$ 854,600	\$ 854,600
Due to Other Governmental Units	-	-	-	153,422	153,422
Amounts Held for Others	588,233	1,734,153	48,622	-	2,371,008
Total Liabilities	\$ 588,233	\$ 1,734,153	\$ 48,622	\$ 1,008,022	\$ 3,379,030

County of Tazewell, Virginia
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
June 30, 2012

	Expendable Trust Funds		Agency Funds	
	School Deferred Comp Fund	Deferred Comp Fund	Special Welfare Fund	Local Sales Tax Fund
ASSETS				
Beginning Balance	\$ 588,125	\$ 1,665,380	\$ 39,873	\$ 1,008,022
Additions	108	599,546	209,004	934,227
Deductions	-	(530,773)	(200,255)	(934,227)
Ending Balance	<u>\$ 588,233</u>	<u>\$ 1,734,153</u>	<u>\$ 48,622</u>	<u>\$ 1,008,022</u>
LIABILITIES				
Beginning Balance	\$ 588,125	\$ 1,665,380	\$ 39,873	\$ 1,008,022
Additions	108	599,546	209,004	934,227
Deductions	-	(530,773)	(200,255)	(934,227)
Ending Balance	<u>\$ 588,233</u>	<u>\$ 1,734,153</u>	<u>\$ 48,622</u>	<u>\$ 1,008,022</u>

County of Tazewell, Virginia
Discretely Presented Component Unit - School Board
Balance Sheet
June 30, 2012

		<u>School Operating Fund</u>
ASSETS		
Cash and Cash Equivalents	\$	6,553,550
Cash Held for Others		13,196
Due from Other Governmental Units		3,540,562
Prepaid expenses		491,569
Total Assets	\$	<u>10,598,877</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts Payable	\$	219,178
Contracts Payable		12,560
Accrued wages payable		3,511,760
Due to Primary Government		3,798,615
Total Liabilities	\$	<u>7,542,113</u>
Fund Balances		
Nonspendable	\$	491,569
Committed		2,565,195
Total Fund Balances	\$	<u>3,056,764</u>
Total Liabilities and Fund Balances	\$	<u>10,598,877</u>

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

Total fund balances - per above	\$	3,056,764
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		21,879,736
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds		(5,104,046)
Net assets of governmental activities - component unit school board	\$	<u>19,832,454</u>

County of Tazewell, Virginia
Discretely Presented Component Unit-School Board
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2012

		<u>School Operating Fund</u>
REVENUES		
Revenue from Use of Money and Property	\$	593,405
Charges for Services		1,047,381
Miscellaneous		139,223
Recovered Costs		599,633
Intergovernmental Revenues:		
Local Government		9,814,023
Commonwealth		36,588,995
Federal Government		9,691,093
Total Revenues	\$	<u>58,473,753</u>
EXPENDITURES:		
Current:		
Education	\$	56,936,116
Debt Service:		
Principal Retirement		353,319
Interest and Other Fiscal Charges		191,664
Total Expenditures	\$	<u>57,481,099</u>
Excess (Deficiency) of Revenues Over (Under)		
Expenditures	\$	<u>992,654</u>
Net Change in Fund Balance	\$	992,654
Fund Balance - Beginning		2,064,110
Fund Balance - Ending	\$	<u><u>3,056,764</u></u>
Amounts reported for governmental activities in the Statement of Activities (Exhibit 2) are different because:		
Net change in fund balance - total governmental funds - per above	\$	992,654
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.		785,207
The issuance of long-term obligations (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations 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 obligations and related items.		353,319
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.		(184,700)
Change in net assets of governmental funds - component unit school board	\$	<u><u>1,946,480</u></u>

County of Tazewell, Virginia
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, 2012

	Budget Amounts		Actual Amounts	Variance with Final Budget Pos (Neg)
	Original	Final		
REVENUES				
Revenue from Use of Money and Property	\$ 8,768	\$ 8,768	\$ 593,405	\$ 584,637
Charges for Services	967,000	967,000	1,047,381	80,381
Miscellaneous	548,966	548,966	139,223	(409,743)
Recovered Costs	357,000	357,000	599,633	242,633
Intergovernmental Revenues:				
Local Government	12,382,812	12,382,812	9,814,023	(2,568,789)
Commonwealth	38,172,018	38,172,018	36,588,995	(1,583,023)
Federal Government	7,052,883	7,052,883	9,691,093	2,638,210
Total Revenues	\$ 59,489,447	\$ 59,489,447	\$ 58,473,753	\$ (1,015,694)
EXPENDITURES:				
Current:				
Education	\$ 60,148,241	\$ 60,148,241	\$ 56,936,116	\$ 3,212,125
Debt Service:				
Principal Retirement	1,221,341	1,221,341	353,319	868,022
Interest and Other Fiscal Charges	518,110	518,110	191,664	326,446
Total Expenditures	\$ 61,887,692	\$ 61,887,692	\$ 57,481,099	\$ 4,406,593
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (2,398,245)	\$ (2,398,245)	\$ 992,654	\$ 3,390,899
Net Change in Fund Balance	\$ (2,398,245)	\$ (2,398,245)	\$ 992,654	\$ 3,390,899
Fund Balance - Beginning	2,398,245	2,398,245	2,064,110	(334,135)
Fund Balance - Ending	\$ -	\$ -	\$ 3,056,764	\$ 3,056,764

County of Tazewell, Virginia
 Non-Major Funds
 Combining Balance Sheet
 June 30, 2012

	<u>Special Revenue Funds</u>	<u>School Construction Fund</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 2,799,009	\$ 1,565	\$ 2,800,574
Receivables (Net of Allowance for Uncollectibles):			
Taxes	259,802	-	259,802
Other Local Taxes and Fees	186	-	186
Total Assets	<u>\$ 3,058,997</u>	<u>\$ 1,565</u>	<u>\$ 3,060,562</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 25,800	\$ -	\$ 25,800
Total Liabilities	<u>\$ 25,800</u>	<u>\$ -</u>	<u>\$ 25,800</u>
Fund Balances:			
Restricted	\$ -	\$ 1,565	\$ 1,565
Committed	3,033,197	-	3,033,197
Total Fund Balances	<u>\$ 3,033,197</u>	<u>\$ 1,565</u>	<u>\$ 3,034,762</u>
Total Liabilities and Fund Balances	<u>\$ 3,058,997</u>	<u>\$ 1,565</u>	<u>\$ 3,060,562</u>

County of Tazewell, Virginia
 Non-Major Funds
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance
 For the Fiscal Year Ended June 30, 2012

	Special Revenue Funds	School Construction Fund	Total
REVENUES			
Other Local Taxes	\$ 2,411,762	\$ -	\$ 2,411,762
Charges for Services	12,032	-	12,032
Commonwealth	234,109	-	234,109
Total Revenues	<u>\$ 2,657,903</u>	<u>\$ -</u>	<u>\$ 2,657,903</u>
EXPENDITURES			
Current:			
Judicial Administration	\$ 1,150	\$ -	\$ 1,150
Public Safety	1,120,305	-	1,120,305
Public Works	1,979,781	-	1,979,781
Total Expenditures	<u>\$ 3,101,236</u>	<u>\$ -</u>	<u>\$ 3,101,236</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (443,333)</u>	<u>\$ -</u>	<u>\$ (443,333)</u>
Net Change in Fund Balance	\$ (443,333)	\$ -	\$ (443,333)
Fund Balance - Beginning	3,476,530	1,565	3,478,095
Fund Balance - Ending	<u>\$ 3,033,197</u>	<u>\$ 1,565</u>	<u>\$ 3,034,762</u>

