

County of Tazewell, Virginia



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

COUNTY OF TAZEWELL, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

COUNTY OF TAZEWELL, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS

INTRODUCTORY SECTION

List of Principal Officials	1
-----------------------------------	---

FINANCIAL SECTION

Independent Auditors' Report	2-4
Management's Discussion and Analysis	5-11

	<u>Exhibit</u>	<u>Page</u>
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Position	1	12
Statement of Activities	2	13
Fund Financial Statements:		
Balance Sheet - Governmental Funds	3	14
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	4	15
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	5	16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	6	17
Statement of Net Position - Proprietary Fund	7	18
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Fund	8	19
Statement of Cash Flows - Proprietary Fund.....	9	20
Statement of Fiduciary Net Position - Fiduciary Funds	10	21
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	11	22
Notes to Financial Statements		23-97
Required Supplementary Information:		
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual: General Fund.....	12	98
Pension Plans:		
Schedule of Changes in Net Pension Liability and Related Ratios		
Primary Government.....	13	99
Other Component Units	14	100
Component Unit School Board (Nonprofessional)	15	101
Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan	16	102
Schedule of Employer Contributions.....	17	103
Notes to Required Supplementary Information	18	104

COUNTY OF TAZEWELL, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS (CONTINUED)

FINANCIAL SECTION (Continued)

	<u>Exhibit</u>	<u>Page</u>
Required Supplementary Information: (Continued)		
Health Insurance Plans:		
Schedule of Changes Total OPEB Liability (Asset) and Related Ratios		
Primary Government.....	19	105
Other Component Units	20	106
Component Unit School Board	21	107
Notes to Required Supplementary Information.....	22	108
Group Life Insurance Plan:		
Schedule of County's Share of Net OPEB Liability	23	109
Schedule of Employer Contributions.....	24	110
Notes to Required Supplementary Information	25	111
Teacher Employee Health Insurance Credit (HIC) Plan:		
Schedule of County of Tazewell School Board's Share of Net OPEB Liability	26	112
Schedule of Employer Contributions.....	27	113
Notes to Required Supplementary Information	28	114
Health Insurance Credit (HIC) Plan:		
Schedule of Changes in Net OPEB Liability and Related Ratios	29	115
Schedule of Employer Contributions.....	30	116
Notes to Required Supplementary Information	31	117
Other Supplementary Information:		
Schedule of Revenues, Expenditures and Changes in Fund Balance -		
Budget and Actual:		
Major Capital Projects Fund - County CIP Fund	32	118
Combining Statement of Fiduciary Net Position-Fiduciary Funds.....	33	119
Combining Statement of Changes in Fiduciary Net Position-Fiduciary Funds.....	34	120
Balance Sheet Nonmajor Funds	35	121
Statement of Revenues, Expenditures, and Changes in		
Fund Balances - Nonmajor Funds	36	122
Combining Balance Sheet Nonmajor Special Revenue Funds.....	37	123
Combining Statement of Revenues, Expenditures, and Changes in		
Fund Balances - Nonmajor Special Revenue Funds	38	124
Combining Schedule of Revenues, Expenditures, and Changes in		
Fund Balances - Budget and Actual - Nonmajor Special Revenue Funds	39	125-127
Discretely Presented Component Unit - School Board:		
Combining Balance Sheet	40	128
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	41	129
Schedule of Revenues, Expenditures, and Changes in Fund Balance -		
Budget and Actual.....	42	130

COUNTY OF TAZEVELL, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS (CONTINUED)

FINANCIAL SECTION (Continued)

	<u>Schedule</u>	<u>Page</u>
Other Supplementary Information: (Continued)		
Government-Wide - Other Component Units - Financial Statements:		
Combining Statement of Net Position	43	131
Combining Statement of Activities	44	132
Supporting Schedules:		
Schedule of Revenues - Budget and Actual Governmental Funds	1	133-138
Schedule of Expenditures - Budget and Actual Governmental Funds	2	139-142

STATISTICAL INFORMATION

	<u>Table</u>	<u>Page</u>
Government-Wide Expenses by Function	1	143
Government-Wide Revenues.....	2	144
General Governmental Expenditures by Function	3	145
General Governmental Revenues by Source	4	146
Property Tax Levies and Collections	5	147
Assessed Value of Taxable Property.....	6	148
Property Tax Rates.....	7	149
Ratio of Net General Obligation Bonded Debt to Assessed Value And Net General Obligation Bonded Debt Per Capita	8	150
Ratio of Annual Debt Service Expenditures for General Bonded Debt To Total General Governmental Expenditures	9	151

COMPLIANCE SECTION

	<u>Page</u>
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 <i>Government Auditing Standards</i>	152-153
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required By the Uniform Guidance	154-156
Schedule of Expenditures of Federal Awards	157-158
Schedule of Findings and Questioned Costs.....	159-162
Schedule of Prior Audit Findings	163

