

COUNTY OF TAZEVELL, VIRGINIA

ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2014

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COUNTY OF TAZEWELL, VIRGINIA  
ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2014

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## INTRODUCTORY SECTION

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## COUNTY OF TAZEWELL, VIRGINIA

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### BOARD OF SUPERVISORS

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Seth White, Vice Chairman	Charles Stacy, Chairman	John Absher
Mike Hymes		John Garland Roberts, Jr.

### COUNTY SCHOOL BOARD

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James Jones, Vice Chairman	David Woodard, Chairman	H.S. Caudill
Michael Dennis		Chris Moir
Michaelene Myer, Superintendent of Schools		

### SOCIAL SERVICES BOARD

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Karen Rich	Darrell Addison, Chairman	Tony Cordle
ChrisThompson		Robert Steele

### EX-OFFICIO MEMBERS

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

### OTHER OFFICIALS

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Commonwealth's Attorney .....	Dennis H. Lee
Clerk of the Circuit Court .....	Buddy Blevins
Commissioner of the Revenue .....	David R. Anderson
Treasurer .....	David T. Larimer
Sheriff .....	Brian L. Hieatt
School Board Clerk .....	Vicki Bailey

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## FINANCIAL SECTION

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# ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

## Independent Auditors' Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, the discretely presented component unit - School Board, each major fund, and the aggregate remaining fund information of County of Tazewell, Virginia, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

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

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

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



## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, the discretely presented component unit - School Board, each major fund, and the aggregate remaining fund information of County of Tazewell, Virginia, as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedule of pension and OPEB funding progress on pages 5-11, 65, and 66 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's 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 information 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise County of Tazewell, Virginia's basic financial statements. The introductory section, other supplementary information, and statistical information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

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

The introductory and statistical 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.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2014, on our consideration of 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* in considering County of Tazewell, Virginia's internal control over financial reporting and compliance.

*Robinson, Turner, Co. Associates*

Blacksburg, Virginia  
December 18, 2014

## 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 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, 2014. 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 \$21,041,302 (net position). Of this amount, \$10,841,241 was considered unrestricted.
- The assets of the County's business-type activities exceeded its liabilities at the close of the fiscal year by \$5,308,856 (net position).
- The assets of the School Board component unit exceeded its liabilities at the close of the fiscal year by \$20,920,606 (net position). Of this amount \$2,983,541 was considered unrestricted.
- As of the close of the current fiscal year, the County's funds reported combined ending fund balances of \$15,848,949. Of this amount \$9,458,308 was considered unassigned, \$2,583,277 was considered committed, \$3,797,889 was considered restricted and \$9,475 was considered nonspendable.
- During the year, the County had governmental expenses that were \$397,182 more than revenues.

### Overview of the Financial Statements:

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

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

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

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

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

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

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

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

Governmental funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the Government-wide Financial Statements. However, unlike the Government-wide Financial Statements, governmental fund financial statement focus on near-term inflows and outflows of spendable resources, as well as on 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 are shown elsewhere in this report.

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

Proprietary Funds – The County maintains one proprietary 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 position may serve as a useful indicator of a County's financial position. In the case of the County's Primary Government, assets exceed liabilities by \$26,350,158 at the close of the most recent fiscal year.

The largest portion of the County's net position \$13,747,144 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 position \$6,313,196, are subject to restrictions on how they may be used. The remaining balance of net position \$6,289,818 may be used to meet the County's ongoing obligations.

The following table summarizes the County's Statement of Net Position and Statement of Activities for 2014 and 2013.

Statement of Net Assets

	Governmental and Business-type Activities 2014	Governmental and Business-type Activities 2013
Current and other assets	\$ 50,053,776	\$ 53,013,879
Capital and other assets	23,608,131	23,689,829
Total assets	<u>\$ 73,661,907</u>	<u>\$ 76,703,708</u>
Current and other liabilities	\$ 4,156,659	\$ 3,376,585
Long-term liabilities	17,366,005	18,558,908
Deferred inflows	25,789,085	27,543,749
Total Liabilities	<u>\$ 47,311,749</u>	<u>\$ 49,479,242</u>
Net assets:		
Invested in capital assets, net of related debt	\$ 13,747,144	\$ 13,108,742
Restricted	6,313,196	5,513,897
Unrestricted	6,289,818	8,601,827
Total net assets	<u>\$ 26,350,158</u>	<u>\$ 27,224,466</u>

## Statement of Activities

	Governmental and Business-type Activities 2014	Governmental and Business-type Activities 2013
Program revenues		
Charges for services	\$ 1,447,313	\$ 1,419,806
Operating grants and contributions	12,062,171	12,342,470
General revenues		
Property taxes	27,509,639	25,063,467
Other taxes	9,285,513	9,384,120
Revenue from use of money and property	425,796	503,608
Miscellaneous	485,712	302,813
Intergovernmental revenues		
Grants and contributions not restricted to specific programs	3,759,152	3,911,447
Total revenues	<u>54,975,296</u>	<u>52,927,731</u>
Expenses		
General government	5,033,042	4,722,345
Judicial administration	2,455,018	2,402,694
Public safety	13,249,481	12,141,514
Public works	6,343,517	5,840,389
Health and welfare	8,134,269	7,792,968
Education	15,816,718	12,789,766
Parks, recreation and cultural	1,369,916	2,107,259
Community development	1,853,237	928,051
Interest on debt	399,721	420,155
Landfill	1,573,233	1,729,821
Total expenses	<u>56,228,152</u>	<u>50,874,962</u>
Change in net assets	<u>\$ (854,044)</u>	<u>\$ 2,052,769</u>

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

### Financial Analysis of the County's Funds

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

Governmental Funds – The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a County's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$15,848,949. Approximately 0% or \$9,475 is considered nonspendable as it is for prepaid expenses, 24% of this total amount, \$3,797,889 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 16% or \$2,583,277 has been committed by action of the Board of Supervisors. The remaining balance, \$9,458,308 or 60% is unassigned, meaning there is no restrictions placed on the funds.

The general fund is the operating fund of the County. At the end of the current fiscal year, total fund balance of the general fund was \$9,467,783, of this amount \$9,458,308 was considered unassigned, and \$9,475 was nonspendable. The special revenue funds, at the end of the fiscal year, had a fund balance of \$2,584,842 of which \$2,583,277 was considered committed and \$1,565 was restricted and the County Capital Projects fund had a restricted fund balance of \$3,796,324.

Total governmental fund revenues increased \$1,459,034 and expenses increased \$4,526,840 over prior year amounts. For fiscal year ended June 30, 2014, expenditures exceeded revenues by \$397,182, as compared to the fiscal year ended June 30, 2013, revenues exceeded expenditures by \$2,670,624.

#### General Fund Budgetary Highlights

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

#### Capital Assets and Debt Administration

Capital assets – The County’s investment in capital assets for its governmental funds and business-type activities as of June 30, 2014, amounts to \$23,608,131 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery and equipment.

Additional information on the County of Tazewell’s capital assets can be found in Note 5 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	\$ 704,034
OPEB obligation	1,583,000
General obligation bonds	7,766,569
Literary Funds	450,000
Total	<u>\$ 10,503,603</u>
Business-type Activities:	
Accrued leave	\$ 53,215
Estimated landfill liability	5,868,708
Notes and bonds	1,644,418
Total	<u>\$ 7,566,341</u>



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

### Economic Factors

The June 2014 unemployment rate for the County of Tazewell, Virginia was 6.9%, which is a slight decrease from a rate of 7.0% in June 2013. This is above the state's average unemployment rate of 5.4% and also slightly above the national average rate of 6.3%.

### 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 Position  
June 30, 2014

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	School Board	Other Component Units
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 14,239,367	\$ 1,232,195	\$ 15,471,562	\$ 8,209,419	\$ 963,497
Cash in Custody of Others	-	-	-	13,209	21,492
Investments	446	-	446	-	823,442
Receivables (Net of Allowance for Uncollectibles):					
Taxes	26,420,828	-	26,420,828	-	-
Accounts Receivable	300,280	134,554	434,834	18,874	665,507
Other Local Taxes and Fees	68,790	-	68,790	-	-
Note Receivable	-	-	-	-	323,384
Due from Primary Government	-	-	-	-	2,868,496
Due from Component Unit School Board	2,498,083	-	2,498,083	-	-
Due from Component Unit PSA	284,826	-	284,826	-	-
Due from External Parties	793,198	-	793,198	-	-
Due from Other Governmental Units	1,556,427	-	1,556,427	1,977,428	113,550
Internal Balances	(26,654)	26,654	-	-	-
Inventory	-	-	-	-	163,742
Prepaid Items	9,475	-	9,475	747,898	42,117
Restricted Assets:					
Cash and Cash Equivalents	-	2,515,307	2,515,307	-	17,664
Capital Assets:					
Land	1,735,460	287,598	2,023,058	1,908,716	4,370,691
Buildings and Improvements	1,577,220	45,258	1,622,478	11,096,538	1,694,656
Tenancy in Common	6,193,215	-	6,193,215	7,219,456	-
Machinery and Equipment	4,889,462	1,238,157	6,127,619	943,357	681,804
Improvements Other Than Buildings	-	7,418,377	7,418,377	-	25,037,749
Infrastructure	-	-	-	-	69,127,357
Construction in Progress	223,384	-	223,384	-	14,930,182
Total Assets	\$ 60,763,807	\$ 12,898,100	\$ 73,661,907	\$ 32,134,895	\$ 121,845,330
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred Charge on Refunding	\$ -	\$ -	\$ -	\$ -	\$ 724,661
<b>LIABILITIES</b>					
Accounts Payable	\$ 403,936	\$ 22,903	\$ 426,839	\$ 250,904	\$ 772,532
Accrued Wages	-	-	-	3,380,591	44,718
Accrued Interest Payable	157,385	-	157,385	-	335,886
Due to Primary Government	-	-	-	2,498,083	-
Due to Component Units	2,868,496	-	2,868,496	-	-
Amounts Held for Others	-	-	-	13,209	-
Long-term Liabilities:					
Due Within One Year	379,460	324,479	703,939	289,716	3,260,700
Due in More Than One Year	10,124,143	7,241,862	17,366,005	4,781,786	45,270,298
Total Liabilities	\$ 13,933,420	\$ 7,589,244	\$ 21,522,664	\$ 11,214,289	\$ 49,684,134
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred revenue - property taxes	\$ 25,789,085	\$ -	\$ 25,789,085	\$ -	\$ -
<b>NET POSITION</b>					
Net Investment in Capital Assets	\$ 6,402,172	\$ 7,344,972	\$ 13,747,144	\$ 17,937,065	\$ 67,551,876
Restricted	3,797,889	2,515,307	6,313,196	-	-
Unrestricted	10,841,241	(4,551,423)	6,289,818	2,983,541	5,333,981
Total Net Position	\$ 21,041,302	\$ 5,308,856	\$ 26,350,158	\$ 20,920,606	\$ 72,885,857

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, 2014**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Units	
					Governmental Activities	Business-type Activities	School Board	Other Component Units
<b>PRIMARY GOVERNMENT:</b>								
Governmental Activities:								
General Government Administration	\$ 5,033,042	\$ 31,294	\$ 334,068	-	\$ (4,667,680)	\$ -	\$ -	\$ -
Judicial Administration	2,455,018	113,660	1,337,291	-	(1,004,067)	-	-	-
Public Safety	13,249,481	198,176	2,247,627	-	(10,803,678)	-	-	-
Public Works	6,343,517	550,553	11,516	-	(5,781,448)	-	-	-
Health and Welfare	8,134,269	-	6,809,320	-	(1,324,949)	-	-	-
Education	15,816,718	-	-	-	(15,816,718)	-	-	-
Parks, Recreation and Cultural	1,369,916	35,325	150,632	-	(1,183,959)	-	-	-
Community Development	1,853,237	-	1,171,717	-	(681,520)	-	-	-
Interest	399,721	-	-	-	(399,721)	-	-	-
Total Governmental Activities	\$ 54,654,919	\$ 929,008	\$ 12,062,171	\$ -	\$ (41,663,740)	\$ -	\$ -	\$ -
Business-type Activities								
Landfill	\$ 1,573,233	\$ 518,305	\$ -	\$ -	\$ -	(1,054,928)	\$ (1,054,928)	\$ -
Total Primary Government	\$ 56,228,152	\$ 1,447,313	\$ 12,062,171	\$ -	\$ (41,663,740)	\$ (1,054,928)	\$ (1,054,928)	\$ -
<b>Component Units:</b>								
School Board	\$ 57,442,429	\$ 727,617	\$ 42,217,561	\$ -	\$ -	\$ -	\$ (14,497,251)	\$ -
Other component units	11,825,586	7,463,492	1,993,783	1,173,928	-	-	-	(1,194,383)
Total Component Units	\$ 69,268,015	\$ 8,191,109	\$ 44,211,344	\$ 1,173,928	\$ -	\$ -	\$ (14,497,251)	\$ (1,194,383)
<b>General Revenues:</b>								
General Property Taxes					\$ 27,509,639	\$ -	\$ -	\$ -
Other Local Taxes								
Local Sales and Use Taxes					4,651,653	-	-	-
Consumers' Utility Taxes					883,426	-	-	-
Utility License Taxes					58,286	-	-	-
Motor Vehicle Licenses					28,001	-	-	-
Bank Franchise Taxes					50,370	-	-	-
Taxes on Recordation and Wills					239,553	-	-	-
Coal Severance Taxes					2,709,426	-	-	-
Gas Severance Tax					664,798	-	-	-
Unrestricted Revenues from Use of Money and Property					425,777	19	7,868	78,783
Miscellaneous					465,360	20,352	1,326,257	96,535
Payments from Primary Government					-	-	14,974,311	-
Grants and Contributions not Restricted to Specific Programs					3,759,152	-	-	-
Gain on Disposal of Capital Assets					-	-	-	16,000
Transfers					(635,745)	635,745	-	26,856
Total General Revenues and transfers					\$ 40,809,696	\$ 656,116	\$ 16,308,436	\$ 218,174
Change in Net Position					\$ (854,044)	\$ (398,812)	\$ 1,811,185	\$ (976,209)
Net Position - Beginning, as restated					21,895,346	5,707,668	19,109,421	73,862,066
Net Position - Ending					\$ 21,041,302	\$ 5,308,856	\$ 20,920,606	\$ 72,885,857

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

County of Tazewell, Virginia  
Balance Sheet  
Governmental Funds  
June 30, 2014

	<u>General</u>	County CIP <u>Fund</u>	Other <u>Governmental</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 5,578,751	\$ 6,268,971	\$ 2,391,645	\$ 14,239,367
Investments	446	-	-	446
Receivables (Net of Allowance for Uncollectibles):				
Property Taxes	26,333,495	-	87,333	26,420,828
Other Receivables	300,280	-	-	300,280
Prepays items	9,475	-	-	9,475
Due from Other Funds	-	125,000	-	125,000
Due from Fiduciary Funds	793,198	-	-	793,198
Due from Other Governmental Units	1,447,159	-	109,268	1,556,427
Due from Component Units	2,498,083	284,826	-	2,782,909
Total Assets	<u>\$ 36,960,887</u>	<u>\$ 6,678,797</u>	<u>\$ 2,588,246</u>	<u>\$ 46,227,930</u>
<b>LIABILITIES</b>				
Accounts Payable and Accrued Expenses	\$ 386,555	\$ 13,977	\$ 3,404	\$ 403,936
Due to Other Funds	151,654	-	-	151,654
Due to Component Unit	-	2,868,496	-	2,868,496
Total Liabilities	<u>\$ 538,209</u>	<u>\$ 2,882,473</u>	<u>\$ 3,404</u>	<u>\$ 3,424,086</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	\$ 26,954,895	\$ -	\$ -	\$ 26,954,895
<b>Fund Balances:</b>				
Nonspendable	\$ 9,475	\$ -	\$ -	\$ 9,475
Restricted	-	3,796,324	1,565	3,797,889
Committed	-	-	2,583,277	2,583,277
Unassigned	9,458,308	-	-	9,458,308
Total Fund Balances	<u>\$ 9,467,783</u>	<u>\$ 3,796,324</u>	<u>\$ 2,584,842</u>	<u>\$ 15,848,949</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 36,960,887</u>	<u>\$ 6,678,797</u>	<u>\$ 2,588,246</u>	<u>\$ 46,227,930</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 Position  
June 30, 2014

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	15,848,949
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Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.

Land	\$	1,735,460	
Buildings and improvements		1,577,220	
Tenancy in common		6,193,215	
Machinery and equipment		4,889,462	
Construction in progress		223,384	14,618,741

Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.