County of Tazewell, Virginia
 Non-Major Special Revenue Funds
 Combining Balance Sheet
 For the Fiscal Year Ended June 30, 2012

	<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	\$ 100,533	\$ 1,895,689	\$ 57,932	\$ 744,813	\$ 42	\$ 2,799,009
Receivables (Net of Allowance for Uncollectibles):						
Taxes	-	106,843	43,521	109,438	-	259,802
Other Local Taxes and Fees	186	-	-	-	-	186
Total Assets	\$ 100,719	\$ 2,002,532	\$ 101,453	\$ 854,251	\$ 42	\$ 3,058,997

LIABILITIES AND FUND BALANCES

Liabilities						
Accounts Payable	\$ -	\$ -	\$ -	\$ 25,800	\$ -	\$ 25,800
Total Liabilities	\$ -	\$ -	\$ -	\$ 25,800	\$ -	\$ 25,800

Fund Balances:

Committed	\$ 100,719	\$ 2,002,532	\$ 101,453	\$ 828,451	\$ 42	\$ 3,033,197
Total Fund Balances	\$ 100,719	\$ 2,002,532	\$ 101,453	\$ 828,451	\$ 42	\$ 3,033,197
Total Liabilities and Fund Balances	\$ 100,719	\$ 2,002,532	\$ 101,453	\$ 854,251	\$ 42	\$ 3,058,997

County of Tazewell, Virginia
 Non-Major Special Revenue Funds
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance
 For the Fiscal Year Ended June 30, 2012

	<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>
Revenues						
Other Local Taxes	\$ -	\$ 1,193,958	\$ 549,416	\$ 668,388	\$ -	\$ 2,411,762
Charges for Services	12,032	-	-	-	-	12,032
Commonwealth	-	-	-	234,109	-	234,109
Total Revenues	\$ 12,032	\$ 1,193,958	\$ 549,416	\$ 902,497	\$ -	\$ 2,657,903
Expenditures						
Current:						
Judicial Administration	\$ 1,150	\$ -	\$ -	\$ -	\$ -	\$ 1,150
Public Safety	-	-	-	1,120,305	-	1,120,305
Public Works	-	1,407,591	572,190	-	-	1,979,781
Total Expenditures	\$ 1,150	\$ 1,407,591	\$ 572,190	\$ 1,120,305	\$ -	\$ 3,101,236
Net Change in Fund Balance	\$ 10,882	\$ (213,633)	\$ (22,774)	\$ (217,808)	\$ -	\$ (443,333)
Fund Balance - Beginning	89,837	2,216,165	124,227	1,046,259	42	3,476,530
Fund Balance - Ending	\$ 100,719	\$ 2,002,532	\$ 101,453	\$ 828,451	\$ 42	\$ 3,033,197

Exhibit 24

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, 2012

	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	\$ 1,193,958	\$ 468,958
Charges for Services	17,500	17,500	12,032	(5,468)	-	-	-	-
Intergovernmental Revenues:								
Commonwealth	-	-	-	-	-	-	-	-
Total Revenues	\$ 17,500	\$ 17,500	\$ 12,032	\$ (5,468)	\$ 725,000	\$ 725,000	\$ 1,193,958	\$ 468,958
EXPENDITURES:								
Current:								
Judicial Administration	\$ 17,500	\$ 17,500	\$ 1,150	\$ 16,350	\$ -	\$ -	\$ -	\$ -
Public Safety	-	-	-	-	2,681,822	2,681,822	1,407,591	1,274,231
Public Works	-	-	-	-	2,681,822	2,681,822	1,407,591	1,274,231
Total Expenditures	\$ 17,500	\$ 17,500	\$ 1,150	\$ 16,350	\$ 2,681,822	\$ 2,681,822	\$ 1,407,591	\$ 1,274,231
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ 10,882	\$ 10,882	\$ (1,956,822)	\$ (1,956,822)	\$ (213,633)	\$ 1,743,189
Net Change in Fund Balance	\$ -	\$ -	\$ 10,882	\$ 10,882	\$ (1,956,822)	\$ (1,956,822)	\$ (213,633)	\$ 1,743,189
Fund Balance - Beginning	-	-	89,837	89,837	1,956,822	1,956,822	2,216,165	259,343
Fund Balance - Ending	\$ -	\$ -	\$ 100,719	\$ 100,719	\$ -	\$ -	\$ 2,002,532	\$ 2,002,532

Exhibit 24

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, 2012

	Coal Road Economic Development Fund						E-911 Fund			
	Budget Amounts		Actual Amounts	Budget Amounts		Actual Amounts	Variance with Final Budget			
	Original	Final		Original	Final		Pos (Neg)	Pos (Neg)		
REVENUES										
Other Local Taxes	\$ 500,000	\$ 500,000	\$ 549,416	\$ 49,416	\$ 452,361	\$ 668,388	\$ 216,027			
Charges for Services	-	-	-	-	-	-	-			
Intergovernmental Revenues:										
Commonwealth	-	-	-	-	191,403	234,109	42,706			
Total Revenues	\$ 500,000	\$ 500,000	\$ 549,416	\$ 49,416	\$ 643,764	\$ 902,497	\$ 258,733			
EXPENDITURES:										
Current:										
Judicial Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Public Safety	-	-	-	-	788,946	1,120,305	(13,051)			
Public Works	500,000	500,000	572,190	(72,190)	1,107,254	-	-			
Total Expenditures	\$ 500,000	\$ 500,000	\$ 572,190	\$ (72,190)	\$ 788,946	\$ 1,120,305	\$ (13,051)			
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ (22,774)	\$ (22,774)	\$ (145,182)	\$ (217,808)	\$ 245,682			
Net Change in Fund Balance	\$ -	\$ -	\$ (22,774)	\$ (22,774)	\$ (145,182)	\$ (217,808)	\$ 245,682			
Fund Balance - Beginning	-	-	124,227	124,227	500,000	1,046,259	227,951			
Fund Balance - Ending	\$ -	\$ -	\$ 101,453	\$ 101,453	\$ 354,818	\$ 828,451	\$ 473,633			

Exhibit 24

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, 2012

	Damaged Stamp Fund				Total			
	Budget Amounts		Actual Amounts	Variance with Final Budget Pos (Neg)	Budget Amounts		Actual Amounts	Variance with Final Budget Pos (Neg)
	Original	Final			Original	Final		
REVENUES								
Other Local Taxes	\$ -	\$ -	\$ -	-	\$ 1,677,361	\$ 2,411,762	\$ 734,401	
Charges for Services	-	-	-	-	17,500	12,032	(5,468)	
Intergovernmental Revenues:								
Commonwealth	-	-	-	-	191,403	234,109	42,706	
Total Revenues	\$ -	\$ -	\$ -	-	\$ 1,886,264	\$ 2,657,903	\$ 771,639	
EXPENDITURES:								
Current:								
Judicial Administration	\$ -	\$ -	\$ -	-	\$ 17,500	\$ 1,150	\$ 16,350	
Public Safety	-	-	-	-	788,946	1,120,305	(13,051)	
Public Works	-	-	-	-	3,181,822	1,979,781	1,202,041	
Total Expenditures	\$ -	\$ -	\$ -	-	\$ 3,988,268	\$ 3,101,236	\$ 1,205,340	
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	-	\$ (2,102,004)	\$ (443,333)	\$ 1,976,979	
Net Change in Fund Balance	\$ -	\$ -	\$ -	-	\$ (2,102,004)	\$ (443,333)	\$ 1,976,979	
Fund Balance - Beginning	-	-	42	42	2,456,822	3,476,530	701,400	
Fund Balance - Ending	\$ -	\$ -	\$ 42	\$ 42	\$ 354,818	\$ 3,033,197	\$ 2,678,379	