INTRODUCTORY SECTION

COUNTY OF TAZEVELL, VIRGINIA

BOARD OF SUPERVISORS

Tom Lester, Chairman
Maggie Asbury
Mike Hymes
Seth White
Charles Stacy

COUNTY SCHOOL BOARD

Irene Mullins, Chairman
Erik Robinson
David Woodard
Donna Whittington
Chris Moir
Dr. Christopher Stacy, Superintendent of Schools

SOCIAL SERVICES BOARD

Amanda B. Buskill, Chairman
Kim Allen
Debra White
Barry Absher
Rene Steele

EX-OFFICIO MEMBERS

C. Eric Young, County Administrator
David Taylor, Director of Social Services

OTHER OFFICIALS

Commonwealth's Attorney Chris Plaster
Clerk of the Circuit Court..... Tammy Allison
Commissioner of the Revenue..... David R. Anderson
Treasurer David T. Larimer
Sheriff..... Brian L. Hieatt
School Board Clerk..... Vicki Bailey

FINANCIAL SECTION



Independent Auditors' Report

**To the Board of Supervisors
County of Tazewell, Virginia
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, each major fund, and the aggregate remaining fund information of County of Tazewell, Virginia, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise County of Tazewell, Virginia'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 did not audit the financial statements of Tazewell County, Virginia School Activity Funds, which represent 0.64 percent, 2.53 percent, and 1.22 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Tazewell County, Virginia School Activity Funds, is based solely on the report of the other auditors. 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, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of County of Tazewell, Virginia, as of June 30, 2021, 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.

Change in Accounting Principle

As described in Note 21 to the financial statements, in 2021, the County adopted new accounting guidance, GASB Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Restatement of Beginning Balances

As described in Note 21 to the financial statements, in 2021, the County restated beginning balances to reflect the requirements of GASB Statement No. 84. Our opinion is not modified with respect to this matter.

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 schedules related to pension and OPEB funding on pages 5-11, 98, and 99-117, 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 and other auditors 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.

Supplementary and 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

Supplementary and Other Information (continued)

The other supplementary information and 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of other auditors, the other supplementary information and 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 section and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2021 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of County of Tazewell, Virginia's 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 Jarmon, Cox, Associates

Blacksburg, Virginia
November 30, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

As management of the County of Tazewell, Virginia ("the County") 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, 2021. We encourage readers to consider the information presented here in conjunction with the audited basic financial statements.

Financial Highlights:

- The assets and deferred outflows of resources of the County's governmental activities exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$10,816,566 (net position). Of this amount, \$2,570,366 was considered unrestricted.
- The liabilities and deferred inflows of resources of the County's business-type activities exceeded its assets and deferred outflows of resources at the close of the fiscal year by \$2,624,685 (net position).
- The liabilities and deferred inflows of resources of the School Board component unit exceeded its assets and deferred outflows of resources at the close of the fiscal year by \$31,379,316 (net position).
- As of the close of the current fiscal year, the County's funds reported combined ending fund balances of \$15,666,962. Of this amount \$12,859,686 was considered unassigned, \$1,947,232 was considered committed, \$713,050 was considered restricted, and \$146,994 was considered nonspendable.
- During the year, the County had governmental revenues that were \$1,041,693 more than expenditures.

Overview of the Financial Statements:

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

- Government-Wide Financial Statements,
- Fund Financial Statements, and
- Notes to Financial Statements.

This report also contains required supplementary information and 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 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.

The Government-wide Financial Statements include not only the County itself (known as the primary government), but also a Landfill Fund (known as business-type activities) and a legally separate School Board for which the County 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 Airport Authority.

Fund financial statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, 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 funds Balance Sheet and 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 six individual governmental funds. Information is presented in the governmental funds Balance Sheet and in the Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, County CIP Fund, Coal Road Improvement Fund, Coal Road Economic Development Fund, Damage Stamp Fund and Law Library Fund, of which the General and County CIP Funds are considered to be major funds. Data from the four other nonmajor 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.

Agency 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 Position. The County excludes these activities from the County’s Government-Wide Financial Statements because the County cannot use these assets to finance its operations.

Notes to 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 of the County’s Primary Government, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$8,191,881 at the close of the most recent fiscal year.

The largest portion of the County’s net position \$13,942,207 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. The remaining balance of net position (\$5,750,326) 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 2021 and 2020.