Unavailable revenue	\$	1,165,810	
Sales tax collected on behalf of other Towns		68,790	1,234,600

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Accrued Interest payable	\$	(157,385)	
Compensated absences		(704,034)	
Net OPEB obligation		(1,583,000)	
Bonds payable		(8,216,569)	(10,660,988)

Net Position of Governmental Activities	\$	21,041,302
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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 Balances  
Governmental Funds  
For the Fiscal Year Ended June 30, 2014

	General Fund	County CIP Fund	Other Govern- mental Funds	Total
<b>REVENUES</b>				
General Property Taxes	\$ 27,346,925	\$ -	\$ -	\$ 27,346,925
Other Local Taxes	7,648,847	-	1,687,112	9,335,959
Permits, Privilege Fees and Regulatory Licenses	312,004	-	-	312,004
Fines and Forfeitures	42,505	-	-	42,505
Revenue from Use of Money and Property	389,422	36,355	-	425,777
Charges for Services	563,923	-	10,576	574,499
Miscellaneous	463,064	-	2,296	465,360
Recovered Costs	870,986	-	-	870,986
Intergovernmental:				
Commonwealth	10,695,912	-	654,968	11,350,880
Federal Government	4,470,443	-	-	4,470,443
Total Revenues	\$ 52,804,031	\$ 36,355	\$ 2,354,952	\$ 55,195,338
<b>EXPENDITURES:</b>				
Current:				
General Government Administration	\$ 5,084,465	\$ 405,325	\$ -	\$ 5,489,790
Judicial Administration	2,454,357	-	1,146	2,455,503
Public Safety	12,400,552	-	844,606	13,245,158
Public Works	3,745,431	820,890	1,905,227	6,471,548
Health and Welfare	8,183,291	-	-	8,183,291
Education	14,768,311	266,000	-	15,034,311
Parks, Recreation and Cultural	1,360,475	-	-	1,360,475
Community Development	870,908	866,860	-	1,737,768
Nondepartmental	364,528	-	-	364,528
Debt Service:				
Principal Retirement	782,407	-	-	782,407
Interest and Other Fiscal Charges	467,741	-	-	467,741
Total Expenditures	\$ 50,482,466	\$ 2,359,075	\$ 2,750,979	\$ 55,592,520
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 2,321,565	\$ (2,322,720)	\$ (396,027)	\$ (397,182)
<b>Other Financing Sources (Uses)</b>				
Transfers In	\$ -	\$ 3,000,000	\$ -	\$ 3,000,000
Transfers Out	(3,635,745)	-	-	(3,635,745)
Total Other Financing Sources (Uses)	\$ (3,635,745)	\$ 3,000,000	\$ -	\$ (635,745)
Net Change in Fund Balance	\$ (1,314,180)	\$ 677,280	\$ (396,027)	\$ (1,032,927)
Fund Balance - Beginning	10,781,963	3,119,044	2,980,869	16,881,876
Fund Balance - Ending	\$ 9,467,783	\$ 3,796,324	\$ 2,584,842	\$ 15,848,949

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, 2014

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

Net changes in fund balance - total governmental funds	\$	(1,032,927)
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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 depreciation exceeded capital outlays in the current period.

Capital outlays	\$	383,114	
Depreciation expense		(923,923)	(540,809)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds		112,268
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The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the effect of these differences in the treatment of long-term debt and related items.

Principal repayments:

General obligation bonds	\$	632,407	
Literary loans		150,000	782,407

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.

Decrease (increase) in compensated absences	\$	11,297	
(Decrease) increase in premium on issuance		8,662	
Decrease (increase) in accrued interest payable		59,358	
Decrease (increase) in net OPEB obligation		(254,300)	(174,983)

Change in net position of governmental activities	\$	(854,044)
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The notes to the financial statements are an integral part of this statement.



County of Tazewell, Virginia  
Statement of Net Position  
Proprietary Fund  
June 30, 2014

	Tazewell County Landfill Fund
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 1,232,195
Receivables (Net of Allowance for Uncollectibles)	134,554
Due from other funds	26,654
Total Current Assets	\$ <u>1,393,403</u>
Noncurrent Assets:	
Capital Assets (Net of Accumulated Depreciation):	
Land	\$ 287,598
Buildings and improvements	45,258
Land Improvements	7,418,377
Machinery and Equipment	1,238,157
Total Capital Assets	\$ <u>8,989,390</u>
Other Assets:	
Restricted Cash	\$ <u>2,515,307</u>
Total Assets	\$ <u><u>12,898,100</u></u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	\$ 22,903
Notes payable-current portion	68,735
Bonds payable-current portion	255,744
Total Current Liabilities	\$ <u>347,382</u>
Noncurrent Liabilities	
Compensated Absences	\$ 53,215
Estimated Landfill Closure Liability	5,868,708
Notes payable	245,647
Bonds payable	1,074,292
Total Noncurrent Liabilities	\$ <u>7,241,862</u>
Total Liabilities	\$ <u>7,589,244</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	\$ 7,344,972
Restricted for Other Purposes	2,515,307
Unrestricted	(4,551,423)
Total Net Position	\$ <u><u>5,308,856</u></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 Position  
Proprietary Fund  
For the Fiscal Year Ended June 30, 2014

	Tazewell County Landfill Fund
OPERATING REVENUES	
Charges for Services	\$ 518,305
OPERATING EXPENSES	
Personal Service	\$ 376,252
Employee Benefits	215,271
Contractual Services	151,843
Repairs and Maintenance	85,010
Other Charges	258,864
Depreciation and Amortization	422,450
Total Operating Expenses	\$ 1,509,690
Operating Income (Loss)	\$ (991,385)
NONOPERATING REVENUES (EXPENSES)	
Interest income	\$ 19
Miscellaneous Income	20,352
Interest Expense	(63,543)
Total Nonoperating Revenues (Expenses)	\$ (43,172)
Transfers In	\$ 635,745
Increase (Decrease) in Net Position	\$ (398,812)
Net Position - Beginning	5,707,668
Net Position - Ending	\$ 5,308,856

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, 2014

	Tazewell County Landfill Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers and users	\$ 473,303
Payments to employees for services	(595,771)
Payments for operating expenses	(504,867)
Total cash provided by (used for) operating activities	<u>\$ (627,335)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest Income	<u>\$ 19</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers from Other Funds	\$ 641,605
Miscellaneous Income (Expense)	20,352
Total cash provided by (used for) noncapital financing activities	<u>\$ 661,957</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchase of Capital Assets	\$ (503,013)
Principal Payments on Debt	(289,618)
Proceeds from Indebtedness	359,000
Interest Payments on Debt	(61,956)
Total cash provided by (used for) capital and related financing activities	<u>\$ (495,587)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>\$ (460,946)</u>
Cash and Cash Equivalents - Beginning, as restated (including restricted, \$2,393,288)	\$ 4,208,448
Cash and Cash Equivalents - Ending (including restricted, \$2,515,307)	<u><u>\$ 3,747,502</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</b>	
Operating Income (Loss)	\$ (991,385)
Depreciation	\$ 422,450
Landfill Closure Costs	(7,619)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided by (used for) Operating Activities:	
(Increase) Decrease in Accounts Receivable	(45,002)
Increase (Decrease) in Accounts Payable	(1,531)
Increase (Decrease) in Compensated Absences	(4,248)
Total Adjustments	<u>\$ (50,781)</u>
Net Cash Provided By (Used For) Operating Activities	<u><u>\$ (627,335)</u></u>

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

County of Tazewell, Virginia  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2014

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	Agency Funds
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 62,274
Investments	1,783,549
Due from Other Governmental Units	975,581
Total Assets	<u>\$ 2,821,404</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Due to Primary Government	\$ 793,198
Due to Other Governmental Units	182,383
Amounts Held for Others	1,845,823
Total Liabilities	<u>\$ 2,821,404</u>

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

COUNTY OF TAZEWell, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

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Note 1 - Summary of Significant Accounting Policies:

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 County of Tazewell, Virginia conform to generally accepted accounting principles (GAAP) applicable to governmental entities promulgated by the Governmental Accounting Standards Board (GASB) and have been prepared in conformity with the specifications promulgated by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia. 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 position 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 Position - The Statement of Net position 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 position and will report depreciation expense - the cost of "using up" capital assets - in the Statement of Activities. The net position of a government will be broken down into three categories: 1) net investment in capital assets 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 TAZEVELL, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

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**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, 2014.

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, 2014**

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

B. Individual Component Unit Disclosures (Continued)

Tazewell County Airport Authority was created by County of Tazewell and 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

County of Tazewell and Counties of Buchanan and Russell participate in supporting the Cumberland Mountain Community Services Board. For the year ended June 30, 2014, the County contributed \$60,000.

County of Tazewell and 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, 2014, the County contributed \$336,474.

County of Tazewell and 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, 2014, the County contributed \$3,802,420.

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.

**COUNTY OF TAZEVELL, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

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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 position (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 position. 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 nonoperating revenues and expenses.

The County's fiduciary funds are presented in the fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.



**COUNTY OF TAZEWell, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

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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 reports 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 nonmajor fund.

e. Special Revenue Funds

Special Revenue Funds account for and report 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 Development 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, 2014**

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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 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 Fund is 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, 2014

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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 \$1,207,718 at June 30, 2014 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 5<sup>th</sup>. The County bills and collects its own property taxes.

H. Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure 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 of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized for the fiscal year ending June 30, 2014.

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, 2014

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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 position. 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 position. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statement, governmental fund types recognize bond premiums and discounts 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.

K. Fund Equity

The County reports fund balance in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. GASB Statement No. 54 requires that fund balances be classified into categories based upon the type of restrictions imposed on the use of funds.

Nonspendable -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.

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.

**COUNTY OF TAZEVELL, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

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

K. Fund Equity (Continued)

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. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County only has one item that qualifies for reporting in this category. It is the deferred charge on refunding in the governmental-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has one type of item that qualifies for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30, 2nd half installments levied during the fiscal year but due after June 30th, and amounts prepaid on the 2nd half installments and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, 2nd half installments levied during the fiscal year but due after June 30th and amounts prepaid on the 2nd half installments are reported as deferred inflows of resources.

**COUNTY OF TAZEVELL, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

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

**O. Net Position**

Net position is the difference between a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net investment in capital assets represents capital assets, less accumulated depreciation, less any outstanding debt related to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

**P. Net Position Flow Assumption**

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

**Note 2 - Deposits and Investments:**

**Deposits** - Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the "Act") Section 2.2-4400 et. seq. of the Code of Virginia. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by 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), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper and certain corporate notes, banker's acceptances, repurchase agreements and the State Treasurer's Local Government Investment Pool (LGIP).

**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).

**COUNTY OF TAZEVELL, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

**Note 2 - Deposits and Investments: (Continued)**

**Credit Risk of Debt Securities**

The County's rated debt investments as of June 30, 2014, were rated by Standard and Poor's and the ratings are presented below using Standard and Poor's rating scale.

<u>County's Rated Debt Investments' Values</u>		
<u>Rated Debt Investments</u>	<u>Fair Quality Ratings</u>	
	<u>AAA</u>	
SNAP	\$	446

**Concentration of Credit Risk**

At June 30, 2014, the County did not have any investments meeting the GASB 40 definition requiring concentration of credit risk disclosures that exceeded 5% of total investments.

**Interest Rate Risk**

At June 30, 2014, 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 3 - Due To/From Primary Government/Component Units:**

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ -	\$ 151,654
Enterprise Fund	26,654	-
Capital Project Fund	125,000	-
Totals	<u>\$ 151,654</u>	<u>\$ 151,654</u>

  

	<u>Due From Component Unit</u>	<u>Due to Component Unit</u>
General	\$ 2,498,083	\$ -
Capital Project Fund	284,826	2,868,496
Component Unit School	-	2,498,083
Component Unit IDA	2,868,496	-
Component Unit PSA	-	284,826
Totals	<u>\$ 5,651,405</u>	<u>\$ 5,651,405</u>

**COUNTY OF TAZEWell, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

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**Note 4 - Due From Other Governmental Units:**

At June 30, 2014, the County, School Board and component units had receivables from other governments as follows:

	<u>Primary Government</u>	<u>Discretely Presented Component Unit School Board</u>	<u>Discretely Presented Component Unit PSA</u>	<u>Discretely Presented Component Unit Airport</u>
<b>Local Government:</b>				
Southwest Virginia Regional Jail	\$ 142,979	\$ -	\$ -	\$ -
Town of Tazewell	-	-	45,106	-
 <b>Commonwealth of Virginia:</b>				
Local sales taxes	-	1,077,910	-	-
VPA	188,001	-	-	-
CSA	236,766	-	-	-
Shared expenses	270,924	-	-	-
Categorical aid	13,133	-	1,124	2,412
Noncategorical aid	283,766	-	-	-
 <b>Federal Government:</b>				
VPA	247,616	-	-	-
Categorical aid	173,242	899,518	55,378	9,530
<b>Total</b>	<u><u>\$ 1,556,427</u></u>	<u><u>\$ 1,977,428</u></u>	<u><u>\$ 101,608</u></u>	<u><u>\$ 11,942</u></u>

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**COUNTY OF TAZEWELL, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

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**Note 5 - Capital Assets:**

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2014:

**Primary Government:**

	Beginning Balance (As restated)	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 1,735,460	\$ -	\$ -	\$ 1,735,460
Construction in progress	192,149	31,235	-	223,384
Tenancy in Common	6,975,622	-	(782,407)	6,193,215
Total capital assets not being depreciated	<u>\$ 8,903,231</u>	<u>\$ 31,235</u>	<u>\$ (782,407)</u>	<u>\$ 8,152,059</u>
Capital assets, being depreciated:				
Buildings	\$ 3,671,370	\$ 202,440	\$ -	\$ 3,873,810
Machinery and equipment	15,035,958	931,846	(20,590)	15,947,214
Total capital assets being depreciated	<u>\$ 18,707,328</u>	<u>\$ 1,134,286</u>	<u>\$ (20,590)</u>	<u>\$ 19,821,024</u>
Accumulated depreciation:				
Buildings	\$ (1,935,911)	\$ (360,679)	\$ -	\$ (2,296,590)
Machinery and equipment	(10,515,098)	(563,244)	20,590	(11,057,752)
Total accumulated depreciation	<u>\$ (12,451,009)</u>	<u>\$ (923,923)</u>	<u>\$ 20,590</u>	<u>\$ (13,354,342)</u>
Total capital assets being depreciated, net	<u>\$ 6,256,319</u>	<u>\$ 210,363</u>	<u>\$ -</u>	<u>\$ 6,466,682</u>
Governmental activities capital assets, net	<u><u>\$ 15,159,550</u></u>	<u><u>\$ 241,598</u></u>	<u><u>\$ (782,407)</u></u>	<u><u>\$ 14,618,741</u></u>

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**COUNTY OF TAZEWell, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

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Note 5 - Capital Assets: (Continued)

Primary Government: (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
Capital assets, being depreciated:				
Buildings and improvements	\$ 185,603	\$ -	\$ -	\$ 185,603
Land improvements	9,517,235	36,400	-	9,553,635
Machinery and equipment	3,208,147	466,613	(239,738)	3,435,022
Total capital assets being depreciated	\$ 12,910,985	\$ 503,013	\$ (239,738)	\$ 13,174,260
Accumulated depreciation:				
Buildings and improvements	\$ (134,158)	\$ (6,187)	\$ -	\$ (140,345)
Land Improvements	(1,957,158)	(178,100)	-	(2,135,258)
Machinery and equipment	(2,198,440)	(238,163)	239,738	(2,196,865)
Total accumulated depreciation	\$ (4,289,756)	\$ (422,450)	\$ 239,738	\$ (4,472,468)
Total capital assets being depreciated, net	\$ 8,621,229	\$ 80,563	\$ -	\$ 8,701,792
Business-type activities capital assets, net	\$ 8,908,827	\$ 80,563	\$ -	\$ 8,989,390

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COUNTY OF TAZEWELL, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

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Note 5 - Capital Assets: (Continued)

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

Governmental activities:	
General government administration	\$ 143,919
Judicial administration	5,993
Public safety	483,707
Public works	130,749
Health and welfare	23,973
Parks, recreation, and culture	23,590
Community development	<u>111,992</u>
Total depreciation expense-governmental activities	\$ <u>923,923</u>
Business-type activities:	
Landfill fund	\$ <u>422,450</u>

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**COUNTY OF TAZEWell, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

Note 5 - Capital Assets: (Continued)