Supporting Schedules

County of Tazewell, Virginia
Schedule of Revenues-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2012

<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	\$ 12,449,000	\$ 12,449,000	\$ 13,383,562	\$ 934,562
Real and personal public service corporation taxes	895,900	895,900	894,410	(1,490)
Personal property taxes	6,945,000	6,945,000	5,211,927	(1,733,073)
Mobile home taxes	173,000	173,000	176,746	3,746
Machinery and tools taxes	1,007,500	1,007,500	1,135,533	128,033
Merchant's capital taxes	1,026,500	1,026,500	1,017,731	(8,769)
Penalties	295,000	295,000	330,964	35,964
Interest	155,000	155,000	231,700	76,700
Total General Property Taxes	<u>\$ 22,946,900</u>	<u>\$ 22,946,900</u>	<u>\$ 22,382,573</u>	<u>\$ (564,327)</u>
Other Local Taxes:				
Local sales and use taxes	\$ 5,005,000	\$ 5,005,000	\$ 5,178,955	\$ 173,955
Consumers' utility taxes	900,000	900,000	887,861	(12,139)
Utility license taxes	30,000	30,000	31,971	1,971
Motor vehicle licenses	36,000	36,000	32,761	(3,239)
Bank franchise taxes	45,000	45,000	40,795	(4,205)
Taxes on recordation and wills	250,000	250,000	181,292	(68,708)
Coal severance taxes	1,200,000	1,200,000	1,743,374	543,374
Total Other Local Taxes	<u>\$ 7,466,000</u>	<u>\$ 7,466,000</u>	<u>\$ 8,097,009</u>	<u>\$ 631,009</u>
Permits, Privilege Fees and Regulatory Licenses:				
Animal licenses	\$ 5,000	\$ 5,000	\$ 7,888	\$ 2,888
Land use application fees	500	500	411	(89)
Transfer fees	2,000	2,000	2,750	750
Legal service fees	50,000	50,000	46,000	(4,000)
Transient fee	192,500	192,500	204,488	11,988
Cavitts Creek camping fee	12,500	12,500	10,949	(1,551)
Collection fees	-	-	1,298	1,298
Building permits	70,000	70,000	82,921	12,921
Installment service fees	10,000	10,000	9,062	(938)
Return check fees	1,000	1,000	843	(157)
Junk dealers license	2,400	2,400	3,300	900
Erosion and sediment control permit	1,000	1,000	84,425	83,425
Other permits and licenses	-	-	6,537	6,537
Total Permits, Privilege Fees and Regulatory Licenses	<u>\$ 346,900</u>	<u>\$ 346,900</u>	<u>\$ 460,872</u>	<u>\$ 113,972</u>
Fines and Forfeitures:				
Court fines and forfeitures	\$ 25,000	\$ 25,000	\$ 31,625	\$ 6,625
Revenue from Use of Money and Property:				
Revenue from use of money	\$ 90,000	\$ 90,000	\$ 106,522	\$ 16,522
Revenue from use of property	432,629	432,629	362,433	(70,196)
Total Revenue from Use of Money and Property	<u>\$ 522,629</u>	<u>\$ 522,629</u>	<u>\$ 468,955</u>	<u>\$ (53,674)</u>

County of Tazewell, Virginia
Schedule of Revenues-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2012

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget- Pos (Neg)
General Fund: (continued)				
Charges for Services:				
Commonwealth attorney fees	\$ 3,500	\$ 3,500	\$ 12,859	\$ 9,359
Courthouse maintenance fees	12,500	12,500	12,081	(419)
Courthouse security fees	50,000	50,000	63,706	13,706
Courthouse admission fee	20,000	20,000	6,791	(13,209)
Library fees	25,000	38,707	38,882	175
Court appointed attorney	-	-	3,778	3,778
Sheriff special project fees	3,743	3,743	3,743	-
Gun permit fees	-	-	23,441	23,441
County garage service fees	175,000	175,000	182,766	7,766
Miscellaneous jail and inmate fees	-	-	15,098	15,098
Charges for animal pound	-	-	9,727	9,727
Total Charges for Services	<u>\$ 289,743</u>	<u>\$ 303,450</u>	<u>\$ 372,872</u>	<u>\$ 69,422</u>
Miscellaneous:				
Miscellaneous	\$ 570,000	\$ 511,990	\$ 54,127	\$ (457,863)
Expenditure refunds	-	11,988	113,370	101,382
Total Miscellaneous	<u>\$ 570,000</u>	<u>\$ 523,978</u>	<u>\$ 167,497</u>	<u>\$ (356,481)</u>
Recovered Costs:				
Library	\$ 15,000	\$ 15,000	\$ 15,008	\$ 8
Health department	-	-	116,058	116,058
Welfare recoveries	25,000	25,000	40,208	15,208
Sherriff	-	440	19,761	19,321
Insurance recoveries	90,500	94,805	99,273	4,468
Southwest Virginia Regional Jail Authority	-	-	503,583	503,583
Other recoveries	-	-	47,675	47,675
Total Recovered Costs	<u>\$ 130,500</u>	<u>\$ 135,245</u>	<u>\$ 841,566</u>	<u>\$ 706,321</u>
Total Revenue from Local Sources	<u>\$ 32,297,672</u>	<u>\$ 32,270,102</u>	<u>\$ 32,822,969</u>	<u>\$ 552,867</u>
Intergovernmental Revenues:				
Revenue from the Commonwealth:				
Non-categorical Aid:				
Mobile home titling tax	\$ 94,052	\$ 94,052	\$ 141,570	\$ 47,518
Motor vehicle rental tax	30,000	30,000	40,876	10,876
Rolling stock tax	90,000	90,000	73	(89,927)
State recordation tax	-	-	61,990	61,990
Personal property tax relief funds	-	-	2,758,262	2,758,262
State reduction in aid	(274,224)	(274,224)	(270,494)	3,730
Total Non-categorical Aid	<u>\$ (60,172)</u>	<u>\$ (60,172)</u>	<u>\$ 2,732,277</u>	<u>\$ 2,792,449</u>
Categorical Aid:				
Shared Expenses:				
Commonwealth's Attorney	\$ 644,011	\$ 644,011	\$ 616,750	\$ (27,261)
Sheriff	1,696,125	1,696,125	1,726,252	30,127
Commissioner of the Revenue	138,551	138,551	134,927	(3,624)
Treasurer	152,175	152,175	147,732	(4,443)
Registrar/Electoral Board	43,000	43,000	60,756	17,756
Clerk of the Circuit Court	430,772	430,772	455,133	24,361
Total Shared Expenses	<u>\$ 3,104,634</u>	<u>\$ 3,104,634</u>	<u>\$ 3,141,550</u>	<u>\$ 36,916</u>

County of Tazewell, Virginia
Schedule of Revenues-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2012