Statement of Net Position

	Governmental and Business-type Activities 2021	Governmental and Business-type Activities 2020
Current and other assets	\$ 57,306,172	\$ 50,413,306
Capital assets	29,833,112	28,783,544
Total assets	<u>\$ 87,139,284</u>	<u>\$ 79,196,850</u>
Deferred outflows	<u>\$ 4,282,704</u>	<u>\$ 3,056,521</u>
Current and other liabilities	\$ 5,785,465	\$ 6,975,932
Long-term liabilities	47,084,211	39,108,566
Total liabilities	<u>\$ 52,869,676</u>	<u>\$ 46,084,498</u>
Deferred inflows	<u>\$ 30,360,431</u>	<u>\$ 28,261,634</u>
Net position		
Net investment in capital assets	\$ 13,942,207	\$ 11,709,670
Restricted	3,920,386	2,495,385
Unrestricted	(9,670,712)	(6,297,816)
Total net position	<u>\$ 8,191,881</u>	<u>\$ 7,907,239</u>

Statement of Activities

	Governmental and Business-type Activities 2021	Governmental and Business-type Activities 2020
	<u>2021</u>	<u>2020</u>
Program revenues		
Charges for services	\$ 1,625,009	\$ 1,321,084
Operating grants & contributions	21,661,030	14,241,460
General revenue		
Property tax	25,528,918	24,445,200
Other taxes	8,483,320	8,520,826
Revenue from use of money and property	283,867	371,999
Miscellaneous	202,675	126,469
Grants and contributions not restricted to specific programs	3,433,026	3,542,497
Total revenues	<u>\$ 61,217,845</u>	<u>\$ 52,569,535</u>
Expenses		
General government	2,880,516	3,328,911
Judicial administration	3,064,793	2,082,005
Public safety	13,421,241	11,806,175
Public works	3,018,966	3,349,392
Health and welfare	16,152,768	11,376,114
Education	12,798,276	12,542,961
Parks, recreation and culture	1,950,726	3,266,404
Community development	3,210,361	1,359,609
Interest on debt	678,188	773,150
Landfill	3,757,368	2,768,180
Total expenses	<u>\$ 60,933,203</u>	<u>\$ 52,652,901</u>
Changes in net position	<u>\$ 284,642</u>	<u>\$ (83,366)</u>

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 the 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 \$15,666,962. Approximately 1% or \$146,994 is considered nonspendable, as it is for prepaid expenses; approximately 5% or \$713,050 is restricted as to use; approximately 12% or \$1,947,232 has been committed by action of the Board of Supervisors. The remaining balance, \$12,859,686 or 82% is unassigned, meaning there are no restrictions placed on the funds.

The general fund is the operating fund of the County. At the end of the current fiscal year, total fund balance of the general fund was \$14,115,672. Of this amount \$12,859,686 was considered unassigned, \$395,942 was considered committed, \$713,050 was considered restricted and \$146,994 was considered nonspendable. The special revenue funds, at the end of the fiscal year, had a fund balance of \$1,225,743 and was considered committed. The County CIP Fund had a fund balance of \$325,547 of which all was considered committed.

Total governmental fund revenues increased \$9,094,305 and expenditures increased \$9,073,751 over prior year amounts. These increases are the result of CARES related grants. For fiscal year ended June 30, 2021, revenues exceeded expenditures by \$1,041,693, as compared to the fiscal year ended June 30, 2020, revenues exceeded expenditures by \$1,021,139.

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 activities and business-type activities as of June 30, 2021, amounts to \$29,833,112 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, tenancy in common, improvements other than buildings, and construction in progress.

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

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

Governmental Activities	
Accrued leave	\$ 711,299
Net OPEB liabilities	7,362,436
Net pension liability	10,200,181
General obligation bond	3,886,057
Revenue bonds	12,049,476
Total	<u>\$ 34,209,449</u>
Business-type Activities	
Revenue bonds	\$ 3,295,000
Estimated landfill liability	9,579,762
Total	<u>\$ 12,874,762</u>

Additional information on the County’s long-term obligations can be found in Note 6 of this report.

Economic Factors

The June 2021 unemployment rate for the County was 5.8%, which is decrease from a rate of 9.8% in June 2020. This is above the state’s average unemployment rate of 4.5% but below the national average rate of 6.1%.

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, 197 Main Street, Tazewell, Virginia 24651.