Component Unit School Board:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 1,908,716	\$ -	\$ -	\$ 1,908,716
Tenancy in Common (1)	6,437,049	782,407	-	7,219,456
Total capital assets not being depreciated	<u>\$ 8,345,765</u>	<u>\$ 782,407</u>	<u>\$ -</u>	<u>\$ 9,128,172</u>
Capital assets, being depreciated:				
Buildings and improvements	\$ 32,626,301	\$ 55,063	\$ -	\$ 32,681,364
Machinery and equipment	15,006,199	279,812	-	15,286,011
Total capital assets being depreciated	<u>\$ 47,632,500</u>	<u>\$ 334,875</u>	<u>\$ -</u>	<u>\$ 47,967,375</u>
Accumulated depreciation:				
Buildings and improvements	\$ (20,364,449)	\$ (1,220,377)	\$ -	\$ (21,584,826)
Machinery and equipment	(13,876,922)	(465,732)	-	(14,342,654)
Total accumulated depreciation	<u>\$ (34,241,371)</u>	<u>\$ (1,686,109)</u>	<u>\$ -</u>	<u>\$ (35,927,480)</u>
Total capital assets being depreciated, net	<u>\$ 13,391,129</u>	<u>\$ (1,351,234)</u>	<u>\$ -</u>	<u>\$ 12,039,895</u>
Governmental activities capital assets, net	<u>\$ 21,736,894</u>	<u>\$ (568,827)</u>	<u>\$ -</u>	<u>\$ 21,168,067</u>

(1) Legislation enacted during the year ended June 30, 2003, Section 15.2-1800.1 of the Code of Virginia, (1950), as amended, has changed the reporting of local school capital assets and related debt for financial statement purposes. Historically, debt incurred by local governments "on behalf" of school boards was reported in the school board's discrete column along with the related capital assets. Under the new law, local governments have a "tenancy in common" with the school board whenever the locality incurs any financial obligation for any school property which is payable over more than one fiscal year. For financial reporting purposes, the legislation permits the locality to report the portion of school property related to any outstanding financial obligation eliminating any potential deficit from capitalizing assets financed with debt. The effect on the County of Tazewell, Virginia for the year ended June 30, 2014, is that assets and debt in the amount of \$6,193,215 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, 2014**

**Note 6 - Long-term Obligations:**

**Primary Government:**

The following is a summary of long-term obligations of the County for the year ended June 30, 2014:

**Governmental Activities:**

	Balance July 1, 2013	Increases/ Issuances	Decreases/ Retirements	Balance June 30, 2014
General Obligation Bonds	\$ 8,260,394	\$ -	\$ (632,407)	\$ 7,627,987
Premium on bond	147,244	-	(8,662)	138,582
Literary loan	600,000	-	(150,000)	450,000
Net OPEB Obligation	1,328,700	583,900	(329,600)	1,583,000
Compensated absences	715,331	-	(11,297)	704,034
<b>Total</b>	<b>\$ 11,051,669</b>	<b>\$ 583,900</b>	<b>\$ (1,131,966)</b>	<b>\$ 10,503,603</b>

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
2015	\$ 295,798	\$ 263,157	\$ 75,000	\$ 9,000
2016	469,334	364,103	75,000	7,500
2017	479,570	341,402	75,000	6,000
2018	491,617	317,113	75,000	4,500
2019	504,033	292,199	75,000	3,000
2020-2024	2,717,272	1,048,985	75,000	1,500
2025-2029	2,670,363	348,670	-	-
	<b>\$ 7,627,987</b>	<b>\$ 2,975,629</b>	<b>\$ 450,000</b>	<b>\$ 31,500</b>

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**COUNTY OF TAZEWELL, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

**Note 6 - Long-term Obligations: (Continued)**

**Primary Government: (Continued)**

**Governmental Activities: (Continued)**

	Interest Rates	Issue Dates	Final Maturity Date	Amount of Original Issue	Balance Governmental Activities	Amount Due Within One Year
<b>General Obligation Bonds:</b>						
GO Bond	3.10-5.10%	5/15/2002	7/15/2023	1,900,000	\$ 855,000	\$ -
GO Bond	4.10-5.10%	5/15/2008	7/15/2028	1,880,000	1,500,000	-
GO Bond	3.60-5.35%	12/11/2008	1/15/2029	6,698,941	5,272,987	295,798
Subtotal GO Bond					<u>\$ 7,627,987</u>	<u>\$ 295,798</u>
Add:						
Premium on Bond	n/a	n/a	n/a	n/a	138,582	8,662
Total General Obligation Bonds					<u>\$ 7,766,569</u>	<u>\$ 304,460</u>
<b>Literary Loan:</b>						
State Literary Loan	2.00%	8/1/2000	8/1/2020	\$ 1,500,000	\$ 450,000	\$ 75,000
Total Literary Loan					<u>\$ 450,000</u>	<u>\$ 75,000</u>
<b>Other Obligations:</b>						
Net OPEB Obligation	n/a	n/a	n/a	n/a	\$ 1,583,000	\$ -
Compensated Absences	n/a	n/a	n/a	n/a	704,034	-
Total Other Obligations					<u>\$ 2,287,034</u>	<u>\$ -</u>
Total Long-term obligations					<u>\$ 10,503,603</u>	<u>\$ 379,460</u>

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**COUNTY OF TAZEWell, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

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**Note 6 - Long-term Obligations: (Continued)**

**Primary Government: (Continued)**

The following is a summary of long-term obligations of the County for the year ended June 30, 2014:

**Business-type Activities:**

**Landfill Fund**

	Balance July 1, 2013	Increases/ Issuances	Decreases/ Retirements	Balance June 30, 2014
Revenue bonds	\$ 1,570,000	\$ -	\$ (245,000)	\$ 1,325,000
Bond premiums	5,780	-	(744)	5,036
Loss on redemption	(2,331)	-	2,331	-
Notes payable	-	359,000	(44,618)	314,382
Landfill closure/ postclosure liability	5,876,327	-	(7,619)	5,868,708
Compensated absences	57,463	-	(4,248)	53,215
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total	\$ 7,507,239	\$ 359,000	\$ (299,898)	\$ 7,566,341

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

Year Ending June 30,	Revenue Bonds		Notes Payable	
	Principal	Interest	Principal	Interest
2015	\$ 255,000	\$ 48,035	\$ 68,735	\$ 9,058
2016	265,000	38,465	70,967	6,826
2017	190,000	29,865	75,651	4,521
2018	195,000	22,439	75,651	2,142
2019	205,000	13,743	23,378	172
2020	215,000	4,408	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Totals	\$ 1,325,000	\$ 156,955	\$ 314,382	\$ 22,719

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**COUNTY OF TAZEWELL, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

**Note 6 - Long-term Obligations: (Continued)**

**Primary Government: (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	3.4-4.81%	11/27/2007	10/1/2019	2,675,000	1,325,000	255,000
Notes Payable						
Equipment Loan	3.20%	10/1/2013	10/1/2018	\$ 359,000	\$ 314,382	\$ 68,735
Other Obligations:						
Compensated Absences	n/a	n/a	n/a	n/a	\$ 53,215	\$ -
Bond Premiums	n/a	n/a	n/a	n/a	5,036	744
Landfill closure/ postclosure liability	n/a	n/a	n/a	n/a	5,868,708	-
Total Other Obligations					\$ 5,926,959	\$ 744
Total Long-term Obligations					\$ 7,566,341	\$ 324,479

**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, 2014:

	Balance July 1, 2013	Issuances/ Increases	Retirements/ Decreases	Balance June 30, 2014
Capital leases	\$ 3,625,009	\$ -	\$ (394,007)	\$ 3,231,002
Net OPEB Obligation	1,517,800	1,660,100	(1,337,400)	1,840,500
Total	\$ 5,142,809	\$ 1,660,100	\$ (1,731,407)	\$ 5,071,502

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**COUNTY OF TAZEWell, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

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**Note 6 - Long-term Obligations: (Continued)**

**Component Unit - School Board (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
Capital Leases						
Capital Lease	4.195%	10/5/2007	10/5/2022	4,792,700	3,231,002	289,716
Total Capital Leases					\$ 3,231,002	\$ 289,716
Other Obligations:						
Net OPEB Obligation	n/a	n/a	n/a	n/a	\$ 1,840,500	\$ -
Total Long-term Obligations					\$ 5,071,502	\$ 289,716

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

Total assets acquired through capital leases are as follows:

School Buses	\$ 486,633
Building Renovations	3,378,030
Total Assets	\$ 3,864,663
Accumulated Depreciation	(714,233)
Net Book Value of Assets	<u>\$ 3,150,430</u>

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COUNTY OF TAZEWELL, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

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Note 6 - Long-term Obligations: (Continued)

Component Unit - School Board (Continued)

Present value of future minimum lease payments:

Year Ending <u>June 30,</u>	Capital <u>Leases</u>
2015	\$ 436,959
2016	436,959
2017	436,959
2018	436,959
2019	436,959
2020-2023	<u>1,747,836</u>
Total minimum lease Payments	<u>\$ 3,932,631</u>
Less: amount representing interest	<u>(701,629)</u>
Present value of future minimum Lease payments	<u>\$ 3,231,002</u>

Note 7 -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 \$704,034 and \$53,215 in the Landfill Enterprise Component Unit Fund, which is liquidated in the County General Fund.

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COUNTY OF TAZEWELL, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

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Note 8-Pension Plan:

A. Plan Description

Name of Plan: Virginia Retirement System (VRS)  
Identification of Plan: Agent and Cost-Sharing Multiple-Employer 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. Members earn one month of service credit for each month they are employed and they and their employer are paying contributions to VRS. Members are eligible to purchase prior public service, active duty military service, certain periods of leave and previously refunded VRS service as service credit in their plan.

Within the VRS Plan, the System administers three different benefit plans for local government employees - Plan 1, Plan 2, and, Hybrid. Each plan has different eligibility and benefit structures as set out below:

<b>VRS – PLAN 1</b>
---------------------

1. **Plan Overview** - VRS Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for VRS Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.
2. **Eligible Members** - Employees are in VRS Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.
3. **Hybrid Opt-In Election** - VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.

The Hybrid Retirement Plan's effective date for eligible VRS Plan 1 members who opted in was July 1, 2014.

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

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

4. **Retirement Contributions** - Members contribute up to 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Some school divisions and political subdivisions elected to phase in the required 5% member contribution; all employees will be paying the full 5% by July 1, 2016. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.

COUNTY OF TAZEVELL, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

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Note 8-Pension Plan: (Continued)

A. Plan Description (Continued)

<b>VRS – PLAN 1 (Continued)</b>
---------------------------------

5. **Creditable Service** - Creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.
6. **Vesting** - Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of creditable service. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund.

Members are always 100% vested in the contributions that they make.

7. **Calculating the Benefit** - The Basic Benefit is calculated based on a formula using the member's average final compensation, a retirement multiplier and total service credit at retirement. It is one of the benefit payout options available to a member at retirement.

An early retirement reduction factor is applied to the Basic Benefit if the member retires with a reduced retirement benefit or selects a benefit payout option other than the Basic Benefit.

8. **Average Final Compensation** - A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.
9. **Service Retirement Multiplier** - The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.7%. The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.7% or 1.85% as elected by the employer.
10. **Normal Retirement Age** - Age 65.
11. **Earliest Unreduced Retirement Eligibility** - Members who are not in hazardous duty positions are eligible for an unreduced retirement benefit at age 65 with at least five years (60 months) of creditable service or at age 50 with at least 30 years of creditable service.

Hazardous duty members are eligible for an unreduced retirement benefit at age 60 with at least five years of creditable service or age 50 with at least 25 years of creditable service.

12. **Earliest Reduced Retirement Eligibility** - Members may retire with a reduced benefit as early as age 55 with at least five years (60 months) of creditable service or age 50 with at least 10 years of creditable service.

COUNTY OF TAZEWELL, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

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Note 8-Pension Plan: (Continued)

A. Plan Description (Continued)

<b>VRS – PLAN 1 (Continued)</b>
---------------------------------

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

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

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

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

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

**16. Disability Coverage** - Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service, regardless of when it was earned, purchased or granted.

Most state employees are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement.

VSDP members are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.

COUNTY OF TAZEWELL, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

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Note 8-Pension Plan: (Continued)

A. Plan Description (Continued)

<b>VRS – PLAN 1 (Continued)</b>
---------------------------------

- 17. Purchase of Prior Service** - Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as creditable service in their plan. Prior creditable service counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. When buying service, members must purchase their most recent period of service first. Members also may be eligible to purchase periods of leave without pay.

<b>VRS – PLAN 2</b>
---------------------

- 1. Plan Overview** - VRS Plan 2 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for VRS Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.
- 2. Eligible Members** - Employees are in VRS Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.
- 3. Hybrid Opt-In Election** - VRS Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.

The Hybrid Retirement Plan's effective date for eligible VRS Plan 2 members who opted in was July 1, 2014.

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

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

- 4. Retirement Contributions** - Same as VRS Plan 1–Refer to Section 4.
- 5. Creditable Service** - Same as VRS Plan 1– Refer to Section 5.
- 6. Vesting** - Same as VRS Plan 1–Refer to Section 6.
- 7. Calculating the Benefit** - Same as VRS Plan 1–Refer to Section 7.
- 8. Average Final Compensation** - A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.
- 9. Service Retirement Multiplier** - Same as Plan1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for creditable service earned, purchased or granted on or after January 1, 2013.

COUNTY OF TAZEWELL, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

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Note 8-Pension Plan: (Continued)

A. Plan Description (Continued)

<b>VRS – PLAN 2 (Continued)</b>
---------------------------------

**10. Normal Retirement Age** - Normal Social Security retirement age.

**11. Earliest Unreduced Retirement Eligibility** - Members who are not in hazardous duty positions are eligible for an unreduced retirement benefit when they reach normal Social Security retirement age and have at least five years (60 months) of creditable service or when their age and service equal 90.

Hazardous duty members are eligible for an unreduced retirement benefit at age 60 with at least five years of creditable service or age 50 with at least 25 years of creditable service.

**12. Earliest Reduced Retirement Eligibility** - Members may retire with a reduced benefit as early as age 60 with at least five years (60 months) of creditable service.

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

**14. Eligibility** - Same as VRS Plan 1–Refer to Section 14.

**15. Exceptions to COLA Effective Dates** - Same as VRS Plan 1–Refer to Section 15.

**16. Disability Coverage** - Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.

Most state employees are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement.

VSDP members are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.

**17. Purchase of Prior Service** - Same as VRS Plan 1–Refer to Section 17.

COUNTY OF TAZEWELL, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

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Note 8-Pension Plan: (Continued)

A. Plan Description (Continued)

<b>HYBRID RETIREMENT PLAN</b>
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1. **Plan Overview** - The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. Most members hired on or after January 1, 2014 are in this plan, as well as VRS Plan 1 and VRS Plan 2 members who were eligible and opted into the plan during a special election window. (See "Eligible Members")
  - The defined benefit is based on a member's age, creditable service and average final compensation at retirement using a formula.
  - The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions.
  - In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.
2. **Eligible Members** - Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:
  - State employees\*
  - School division employees
  - Political subdivision employees\*
  - Judges appointed or elected to an original term on or after January 1, 2014
  - Members in VRS Plan 1 or VRS Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan's effective date for opt-in members was July 1, 2014



COUNTY OF TAZEWELL, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

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Note 8-Pension Plan: (Continued)

A. Plan Description (Continued)

<b>HYBRID RETIREMENT PLAN (Continued)</b>
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**3. \*Non-Eligible Members** - Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:

- Members of the State Police Officers' Retirement System (SPORS)
- Members of the Virginia Law Officers' Retirement System (VaLORS)
- Political subdivision employees who are covered by enhanced benefits for hazardous duty employees

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

**4. Retirement Contributions** - A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.

**5. Creditable Service**

Defined Benefit Component - Under the defined benefit component of the plan, creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.

Defined Contribution Component - Under the defined contribution component, creditable service is used to determine vesting for the employer contribution portion of the plan.

COUNTY OF TAZEWell, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

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Note 8-Pension Plan: (Continued)

A. Plan Description (Continued)

<b>HYBRID RETIREMENT PLAN (Continued)</b>
---

**6. Vesting**

Defined Benefit Component - Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of creditable service. VRS Plan 1 or VRS Plan 2 members with at least five years (60 months) of creditable service who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.

Defined Contribution Component - Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan.

Members are always 100% vested in the contributions that they make.

Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.

- After two years, a member is 50% vested and may withdraw 50% of employer contributions.
- After three years, a member is 75% vested and may withdraw 75% of employer contributions.
- After four or more years, a member is 100% vested and may withdraw 100% of employer contributions.

Distribution is not required by law until age 70½.

**7. Calculating the Benefit**

Defined Benefit Component - Same as VRS Plan 1—Refer to Section 7.

Defined Contribution Component - The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.

**8. Average Final Compensation** - Same as VRS Plan 2—Refer to Section 8. It is used in the retirement formula for the defined benefit component of the plan.