<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)				
Other Categorical Aid:				
Public assistance and welfare administration	\$ 2,747,228	\$ 2,752,595	\$ 2,545,642	\$ (206,953)
Comprehensive Services Act	1,509,000	1,509,000	1,488,364	(20,636)
Fire programs	81,785	81,785	73,936	(7,849)
At risk youth and family	12,500	12,500	103,495	90,995
Litter control	9,124	9,124	9,047	(77)
Library of VA - record preservation grant	151,089	151,089	146,733	(4,356)
Game and inland fishery	-	-	11,321	11,321
Emergency preparedness	1,007,192	1,007,192	-	(1,007,192)
Corrective service grant	125,196	125,196	125,196	-
Community connect grant	343,000	343,000	-	(343,000)
Victim witness grant	93,948	93,948	23,957	(69,991)
Virginia tourism grant	-	10,000	10,000	-
Other categorical aid	24,778	24,778	-	(24,778)
Emergency services grant	38,199	38,199	14,655	(23,544)
Commission on the arts	5,000	5,000	5,000	-
Bulletproof vest grant	-	12,204	12,204	-
Domestic violence DCJS grant	40,000	40,000	40,000	-
Total Other Categorical Aid	<u>\$ 6,188,039</u>	<u>\$ 6,215,610</u>	<u>\$ 4,609,550</u>	<u>\$ (1,606,060)</u>
Total Revenue from the Commonwealth	<u>\$ 9,232,501</u>	<u>\$ 9,260,072</u>	<u>\$ 10,483,377</u>	<u>\$ 1,223,305</u>
Revenue from the Federal Government:				
Non-categorical Aid:				
Payment in lieu of taxes	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 11,010</u>	<u>\$ 1,010</u>
Categorical Aid:				
Public assistance and welfare administration	\$ 3,159,901	\$ 3,159,901	\$ 3,109,378	\$ (50,523)
Victim witness	-	-	71,870	71,870
FEMA	-	-	102,990	102,990
Domestic violence victim	-	-	13,792	13,792
State and community highway safety	-	-	9,937	9,937
Alcohol traffic safety and drunk driver prevention	-	-	14,885	14,885
Hazard mitigation grant	-	-	25,290	25,290
Jobs education fund reimbursement	400,000	400,000	-	(400,000)
Work force investment	1,433,996	1,433,996	1,491,331	57,335
Total Categorical Aid	<u>\$ 4,993,897</u>	<u>\$ 4,993,897</u>	<u>\$ 4,839,473</u>	<u>\$ (154,424)</u>
Total Revenue from the Federal Government	<u>\$ 5,003,897</u>	<u>\$ 5,003,897</u>	<u>\$ 4,850,483</u>	<u>\$ (153,414)</u>
Total General Fund	<u>\$ 46,534,070</u>	<u>\$ 46,534,071</u>	<u>\$ 48,156,829</u>	<u>\$ 1,622,758</u>

County of Tazewell, Virginia
Schedule of Revenues-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2012

<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:				
Law Library				
Revenue from Local Sources:				
Charges for Services:				
Law library fees	\$ 17,500	\$ 17,500	\$ 12,032	\$ (5,468)
Coal Road Improvement Fund				
Revenue from Local Sources:				
Other Local Taxes:				
Coal road tax	\$ 725,000	\$ 725,000	\$ 1,193,958	\$ 468,958
Coal Road Economic Development Fund				
Revenue from Local Sources:				
Other Local Taxes:				
Coal road tax	\$ 500,000	\$ 500,000	\$ 549,416	\$ 49,416
E-911 Fund				
Intergovernmental Revenues:				
Revenue from the Commonwealth:				
Non-Categorical Aid:				
E-911 communications tax	\$ 452,361	\$ 452,361	\$ 668,388	\$ 216,027
Categorical Aid:				
Other grant revenues	\$ 191,403	\$ 191,403	\$ 234,109	\$ 42,706
Total E-911 Fund	\$ 643,764	\$ 643,764	\$ 902,497	\$ 258,733
Total Non-Major Special Revenue Funds	\$ 1,886,264	\$ 1,886,264	\$ 2,657,903	\$ 771,639
Major Capital Projects Fund:				
County CIP Fund:				
Revenue from Local Sources:				
Revenue from Use of Money and Property:				
Revenue from use of property	\$ 36,355	\$ 36,355	\$ 39,385	\$ 3,030
Miscellaneous:				
Miscellaneous	\$ 4,075,800	\$ 4,075,800	\$ 19,446	\$ (4,056,354)
Intergovernmental Revenues:				
Revenue from the Commonwealth:				
Categorical Aid:				
Other grant revenues	\$ 1,355,352	\$ 1,355,352	-	\$ (1,355,352)
Revenue from the Federal Government:				
Categorical Aid:				
Other grant revenues	\$ 509,840	\$ 509,840	-	\$ (509,840)
Total County CIP Fund	\$ 5,977,347	\$ 5,977,347	\$ 58,831	\$ (5,918,516)
Total Primary Government	\$ 54,397,681	\$ 54,397,682	\$ 50,873,563	\$ (3,524,119)

County of Tazewell, Virginia
Schedule of Revenues-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2012

<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:				
School Operating Fund:				
Revenue from Local Sources:				
Revenue from Use of Money and Property:				
Revenue from use of money	\$ 5,768	\$ 5,768	\$ 590,866	\$ 585,098
Revenue from use of property	3,000	3,000	2,539	(461)
Total Revenue from Use of Money and Property	<u>\$ 8,768</u>	<u>\$ 8,768</u>	<u>\$ 593,405</u>	<u>\$ 584,637</u>
Charges for Services:				
Tuition	\$ 21,000	\$ 21,000	\$ 10,713	\$ (10,287)
Cafeteria sales	925,000	925,000	1,013,509	88,509
Charges for damaged books	1,000	1,000	1,883	883
Charges for transportation	20,000	20,000	21,276	1,276
Total Charges for Services	<u>\$ 967,000</u>	<u>\$ 967,000</u>	<u>\$ 1,047,381</u>	<u>\$ 80,381</u>
Miscellaneous:				
Miscellaneous	\$ 548,966	\$ 548,966	\$ 139,223	\$ (409,743)
Recovered Costs:				
Rebates and refunds	\$ 351,000	\$ 351,000	\$ 574,723	\$ 223,723
Sale of supplies	1,000	1,000	1,607	607
Sale of busses	5,000	5,000	-	(5,000)
Insurance recoveries	-	-	23,303	23,303
Total Recovered Costs	<u>\$ 357,000</u>	<u>\$ 357,000</u>	<u>\$ 599,633</u>	<u>\$ 242,633</u>
Total Revenue from Local Sources	<u>\$ 1,881,734</u>	<u>\$ 1,881,734</u>	<u>\$ 2,379,642</u>	<u>\$ 497,908</u>
Intergovernmental Revenues:				
Revenue from Local Governments:				
Contribution from the County of Tazewell	\$ 12,382,812	\$ 12,382,812	\$ 9,814,023	\$ (2,568,789)
Revenue from the Commonwealth:				
Categorical Aid:				
At risk four-year olds	\$ 356,116	\$ 356,116	\$ 356,116	\$ -
At risk payments	621,521	621,521	623,352	1,831
Basic school aid	19,734,679	19,734,679	19,748,642	13,963
Composite Index Trans	617,523	617,523	619,568	2,045
ESL	19,856	19,856	17,787	(2,069)
GED funding	23,576	23,576	23,576	-
Gifted and talented children	214,385	214,385	215,095	710
GLI instructional	47,641	47,641	47,799	158
Mentor teaching program	5,656	5,656	8,599	2,943
Reading intervention	95,875	95,875	82,179	(13,696)
Reduced K-3 classroom	880,577	880,577	866,670	(13,907)
Remedial education	662,211	662,211	664,404	2,193
Remedial summer education	17,721	17,721	12,387	(5,334)
Retirement	1,157,678	1,157,678	1,161,512	3,834
School food	40,683	40,683	211,692	171,009