Basic Financial Statements

County of Tazewell, Virginia
Statement of Net Position
June 30, 2021

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	School Board	Other Component Units
ASSETS					
Cash and Cash Equivalents	\$ 14,807,359	\$ 423,213	\$ 15,230,572	\$ 16,139,247	\$ 1,092,203
Investments	-	-	-	-	2,352,823
Receivables (Net of Allowance for Uncollectibles):					
Taxes	31,312,849	-	31,312,849	-	-
Accounts Receivable	238,947	96,149	335,096	15,263	1,006,303
Note Receivable	-	-	-	-	1,148,901
Due from Component Units	3,971,294	-	3,971,294	-	-
Due from Other Governmental Units	3,102,031	-	3,102,031	2,433,575	268,922
Internal Balances	(34,828)	34,828	-	-	-
Inventory	-	-	-	-	149,775
Prepaid Items	146,994	-	146,994	484,050	66,679
Restricted Assets:					
Cash and Cash Equivalents	-	3,207,336	3,207,336	-	198,565
Assets Held for Resale	-	-	-	-	2,564,058
Capital Assets:					
Land	2,840,590	287,598	3,128,188	1,908,716	17,040,058
Buildings and Improvements	13,416,429	5,076	13,421,505	7,839,768	7,164,039
Tenancy in Common	2,073,337	-	2,073,337	11,339,334	-
Machinery and Equipment	4,993,937	6,950	5,000,887	4,412,771	675,639
Improvements Other Than Buildings	-	6,197,097	6,197,097	-	2,721,354
Infrastructure	-	-	-	-	72,969,480
Construction in Progress	12,098	-	12,098	84,303	2,527,962
Total Assets	\$ 76,881,037	\$ 10,258,247	\$ 87,139,284	\$ 44,657,027	\$ 111,946,761
DEFERRED OUTFLOWS OF RESOURCES					
Pension related items	\$ 3,088,394	\$ -	\$ 3,088,394	\$ 11,407,973	\$ 533,527
OPEB related items	1,062,018	-	1,062,018	2,934,484	114,343
Deferred charge on refunding	132,292	-	132,292	-	-
Total Deferred Outflows of Resources	\$ 4,282,704	\$ -	\$ 4,282,704	\$ 14,342,457	\$ 647,870
LIABILITIES					
Accounts Payable	\$ 1,215,462	\$ -	\$ 1,215,462	\$ 330,079	\$ 737,360
Accrued Liabilities	-	-	-	540,664	-
Accrued Wages	-	-	-	3,245,845	118,599
Customer Deposits	-	-	-	-	198,565
Accrued Interest Payable	116,227	8,170	124,397	24,064	59,658
Due to Primary Government	-	-	-	3,684,385	173,456
Due to Other Governments	-	-	-	-	100,000
Unearned Revenue	4,445,606	-	4,445,606	-	37,500
Long-term Liabilities:					
Due Within One Year	2,370,492	20,000	2,390,492	1,264,611	2,576,640
Due in More Than One Year	31,838,957	12,854,762	44,693,719	71,678,823	37,609,539
Total Liabilities	\$ 39,986,744	\$ 12,882,932	\$ 52,869,676	\$ 80,768,471	\$ 41,611,317
DEFERRED INFLOWS OF RESOURCES					
Deferred Revenue - Property Taxes	\$ 29,377,145	\$ -	\$ 29,377,145	\$ -	\$ -
Pension related items	58,108	-	58,108	6,771,880	7,857
OPEB related items	925,178	-	925,178	2,838,449	94,659
Total Deferred Inflows of Resources	\$ 30,360,431	\$ -	\$ 30,360,431	\$ 9,610,329	\$ 102,516
NET POSITION					
Net Investment in Capital Assets	\$ 7,533,150	\$ 6,409,057	\$ 13,942,207	\$ 24,233,469	\$ 65,886,796
Restricted	713,050	3,207,336	3,920,386	3,554,780	-
Unrestricted	2,570,366	(12,241,078)	(9,670,712)	(59,167,565)	4,994,002
Total Net Position	\$ 10,816,566	\$ (2,624,685)	\$ 8,191,881	\$ (31,379,316)	\$ 70,880,798