**9. Service Retirement Multiplier** - The retirement multiplier is 1.0%.

For members that opted into the Hybrid Retirement Plan from VRS Plan 1 or VRS Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.

COUNTY OF TAZEWELL, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

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Note 8 Pension Plan: (Continued)

A. Plan Description (Continued)

<b>HYBRID RETIREMENT PLAN (Continued)</b>
---

**10. Normal Retirement Age**

Defined Benefit Component - Same as VRS Plan 2–Refer to Section 10.

Defined Contribution Component - Members are eligible to receive distributions upon leaving employment, subject to restrictions.

**11. Earliest Unreduced Retirement Eligibility**

Defined Benefit Component - Members are eligible for an unreduced retirement benefit when they reach normal Social Security retirement age and have at least five years (60 months) of creditable service or when their age and service equal 90.

Defined Contribution Component - Members are eligible to receive distributions upon leaving employment, subject to restrictions.

**12. Earliest Reduced Retirement Eligibility**

Defined Benefit Component - Members may retire with a reduced benefit as early as age 60 with at least five years (60 months) of creditable service.

Defined Contribution Component - Members are eligible to receive distributions upon leaving employment, subject to restrictions.

**13. Cost-of-Living Adjustment (COLA) in Retirement**

Defined Benefit Component - Same as VRS Plan 2–Refer to Section 13.

Defined Contribution Component - Not Applicable.

**14. Eligibility** - Same as VRS Plan 1 and VRS Plan 2–Refer to Section 14.

**15. Exceptions to COLA Effective Dates** - Same as VRS Plan 1 and VRS Plan 2–Refer to Section 15.

**16. Disability Coverage** - Eligible political subdivision and school division members (including VRS Plan 1 and VRS Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members.

State employees (including VRS Plan 1 and VRS Plan 2 opt-ins) participating in the Hybrid Retirement Plan are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement.

Hybrid members (including VRS Plan 1 and VRS Plan 2 opt-ins) covered under VSDP or VLDP are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.

COUNTY OF TAZEWELL, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

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Note 8-Pension Plan: (Continued)

A. Plan Description (Continued)

<b>HYBRID RETIREMENT PLAN (Continued)</b>
---

**17. Purchase of Prior Service**

Defined Benefit Component - Same as VRS Plan 1 and VRS Plan 2–Refer to Section 17.

Defined Contribution Component - Not Applicable.

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/2013-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

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. Beginning July 1, 2012 new employees were required to pay the 5% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5% member contribution. This could be phased in over a period up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution. In addition, the County and School Board are 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 and School Board’s contribution rates for the fiscal year ended 2014 were 11.40% and 15.32% of annual covered payroll, respectively.

The School Board’s contributions for professional employees were \$3,084,365, \$3,115,911, and \$1,762,392, to the teacher cost-sharing pool for the fiscal years ended June 30, 2014, 2013, and 2012, respectively and these contributions represented 11.66%, 11.66%, and 6.33% for 2014, 2013, and 2012, respectively, of current covered payroll.

**COUNTY OF TAZEWell, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

Note 8-Pension Plan: (Continued)

C. Annual Pension Cost

For fiscal year 2014, the County's annual pension cost of \$1,270,460 was equal to the required and actual contributions for the County. For fiscal year 2014, the School Board's annual pension cost of \$585,916 was equal to the required and actual contributions for the School Board non-professional employees.

Fiscal Year Ending	Trend Information		
	Annual Pension Cost (APC)*	Percentage of APC Contributed	Net Pension Obligation
Primary Government:			
County:			
6/30/2014	\$ 1,270,460	100%	-
6/30/2013	1,233,669	100%	-
6/30/2012	814,900	100%	-
School Board:			
Non-professional Employees:			
6/30/2014	\$ 585,916	100%	-
6/30/2013	585,126	100%	-
6/30/2012	440,570	100%	-

\*Employer portion only

The FY 2014 required contribution was determined as part of the June 30, 2011 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at June 30, 2011 included (a) an investment rate of return (net of administrative expenses) of 7.00%, (b) projected salary increases ranging from 3.75% to 5.60% per year for general government employees, 3.75% to 6.20% per year for teachers, 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 for Plan 1 employees and 2.25% for Plan 2 employees. 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 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 School Board's unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at June 30, 2011 for the Unfunded Actuarial Accrued Liability (UAAL) was 30 years.

D. Funded Status and Funding Progress

As of June 30, 2013, the most recent actuarial valuation date, the County's plan was 75.72% funded. The actuarial accrued liability for benefits was \$46,419,342, and the actuarial value of assets was \$35,150,286, resulting in an unfunded actuarial accrued liability (UAAL) of \$11,269,056. The covered payroll (annual payroll of active employees covered by the plan) was \$10,906,131 and ratio of the UAAL to the covered payroll was 103.33%.

**COUNTY OF TAZEWELL, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

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Note 8-Pension Plan: (Continued)

D. Funded Status and Funding Progress (Continued)

As of June 30, 2013, the most recent actuarial valuation date, the School Board's plan was 67.09% funded. The actuarial accrued liability for benefits was \$24,854,869, and the actuarial value of assets was \$16,674,264, resulting in an unfunded actuarial accrued liability (UAAL) of \$8,180,605. The covered payroll (annual payroll of active employees covered by the plan) was \$3,820,583 and ratio of the UAAL to the covered payroll was 214.12%.

Note 9-VRS Health Insurance Credit - Other Postemployment Benefits:

County:

A. Plan Description

The County participates in the Health Insurance Credit Program, a plan designed to assist retirees with the cost of health insurance coverage. This program is an agent and cost sharing, multiple-employer defined benefit plan administered by the Virginia Retirement System (VRS). The Virginia General Assembly establishes the dollar amount of the health insurance credit for each year of creditable service. The credit amount and eligibility differs for state, school division, political subdivision, local officer, local social services department and general registrar retirees.

An employee of the County, who retires under VRS with at least 15 years of total creditable service under the System and is enrolled in a health insurance plan, is eligible to receive a monthly health insurance credit of \$1.50 per year of creditable service up to a maximum monthly credit of \$45. However, such credit shall not exceed the health insurance premium for the retiree. Disabled retirees automatically receive the maximum monthly health insurance credit of \$45.

Benefit provisions and eligibility requirements are established by Title 51.1, Chapter 14 of the Code of Virginia. The VRS actuarially determines the amount necessary to fund all credits provided, reflects the cost of such credits in the applicable employer contribution rate pursuant to §51.1-145, and prescribes such terms and conditions as are necessary to carry out the provisions of the health insurance credit program. VRS issues separate financial statements as previously discussed in Note 8.

B. Funding Policy

As a participating local political subdivision, the County is required to contribute the entire amount necessary to fund participation in the program using the actuarial basis specified by the Code of Virginia and the VRS Board of Trustees. The County's contribution rate for the fiscal year ended 2014 was 0.05%, of annual covered payroll.

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**COUNTY OF TAZEWELL, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

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Note 9-VRS Health Insurance Credit - Other Postemployment Benefits: (Continued)

County: (Continued)

**C. Annual OPEB Cost and Net OPEB Obligation**

The annual cost of OPEB under Governmental Accounting Standards Board (GASB) 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions, is based on the annual required contribution (ARC). The locality is required to contribute the 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 cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

For 2013, the County's contribution of \$4,947, was equal to the ARC and OPEB cost. The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 and preceding two years are as follows:

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost (ARC)</u>	<u>Percentage of ARC Contributed</u>	<u>Net OPEB Obligation</u>
County:			
June 30, 2014	\$ 4,947	100%	-
June 30, 2013	6,398	100%	-
June 30, 2012	5,449	100%	-

**D. Funded Status and Funding Progress**

The funded status of the plan as of June 30, 2013, the most recent actuarial valuation date, is as follows:

	<u>County</u>
Actuarial accrued liability (AAL)	\$ 243,795
Actuarial value of plan assets	\$ 248,996
Unfunded actuarial accrued liability (UAAL)	\$ (5,201)
Funded ratio (actuarial value of plan assets/AAL)	102.13%
Covered payroll (active plan members)	\$ 4,826,502
UAAL as a percentage of covered payroll	-0.11%

**COUNTY OF TAZEVELL, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

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Note 9-VRS Health Insurance Credit - Other Postemployment Benefits: (Continued)

D. Funded Status and Funding Progress (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future and reflect a long-term perspective. 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 multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

E. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) 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 included techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The entry age normal cost method was used to determine the plan's funding liabilities and costs. The actuarial assumptions included a 7.00% investment rate of return, compounded annually, including an inflation component of 2.5%, and a payroll growth rate of 3.00%. The UAAL is being amortized as a level percentage of payroll on an open basis. The remaining open amortization period at June 30, 2013 was 30 years.

Professional Employees - Discretely Presented Component Unit School Board

A. Plan Description

The School Board participates in the Health Insurance Credit Program, a plan designed to assist retirees with the cost of health insurance coverage. This program is a cost sharing, multiple-employer defined benefit plan administered by the Virginia Retirement System (VRS). The Virginia General Assembly establishes the dollar amount of the health insurance credit for each year of creditable service.

A teacher, who retires under VRS with at least 15 years of total creditable service under the System and is enrolled in a health insurance plan, is eligible to receive a monthly health insurance credit of \$4 per year of creditable service. However, such credit shall not exceed the health insurance premium for the retiree. Disabled retirees automatically receive a monthly health insurance credit of \$4 multiplied by the smaller of (i) twice the amount of their creditable service or (ii) the amount of creditable service they would have completed at age 60 if they had remained in service to that age.



**COUNTY OF TAZEVELL, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

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Note 9-VRS Health Insurance Credit - Other Postemployment Benefits: (Continued)

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

**B. Funding Policy**

The School Board is required to contribute, at an actuarially determined rate, the entire amount necessary to fund participation in the program. The current rate is 1.11% of annual covered payroll. The School Board's contributions to VRS for the year ended June 30, 2014 was \$293,637 and equaled the required contributions.

Note 10 - Other Postemployment Benefits (OPEB) - Health Insurance:

**A. Plan Description**

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

**B. Funding Policy**

The Tazewell County Government establishes employer medical contribution rates for all medical plan participants as part of the budgetary process each year. The County also determines how the plan will be funded each year, whether it will be partially funded or fully funded in the upcoming fiscal year. For fiscal year 2013, 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 July 1, 2012, the most recent actuarial valuation date:

	Monthly Contribution	Retiree Share of Premiums	Monthly Contribution	Retiree Share of Premiums	Monthly Contribution	Retiree Share of Premiums
Retiree	627.00	62.70	625.00	100.00	551.00	88.16
Retiree and Spouse	1,160.00	222.60	1,156.11	333.64	1,019.00	275.13
Retiree and Child	1,160.00	222.60	1,156.11	333.64	1,019.00	275.13
Family	1,693.00	382.50	1,688.00	567.72	1,488.00	446.40

**COUNTY OF TAZEWELL, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

Note 10 - Other Postemployment Benefits - Health Insurance: (Continued)

C. Annual OPEB Cost and Net OPEB Obligation

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

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

	County	School Board	Total
Annual required contribution	\$ 586,100	\$ 1,662,600	\$ 2,248,700
Interest on net OPEB obligation	53,100	60,700	113,800
Adjustment to annual required contribution	(55,300)	(63,200)	(118,500)
Annual OPEB cost (expense)	583,900	1,660,100	2,244,000
Contributions made	329,600	1,337,400	1,667,000
Increase in net OPEB obligation	254,300	322,700	577,000
Net OPEB obligation - beginning of year	1,328,700	1,517,800	2,846,500
Net OPEB obligation - end of year	\$ 1,583,000	\$ 1,840,500	\$ 3,423,500

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 2014 and the two preceding years are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2014	\$ 2,244,000	74%	\$ 3,423,500
6/30/2013	2,191,100	69%	2,846,500
6/30/2012	2,061,700	78%	2,161,100

D. Funded Status and Funding Progress

Primary Government:

As of July 1, 2012, the most recent actuarial valuation date, the actuarial accrued liability (AAL) was \$10,854,415, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$10,794,146, and ratio of the UAAL to the covered payroll was 100.56%.

Component Unit - School Board:

As of July 1, 2012, the most recent actuarial valuation date, the actuarial accrued liability (AAL) was \$12,398,033, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$33,539,749, and ratio of the UAAL to the covered payroll was 36.97%.

**COUNTY OF TAZEWell, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

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Note 10 - 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 July 1, 2012, 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 July 1, 2012, was 30 years.

Note 11 - 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 12 - 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 \$5,878,708 reported as landfill closure and post closure care liability at June 30, 2014, \$5,878,708 represents the cumulative amount reported to date based on use of 41 percent of the estimate capacity of the landfill.

**COUNTY OF TAZEVELL, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

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**Note 12 - Landfill Closure and Postclosure Care Cost: (Continued)**

The County will recognize the remaining estimated cost of closure and postclosure care of \$8,348,529 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 2014.

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 13 - 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 14 - Deferred/Unavailable Revenue:**

Deferred/unavailable revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Deferred/unavailable revenue is comprised of the following:

	<u>Government-Wide Statements Governmental Activities</u>	<u>Balance Sheet Governmental Funds</u>
Unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures.	\$ 24,878,124	\$ 26,043,934
Prepaid property taxes due in December 2014, but paid in advance by taxpayers.	<u>910,961</u>	<u>910,961</u>
Total deferred/unavailable revenue	\$ <u>25,789,085</u>	\$ <u>26,954,895</u>

**COUNTY OF TAZEVELL, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

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**Note 15 - Interfund Transfers:**

Interfund transfers for the year ended June 30, 2014, consisted of the following:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Primary Government:		
General Fund	\$ -	\$ (3,635,745)
County CIP Fund	3,000,000	-
Landfill Enterprise Fund	635,745	-
Total	\$ <u>3,635,745</u>	\$ <u>(3,635,745)</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.

**Note 16 - Surety Bonds:**

Commonwealth of America, Division of Risk Management	<u>Amount</u>
Buddy Blevins, Clerk of the Circuit Court	\$ 710,000
David Larimer, Treasurer	500,000
David Anderson, Commissioner of the Revenue	3,000
Brian Hieatt, Sheriff	30,000
 The above constitutional officers' employees	
Blanket bond	50,000
Landfill employees	20,000
 VACO Insurance Program:	
All School Board employees - blanket	250,000
 Fidelity and Deposit Company of Maryland Surety:	
James Spencer, County Administrator	50,000
 St. Paul Fire and Marine Insurance Company	
Rex Tester, Director of Social Services	25,000
All Social Services employees - blanket	100,000

**COUNTY OF TAZEWELL, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2014**

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Note 17 - Restatement of Beginning Net Position:

	<u>Governmental Activities</u>
Beginning net position, as previously reported	\$ 21,516,798
To record fixed assets from prior period	<u>378,548</u>
Beginning net position, as restated	<u><u>\$ 21,895,346</u></u>

Note 18 - Nonspendable, Restricted, and Committed Fund Balances by Fund

General Fund	
Nonspendable:	
Prepays	\$ 9,475
County CIP Fund	
Restricted:	
Capital Improvements	3,796,324
School Construction Fund	
Restricted:	
Capital Improvements	1,565
Law Library Fund	
Committed:	
Special Revenue	80,604
Coal Road Improvement Fund	
Committed:	
Special Revenue	1,753,030
Coal Road Economic Development Fund	
Committed:	
Special Revenue	149,831
E-911 Fund	
Committed:	
Special Revenue	599,770
Damage Stamp Fund	
Committed:	
Special Revenue	42
School Fund	
Nonspendable:	
Prepays	747,898
Committed:	
Special Revenue	4,076,143

COUNTY OF TAZEWELL, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

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Note 19 - Litigation

At June 30, 2014, there were no matters of litigation involving the County which would materially affect the County's financial position should any court decisions on pending matters not be favorable to the County.

Note 20 - Upcoming Pronouncements

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. Statement No. 68 will require governments with defined benefit pension plans to disclose a "net pension liability" on their balance sheets. That liability equals the difference between the total pension liability and the value of assets set aside in a pension plan to pay benefits. The statement calls for immediate recognition of more pension expense than is currently required. This includes immediate recognition of annual service cost and interest on the pension liability, plus the effect of changes in benefit terms on the net pension liability. This standard will be effective for the fiscal year ending June 30, 2015. The County believes the implementation of Statement No. 68 will significantly impact the County and Component Unit School Board's net position; however, no formal study or estimate of the impact of this standard has been performed.