County of Tazewell, Virginia
Schedule of Revenues-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2012

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget- Pos (Neg)
Discretely Presented Component Unit-School Board: (continued)				
School Operating Fund: (continued)				
Intergovernmental Revenues: (continued)				
Revenue from the Commonwealth: (continued)				
Categorical Aid: (continued)				
Share of fringe benefits	\$ 964,000	\$ 964,000	\$ 370,647	\$ (593,353)
Share of state sales tax	5,254,482	5,254,482	5,410,462	155,980
Social security	1,276,780	1,276,780	1,281,009	4,229
Special education - SOQ	2,623,712	2,623,712	2,627,125	3,413
Special education - homebound	87,828	87,828	56,610	(31,218)
Standards of learning algebra readiness	86,393	86,393	91,299	4,906
Student achievement grant	-	-	27,316	27,316
State textbook payments	193,232	193,232	242,304	49,072
Teacher training	-	-	10,000	10,000
Technology assistance	440,000	440,000	466,000	26,000
Vocational education - SOQ	795,606	795,606	798,241	2,635
Vocational education - equipment	-	-	11,034	11,034
Vocational education - adult	-	-	10,993	10,993
Vocational education occup/tech	54,285	54,285	35,836	(18,449)
Other state payments	1,900,002	1,900,002	490,741	(1,409,261)
Total Categorical Aid	<u>\$ 38,172,018</u>	<u>\$ 38,172,018</u>	<u>\$ 36,588,995</u>	<u>\$ (1,583,023)</u>
Total Revenue from the Commonwealth	<u>\$ 38,172,018</u>	<u>\$ 38,172,018</u>	<u>\$ 36,588,995</u>	<u>\$ (1,583,023)</u>
Revenue from the Federal Government:				
Categorical Aid:				
Forest reserve funds	\$ 10,000	\$ 10,000	\$ 11,861	\$ 1,861
Adult basic education	51,702	51,702		(51,702)
Learn and serve grant	21,895	21,895	7,807	(14,088)
Title I	2,213,935	2,213,935	3,084,912	870,977
Title I, Recovery Act	597,000	597,000	229,874	(367,126)
Title II, A Staff training	505,917	505,917	79,935	(425,982)
Title VI-B	1,461,796	1,461,796	1,486,052	24,256
Title VI-B, Recovery Act	625,000	625,000	625,001	1
Title VI-B Preschool	-	-	436	436
Title VI-B Preschool, Recovery Act	-	-	951	951
Vocational education	146,621	146,621	123,646	(22,975)
Title VI-B-2	161,581	161,581	4,252	(157,329)
Drug free schools	-	-	5,904	5,904
School food-Summer program	25,000	25,000	17,129	(7,871)
State fiscal stabilization fund	-	-	2,269,349	2,269,349
School food commodities	-	-	153,998	153,998
Summer feeding program commodities	-	-	313	313
School breakfast	-	-	330,981	330,981
School lunch	1,232,436	1,232,436	1,258,692	26,256
Total Categorical Aid	<u>\$ 7,052,883</u>	<u>\$ 7,052,883</u>	<u>\$ 9,691,093</u>	<u>\$ 2,638,210</u>
Total Revenue from the Federal Government	<u>\$ 7,052,883</u>	<u>\$ 7,052,883</u>	<u>\$ 9,691,093</u>	<u>\$ 2,638,210</u>
Total Discretely Presented Component Unit-School Board	<u>\$ 59,489,447</u>	<u>\$ 59,489,447</u>	<u>\$ 58,473,753</u>	<u>\$ (1,015,694)</u>

County of Tazewell, Virginia
Schedule of Expenditures-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2012

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget- Pos (Neg)
Primary Government:				
General Fund:				
General Government Administration:				
Legislative:				
Board of supervisors	\$ 124,906	\$ 147,507	\$ 146,079	\$ 1,428
General and Financial Administration:				
County administrator	\$ 269,218	\$ 283,819	\$ 283,710	\$ 109
Legal services	181,895	202,798	198,707	4,091
Economic development	281,759	288,799	224,108	64,691
Commissioner of revenue	539,681	552,460	542,932	9,528
Reassessment	350,000	350,000	321,562	28,438
Treasurer	596,467	607,458	610,955	(3,497)
Finance office	206,895	218,687	216,633	2,054
Administration services	205,881	208,929	202,866	6,063
County garage	289,392	301,880	304,357	(2,477)
Information technology	1,002,878	1,024,006	732,341	291,665
Workforce consortium	1,508,500	1,510,071	1,407,386	102,685
Transit system	78,625	74,728	66,000	8,728
Total General and Financial Administration	\$ 5,511,191	\$ 5,623,635	\$ 5,111,557	\$ 512,078
Board of Elections:				
Registrar	\$ 262,528	\$ 265,447	\$ 239,290	\$ 26,157
Total General Government Administration	\$ 5,898,625	\$ 6,036,589	\$ 5,496,926	\$ 539,663
Judicial Administration:				
Courts:				
Clerk of the Circuit Court	\$ 729,101	\$ 738,518	\$ 736,509	\$ 2,009
Circuit court	104,875	106,840	104,070	2,770
District court	11,500	13,211	13,519	(308)
Magistrate	6,075	7,097	6,828	269
Victim's witness assistance	126,818	129,588	128,472	1,116
V - stop	39,523	40,309	40,185	124
Juvenile and domestic relations court	6,900	6,900	6,743	157
Total Courts	\$ 1,024,792	\$ 1,042,463	\$ 1,036,326	\$ 6,137
Commonwealth's Attorney:				
Commonwealth's attorney	\$ 1,226,052	\$ 1,250,731	\$ 1,166,384	\$ 84,347
Total Judicial Administration	\$ 2,250,844	\$ 2,293,194	\$ 2,202,710	\$ 90,484
Public Safety				
Law Enforcement and Traffic Control:				
Sheriff	\$ 3,682,175	\$ 3,770,931	\$ 3,688,966	\$ 81,965
DARE program	10,046	11,096	9,259	1,837
Total Law Enforcement and Traffic Control	\$ 3,692,221	\$ 3,782,027	\$ 3,698,225	\$ 83,802
Fire and Rescue Services:				
Volunteer fire departments	\$ 627,394	\$ 665,467	\$ 459,159	\$ 206,308
Volunteer rescue squads	173,074	204,429	202,300	2,129
Total Fire and Rescue Services	\$ 800,468	\$ 869,896	\$ 661,459	\$ 208,437

County of Tazewell, Virginia
Schedule of Expenditures-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2012