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, 2021

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position				Component Units		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	School Board	Component Units	Other Units
					Governmental Activities	Business-type Activities				
PRIMARY GOVERNMENT:										
Governmental Activities:										
General Government Administration	\$ 2,880,516	\$ 18,934	\$ 389,351	\$ -	\$ (2,472,231)	\$ -	\$ -	\$ -	\$ -	\$ -
Judicial Administration	3,064,793	157,657	1,435,282	-	(1,471,854)	-	-	-	-	-
Public Safety	13,421,241	200,080	2,742,351	-	(10,478,810)	-	-	-	-	-
Public Works	3,018,966	194,322	9,569	-	(2,815,075)	-	-	-	-	-
Health and Welfare	16,152,768	-	13,822,458	-	(2,330,310)	-	-	-	-	-
Education	12,798,276	-	-	-	(12,798,276)	-	-	-	-	-
Parks, Recreation and Cultural	1,950,726	45,216	180,931	-	(1,724,579)	-	-	-	-	-
Community Development	3,210,361	929	3,081,088	-	(128,344)	-	-	-	-	-
Interest	678,188	-	-	-	(678,188)	-	-	-	-	-
Total Governmental Activities	\$ 57,175,835	\$ 617,138	\$ 21,661,030	\$ -	\$ (34,897,667)	\$ -	\$ -	\$ -	\$ -	\$ -
Business-type Activities										
Landfill	\$ 3,757,368	\$ 1,007,871	\$ -	\$ -	\$ (2,749,497)	\$ (2,749,497)	\$ -	\$ -	\$ -	\$ -
Total Primary Government	\$ 60,933,203	\$ 1,625,009	\$ 21,661,030	\$ -	\$ (34,897,667)	\$ (2,749,497)	\$ (2,749,497)	\$ -	\$ -	\$ -
Component Units:										
School Board	\$ 61,291,384	\$ 796,039	\$ 51,895,088	\$ -	\$ -	\$ -	\$ (8,600,257)	\$ -	\$ -	\$ (2,558,121)
Other component units	11,461,040	7,857,949	133,793	911,177	-	-	-	-	-	-
Total Component Units	\$ 72,752,424	\$ 8,653,988	\$ 52,028,881	\$ 911,177	\$ -	\$ -	\$ (8,600,257)	\$ -	\$ -	\$ (2,558,121)
General Revenues:										
General Property Taxes					\$ 25,528,918	\$ -	\$ -	\$ -	\$ -	\$ -
Other Local Taxes					5,563,784	-	-	-	-	-
Local Sales and Use Taxes					834,975	-	-	-	-	-
Consumers' Utility Taxes					16,585	-	-	-	-	-
MOPED and ATV sales tax					10,006	-	-	-	-	-
Utility License Taxes					111,514	-	-	-	-	-
Bank Franchise Taxes					278,957	-	-	-	-	-
Taxes on Recordation and Wills					1,183,044	-	-	-	-	-
Coal Severance Taxes					181,181	-	-	-	-	-
Hotel and Motel Taxes					303,274	-	-	-	-	-
Gas Severance Tax					282,229	-	-	-	-	-
Unrestricted Revenues from Use of Money and Property					202,675	1,638	-	104	747,810	36,986
Miscellaneous					3,433,026	-	-	-	12,392,942	73,493
Payments from Primary Government/Component Units					(1,013,464)	1,013,464	-	-	-	38,792
Grants and Contributions not Restricted to Specific Programs					36,916,704	-	-	-	-	-
Transfers					2,019,037	-	-	-	-	-
Total General Revenues and transfers					\$ 10,816,366	\$ (2,624,685)	\$ 8,191,881	\$ (31,379,316)	\$ 70,880,798	\$ 70,880,798
Change in Net Position					\$ 2,019,037	\$ (1,734,395)	\$ 284,642	\$ 4,540,599	\$ (169,260)	\$ (169,260)
Net Position - Beginning, as restated					8,797,529	(890,290)	7,907,239	(35,919,915)	71,050,058	71,050,058
Net Position - Ending					\$ 10,816,366	\$ (2,624,685)	\$ 8,191,881	\$ (31,379,316)	\$ 70,880,798	\$ 70,880,798

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

County of Tazewell, Virginia
Balance Sheet
Governmental Funds
June 30, 2021

	<u>General Fund</u>	<u>County CIP Fund</u>	<u>Other Govern- mental Funds</u>	<u>Total</u>
ASSETS				
Cash and Cash Equivalents	\$ 13,204,132	\$ 87,094	\$ 1,516,133	\$ 14,807,359
Receivables (Net of Allowance for Uncollectibles):				
Property Taxes	31,312,849	-	-	31,312,849
Other Receivables	203,950	-	34,997	238,947
Prepaid Items	146,994	-	-	146,994
Due from Other Funds	-	125,000	-	125,000
Due from Other Governmental Units	3,102,031	-	-	3,102,031
Due from Component Units	3,857,841	113,453	-	3,971,294
Total Assets	<u>\$ 51,827,797</u>	<u>\$ 325,547</u>	<u>\$ 1,551,130</u>	<u>\$ 53,704,474</u>
LIABILITIES				
Accounts Payable and Accrued Expenses	\$ 890,075	\$ -	\$ 325,387	\$ 1,215,462
Due to Other Funds	159,828	-	-	159,828
Unearned Revenue	4,445,606	-	-	4,445,606
Total Liabilities	<u>\$ 5,495,509</u>	<u>\$ -</u>	<u>\$ 325,387</u>	<u>\$ 5,820,896</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	\$ 32,216,616	\$ -	\$ -	\$ 32,216,616
FUND BALANCES				
Nonspendable	\$ 146,994	\$ -	\$ -	\$ 146,994
Restricted	713,050	-	-	713,050
Committed	395,942	325,547	1,225,743	1,947,232
Unassigned	12,859,686	-	-	12,859,686
Total Fund Balances	<u>\$ 14,115,672</u>	<u>\$ 325,547</u>	<u>\$ 1,225,743</u>	<u>\$ 15,666,962</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 51,827,797</u>	<u>\$ 325,547</u>	<u>\$ 1,551,130</u>	<u>\$ 53,704,474</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, 2021