## 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, 2014

	Budget Amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget Pos (Neg)</u>
REVENUES				
General Property Taxes	\$ 26,603,774	\$ 26,603,774	\$ 27,346,925	\$ 743,151
Other Local Taxes	7,899,699	7,899,699	7,648,847	(250,852)
Permits, Privilege Fees and Regulatory Licenses	350,300	350,300	312,004	(38,296)
Fines and Forfeitures	30,000	30,000	42,505	12,505
Revenue from Use of Money and Property	548,958	548,958	389,422	(159,536)
Charges for Services	318,743	318,743	563,923	245,180
Miscellaneous	626,000	548,308	463,064	(85,244)
Recovered Costs	817,000	836,601	870,986	34,385
Intergovernmental:				
Commonwealth	8,238,610	8,296,700	10,695,912	2,399,212
Federal Government	4,592,681	4,592,681	4,470,443	(122,238)
Total Revenues	\$ 50,025,765	\$ 50,025,764	\$ 52,804,031	\$ 2,778,267
EXPENDITURES:				
Current:				
General Government Administration	\$ 6,043,847	\$ 6,044,897	\$ 5,084,465	\$ 960,432
Judicial Administration	2,363,837	2,365,720	2,454,357	(88,637)
Public Safety	12,854,134	12,977,170	12,400,552	576,618
Public Works	4,571,185	4,582,862	3,745,431	837,431
Health and Welfare	8,361,296	8,361,296	8,183,291	178,005
Education	14,810,000	14,810,000	14,768,311	41,689
Parks, Recreation and Cultural	1,306,163	1,335,747	1,360,475	(24,728)
Community Development	913,138	964,947	870,908	94,039
Non-Departmental	1,077,441	879,985	364,528	515,457
Debt Service:				
Principal Retirement	95,000	95,000	782,407	(687,407)
Interest and Other Fiscal Charges	45,000	45,000	467,741	(422,741)
Total Expenditures	\$ 52,441,041	\$ 52,462,624	\$ 50,482,466	\$ 1,980,158
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	\$ (2,415,276)	\$ (2,436,860)	\$ 2,321,565	\$ 4,758,425
Other Financing Sources (Uses)				
Transfers Out	\$ -	\$ -	\$ (3,635,745)	\$ (3,635,745)
Net Change in Fund Balance	\$ (2,415,276)	\$ (2,436,860)	\$ (1,314,180)	\$ 1,122,680
Fund Balance - Beginning	2,415,276	2,436,860	10,781,963	8,345,103
Fund Balance - Ending	\$ -	\$ -	\$ 9,467,783	\$ 9,467,783

County of Tazewell, Virginia  
Schedule of Pension and OPEB Funding Progress  
For the Fiscal Year Ended June 30, 2014

## Primary Government:

## County Retirement Plan

Actuarial Valuation as of	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (3)-(2)	Funded Ratio (2)/(3)	Covered Payroll	UAAL as a % of Covered Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
June 30, 2013 \$	35,150,286 \$	46,419,342 \$	11,269,056	75.72% \$	10,906,131	103.33%
June 30, 2012	33,903,065	45,591,058	11,687,993	74.36%	10,211,510	114.46%
June 30, 2011	34,262,993	43,637,160	9,374,167	78.52%	9,802,238	95.63%

## County Postretirement Medical Plan

Actuarial Valuation as of	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (3)-(2)	Funded Ratio (2)/(3)	Covered Payroll	UAAL as a % of Covered Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
July 1, 2012 \$	- \$	10,854,415 \$	10,854,415	0.00% \$	10,794,146	100.56%
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%

## County Health Insurance Credit Program

Actuarial Valuation as of	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (3)-(2)	Funded Ratio (2)/(3)	Covered Payroll	UAAL as a % of Covered Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
June 30, 2013 \$	248,996 \$	243,795 \$	(5,201)	102.13% \$	4,826,502	-0.11%
June 30, 2012	232,268	234,919	2,651	98.87%	4,331,469	0.06%
June 30, 2011	237,314	227,920	(9,394)	104.12%	3,951,802	-0.24%

## Discretely Presented Component Unit:

## School Board Non-professional Retirement Plan

Actuarial Valuation as of	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (3)-(2)	Funded Ratio (2)/(3)	Covered Payroll	UAAL as a % of Covered Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
June 30, 2013 \$	16,674,264 \$	24,854,869 \$	8,180,605	67.09% \$	3,820,583	214.12%
June 30, 2012	16,519,031	25,221,762	8,702,731	65.50%	3,900,115	223.14%
June 30, 2011	17,016,576	24,444,497	7,427,921	69.61%	3,758,650	197.62%

## School Board Postretirement Medical Plan

Actuarial Valuation as of	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (3)-(2)	Funded Ratio (2)/(3)	Covered Payroll	UAAL as a % of Covered Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
July 1, 2012 \$	- \$	12,398,033 \$	12,398,033	0.00% \$	33,539,749	36.97%
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%

## 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, 2014

	<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	\$ 36,355	\$ -
Miscellaneous	1,222,851	1,222,851	-	(1,222,851)
Intergovernmental:				
Commonwealth	697,108	697,108	-	(697,108)
Federal Government	468,347	468,347	-	(468,347)
Total Revenues	<u>\$ 2,424,661</u>	<u>\$ 2,424,661</u>	<u>\$ 36,355</u>	<u>\$ (2,388,306)</u>
EXPENDITURES:				
Current:				
General Government Administration	\$ 6,737,163	\$ 6,737,163	\$ 405,325	\$ 6,331,838
Public Works	-	-	820,890	(820,890)
Education	266,000	266,000	266,000	-
Community Development	-	-	866,860	(866,860)
Total Expenditures	<u>\$ 7,003,163</u>	<u>\$ 7,003,163</u>	<u>\$ 2,359,075</u>	<u>\$ 4,644,088</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (4,578,502)</u>	<u>\$ (4,578,502)</u>	<u>\$ (2,322,720)</u>	<u>\$ 2,255,782</u>
Other Financing Sources (Uses)				
Transfers In	\$ -	\$ -	\$ 3,000,000	\$ (3,000,000)
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,000,000</u>	<u>\$ (3,000,000)</u>
Net Change in Fund Balance	<u>\$ (4,578,502)</u>	<u>\$ (4,578,502)</u>	<u>\$ 677,280</u>	<u>\$ 5,255,782</u>
Fund Balance - Beginning	4,578,502	4,578,502	3,119,044	(1,459,458)
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,796,324</u>	<u>\$ 3,796,324</u>

County of Tazewell, Virginia  
Nonmajor Capital Projects - School Construction Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2014

	<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 Expenditures	\$ -	\$ -	\$ -	-
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 Position  
Fiduciary Funds  
June 30, 2014

	<u>Expendable Trust Funds</u>	<u>Agency Funds</u>		
	Deferred Comp Fund	Special Welfare Funds	Local Sales Tax Fund	Total
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ -	\$ 62,274	\$ -	\$ 62,274
Investments	1,783,549	-	-	1,783,549
Due from Other Governmental Units	-	-	975,581	975,581
Total Assets	<u>\$ 1,783,549</u>	<u>\$ 62,274</u>	<u>\$ 975,581</u>	<u>\$ 2,821,404</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Due to External Parties	\$ -	\$ -	\$ 793,198	\$ 793,198
Due to Other Governmental Units	-	-	182,383	182,383
Amounts Held for Others	1,783,549	62,274	-	1,845,823
Total Liabilities	<u>\$ 1,783,549</u>	<u>\$ 62,274</u>	<u>\$ 975,581</u>	<u>\$ 2,821,404</u>

County of Tazewell, Virginia  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
June 30, 2014

	Expendable Trust Funds	Agency Funds	
	Deferred Comp Fund	Special Welfare Fund	Local Sales Tax Fund
<b>ASSETS</b>			
Beginning Balance	\$ 1,413,923	\$ 46,601	\$ 1,025,046
Additions	430,898	123,151	6,845,215
Deductions	(61,272)	(107,478)	(6,894,680)
Ending Balance	<u>\$ 1,783,549</u>	<u>\$ 62,274</u>	<u>\$ 975,581</u>
<b>LIABILITIES</b>			
Beginning Balance	\$ 1,413,923	\$ 46,601	\$ 1,025,046
Additions	430,898	123,151	6,845,215
Deductions	(61,272)	(107,478)	(6,894,680)
Ending Balance	<u>\$ 1,783,549</u>	<u>\$ 62,274</u>	<u>\$ 975,581</u>

County of Tazewell, Virginia  
Discretely Presented Component Unit - School Board  
Balance Sheet  
June 30, 2014

		School Operating <u>Fund</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$	8,209,419
Cash Held for Others		13,209
Accounts Receivable		18,874
Due from Other Governmental Units		1,977,428
Prepaid items		747,898
Total Assets	\$	<u>10,966,828</u>
<b>LIABILITIES</b>		
Accounts Payable	\$	250,904
Accrued Wages Payable		3,380,591
Due to Primary Government		2,498,083
Amounts held for others		13,209
Total Liabilities	\$	<u>6,142,787</u>
<b>FUND BALANCES:</b>		
Nonspendable	\$	747,898
Committed		4,076,143
Total Fund Balances	\$	<u>4,824,041</u>
Total Liabilities and Fund Balances	\$	<u>10,966,828</u>
Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:		
Total fund balances - per above	\$	4,824,041
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Land	\$	1,908,716
Building and system		11,096,538
Tenancy in common		7,219,456
Machinery and equipment		943,357
		<u>21,168,067</u>
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds		
Net OPEB obligation	\$	(1,840,500)
Capital lease		(3,231,002)
		<u>(5,071,502)</u>
Net Position of governmental activities - component unit school board	\$	<u>20,920,606</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, 2014

	School Operating Fund
<b>REVENUES</b>	
Revenue from Use of Money and Property	\$ 7,868
Charges for Services	727,617
Miscellaneous	1,326,257
Recovered Costs	390,026
Intergovernmental:	
Local Government	14,974,311
Commonwealth	36,420,534
Federal Government	5,797,027
Total Revenues	<u>\$ 59,643,640</u>
<b>EXPENDITURES:</b>	
Current:	
Education	\$ 56,787,721
Debt Service:	
Principal Retirement	394,007
Interest and Other Fiscal Charges	153,207
Total Expenditures	<u>\$ 57,334,935</u>
Excess (Deficiency) of Revenues Over (Under)	
Expenditures	<u>\$ 2,308,705</u>
Net Change in Fund Balance	\$ 2,308,705
Fund Balance - Beginning	2,515,336
Fund Balance - Ending	<u><u>\$ 4,824,041</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	\$ 2,308,705
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 depreciation exceeded the capital outlays in the current period.	
Capital outlay	\$ 1,117,282
Depreciation expense	<u>(1,686,109)</u>
	(568,827)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the effect of these differences in the treatment of long-term debt and related items.	
Principal repayments:	
Capital lease	394,007
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.	
Decrease (increase) in net OPEB obligation	(322,700)
Change in net position of governmental funds - component unit school board	<u><u>\$ 1,811,185</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, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Pos (Neg)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Revenue from Use of Money and Property	\$ 7,768	\$ 7,768	\$ 7,868	\$ 100
Charges for Services	991,030	991,030	727,617	(263,413)
Miscellaneous	1,080,545	1,080,545	1,326,257	245,712
Recovered Costs	427,318	427,318	390,026	(37,292)
Intergovernmental:				
Local Government	14,750,000	14,750,000	14,974,311	224,311
Commonwealth	36,070,061	36,070,061	36,420,534	350,473
Federal Government	4,979,867	4,979,867	5,797,027	817,160
Total Revenues	\$ 58,306,589	\$ 58,306,589	\$ 59,643,640	\$ 1,337,051
EXPENDITURES:				
Current:				
Education	\$ 58,677,727	\$ 58,677,727	\$ 56,787,721	\$ 1,890,006
Debt Service:				
Principal Retirement	1,221,341	1,221,341	394,007	827,334
Interest and Other Fiscal Charges	521,110	521,110	153,207	367,903
Total Expenditures	\$ 60,420,178	\$ 60,420,178	\$ 57,334,935	\$ 3,085,243
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	\$ (2,113,589)	\$ (2,113,589)	\$ 2,308,705	\$ 4,422,294
Net Change in Fund Balance	\$ (2,113,589)	\$ (2,113,589)	\$ 2,308,705	\$ 4,422,294
Fund Balance - Beginning	2,113,589	2,113,589	2,515,336	401,747
Fund Balance - Ending	\$ -	\$ -	\$ 4,824,041	\$ 4,824,041

County of Tazewell, Virginia  
Nonmajor Funds  
Combining Balance Sheet  
June 30, 2014

	<u>Special Revenue Funds</u>	<u>School Construction Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,390,080	\$ 1,565	\$ 2,391,645
Receivables (Net of Allowance for Uncollectibles):			
Taxes	87,333	-	87,333
Due from Other Governmental Units	109,268	-	109,268
Total Assets	<u>\$ 2,586,681</u>	<u>\$ 1,565</u>	<u>\$ 2,588,246</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 3,404	\$ -	\$ 3,404
Total Liabilities	<u>\$ 3,404</u>	<u>\$ -</u>	<u>\$ 3,404</u>
<b>Fund Balances:</b>			
Restricted	\$ -	\$ 1,565	\$ 1,565
Committed	2,583,277	-	2,583,277
Total Fund Balances	<u>\$ 2,583,277</u>	<u>\$ 1,565</u>	<u>\$ 2,584,842</u>
Total Liabilities and Fund Balances	<u>\$ 2,586,681</u>	<u>\$ 1,565</u>	<u>\$ 2,588,246</u>

County of Tazewell, Virginia  
Nonmajor Funds  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Year Ended June 30, 2014

	Special <u>Revenue Funds</u>	School Construction <u>Fund</u>	<u>Total</u>
REVENUES			
Other Local Taxes	\$ 1,687,112	\$ -	\$ 1,687,112
Charges for Services	10,576	-	10,576
Miscellaneous	2,296	-	2,296
Intergovernmental:			
Commonwealth	654,968	-	654,968
Total Revenues	<u>\$ 2,354,952</u>	<u>\$ -</u>	<u>\$ 2,354,952</u>
EXPENDITURES:			
Current:			
Judicial Administration	\$ 1,146	\$ -	\$ 1,146
Public Safety	844,606	-	844,606
Public Works	1,905,227	-	1,905,227
Total Expenditures	<u>\$ 2,750,979</u>	<u>\$ -</u>	<u>\$ 2,750,979</u>
Excess (Deficiency) of Revenues Over (Under)			
Expenditures	<u>\$ (396,027)</u>	<u>\$ -</u>	<u>\$ (396,027)</u>
Net Change in Fund Balance	\$ (396,027)	\$ -	\$ (396,027)
Fund Balance - Beginning	2,979,304	1,565	2,980,869
Fund Balance - Ending	<u>\$ 2,583,277</u>	<u>\$ 1,565</u>	<u>\$ 2,584,842</u>

County of Tazewell, Virginia  
Nonmajor Special Revenue Funds  
Combining Balance Sheet  
For the Fiscal Year Ended June 30, 2014

	<u>Law Library</u> <u>Fund</u>	<u>Coal Road</u> <u>Improvement</u> <u>Fund</u>	<u>Coal Road</u> <u>Economic</u> <u>Development</u> <u>Fund</u>	<u>E-911 Fund</u>	<u>Damage Stamp</u> <u>Fund</u>	<u>Total</u>
ASSETS						
Cash and Cash Equivalents	\$ 80,604 \$	1,702,684 \$	112,844 \$	493,906 \$	42 \$	2,390,080
Receivables (Net of Allowance for Uncollectibles):						
Taxes	-	50,346	36,987	-	-	87,333
Due from Other Governmental Units	-	-	-	109,268	-	109,268
Total Assets	\$ 80,604 \$	1,753,030 \$	149,831 \$	603,174 \$	42 \$	2,586,681
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts Payable	\$ - \$	- \$	- \$	3,404 \$	- \$	3,404
Total Liabilities	\$ - \$	- \$	- \$	3,404 \$	- \$	3,404
Fund Balances:						
Committed	\$ 80,604 \$	1,753,030 \$	149,831 \$	599,770 \$	42 \$	2,583,277
Total Fund Balances	\$ 80,604 \$	1,753,030 \$	149,831 \$	599,770 \$	42 \$	2,583,277
Total Liabilities and Fund Balances	\$ 80,604 \$	1,753,030 \$	149,831 \$	603,174 \$	42 \$	2,586,681

County of Tazewell, Virginia  
Nonmajor Special Revenue Funds  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Year Ended June 30, 2014