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget- Pos (Neg)
General Fund: (continued)				
Public Safety (continued)				
Correction and Detention:				
Jail	\$ 3,606,225	\$ 3,606,225	\$ 3,362,651	\$ 243,574
Probation office	424,258	431,242	431,007	235
Youth and family services	2,020,250	2,020,250	2,038,906	(18,656)
Special police	205,417	223,311	220,891	2,420
Total Correction and Detention	<u>\$ 6,256,150</u>	<u>\$ 6,281,028</u>	<u>\$ 6,053,455</u>	<u>\$ 227,573</u>
Inspections:				
Building Inspections	\$ 167,769	\$ 210,795	\$ 202,793	\$ 8,002
Other Protection:				
Human services	\$ 449,589	\$ 485,986	\$ 461,373	\$ 24,613
Emergency services	1,078,084	1,085,262	172,541	912,721
Animal control	125,757	127,415	126,439	976
Property maintenance	100,000	100,106	51,986	48,120
Forestry service	20,000	20,000	19,860	140
Total Other Protection	<u>\$ 1,773,430</u>	<u>\$ 1,818,769</u>	<u>\$ 832,199</u>	<u>\$ 986,570</u>
Total Public Safety	<u>\$ 12,690,038</u>	<u>\$ 12,962,515</u>	<u>\$ 11,448,131</u>	<u>\$ 1,514,384</u>
Public Works:				
Maintenance of Streets, Highways, and Bridges:				
Orphan Road upgrading	\$ 277,117	\$ 197,682	\$ 75,672	\$ 122,010
Sanitation and Waste Removal:				
Transfer station	\$ 1,160,486	\$ 1,160,486	\$ 726,785	\$ 433,701
Maintenance of General Building and Grounds:				
General properties	\$ 2,904,621	\$ 2,903,028	\$ 2,514,128	\$ 388,900
Fairgrounds operations	50,700	65,151	65,125	26
Total Maintenance of General Buildings and Grounds	<u>\$ 2,955,321</u>	<u>\$ 2,968,179</u>	<u>\$ 2,579,253</u>	<u>\$ 388,926</u>
Total Public Works	<u>\$ 4,392,924</u>	<u>\$ 4,326,347</u>	<u>\$ 3,381,710</u>	<u>\$ 944,637</u>
Health and Welfare:				
Health:				
Supplement of Local Health Department	\$ 438,112	\$ 438,112	\$ 438,112	\$ -
Mental health and mental Retardation:				
Chapter X board	\$ 60,000	\$ 60,000	\$ 60,000	\$ -
Welfare:				
Public Assistance	\$ 6,875,563	\$ 6,875,563	\$ 3,174,852	\$ 3,700,711
Welfare Administration	416,696	195,247	3,525,289	(3,330,042)
Total Welfare	<u>\$ 7,292,259</u>	<u>\$ 7,070,810</u>	<u>\$ 6,700,141</u>	<u>\$ 370,669</u>
Total Health and Welfare	<u>\$ 7,790,371</u>	<u>\$ 7,568,922</u>	<u>\$ 7,198,253</u>	<u>\$ 370,669</u>
Education:				
Other Instructional Costs:				
Contribution to community colleges	\$ 60,000	\$ 60,000	\$ 60,000	\$ -
Contribution to Tazewell County School Board	12,382,812	12,382,812	9,814,023	2,568,789
Total Education	<u>\$ 12,442,812</u>	<u>\$ 12,442,812</u>	<u>\$ 9,874,023</u>	<u>\$ 2,568,789</u>

County of Tazewell, Virginia
Schedule of Expenditures-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2012

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget- Pos (Neg)
General Fund: (continued)				
Parks, Recreational and Cultural:				
Parks and Recreation:				
Youth sports activities	\$ 45,789	\$ 20,164	\$ 6,500	\$ 13,664
Tazewell recreation department	144,733	146,373	151,146	(4,773)
Museums	78,000	78,000	73,260	4,740
Total Parks and Recreation	<u>\$ 268,522</u>	<u>\$ 244,537</u>	<u>\$ 230,906</u>	<u>\$ 13,631</u>
Library:				
Library Administration	\$ 955,257	\$ 982,416	\$ 992,758	\$ (10,342)
Total Parks, Recreation and Cultural	<u>\$ 1,223,779</u>	<u>\$ 1,226,953</u>	<u>\$ 1,223,664</u>	<u>\$ 3,289</u>
Community Development:				
Planning and Community Development:				
Community Development	\$ 53,200	\$ 53,200	\$ 53,200	-
Tourism	98,292	108,882	92,215	16,667
Planning and engineering	345,654	351,109	222,262	128,847
Contribution to Airport	120,755	120,755	120,755	-
Contribution to IDA	-	-	31,373	(31,373)
Contribution to Tazewell County PSA	174,922	174,922	174,922	-
Total Planning and Community Development	<u>\$ 792,823</u>	<u>\$ 808,868</u>	<u>\$ 694,727</u>	<u>\$ 114,141</u>
Cooperative Extension Program:				
VPI extension	\$ 109,449	\$ 109,449	\$ 102,437	\$ 7,012
Total Community Development	<u>\$ 902,272</u>	<u>\$ 918,317</u>	<u>\$ 797,164</u>	<u>\$ 121,153</u>
Non-departmental:				
District funds	\$ 330,279	\$ 448,739	\$ 406,085	\$ 42,654
Contingent expenditures	914,272	595,068	85,191	509,877
Total Non-departmental	<u>\$ 1,244,551</u>	<u>\$ 1,043,807</u>	<u>\$ 491,276</u>	<u>\$ 552,531</u>
Debt Service:				
Principal retirement	\$ -	\$ -	\$ 633,509	\$ (633,509)
Interest	-	-	488,258	(488,258)
Total Debt Service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,121,767</u>	<u>\$ (1,121,767)</u>
Total General Fund	<u>\$ 48,836,216</u>	<u>\$ 48,819,456</u>	<u>\$ 43,235,624</u>	<u>\$ 5,583,832</u>
Non-Major Special Revenue Funds:				
Law Library Fund:				
Judicial Administration:				
Courts:				
Law library	\$ 17,500	\$ 17,500	\$ 1,150	\$ 16,350
Coal Road Improvement Fund:				
Public Works:				
Maintenance of Highways, streets, bridges, and sidewalks	\$ 2,681,822	\$ 2,681,822	\$ 1,407,591	\$ 1,274,231
Coal Road Economic Development Fund:				
Public Works:				
Economic development	\$ 500,000	\$ 500,000	\$ 572,190	\$ (72,190)

County of Tazewell, Virginia
Schedule of Expenditures-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2012