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	15,666,962
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		
Land	\$	2,840,590
Buildings and improvements		13,416,429
Tenancy in common		2,073,337
Machinery and equipment		4,993,937
Construction in progress		12,098
		<u>23,336,391</u>
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.		
Unavailable revenue		2,839,471
Deferred outflow of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.		
Pension related items	\$	3,088,394
OPEB related items		1,062,018
		<u>4,150,412</u>
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	\$	(116,227)
Compensated absences		(711,299)
Net OPEB liabilities		(7,362,436)
Net pension liability		(10,200,181)
General obligation bonds, including bond premiums		(3,886,057)
Revenue bonds, including bond premiums		(12,049,476)
Deferred amount on refunding		132,292
		<u>(34,193,384)</u>
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.		
Pension related items	\$	(58,108)
OPEB related items		(925,178)
		<u>(983,286)</u>
Net Position of Governmental Activities	\$	<u><u>10,816,566</u></u>

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

County of Tazewell, Virginia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2021

	General Fund	County CIP Fund	Other Govern- mental Funds	Total
REVENUES				
General Property Taxes	\$ 25,600,311	\$ -	\$ -	\$ 25,600,311
Other Local Taxes	7,740,161	-	743,159	8,483,320
Permits, Privilege Fees and Regulatory Licenses	194,352	-	-	194,352
Fines and Forfeitures	39,202	-	-	39,202
Revenue from Use of Money and Property	280,572	1,657	-	282,229
Charges for Services	374,879	-	8,705	383,584
Miscellaneous	94,698	73,266	34,711	202,675
Recovered Costs	2,270,072	-	-	2,270,072
Intergovernmental	24,092,857	940,985	60,214	25,094,056
Total Revenues	<u>\$ 60,687,104</u>	<u>\$ 1,015,908</u>	<u>\$ 846,789</u>	<u>\$ 62,549,801</u>
EXPENDITURES:				
Current:				
General Government Administration	\$ 3,776,948	\$ -	\$ -	\$ 3,776,948
Judicial Administration	2,469,515	914,735	8,359	3,392,609
Public Safety	14,174,212	893,279	-	15,067,491
Public Works	1,247,481	900,000	770,659	2,918,140
Health and Welfare	16,270,756	-	-	16,270,756
Education	12,798,276	-	-	12,798,276
Parks, Recreation and Cultural	1,411,144	-	-	1,411,144
Community Development	2,365,135	1,100,916	-	3,466,051
Nondepartmental	65,871	-	-	65,871
Debt Service:				
Principal Retirement	1,546,927	-	-	1,546,927
Interest and Other Fiscal Charges	718,895	-	-	718,895
Bond Issuance Costs	75,000	-	-	75,000
Total Expenditures	<u>\$ 56,920,160</u>	<u>\$ 3,808,930</u>	<u>\$ 779,018</u>	<u>\$ 61,508,108</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 3,766,944</u>	<u>\$ (2,793,022)</u>	<u>\$ 67,771</u>	<u>\$ 1,041,693</u>
Other Financing Sources (Uses)				
Transfers In	\$ 5,000	\$ 1,109,004	\$ -	\$ 1,114,004
Transfers Out	(1,842,468)	-	(285,000)	(2,127,468)
Payment to Refunded Bonds Escrow Agent	(3,977,361)	-	-	(3,977,361)
Issuance of Refunding Bonds	4,053,000	-	-	4,053,000
Total Other Financing Sources (Uses)	<u>\$ (1,761,829)</u>	<u>\$ 1,109,004</u>	<u>\$ (285,000)</u>	<u>\$ (937,825)</u>
Net Change in Fund Balance	\$ 2,005,115	\$ (1,684,018)	\$ (217,229)	\$ 103,868
Fund Balance - Beginning	12,110,557	2,009,565	1,442,972	15,563,094
Fund Balance - Ending	<u>\$ 14,115,672</u>	<u>\$ 325,547</u>	<u>\$ 1,225,743</u>	<u>\$ 15,666,962</u>

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

County of Tazewell, Virginia
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balance of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2021

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

Net changes in fund balance - total governmental funds	\$		103,868
<p>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 capital outlays exceeded depreciation in the current period.</p>			
Capital outlays	\$	2,851,070	
Tenancy in common transfer		(540,927)	
Depreciation expense		<u>(1,658,690)</u>	651,453
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.</p>			
Loss on disposal of assets	\$	(7,113)	
Contribution of building from IDA		<u>556,154</u>	549,041
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.</p>			
Change in unavailable revenue-property taxes			(71,393)
<p>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.</p>			
Debt issued or incurred:			
Issuance of lease revenue bond	\$	(4,053,000)	
Transfer of debt from IDA		<u>(305,778)</u>	(4,358,778)
Principal repayments:			
General obligation bonds	\$	540,927	
Lease revenue bond		1,006,000	
Payment to escrow agent for refunding of general obligation bonds		<u>3,515,778</u>	5,062,705
<p>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.</p>			
Change in compensated absences	\$	(11,856)	
Change in accrued interest payable		10,584	
Change in bond premium amortization		434,414	
Change in pension related items		(790,766)	
Change in OPEB related items		307,473	
Issuance of deferred amount on refunding		<u>132,292</u>	82,141
Change in net position of governmental activities	\$		<u><u>2,019,037</u></u>