	<u>Law Library</u> <u>Fund</u>	<u>Coal Road</u> <u>Improvement</u> <u>Fund</u>	<u>Coal Road</u> <u>Economic</u> <u>Development</u> <u>Fund</u>	<u>E-911 Fund</u>	<u>Damage</u> <u>Stamp Fund</u>	<u>Total</u>
REVENUES						
Other Local Taxes	\$ -	\$ 1,098,580	\$ 588,532	\$ -	\$ -	\$ 1,687,112
Charges for Services	10,576	-	-	-	-	10,576
Miscellaneous	-	2,296	-	-	-	2,296
Intergovernmental:						
Commonwealth	-	-	-	654,968	-	654,968
Total Revenues	<u>\$ 10,576</u>	<u>\$ 1,100,876</u>	<u>\$ 588,532</u>	<u>\$ 654,968</u>	<u>\$ -</u>	<u>\$ 2,354,952</u>
EXPENDITURES						
Current:						
Judicial Administration	\$ 1,146	\$ -	\$ -	\$ -	\$ -	\$ 1,146
Public Safety	-	-	-	844,606	-	844,606
Public Works	-	1,351,662	553,565	-	-	1,905,227
Total Expenditures	<u>\$ 1,146</u>	<u>\$ 1,351,662</u>	<u>\$ 553,565</u>	<u>\$ 844,606</u>	<u>\$ -</u>	<u>\$ 2,750,979</u>
Net Change in Fund Balance	\$ 9,430	\$ (250,786)	\$ 34,967	\$ (189,638)	\$ -	\$ (396,027)
Fund Balance - Beginning	71,174	2,003,816	114,864	789,408	42	2,979,304
Fund Balance - Ending	<u>\$ 80,604</u>	<u>\$ 1,753,030</u>	<u>\$ 149,831</u>	<u>\$ 599,770</u>	<u>\$ 42</u>	<u>\$ 2,583,277</u>

## Exhibit 24

County of Tazewell, Virginia  
Nonmajor Special Revenue Funds  
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
For the Fiscal Year Ended June 30, 2014

	Law Library Fund				Coal Road Improvement Fund			
	Budget Amounts		Actual Amounts		Budget Amounts		Actual Amounts	
	Original	Final		Variance with Final Budget Pos (Neg)	Original	Final		Variance with Final Budget Pos (Neg)
<b>REVENUES</b>								
Other Local Taxes	\$ - \$	- \$	- \$	-	\$ 1,137,450 \$	1,137,450 \$	1,098,580 \$	(38,870)
Charges for Services	13,656	13,656	10,576	(3,080)	-	-	-	-
Miscellaneous	-	-	-	-	-	-	2,296	2,296
Intergovernmental:								
Commonwealth	-	-	-	-	-	-	-	-
Total Revenues	\$ 13,656 \$	13,656 \$	10,576 \$	(3,080)	\$ 1,137,450 \$	1,137,450 \$	1,100,876 \$	(36,574)
<b>EXPENDITURES:</b>								
Current:								
Judicial Administration	\$ 17,500 \$	17,500 \$	1,146 \$	16,354	\$ - \$	- \$	- \$	-
Public Safety	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	1,416,753	1,416,753	1,351,662	65,091
Total Expenditures	\$ 17,500 \$	17,500 \$	1,146 \$	16,354	\$ 1,416,753 \$	1,416,753 \$	1,351,662 \$	65,091
Excess (Deficiency) of Revenues Over (Under)								
Expenditures	\$ (3,844) \$	(3,844) \$	9,430 \$	13,274	\$ (279,303) \$	(279,303) \$	(250,786) \$	28,517
Net Change in Fund Balance	\$ (3,844) \$	(3,844) \$	9,430 \$	13,274	\$ (279,303) \$	(279,303) \$	(250,786) \$	28,517
Fund Balance - Beginning	3,844	3,844	71,174	67,330	279,303	279,303	2,003,816	1,724,513
Fund Balance - Ending	\$ - \$	- \$	80,604 \$	80,604	\$ - \$	- \$	1,753,030 \$	1,753,030

Exhibit 24

County of Tazewell, Virginia  
 Nonmajor Special Revenue Funds  
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 For the Fiscal Year Ended June 30, 2014

	Coal Road Economic Development Fund				E-911 Fund			
	Budget Amounts		Actual	Variance with Final Budget Pos (Neg)	Budget Amounts		Actual	Variance with Final Budget Pos (Neg)
	Original	Final	Amounts		Original	Final	Amounts	
<b>REVENUES</b>								
Other Local Taxes	\$ 525,754	\$ 525,754	\$ 588,532	\$ 62,778	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Intergovernmental:								
Commonwealth	-	-	-	-	664,526	664,526	654,968	(9,558)
Total Revenues	\$ 525,754	\$ 525,754	\$ 588,532	\$ 62,778	\$ 664,526	\$ 664,526	\$ 654,968	\$ (9,558)
<b>EXPENDITURES:</b>								
Current:								
Judicial Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety	-	-	-	-	873,742	873,742	844,606	29,136
Public Works	489,486	489,486	553,565	(64,079)	-	-	-	-
Total Expenditures	\$ 489,486	\$ 489,486	\$ 553,565	\$ (64,079)	\$ 873,742	\$ 873,742	\$ 844,606	\$ 29,136
Excess (Deficiency) of Revenues Over (Under)								
Expenditures	\$ 36,268	\$ 36,268	\$ 34,967	\$ (1,301)	\$ (209,216)	\$ (209,216)	\$ (189,638)	\$ 19,578
Net Change in Fund Balance	\$ 36,268	\$ 36,268	\$ 34,967	\$ (1,301)	\$ (209,216)	\$ (209,216)	\$ (189,638)	\$ 19,578
Fund Balance - Beginning	(36,268)	(36,268)	114,864	151,132	209,216	209,216	789,408	580,192
Fund Balance - Ending	\$ -	\$ -	\$ 149,831	\$ 149,831	\$ -	\$ -	\$ 599,770	\$ 599,770



## Exhibit 24

County of Tazewell, Virginia  
Nonmajor Special Revenue Funds  
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
For the Fiscal Year Ended June 30, 2014

	Damaged Stamp Fund				Total	
	Budget Amounts		Actual Amounts	Variance with Final Budget Pos (Neg)	Variance with Final Budget Pos (Neg)	
	Original	Final			Original	Final
REVENUES						
Other Local Taxes	\$ - \$	- \$	- \$	-	\$ 1,663,204 \$	1,687,112 \$
Charges for Services	-	-	-	-	13,656	10,576
Miscellaneous	-	-	-	-	-	2,296
Intergovernmental:						
Commonwealth	-	-	-	-	664,526	654,968
Total Revenues	\$ - \$	- \$	- \$	-	\$ 2,341,386 \$	\$ 2,354,952 \$
						13,566
EXPENDITURES:						
Current:						
Judicial Administration	\$ - \$	- \$	- \$	-	\$ 17,500 \$	1,146 \$
Public Safety	-	-	-	-	873,742	844,606
Public Works	-	-	-	-	1,906,239	1,905,227
Total Expenditures	\$ - \$	- \$	- \$	-	\$ 2,797,481 \$	\$ 2,750,979 \$
						46,502
Excess (Deficiency) of Revenues Over (Under)						
Expenditures	\$ - \$	- \$	- \$	-	\$ (456,095) \$	\$ (396,027) \$
						60,068
Net Change in Fund Balance	\$ - \$	- \$	- \$	-	\$ (456,095) \$	\$ (396,027) \$
Fund Balance - Beginning	-	-	42	42	456,095	2,979,304
Fund Balance - Ending	\$ - \$	- \$	42 \$	42	- \$	\$ 2,583,277 \$
						2,583,277

County of Tazewell, Virginia  
Combining Statement of Net Position  
Other Component Units  
June 30, 2014

	Public Service <u>Authority</u>	Industrial Develop- <u>ment Authority</u>	<u>Airport Authority</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 759,713	\$ 149,086	\$ 54,698	\$ 963,497
Cash in custody of others	-	21,492	-	21,492
Investments in custody of others	-	823,442	-	823,442
Receivables (net of allowance for uncollectibles):				-
Accounts receivable	655,753	-	9,754	665,507
Notes receivable	-	323,384	-	323,384
Due from primary government	-	2,868,496	-	2,868,496
Due from other governmental units	101,608	-	11,942	113,550
Inventories	143,950	-	19,792	163,742
Prepaid items	38,973	-	3,144	42,117
Restricted assets:				
Cash and cash equivalents	17,664	-	-	17,664
Capital assets (net of accumulated depreciation):				
Land	83,462	3,657,358	629,871	4,370,691
Buildings and improvements	71,988	69,745	1,552,923	1,694,656
Improvements other than buildings	-	21,234,566	3,803,183	25,037,749
Machinery and equipment	255,382	11,762	414,660	681,804
Infrastructure	69,127,357	-	-	69,127,357
Construction in progress	2,407,036	12,439,914	83,232	14,930,182
Total assets	\$ 73,662,886	\$ 41,599,245	\$ 6,583,199	\$ 121,845,330
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refunding	\$ -	\$ 724,661	\$ -	\$ 724,661
<b>LIABILITIES</b>				
Accounts payable	\$ 699,426	\$ 62,680	\$ 10,426	\$ 772,532
Accrued wages	41,742	-	2,976	44,718
Accrued interest payable	38,752	296,403	731	335,886
Long-term liabilities:				
Due within one year	1,780,097	1,459,223	21,380	3,260,700
Due in more than one year	30,718,043	14,258,487	293,768	45,270,298
Total liabilities	\$ 33,278,060	\$ 16,076,793	\$ 329,281	\$ 49,684,134
<b>NET POSITION</b>				
Net investment in capital assets	\$ 40,413,739	\$ 20,970,974	\$ 6,167,163	\$ 67,551,876
Unrestricted	(28,913)	5,276,139	86,755	5,333,981
Total Net Position	\$ 40,384,826	\$ 26,247,113	\$ 6,253,918	\$ 72,885,857

County of Tazewell, Virginia  
Combining Statement of Activities  
Other Component Units  
For the Year Ended June 30, 2014

<u>Functions/Programs</u>	<u>Program Revenues</u>				<u>Net (Expense) Revenue and Changes in Net Position</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating</u>		<u>Component Unit</u>			
			<u>Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Public Service Authority</u>	<u>Industrial Development Authority</u>	<u>Airport Authority</u>	<u>Total</u>
OTHER COMPONENT UNITS:								
Public Service Authority	\$ 7,889,461	\$ 5,859,383	\$ 1,388,834	\$ -	\$ (641,244)	\$ -	\$ -	\$ (641,244)
Industrial Development Authority	3,175,042	1,576,589	426,694	913,106	-	(258,653)	-	(258,653)
Airport Authority	761,083	27,520	178,255	260,822	-	-	(294,486)	(294,486)
Total other component units	\$ 11,825,586	\$ 7,463,492	\$ 1,993,783	\$ 1,173,928	\$ (641,244)	\$ (258,653)	\$ (294,486)	\$ (1,194,383)
General revenues:								
Unrestricted revenues from use of money and property						58,454	19,920	78,783
Miscellaneous					75,965	-	20,570	96,535
Grants and contributions not restricted to specific programs					26,856	-	-	26,856
Gain on disposal of capital assets					16,000	-	-	16,000
Total general revenues					\$ 119,230	\$ 58,454	\$ 40,490	\$ 218,174
Change in net position					\$ (522,014)	\$ (200,199)	\$ (253,996)	\$ (976,209)
Net position - beginning					40,906,840	26,447,312	6,507,914	73,862,066
Net position - ending					\$ 40,384,826	\$ 26,247,113	\$ 6,253,918	\$ 72,885,857

## Supporting Schedules

County of Tazewell, Virginia  
Schedule of Revenues-Budget and Actual  
Governmental Funds  
For the Fiscal Year Ended June 30, 2014

<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	\$ 14,599,132	\$ 14,599,132	\$ 15,784,631	\$ 1,185,499
Real and personal public service corporation taxes	1,000,000	1,000,000	1,041,918	41,918
Personal property taxes	7,772,005	7,772,005	5,633,717	(2,138,288)
Mobile home taxes	190,639	190,639	161,294	(29,345)
Machinery and tools taxes	1,638,198	1,638,198	3,001,150	1,362,952
Merchant's capital taxes	953,800	953,800	953,522	(278)
Penalties	295,000	295,000	492,929	197,929
Interest	155,000	155,000	277,764	122,764
Total General Property Taxes	\$ 26,603,774	\$ 26,603,774	\$ 27,346,925	\$ 743,151
Other Local Taxes:				
Local sales and use taxes	\$ 5,100,000	\$ 5,100,000	\$ 4,702,099	\$ (397,901)
Consumers' utility taxes	900,000	900,000	883,426	(16,574)
Utility license taxes	32,000	32,000	58,286	26,286
Motor vehicle licenses	26,699	26,699	28,001	1,302
Bank franchise taxes	41,000	41,000	50,370	9,370
Taxes on recordation and wills	250,000	250,000	239,553	(10,447)
Coal severance taxes	1,550,000	1,550,000	1,022,314	(527,686)
Gas severance taxes	-	-	664,798	664,798
Total Other Local Taxes	\$ 7,899,699	\$ 7,899,699	\$ 7,648,847	\$ (250,852)
Permits, Privilege Fees and Regulatory Licenses:				
Animal licenses	\$ 5,000	\$ 5,000	\$ 11,771	\$ 6,771
Land use application fees	500	500	277	(223)
Transfer fees	2,000	2,000	2,838	838
Legal service fees	25,000	25,000	40,429	15,429
Transient fee	220,000	220,000	177,123	(42,877)
Cavitts Creek camping fee	12,500	12,500	10,930	(1,570)
Building permits	70,000	70,000	52,228	(17,772)
Installment service fees	10,000	10,000	8,091	(1,909)
Return check fees	1,000	1,000	879	(121)
Junk dealers license	3,300	3,300	-	(3,300)
Erosion and sediment control permit	1,000	1,000	-	(1,000)
Other permits and licenses	-	-	7,438	7,438
Total Permits, Privilege Fees and Regulatory Licenses	\$ 350,300	\$ 350,300	\$ 312,004	\$ (38,296)
Fines and Forfeitures:				
Court fines and forfeitures	\$ 30,000	\$ 30,000	\$ 42,505	\$ 12,505
Revenue from Use of Money and Property:				
Revenue from use of money	\$ 100,000	\$ 100,000	\$ 49,580	\$ (50,420)
Revenue from use of property	448,958	448,958	339,842	(109,116)
Total Revenue from Use of Money and Property	\$ 548,958	\$ 548,958	\$ 389,422	\$ (159,536)

County of Tazewell, Virginia  
Schedule of Revenues-Budget and Actual  
Governmental Funds  
For the Fiscal Year Ended June 30, 2014

<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)				
Revenue from Local Sources: (continued)				
Charges for Services:				
Commonwealth attorney fees	\$ 7,500	\$ 7,500	\$ 8,925	\$ 1,425
Courthouse maintenance fees	12,500	12,500	13,677	1,177
Courthouse security fees	65,000	65,000	76,250	11,250
Courthouse admission fee	5,000	5,000	7,793	2,793
Library fees	25,000	25,000	24,395	(605)
Court appointed attorney	-	-	3,432	3,432
Sheriff special project fees	3,743	3,743	7,486	3,743
Gun permit fees	-	-	40,376	40,376
County garage service fees	200,000	200,000	359,753	159,753
Miscellaneous jail and inmate fees	-	-	13,569	13,569
Charges for animal pound	-	-	8,267	8,267
Total Charges for Services	\$ 318,743	\$ 318,743	\$ 563,923	\$ 245,180
Miscellaneous:				
Miscellaneous	\$ 618,000	\$ 531,912	\$ 249,099	\$ (282,813)
Expenditure refunds	8,000	16,396	213,965	197,569
Total Miscellaneous	\$ 626,000	\$ 548,308	\$ 463,064	\$ (85,244)
Recovered Costs:				
Library	\$ 15,000	\$ 15,000	\$ 15,008	\$ 8
Health department	-	-	62,760	62,760
Welfare recoveries	35,000	35,000	22,444	(12,556)
Sheriff	-	11,315	33,271	21,956
Insurance recoveries	95,000	103,286	85,572	(17,714)
VRS refund	672,000	672,000	603,579	(68,421)
Other recoveries	-	-	48,352	48,352
Total Recovered Costs	\$ 817,000	\$ 836,601	\$ 870,986	\$ 34,385
Total Revenue from Local Sources	\$ 37,194,474	\$ 37,136,383	\$ 37,637,676	\$ 501,293
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical Aid:				
Mobile home titling tax	\$ 100,000	\$ 100,000	\$ 87,025	\$ (12,975)
Motor vehicle rental tax	40,000	40,000	42,909	2,909
Rolling stock tax	105,000	105,000	113,106	8,106
State recordation tax	-	-	89,681	89,681
Personal property tax relief funds	-	-	2,758,262	2,758,262
Total Noncategorical Aid	\$ 245,000	\$ 245,000	\$ 3,090,983	\$ 2,845,983
Categorical Aid:				
Shared Expenses:				
Commonwealth's Attorney	\$ 667,082	\$ 667,082	\$ 662,974	\$ (4,108)
Sheriff	1,786,372	1,786,372	1,784,770	(1,602)
Commissioner of the Revenue	135,654	135,654	136,447	793
Treasurer	155,975	155,975	156,369	394
Registrar/Electoral Board	43,000	43,000	41,252	(1,748)
Clerk of the Circuit Court	438,033	438,033	460,931	22,898
Total Shared Expenses	\$ 3,226,116	\$ 3,226,116	\$ 3,242,743	\$ 16,627