<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>
Non-Major Special Revenue Funds: (Continued)				
E-911 Fund:				
Other Protection:				
Public safety	\$ 788,946	\$ 1,107,254	\$ 1,120,305	\$ (13,051)
Total Non-major Special Revenue Funds	\$ 3,988,268	\$ 4,306,576	\$ 3,101,236	\$ 1,205,340
Major Capital Project Fund:				
County CIP Fund:				
Public Works:				
Contributions to the Public Service Authority	\$ 820,890	\$ 820,890	\$ 820,890	\$ -
Community Development:				
Contributions to the Industrial Development Authority	\$ 4,345,431	\$ 4,345,431	\$ 2,873,132	\$ 1,472,299
Capital Projects:				
County capital project	\$ 3,066,923	\$ 3,066,923	\$ 176,812	\$ 2,890,111
Total County CIP Fund	\$ 8,233,244	\$ 8,233,244	\$ 3,870,834	\$ 4,362,410
Total Primary Government	\$ 61,057,728	\$ 61,359,276	\$ 50,207,694	\$ 11,151,582
Discretely Presented Component Unit-School Board:				
School Operating Fund:				
Education:				
Administration of schools:				
Administration, health and attendance	\$ 1,788,783	\$ 1,788,783	\$ 1,985,765	\$ (196,982)
Cafeteria operation	2,979,354	2,979,354	3,169,801	(190,447)
Total Administration of school	\$ 4,768,137	\$ 4,768,137	\$ 5,155,566	\$ (387,429)
Instructional:				
Instruction	\$ 43,371,180	\$ 43,371,180	\$ 40,192,980	\$ 3,178,200
Other operating costs				
Pupil transportation	\$ 3,596,450	\$ 3,596,450	\$ 3,383,949	\$ 212,501
Operation and maintenance of school plant	5,467,171	5,467,171	5,264,261	202,910
Technical resources	2,571,337	2,571,337	2,565,683	5,654
Facilities	373,966	373,966	373,677	289
Total other operating costs	\$ 12,008,924	\$ 12,008,924	\$ 11,587,570	\$ 421,354
Total Education	\$ 60,148,241	\$ 60,148,241	\$ 56,936,116	\$ 3,212,125
Debt Service:				
Principal retirement	\$ 1,221,341	\$ 1,221,341	\$ 353,319	\$ 868,022
Interest and fiscal charges	518,110	518,110	191,664	326,446
Total Debt Service	\$ 1,739,451	\$ 1,739,451	\$ 544,983	\$ 1,194,468
Total School Operating Fund	\$ 61,887,692	\$ 61,887,692	\$ 57,481,099	\$ 4,406,593
Total Discretely Presented Component Unit-School Board	\$ 61,887,692	\$ 61,887,692	\$ 57,481,099	\$ 4,406,593

Statistical Information

County of Tazewell, Virginia
Government-wide Expenses by Function
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	Interest on Long-Term Debt	Landfill	Total
2002-03	\$ 1,994,778	\$ 1,181,533	\$ 7,628,976	\$ 3,629,180	\$ 5,534,221	\$ 11,444,257	\$ 892,384	\$ 614,002	\$ 254,388	\$ 326,241	\$ 239,741	\$ -	\$ 33,739,701
2003-04	2,046,636	1,241,987	8,536,763	3,728,153	5,683,466	10,520,739	992,083	549,469	385,169	2,125,692	287,469	-	36,097,626
2004-05	2,321,089	1,259,257	9,063,408	4,444,743	6,125,845	11,503,242	980,189	4,132,358	256,159	1,345,605	236,603	-	41,668,498
2005-06	2,830,715	1,515,233	8,144,480	5,891,609	6,377,945	10,497,335	1,184,570	1,827,915	239,126	404,090	212,269	-	39,125,287
2006-07	2,994,361	1,864,223	10,409,443	5,113,766	6,710,708	11,161,639	1,197,136	1,793,435	250,501	235,624	189,366	-	41,920,202
2007-08	4,493,767	2,315,448	11,261,101	3,691,063	7,133,235	12,009,617	1,168,824	3,799,582	-	-	163,250	1,515,866	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	2,384,875	12,226,338	5,170,568	7,935,398	12,498,174	913,958	6,706,909	-	-	397,317	1,359,364	55,358,165
2011-12	5,862,984	2,217,971	12,095,017	6,260,014	7,096,754	10,528,952	1,399,357	3,731,899	-	-	584,285	1,744,014	51,521,247

Table 2

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

Fiscal Year	Program Revenues			General Revenues						Grants and Contributions Not Restricted to Specific Programs	Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous				
2002-03	\$ 781,139	\$ 10,147,843	\$ -	\$ 15,388,305	\$ 6,335,522	\$ 212,871	\$ 174,479	\$ 4,748,799	\$ 37,788,958		
2003-04	675,440	11,169,511	-	15,419,049	6,506,017	242,942	89,872	3,084,512	37,187,343		
2004-05	690,744	12,193,134	-	16,123,747	6,987,323	1,124,252	104,242	2,963,008	40,186,450		
2005-06	717,647	10,493,205	-	16,436,254	7,972,452	729,836	85,310	3,172,950	39,607,654		
2006-07	758,253	11,266,369	512,000	19,310,939	8,568,301	1,027,776	282,294	3,111,473	44,837,405		
2007-08	6,826,918	11,818,329	1,736,610	21,106,417	9,318,707	1,126,950	574,869	3,041,728	55,550,528		
2008-09	1,298,603	11,268,684	-	21,468,696	8,855,016	687,983	1,945,329	3,128,364	48,652,675		
2009-10	1,220,845	12,203,375	-	22,339,123	9,201,493	496,920	742,233	2,539,185	48,743,174		
2010-11	1,350,543	14,470,285	-	22,434,132	10,109,122	566,080	572,960	3,015,566	52,518,688		
2011-12	1,448,420	12,554,188	-	22,432,569	9,840,383	508,368	106,179	3,682,169	50,572,276		

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 (2)	Parks, Recreation, and Cultural	Community Development	Non-Departmental	Capital Projects	Debt Service	Total
2002-03	\$ 1,914,003	\$ 1,148,751	\$ 7,503,454	\$ 2,457,506	\$ 5,513,404	\$ 47,610,899	\$ 916,362	\$ 620,014	\$ 262,888	\$ 407,383	\$ 1,756,959	\$ 70,111,623
2003-04	2,018,850	1,205,704	8,479,727	2,412,365	5,666,635	50,670,878	999,694	433,143	395,599	2,765,385	1,728,527	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	2,574,998	6,411,920	55,121,364	1,165,065	663,032	239,126	463,603	1,003,328	80,014,683
2006-07	3,097,314	1,830,751	10,290,184	3,098,064	6,709,986	59,925,486	1,210,973	735,022	304,440	439,729	966,987	88,608,936
2007-08	3,935,603	2,522,491	11,218,109	3,574,391	7,034,792	59,847,265	1,279,918	877,894	504,462	1,035,830	1,020,678	92,851,433
2008-09	3,791,274	2,416,746	11,722,369	5,129,037	6,548,043	65,487,685	1,293,482	1,916,024	585,953	8,077,792	1,709,701	108,678,106
2009-10	4,090,059	2,226,553	11,968,126	5,214,198	6,560,999	59,043,332	1,264,793	2,254,077	417,479	4,178,516	1,731,903	98,950,035
2010-11	5,079,097	2,334,056	12,529,527	5,179,935	7,902,900	56,082,561	1,227,381	6,659,999	728,594	772,843	1,859,615	100,356,508
2011-12	5,496,926	2,203,860	12,568,436	6,182,381	7,198,253	57,386,788	1,400,476	3,670,296	491,276	176,812	1,121,767	97,897,271

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

(2) Excludes contributions from Primary Government to 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			Miscellaneous	Recovered Costs	Inter-governmental (2)	Total
					the Use of Money and Property	Charges for Services	Property				
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	
2011-12	22,382,573	10,508,771	460,872	31,625	1,101,745	1,432,285	326,166	1,441,199	61,848,057	99,533,293	

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

(2) Excludes contributions from Primary Government to 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
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%
2011-12	24,466,827	23,137,609	94.57%	834,004	23,971,613	97.98%	1,111,033	4.54%

(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
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
2011-12	2,260,086,800	419,792,327	57,412,500	24,180,008	151,353,638	2,912,825,273

(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		Public Service Personal Property
	Real Estate	\$		Personal Property	Machinery and Tools		Real Estate	Public Service	
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	
2011-12	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	Bonded Debt to Capita	
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
2011-12	45,078	2,912,825,273	9,395,256	0.32%		208

(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	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
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%
2011-12	633,509	488,258	1,121,767	97,897,271	1.15%

(1) Includes General Fund of the Primary Government

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 aggregate 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, 2012, which collectively comprise the County of Tazewell's basic financial statements and have issued our report thereon dated January 11, 2013. 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

Management of the County of Tazewell, Virginia is responsible for establishing and maintaining effective 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.