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, 2021

	<u>Tazewell County Landfill Fund</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 423,213
Receivables (Net of Allowance for Uncollectibles)	96,149
Due from Other Funds	34,828
Total Current Assets	<u>\$ 554,190</u>
Noncurrent Assets:	
Capital Assets (Net of Accumulated Depreciation):	
Land	\$ 287,598
Buildings and Improvements	5,076
Land Improvements	6,197,097
Machinery and Equipment	6,950
Total Capital Assets	<u>\$ 6,496,721</u>
Other Assets:	
Restricted Cash - Unspent Bond Proceeds	<u>\$ 3,207,336</u>
Total Assets	<u>\$ 10,258,247</u>
LIABILITIES	
Current Liabilities:	
Accrued Interest Payable	\$ 8,170
Notes Payable - Current Portion	20,000
Total Current Liabilities	<u>\$ 28,170</u>
Noncurrent Liabilities:	
Estimated Landfill Closure Liability	\$ 9,579,762
Notes Payable - Net of Current Portion	3,275,000
Total Noncurrent Liabilities	<u>\$ 12,854,762</u>
Total Liabilities	<u>\$ 12,882,932</u>
NET POSITION	
Net Investment in Capital Assets	\$ 6,409,057
Restricted for Debt Service	3,207,336
Unrestricted	(12,241,078)
Total Net Position	<u>\$ (2,624,685)</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, 2021

	<u>Tazewell County Landfill Fund</u>
OPERATING REVENUES	
Charges for Services	\$ <u>1,007,871</u>
OPERATING EXPENSES	
Contractual Services	\$ 2,093,058
Repairs and Maintenance	1,753
Closure Reserve Expense	1,349,847
Other Charges	122,688
Depreciation	181,852
Total Operating Expenses	\$ <u>3,749,198</u>
Operating Income (Loss)	\$ <u>(2,741,327)</u>
NONOPERATING REVENUES (EXPENSES)	
Interest income	\$ 1,638
Interest Expense	(8,170)
Total Nonoperating Revenues (Expenses)	\$ <u>(6,532)</u>
Income (loss) before transfers	\$ <u>(2,747,859)</u>
TRANSFERS	
Transfers In	\$ <u>1,013,464</u>
Change in Net Position	\$ (1,734,395)
Net Position - Beginning	<u>(890,290)</u>
Net Position - Ending	<u><u>(2,624,685)</u></u>

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

County of Tazewell, Virginia
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2021

	<u>Tazewell County Landfill Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers and Users	\$ 1,052,855
Payments to Employees for Services	(62,564)
Payments for Operating Expenses	(2,237,177)
Total Cash Provided by (Used for) Operating Activities	<u>\$ (1,246,886)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from Other Funds	<u>\$ 1,048,250</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of Capital Assets	\$ (30,926)
Proceeds from Indebtedness	3,295,000
Other Income (Expense)	1,638
Total Cash Provided by (Used for) Capital and Related Financing Activities	<u>\$ 3,265,712</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 3,067,076
Cash and Cash Equivalents - Beginning	563,473
Cash and Cash Equivalents - Ending, including restricted cash of \$3,207,336	<u><u>\$ 3,630,549</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:	
Operating Income (Loss)	\$ (2,741,327)
Depreciation	181,852
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:	
(Increase) Decrease in Accounts Receivable	44,984
(Increase) Decrease in Deferred Outflows of Resources	13,594
Increase (Decrease) in Accounts Payable	(19,678)
Increase (Decrease) in Estimated Landfill Closure Liability	1,349,847
Increase (Decrease) in Deferred Inflows of Resources	(76,158)
Total Adjustments	<u>\$ 1,312,589</u>
Net Cash Provided By (Used For) Operating Activities	<u><u>\$ (1,246,886)</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, 2021

		<u>Custodial Funds</u>
ASSETS		
Cash and cash equivalents	\$	62,867
Due from other governments		228,317
Total Assets	\$	<u>291,184</u>
 LIABILITIES		
Sales tax due to Towns	\$	<u>228,317</u>
 NET POSITION		
Restricted for:		
Social services clients	\$	62,867
Total Net Position	\$	<u>62,867</u>

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

County of Tazewell, Virginia
 Statement of Changes in Fiduciary Net Position
 Fiduciary Funds
 For the Year Ended June 30, 2021

	<u>Custodial Funds</u>
ADDITIONS	
Contributions:	
Expenditure reimbursement	\$ 94,696
Sales tax collections for other governments	228,317
Total contributions	<u>\$ 323,013</u>
 DEDUCTIONS:	
Special welfare payments	\$ 99,032
Payments to sales tax to other governments	228,317
Total deductions	<u>\$ 327,349</u>
Net increase (decrease) in fiduciary net position	\$ (4,336)
Net position, beginning - as restated	<u>67,203</u>
Net position, ending	<u><u>\$ 62,867</u></u>

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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 - The financial statements are 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 (governmental 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).