County of Tazewell, Virginia  
Schedule of Revenues-Budget and Actual  
Governmental Funds  
For the Fiscal Year Ended June 30, 2014

<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: (continued)				
Revenue from the Commonwealth: (continued)				
Other Categorical Aid:				
Public assistance and welfare administration	\$ 2,566,617	\$ 2,566,617	\$ 2,339,281	\$ (227,336)
Comprehensive Services Act	1,487,500	1,487,500	1,318,671	(168,829)
Fire programs	75,273	75,273	83,065	7,792
At risk youth and family	12,500	12,500	114,305	101,805
Litter control	9,000	9,000	11,516	2,516
Library of VA - record preservation grant	150,632	150,632	150,632	-
Emergency preparedness	7,192	7,192	3,195	(3,997)
Corrective service grant	125,196	125,196	96,065	(29,131)
Victim witness grant	95,827	95,827	47,914	(47,913)
Emergency services grant	39,298	39,298	39,069	(229)
Domestic violence DCJS grant	40,000	40,000	40,000	-
DMV grants	87,593	87,593	-	(87,593)
Other grants	70,866	128,956	118,473	(10,483)
Total Other Categorical Aid	\$ 4,767,494	\$ 4,825,584	\$ 4,362,186	\$ (463,398)
Total Revenue from the Commonwealth	\$ 8,238,610	\$ 8,296,700	\$ 10,695,912	\$ 2,399,212
Revenue from the Federal Government:				
Noncategorical Aid:				
Payment in lieu of taxes	\$ 10,000	\$ 10,000	\$ 16,455	\$ 6,455
Categorical Aid:				
Public assistance and welfare administration	\$ 3,080,604	\$ 3,080,604	\$ 3,151,368	\$ 70,764
Victim witness	-	-	47,913	47,913
Violence against women	27,584	27,584	27,584	-
Commission on the arts	5,000	5,000	5,000	-
Alcohol traffic safety and drunk driver prevention	-	-	18,945	18,945
DCR stormwater grant	35,497	35,497	19,437	(16,060)
Equitable sharing program	-	-	113,089	113,089
Work force investment	1,433,996	1,433,996	1,070,652	(363,344)
Total Categorical Aid	\$ 4,582,681	\$ 4,582,681	\$ 4,453,988	\$ (128,693)
Total Revenue from the Federal Government	\$ 4,592,681	\$ 4,592,681	\$ 4,470,443	\$ (122,238)
Total General Fund	\$ 50,025,765	\$ 50,025,764	\$ 52,804,031	\$ 2,778,267

County of Tazewell, Virginia  
Schedule of Revenues-Budget and Actual  
Governmental Funds  
For the Fiscal Year Ended June 30, 2014

<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>
Nonmajor Special Revenue Funds:				
Law Library				
Revenue from Local Sources:				
Charges for Services:				
Law library fees	\$ 13,656	\$ 13,656	\$ 10,576	\$ (3,080)
Coal Road Improvement Fund				
Revenue from Local Sources:				
Other Local Taxes:				
Coal road tax	\$ 1,137,450	\$ 1,137,450	\$ 1,098,580	\$ (38,870)
Miscellaneous:				
Miscellaneous	\$ -	\$ -	\$ 2,296	\$ 2,296
Total Coal Road Improvement Fund	\$ 1,137,450	\$ 1,137,450	\$ 1,100,876	\$ (36,574)
Coal Road Economic Development Fund				
Revenue from Local Sources:				
Other Local Taxes:				
Coal road tax	\$ 525,754	\$ 525,754	\$ 588,532	\$ 62,778
E-911 Fund				
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical Aid:				
E-911 communications tax	\$ 657,168	\$ 657,168	\$ 651,714	\$ (5,454)
Categorical Aid:				
Other grant revenues	\$ 7,358	\$ 7,358	\$ 3,254	\$ (4,104)
Total E-911 Fund	\$ 664,526	\$ 664,526	\$ 654,968	\$ (9,558)
Total Nonmajor Special Revenue Funds	\$ 2,341,386	\$ 2,341,386	\$ 2,354,952	\$ 13,566
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	\$ 36,355	\$ -
Miscellaneous:				
Miscellaneous	\$ 1,222,851	\$ 1,222,851	\$ -	\$ (1,222,851)
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical Aid:				
Other grant revenues	\$ 697,108	\$ 697,108	\$ -	\$ (697,108)



County of Tazewell, Virginia  
Schedule of Revenues-Budget and Actual  
Governmental Funds  
For the Fiscal Year Ended June 30, 2014

<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>
Major Capital Projects Fund: (continued)				
County CIP Fund: (continued)				
Revenue from the Federal Government:				
Categorical Aid:				
Other grant revenues	\$ 468,347	\$ 468,347	\$ -	\$ (468,347)
Total County CIP Fund	\$ 2,424,661	\$ 2,424,661	\$ 36,355	\$ (2,388,306)
Total Primary Government	\$ 54,791,812	\$ 54,791,811	\$ 55,195,338	\$ 403,527
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	\$ 678	\$ (5,090)
Revenue from use of property	2,000	2,000	7,190	5,190
Total Revenue from Use of Money and Property	\$ 7,768	\$ 7,768	\$ 7,868	\$ 100
Charges for Services:				
Tuition	\$ 17,000	\$ 17,000	\$ 26,175	\$ 9,175
Cafeteria sales	953,030	953,030	680,874	(272,156)
Charges for damaged books	1,000	1,000	1,089	89
Charges for transportation	20,000	20,000	19,479	(521)
Total Charges for Services	\$ 991,030	\$ 991,030	\$ 727,617	\$ (263,413)
Miscellaneous:				
Miscellaneous	\$ 1,080,545	\$ 1,080,545	\$ 1,326,257	\$ 245,712
Recovered Costs:				
Rebates and refunds	\$ 402,318	402,318	336,749	\$ (65,569)
JROTC	25,000	25,000	53,277	28,277
Total Recovered Costs	\$ 427,318	\$ 427,318	\$ 390,026	\$ (37,292)
Total Revenue from Local Sources	\$ 2,506,661	\$ 2,506,661	\$ 2,451,768	\$ (54,893)
Intergovernmental:				
Revenue from Local Governments:				
Contribution from the County of Tazewell	\$ 14,484,000	\$ 14,484,000	\$ 14,708,311	\$ 224,311
Contribution from County Construction in Process Fund	266,000	266,000	266,000	-
Total Revenues from Local Governments	\$ 14,750,000	\$ 14,750,000	\$ 14,974,311	\$ 224,311
Revenue from the Commonwealth:				
Categorical Aid:				
Additional assistance for retirement, inflation, and preschool	\$ -	\$ -	\$ 228,500	\$ 228,500
At risk four-year olds	539,109	539,109	539,109	-
At risk payments	635,364	635,364	630,815	(4,549)
Basic school aid	18,179,592	18,179,592	18,139,137	(40,455)
Dual enrollment	150,000	150,000	370,755	220,755
ESL	54,881	54,881	37,023	(17,858)
E-rate funding	-	-	252,901	252,901
Foster care	-	-	10,549	10,549
GED funding	23,576	23,576	23,576	-

County of Tazewell, Virginia  
Schedule of Revenues-Budget and Actual  
Governmental Funds  
For the Fiscal Year Ended June 30, 2014

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Pos (Neg)</u>
Discretely Presented Component Unit-School Board: (continued)				
School Operating Fund: (continued)				
Intergovernmental: (continued)				
Revenue from the Commonwealth: (continued)				
Categorical Aid: (continued)				
Gifted and talented children	\$ 208,431	\$ 208,431	\$ 206,894	\$ (1,537)
GLI instructional	77,029	77,029	76,461	(568)
Mentor teaching program	4,170	4,170	5,452	1,282
Reading intervention	114,035	114,035	107,193	(6,842)
Reduced K-3 classroom	953,464	953,464	950,476	(2,988)
Remedial education	670,604	670,604	665,659	(4,945)
Remedial summer education	10,366	10,366	31,443	21,077
Retirement	2,322,745	2,322,745	2,078,875	(243,870)
School food	42,561	42,561	41,931	(630)
Share of state sales tax	6,325,732	6,325,732	6,115,746	(209,986)
Social security	1,246,055	1,246,055	1,236,866	(9,189)
SOL algebra readiness	95,787	95,787	88,727	(7,060)
Special education - SOQ	2,670,706	2,670,706	2,626,654	(44,052)
Special education - foster care	-	-	4,975	4,975
Special education - homebound	89,072	89,072	86,159	(2,913)
State textbook payments	406,576	406,576	403,578	(2,998)
State lottery payments	-	-	102,573	102,573
Technology assistance	492,000	492,000	544,000	52,000
Vocational education - SOQ	706,853	706,853	701,641	(5,212)
Vocational education - equipment	5,253	5,253	10,963	5,710
Vocational education - adult	-	-	15,507	15,507
Vocational occupational preparedness	5,137	5,137	19,703	14,566
Other state payments	40,963	40,963	66,693	25,730
Total Categorical Aid	\$ 36,070,061	\$ 36,070,061	\$ 36,420,534	\$ 350,473
Total Revenue from the Commonwealth	\$ 36,070,061	\$ 36,070,061	\$ 36,420,534	\$ 350,473
Revenue from the Federal Government:				
Categorical Aid:				
Forest reserve funds	\$ 10,000	\$ 10,000	\$ 11,574	\$ 1,574
Title I	1,548,095	1,548,095	1,865,467	317,372
Title II, A Staff training	411,941	411,941	415,622	3,681
Title VI-B	1,512,018	1,512,018	1,581,288	69,270
Title VI-B Preschool	-	-	37,043	37,043
Vocational education	119,340	119,340	115,800	(3,540)
Title VI-B-2	121,037	121,037	1,885	(119,152)
School lunch	1,257,436	1,257,436	1,768,213	510,777
Other federal categorical aid	-	-	135	135
Total Categorical Aid	\$ 4,979,867	\$ 4,979,867	\$ 5,797,027	\$ 817,160
Total Revenue from the Federal Government	\$ 4,979,867	\$ 4,979,867	\$ 5,797,027	\$ 817,160
Total Discretely Presented Component Unit-School Board	\$ 58,306,589	\$ 58,306,589	\$ 59,643,640	\$ 1,337,051

County of Tazewell, Virginia  
Schedule of Expenditures-Budget and Actual  
Governmental Funds  
For the Fiscal Year Ended June 30, 2014

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Pos (Neg)</u>
Primary Government:				
General Fund:				
General Government Administration:				
Legislative:				
Board of supervisors	\$ 156,609	\$ 156,609	\$ 135,119	\$ 21,490
General and Financial Administration:				
County administrator	\$ 260,503	\$ 260,503	\$ 269,537	\$ (9,034)
Legal services	687,158	687,158	313,399	373,759
Economic development	288,542	288,542	249,536	39,006
Commissioner of revenue	587,234	588,284	575,929	12,355
Treasurer	624,977	624,977	622,415	2,562
Finance office	230,092	230,092	215,226	14,866
Administration services	222,674	222,674	254,291	(31,617)
County garage	361,209	361,209	484,643	(123,434)
Information technology	665,513	665,513	633,296	32,217
Workforce consortium	1,638,949	1,638,949	1,041,975	596,974
Transit system	77,238	77,238	80,167	(2,929)
Total General and Financial Administration	\$ 5,644,089	\$ 5,645,139	\$ 4,740,414	\$ 904,725
Board of Elections:				
Registrar	\$ 243,149	\$ 243,149	\$ 208,932	\$ 34,217
Total General Government Administration	\$ 6,043,847	\$ 6,044,897	\$ 5,084,465	\$ 960,432
Judicial Administration:				
Courts:				
Clerk of the Circuit Court	\$ 873,130	\$ 873,130	\$ 832,093	\$ 41,037
Circuit court	121,876	121,876	115,775	6,101
District court	13,950	13,950	12,486	1,464
Magistrate	6,575	6,575	7,513	(938)
Victim's witness assistance	139,884	141,767	140,829	938
V - stop	43,584	43,584	43,481	103
Juvenile and domestic relations court	6,350	6,350	5,709	641
Total Courts	\$ 1,205,349	\$ 1,207,232	\$ 1,157,886	\$ 49,346
Commonwealth's Attorney:				
Commonwealth's attorney	\$ 1,158,488	\$ 1,158,488	\$ 1,296,471	\$ (137,983)
Total Judicial Administration	\$ 2,363,837	\$ 2,365,720	\$ 2,454,357	\$ (88,637)
Public Safety				
Law Enforcement and Traffic Control:				
Sheriff	\$ 4,324,136	\$ 4,437,172	\$ 4,530,192	\$ (93,020)
DARE program	10,046	10,546	10,307	239
Total Law Enforcement and Traffic Control	\$ 4,334,182	\$ 4,447,718	\$ 4,540,499	\$ (92,781)
Fire and Rescue Services:				
Volunteer fire departments	\$ 648,051	\$ 655,951	\$ 579,951	\$ 76,000
Volunteer rescue squads	184,180	184,180	136,677	47,503
Total Fire and Rescue Services	\$ 832,231	\$ 840,131	\$ 716,628	\$ 123,503

County of Tazewell, Virginia  
Schedule of Expenditures-Budget and Actual  
Governmental Funds  
For the Fiscal Year Ended June 30, 2014

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Pos (Neg)</u>
General Fund: (continued)				
Public Safety (continued)				
Correction and Detention:				
Jail	\$ 4,176,438	\$ 4,176,438	\$ 3,802,420	\$ 374,018
Probation office	363,336	363,336	361,167	2,169
Youth and family services	2,020,250	2,020,250	1,941,487	78,763
Special police	76,071	77,671	67,580	10,091
Total Correction and Detention	\$ 6,636,095	\$ 6,637,695	\$ 6,172,654	\$ 465,041
Inspections:				
Building Inspections	\$ 245,901	\$ 245,901	\$ 232,102	\$ 13,799
Other Protection:				
Human services	\$ 333,360	\$ 333,360	\$ 327,089	\$ 6,271
Emergency services	114,757	114,757	112,000	2,757
Animal control	218,037	218,037	179,738	38,299
Property maintenance	119,571	119,571	100,146	19,425
Forestry service	20,000	20,000	19,696	304
Total Other Protection	\$ 805,725	\$ 805,725	\$ 738,669	\$ 67,056
Total Public Safety	\$ 12,854,134	\$ 12,977,170	\$ 12,400,552	\$ 576,618
Public Works:				
Maintenance of Streets, Highways, and Bridges:				
Orphan Road upgrading	\$ 241,681	\$ 253,358	\$ 40,285	\$ 213,073
Sanitation and Waste Removal:				
Transfer station	\$ 1,487,225	\$ 1,487,225	\$ 965,814	\$ 521,411
Maintenance of General Building and Grounds:				
General properties	\$ 2,731,579	\$ 2,731,579	\$ 2,614,042	\$ 117,537
Fairgrounds operations	110,700	110,700	125,290	(14,590)
Total Maintenance of General Buildings and Grounds	\$ 2,842,279	\$ 2,842,279	\$ 2,739,332	\$ 102,947
Total Public Works	\$ 4,571,185	\$ 4,582,862	\$ 3,745,431	\$ 837,431
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	\$ 6,845,184	\$ 6,845,184	\$ 3,222,009	\$ 3,623,175
Welfare Administration	1,018,000	1,018,000	4,463,170	(3,445,170)
Total Welfare	\$ 7,863,184	\$ 7,863,184	\$ 7,685,179	\$ 178,005
Total Health and Welfare	\$ 8,361,296	\$ 8,361,296	\$ 8,183,291	\$ 178,005

County of Tazewell, Virginia  
Schedule of Expenditures-Budget and Actual  
Governmental Funds  
For the Fiscal Year Ended June 30, 2014