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*.

We noted certain matters that we reported to management of the County of Tazewell in a separate letter dated January 11, 2013.

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, Famer, Cox Associates

Blacksburg, Virginia
January 11, 2013

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

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

Compliance

We have audited the County of Tazewell, Virginia'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, Virginia's major federal programs for the year ended June 30, 2012. The County of Tazewell, Virginia'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, Virginia's management. Our responsibility is to express an opinion on the County of Tazewell, Virginia'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, Virginia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County of Tazewell, Virginia's compliance with those requirements.

In our opinion, the County of Tazewell, Virginia 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, 2012.

Internal Control Over Compliance

Management of the County of Tazewell, Virginia 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, Virginia'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, Virginia'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, Farmer, Cox Associates

Blacksburg, Virginia
January 11, 2013

County of Tazewell, Virginia
 Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended June 30, 2012

Federal Grantor/State Pass-Through Grantor/ Program or Cluster Title	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	90359, 90360, 90361	\$ 8,132
Temporary Assistance for Needy Families	93.558	90109, 90110, 90111, 90112 90127, 90229, 90230, 90231 90232, 90247, 90365, 90366 90367, 90377, 90390, 90391 90409, 90410, 90411, 90412 90601, 90603	617,827
Refugee and Entrant Assistance - State Administered Programs	93.566	90113, 90233, 90413, 90713	872
Low-Income Home Energy Assistance	93.568	90114, 90115, 90234, 90235	45,730
Child Care and Development Fund Cluster:			
Child Care and Development Block Grant	93.575	90544, 90545	59,994
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	90116, 90117, 90118, 90119 90236, 90237, 90238, 90239 90378, 90517, 90540, 90529	121,416
Chafee Education and Training Vouchers Program	93.599	90353	3,701
Stephanie Tubbs Jones Child Welfare Services Program	93.645	90251	2,098
Foster Care - Title IV-E	93.658	90105, 90106, 90107, 90147 90209, 90225, 90226, 90227 90253, 90258, 90267, 90268 90405, 90406, 90407, 90447 90636, 90637, 90639, 90657 90658, 90705, 90706, 90707 90733, 90738, 90747, 90748	546,468
Adoption Assistance	93.659	90108, 90214, 90228, 90408 90606, 90607, 90627, 90708	362,641
Social Services Block Grant	93.667	90122, 90123, 90124, 90125 90126, 90240, 90242, 90243 90244, 90245, 90246, 90262 90340, 90351, 90358, 90379 90648	409,543
Chafee Foster Care Independence Program	93.674	90254, 90356	16,216
Children's Health Insurance Program	93.767	90102, 90222, 90402, 90702	15,020
Medical Assistance Program	93.778	90101, 90146, 90213, 90221 90266, 90401, 90446, 90701 90746	328,903
Total Department of Health and Human Services			<u>\$ 2,538,561</u>
Department of Agriculture:			
Pass-through Payments:			
Child Nutrition Cluster:			
Department of Agriculture:			
Food Distribution	10.555	Not applicable	\$ 153,998
Summer Food Service Program for Children	10.559	Not applicable	313
Department of Education:			
School Breakfast Program	10.553	40591	330,981
National School Lunch Program	10.555	40623	1,258,692
Schools and Roads - Grants to States	10.665	43841	11,861
Total Department of Education			<u>\$ 1,755,845</u>
Department of Social Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	90103, 90104, 90212, 90223 90224, 90303, 90304, 90403 90404, 90703, 90704	\$ 570,817
Total Department of Agriculture			<u>\$ 2,326,662</u>
Department of Homeland Security:			
Pass-through Payments:			
Department of Emergency Management:			
State Homeland Security Program	97.073	52707	\$ 102,990
Hazard Mitigation Grant	97.039	Not applicable	25,290
Total Department of Homeland Security			<u>\$ 128,280</u>

County of Tazewell, Virginia
 Schedule of Expenditures of Federal Awards (continued)
 For the Fiscal Year Ended June 30, 2012

Federal Grantor/State Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
Department of Labor: Workforce Investment Act Adult Program	17.258	53427	\$ 1,491,331
Corporation for National and Community Service Learn and Serve America	94.004	Not applicable	\$ 7,807
Department of Justice: Pass-through Payments: Department of Criminal Justice Services: Crime Victim Assistance	16.575	11VAGX0001	\$ 71,870
Violence Against Women Formula Grants	16.588	10WFAX0041	13,792
Total Department of Justice:			\$ 85,662
Department of Transportation: Pass-through Payments: Department of Motor Vehicles: State and Community Highway Safety Program	20.600	AL-2012-52037-4415	\$ 9,937
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	KB-2011-51206-4148	14,885
Total Department of Transportation			\$ 24,822
Department of Education: Pass-through Payments: Department of Education: Title I, Part A Cluster: Title I: Grants to Local Educational Agencies	84.010	42901	\$ 3,084,912
ARRA - Title I: Grants to Local Educational Agencies	84.389	42913	229,874
Special Education Cluster: Special Education - Grants to States	84.027	43071	1,486,052
ARRA - Special Education - Grants to States	84.391	61245	625,001
Special Education Preschool Grants	84.173	62521	17,565
ARRA - Special Education Preschool Grants	84.392	61247	951
Career and Technical Education: Basic Grants to States	84.048	61095	123,646
Safe and Drug-Free Schools and Communities - State Grants	84.186	65011	5,904
Rural Education	84.358	43481	4,252
Improving Teacher Quality - State Grants	84.367	61480	79,935
ARRA - State Fiscal Stabilization Fund - Education State Grants	84.394	62532	2,269,349
Total Department of Education			\$ 7,927,441
Total Expenditures of Federal Awards			\$ 14,530,566

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, 2012. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the County of Tazewell, Virginia, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County of Tazewell, Virginia.

Note 2 -- Summary of Significant Accounting Policies

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

Note 3 -- 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	\$ 4,850,483
Less: Payment in lieu of taxes	(11,010)
Total Primary Government	\$ 4,839,473
Component Unit Schools:	
School Operating Fund total	\$ 9,691,093
Total federal expenditures per basic financial statements	\$ 14,530,566
Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$ 14,530,566

County of Tazewell, Virginia

Schedule of Findings and Questioned Costs
Year Ended June 30, 2012

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? No

Noncompliance material to financial statements noted? No

Federal AwardsInternal 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:

CFDA #	Name of Federal Program or Cluster
84.010/84.389	Title I, Part A Cluster
84.027/84.391/84.173/84.392	Special Education Cluster
84.394	ARRA - State Fiscal Stabilization Fund - Education State Grants
93.558	Temporary Assistance for Needy Families
93.778	Medical Assistance Program
10.533/10.555	Child Nutrition Cluster

Dollar threshold used to distinguish between Type A
and Type B programs: \$431,288

Auditee qualified as low-risk auditee? No

County of Tazewell, Virginia

Schedule of Findings and Questioned Costs
Year Ended June 30, 2012

Section II - Financial Statement Findings

There are no financial statement findings and questioned costs to report.

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 2011-1 from prior year's Schedule of Findings and Questioned Costs has been corrected.