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Pos (Neg)</u>
General Fund: (continued)				
Education:				
Other Instructional Costs:				
Contribution to community colleges	\$ 60,000	\$ 60,000	\$ 60,000	\$ -
Contribution to Tazewell County School Board	14,750,000	14,750,000	14,708,311	41,689
Total Education	<u>\$ 14,810,000</u>	<u>\$ 14,810,000</u>	<u>\$ 14,768,311</u>	<u>\$ 41,689</u>
Parks, Recreational and Cultural:				
Parks and Recreation:				
Tazewell recreation department	\$ 203,152	\$ 203,152	\$ 205,665	\$ (2,513)
Museums	87,000	94,107	87,622	6,485
Total Parks and Recreation	<u>\$ 290,152</u>	<u>\$ 297,259</u>	<u>\$ 293,287</u>	<u>\$ 3,972</u>
Library:				
Library Administration	\$ 1,016,011	\$ 1,038,488	\$ 1,067,188	\$ (28,700)
Total Parks, Recreation and Cultural	<u>\$ 1,306,163</u>	<u>\$ 1,335,747</u>	<u>\$ 1,360,475</u>	<u>\$ (24,728)</u>
Community Development:				
Planning and Community Development:				
Community Development	\$ 53,200	\$ 53,200	\$ 53,200	\$ -
Tourism	106,993	106,993	62,183	44,810
Planning and engineering	310,216	310,216	248,918	61,298
Contribution to Airport	120,755	170,755	178,518	(7,763)
Contribution to IDA	-	-	46,246	(46,246)
Contribution to Tazewell County PSA	174,922	174,922	174,922	-
Other planning and community development	35,497	35,497	-	35,497
Total Planning and Community Development	<u>\$ 801,583</u>	<u>\$ 851,583</u>	<u>\$ 763,987</u>	<u>\$ 87,596</u>
Cooperative Extension Program:				
VPI extension	\$ 111,555	\$ 113,364	\$ 106,921	\$ 6,443
Total Community Development	<u>\$ 913,138</u>	<u>\$ 964,947</u>	<u>\$ 870,908</u>	<u>\$ 94,039</u>
Non-departmental:				
District funds	\$ 272,441	\$ 284,187	\$ 224,886	\$ 59,301
Contingent expenditures	805,000	595,798	139,642	456,156
Total Non-departmental	<u>\$ 1,077,441</u>	<u>\$ 879,985</u>	<u>\$ 364,528</u>	<u>\$ 515,457</u>
Debt Service:				
Principal retirement	\$ 95,000	\$ 95,000	\$ 782,407	\$ (687,407)
Interest	45,000	45,000	467,741	(422,741)
Total Debt Service	<u>\$ 140,000</u>	<u>\$ 140,000</u>	<u>\$ 1,250,148</u>	<u>\$ (1,110,148)</u>
Total General Fund	<u>\$ 52,441,041</u>	<u>\$ 52,462,624</u>	<u>\$ 50,482,466</u>	<u>\$ 1,980,158</u>
Nonmajor Special Revenue Funds:				
Law Library Fund:				
Judicial Administration:				
Courts:				
Law library	\$ 17,500	\$ 17,500	\$ 1,146	\$ 16,354

County of Tazewell, Virginia  
Schedule of Expenditures-Budget and Actual  
Governmental Funds  
For the Fiscal Year Ended June 30, 2014

<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>
Nonmajor Special Revenue Funds: (Continued)				
Coal Road Improvement Fund:				
Public Works:				
Maintenance of Highways, streets, bridges, and sidewalks	\$ 1,416,753	\$ 1,416,753	\$ 1,351,662	\$ 65,091
Coal Road Economic Development Fund:				
Public Works:				
Economic development	\$ 489,486	\$ 489,486	\$ 553,565	\$ (64,079)
E-911 Fund:				
Other Protection:				
Public safety	\$ 873,742	\$ 873,742	\$ 844,606	\$ 29,136
Total Nonmajor Special Revenue Funds	\$ 2,797,481	\$ 2,797,481	\$ 2,750,979	\$ 46,502
Major Capital Project Fund:				
County CIP Fund:				
Public Works:				
Contributions to the Public Service Authority	\$ -	\$ -	\$ 820,890	\$ (820,890)
Education:				
Contribution to Tazewell County School Board	\$ 266,000	\$ 266,000	\$ 266,000	\$ -
Community Development:				
Contributions to the Industrial Development Authority	\$ -	\$ -	\$ 866,860	\$ (866,860)
Capital Projects:				
County capital project	\$ 6,737,163	\$ 6,737,163	\$ 405,325	\$ 6,331,838
Total County CIP Fund	\$ 7,003,163	\$ 7,003,163	\$ 2,359,075	\$ 4,644,088
Total Primary Government	\$ 62,241,685	\$ 62,263,268	\$ 55,592,520	\$ 6,670,748
Discretely Presented Component Unit-School Board:				
School Operating Fund:				
Education:				
Administration of schools:				
Administration, health and attendance	\$ 1,690,308	\$ 1,690,308	\$ 1,922,337	\$ (232,029)
Cafeteria operation	3,002,291	3,002,291	2,945,524	56,767
Total Administration of school	\$ 4,692,599	\$ 4,692,599	\$ 4,867,861	\$ (175,262)
Instructional:				
Instruction	\$ 42,802,033	\$ 42,802,033	\$ 41,066,768	\$ 1,735,265
Other operating costs				
Pupil transportation	\$ 3,764,916	\$ 3,764,916	\$ 3,705,638	\$ 59,278
Operation and maintenance of school plant	5,265,910	5,265,910	4,943,170	322,740
Technical resources	2,152,269	2,152,269	2,204,284	(52,015)
Total other operating costs	\$ 11,183,095	\$ 11,183,095	\$ 10,853,092	\$ 330,003
Total Education	\$ 58,677,727	\$ 58,677,727	\$ 56,787,721	\$ 1,890,006

County of Tazewell, Virginia  
Schedule of Expenditures-Budget and Actual  
Governmental Funds  
For the Fiscal Year Ended June 30, 2014

<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>
Discretely Presented Component Unit-School Board: (Continued)				
School Operating Fund: (Continued)				
Debt Service:				
Principal retirement	\$ 1,221,341	\$ 1,221,341	\$ 394,007	\$ 827,334
Interest and fiscal charges	521,110	521,110	153,207	367,903
Total Debt Service	<u>\$ 1,742,451</u>	<u>\$ 1,742,451</u>	<u>\$ 547,214</u>	<u>\$ 1,195,237</u>
 Total School Operating Fund	 \$ 60,420,178	 \$ 60,420,178	 \$ 57,334,935	 \$ 3,085,243
 Total Discretely Presented Component Unit-School Board	 \$ 60,420,178	 \$ 60,420,178	 \$ 57,334,935	 \$ 3,085,243

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## STATISTICAL INFORMATION

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Table 1

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
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
2012-13	4,722,345	2,402,694	12,141,514	5,840,389	7,792,968	12,789,766	2,107,259	928,051	-	-	420,155	1,729,821	50,874,962
2013-14	5,033,042	2,455,018	13,249,481	6,343,517	8,134,269	15,816,718	1,369,916	1,853,237	-	-	399,721	1,573,233	56,228,152

Table 2

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

Fiscal Year	Program Revenues			General Revenues						Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs		
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	
2012-13	1,419,806	12,342,470	-	25,063,467	9,384,120	503,608	302,813	3,911,447	52,927,731	
2013-14	1,447,313	12,062,171	-	27,509,639	9,285,513	425,796	485,712	3,759,152	54,975,296	

Table 3

County of Tazewell, Virginia  
General Governmental Expenditures by Function (1)  
Last Ten Fiscal Years

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (2)	Parks, Recreation, and Cultural	Community Development	Non-Departmental	Capital Projects	Debt Service	Total
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	2,572,491	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
2012-13	5,368,601	2,377,683	13,044,332	5,848,948	7,824,599	58,437,244	2,184,724	822,526	365,434	-	1,518,912	97,793,003
2013-14	5,489,790	2,455,503	13,245,158	6,471,548	8,183,291	56,714,966	1,360,475	1,737,768	364,528	-	1,797,362	97,820,389

(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 the Use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental (2)	Total
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
2012-13	25,302,730	10,094,133	354,257	42,935	519,624	1,306,595	856,992	2,093,588	59,382,794	99,953,648
2013-14	27,346,925	9,335,959	312,004	42,505	433,645	1,302,116	1,791,617	1,261,012	58,038,884	99,864,667

(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
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%
2012-13	25,766,294	23,684,505	91.92%	1,020,716	24,705,221	95.88%	1,164,736	4.52%
2013-14	26,632,825	25,646,617	96.30%	929,615	26,576,232	99.79%	1,455,372	5.46%

(1) Excludes penalty and interest.

(2) Does not include land redemptions

Table 6

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

Fiscal Year	Real Estate	Personal Property and Mobile Home	Machinery and Tools	Merchants' Capital	Public Service (2)	Total
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
2012-13	2,840,597,700	431,193,109	85,826,200	25,299,900	173,166,368	3,556,083,277
2013-14	2,751,921,200	439,183,000	150,614,300	25,187,000	177,691,147	3,544,596,647

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

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

Table 7

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

Fiscal Year	Real Estate	Personal Property	Machinery and Tools	Merchants Capital	Public Service Real Estate	Public Service Personal Property
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
2012-13	0.57	2.00	2.00	4.30	0.58	2.00
2013-14	0.57	2.00	2.00	3.80	0.57	2.00

(1) Per \$100 of assessed value.

Table 8

County of Tazewell, Virginia  
 Ration of Net General Obligation Bonded Debt to Assessed Value and  
 Net General Obligation Bonded Debt Per Capita  
 Last Ten Fiscal Years

Fiscal Year	Population (1)	Assessed Value	Gross Bonded Debt (2)	Ratio of Net General Obligation Bonded Debt to Assessed Value	Net Bonded Debt per Capita
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
2012-13	45,078	3,556,083,277	8,860,394	0.25%	197
2013-14	45,078	3,544,596,647	8,077,987	0.23%	179

(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  
Last Ten Fiscal Years

Fiscal Year	Principal	Interest	Total Debt Service (2)	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
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%
2012-13	534,862	439,067	973,929	97,793,003	1.00%
2013-14	782,407	467,741	1,250,148	97,820,389	1.28%

(1) Includes General Fund of the Primary Government

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**COMPLIANCE SECTION**

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# ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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## Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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TO THE MEMBERS OF THE BOARD OF SUPERVISORS  
COUNTY OF TAZEWell, VIRGINIA

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, the discretely presented component unit - School Board, each major fund, and the aggregate remaining fund information of County of Tazewell, Virginia, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise County of Tazewell, Virginia's basic financial statements, and have issued our report thereon dated December 18, 2014.

### Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether County of Tazewell, Virginia's financial statements are free from 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*.

### Purpose of this Report

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

*Robinson, Turner, Cox Associates*

Blacksburg, Virginia  
December 18, 2014

# ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

## Independent Auditors' Report on Compliance For Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133

TO THE MEMBERS OF THE BOARD OF SUPERVISORS  
COUNTY OF TAZEWell, VIRGINIA

### Report on Compliance for Each Major Federal Program

We have audited 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 County of Tazewell, Virginia's major federal programs for the year ended June 30, 2014. County of Tazewell, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

#### *Management's Responsibility*

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

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on compliance for each of County of Tazewell, Virginia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 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 on compliance for each major federal program. However, our audit does not provide a legal determination of County of Tazewell, Virginia's compliance.

#### *Opinion on Each Major Federal Program*

In our opinion, County of Tazewell, Virginia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

## Report on Internal Control over Compliance

Management of County of Tazewell, Virginia is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered County of Tazewell, Virginia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of 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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Robinson, Turner, & Associates*

Blacksburg, Virginia  
December 18, 2014

County of Tazewell, Virginia  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2014

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	\$ 11,747
Temporary Assistance for Needy Families (TANF)	93.558	90109, 90110, 90111, 90112 90127, 90229, 90230, 90231 90232, 90247, 90365, 90366 90367, 90377, 90390, 90391 90409, 90410, 90411, 90412 90601, 90603	583,173
Refugee and Entrant Assistance - State Administered Programs	93.566	90113, 90233, 90413, 90713	3,466
Low-Income Home Energy Assistance	93.568	90114, 90115, 90234, 90235	61,416
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	82,996
Chafee Education and Training Vouchers Program	93.599	90353	2,072
Stephanie Tubbs Jones Child Welfare Services Program	93.645	90251	4,151
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	322,893
Adoption Assistance	93.659	90108, 90214, 90228, 90408 90606, 90607, 90627, 90708	527,960
Social Services Block Grant	93.667	90122, 90123, 90124, 90125 90126, 90240, 90242, 90243 90244, 90245, 90246, 90262 90340, 90351, 90358, 90379 90648	403,673
Chafee Foster Care Independence Program	93.674	90254, 90356	10,961
Children's Health Insurance Program	93.767	90102, 90222, 90402, 90702	17,175
Medical Assistance Program	93.778	90101, 90146, 90213, 90221 90266, 90401, 90446, 90701 90746	508,256
Total Department of Health and Human Services			<u>\$ 2,539,939</u>
Department of Agriculture:			
Pass-through Payments:			
Child Nutrition Cluster:			
Department of Agriculture:			
School Breakfast Program	10.553	40591	\$ 397,274
National School Lunch Program	10.555	40623	\$ 1,238,184
Food Distribution	10.555	Unknown	<u>132,755</u>
Schools and Roads - Grants to States	10.665	43841	11,574
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	<u>611,429</u>
Total Department of Agriculture			<u>\$ 2,391,216</u>
Department of Labor:			
Pass-through Payments:			
Russell County:			
Workforce Investment Act Adult Program	17.258	53,427	<u>\$ 1,070,652</u>
Department of Justice:			
Pass-through Payments:			
Department of Criminal Justice Services:			
Crime Victim Assistance	16.575	11VAGX0001	\$ 47,913
Violence Against Women Formula Grants	16.588	10WFAX0041	<u>27,584</u>
Total Department of Justice			<u>\$ 75,497</u>

County of Tazewell, Virginia  
Schedule of Expenditures of Federal Awards (continued)  
For the Fiscal Year Ended June 30, 2014

Federal Grantor/State Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
Department of Transportation:			
Pass-through Payments:			
Department of Motor Vehicles:			
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	K8-2011-51206-4148	\$ 18,945
Environmental Protection Agency:			
Pass-through Payments:			
Department of Conservation and Recreation			
Nonpoint Source Implementation Grants	66.460	Not applicable	\$ 19,437
Department of Treasury:			
Direct Payments:			
Equitable Sharing Program	21.000	Not applicable	\$ 113,089
National Endowment for the Arts:			
Pass-through Payments:			
Virginia Commission on the Arts			
Promotion of the Arts Partnership Agreements	45.025	Not applicable	\$ 5,000
Department of Education:			
Pass-through Payments:			
Department of Education:			
Title I: Grants to Local Educational Agencies	84.010	42901	\$ 1,865,467
Special Education Cluster:			
Special Education - Grants to States	84.027	43071	1,581,288
Special Education Preschool Grants	84.173	62521	37,043
Career and Technical Education: Basic Grants to States	84.048	61095	115,800
Advanced Placement Program	84.330	Not applicable	135
Rural Education	84.358	43481	1,885
Improving Teacher Quality - State Grants	84.367	61480	415,622
Total Department of Education:			\$ 4,017,240
Total Expenditures of Federal Awards			\$ 10,251,015
Notes to Schedule of Expenditures of Federal Awards			
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, 2014. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, <i>Audits of States, Local Governments, and Non-Profit Organizations</i> . Because the Schedule presents only a selected portion of the operations of the County of Tazewell, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County of Tazewell, Virginia.			
Note 2 -- Summary of Significant Accounting Policies			
(1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB A-87, <i>Cost Principles for State, Local, and Indian Tribal Governments</i> , wherein certain types of expenditures are not allowable or are limited as to reimbursement.			
(2) Pass-through entity identifying numbers are presented where available.			
Note 3 -- 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			\$ 4,470,443
Less: Payment in lieu of taxes			(16,455)
Total Primary Government			\$ 4,453,988
Component Unit School Board:			
School Operating Fund total			\$ 5,797,027
Total expenditures of federal awards per basic financial statements			\$ 10,251,015
Total expenditures of federal awards per the Schedule of Expenditures of Federal Awards			\$ 10,251,015



County of Tazewell, Virginia

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2014

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Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting: Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs: Material weaknesses identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
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	Title I, Grants to Local Educational Agencies
84.027/84.173	Special Education Cluster
10.553/10.555	Child Nutrition Cluster
93.658	Foster Care/Title IV-E
93.659	Adoption Assistance
17.258	Workforce Investment Act Adult Program

Dollar threshold used to distinguish between Type A and Type B programs:	\$307,530
Auditee qualified as low-risk auditee?	No

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

No findings in prior period.