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

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

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

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

Budgetary comparison schedules - Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate, in one way or another, in the process of establishing the annual operating budgets of state and local governments, and have a keen interest in following the actual financial progress of their government over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. The budgetary comparison schedule presents the original budget, the final budget, and the actual activity of the major governmental funds.

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 Board 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, 2021.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

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

B. Individual Component Unit Disclosures (Continued)

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

Tazewell County Airport Authority was created by 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 Authority's Board of Directors. The County contributes a significant amount to the Authority'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, 2021, the County contributed \$70,000.

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, 2021, the County contributed \$197,212.

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, 2021, the County contributed \$3,953,985.

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 TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

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 when they have been earned and 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 principal and interest expenditures on general long-term debt 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, 2021 (Continued)

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:

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.

Capital Projects Fund:

The County CIP 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.

The School Board reports the following major fund types:

The School Operating Fund is the primary operating fund of the School Board and accounts for and reports all revenues and expenditures applicable to the general operations of the public school system. Revenues are derived primarily from appropriations from the County and state and federal grants.

The School Activity Fund is a special revenue fund that accounts for and reports all funds received from extracurricular school activities, such as entertainment, athletic contests, club dues, fundraisers, etc., and from any and all activities of the individual schools.

The government reports the following nonmajor governmental funds:

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 Coal Road Improvement Fund, Coal Road Economic Development Fund, Damage Stamp Fund, and Law Library Fund are reported as nonmajor special revenue funds.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

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

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

Additionally, Tazewell County reports the following fund types:

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. The Landfill Fund is reported as a major proprietary fund.

Fiduciary Funds (Trust and Custodial Funds):

Fiduciary, Trust and Custodial funds account for assets held by the County unit in a trustee capacity or as custodian for individuals, private organizations, other governmental units, or other funds. These funds include Custodial 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 Special Welfare and Local Sales Tax Funds are reported as Custodial 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 amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, School Operating 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.
9. Expenditures did not exceed appropriations during the year.
10. At June 30, 2021, the Landfill Fund had a deficit net position balance.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

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

E. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. For purposes of the statement of cash flows, the government's proprietary funds consider their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

F. Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, other nonparticipating investments and external investment pools are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

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 other outstanding balances between funds are reported as "advances to/from other funds" (i.e. the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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 \$411,565 and \$10,482 at June 30, 2021 and is comprised of property taxes and unpaid landfill bills, respectively.

Property is assessed at its value on January 1. Property taxes attach as an enforceable lien on property as of January 1. Taxes are payable December 5th. The County bills and collects its own property taxes.

The remainder of this page left blank intentionally.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

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

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 acquisition 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, 2021.

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:

Assets	Years
Buildings	40-60
Building, land, and other improvements	40-60
Vehicles	5
Office and computer equipment	7
Machinery and other equipment	7

The remainder of this page left blank intentionally.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

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

I. 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 (expenditure/expense) until then. The County has two items that qualify for reporting in this category. One item is the deferred charge on refunding reported in the government-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. The other item is comprised of certain items related to the measurement of the net pension liability and net OPEB liabilities and contributions to the pension and OPEB plans made during the current year and subsequent to the net pension liability and net OPEB liabilities measurement date. For more detailed information on these items, reference the related notes.

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 multiple items that qualify 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. In addition, certain items related to the measurement of the net pension liability and net OPEB liabilities are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

J. 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. 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.

The remainder of this page left blank intentionally.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

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

K. Pensions

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

L. Other Postemployment Benefits (OPEB)

For purposes of measuring the net VRS related OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense, information about the fiduciary net position of the VRS GLI, HIC, and Teacher HIC OPEB Plans and the additions to/deductions from the VRS OPEB Plans' fiduciary net position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

M. 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 statements, 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.

The remainder of this page left blank intentionally.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

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

N. Fund Balance

The following classifications of fund balance describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - amounts that are not in spendable form (such as inventory and prepaids) or are required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance - amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors or enabling federal, state, or local legislation. Restrictions may be changed or lifted only with the consent of the resource providers;
- Committed fund balance - amounts that can be used only for the specific purposes determined by the adoption of an ordinance committing fund balance for a specified purpose by the Board of Supervisors prior to the end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until the resources have been spent for the specified purpose or the Board adopts another ordinance to remove or revise the limitation;
- Assigned fund balance - amounts a government intends to use for a specific purpose but do not meet the criteria to be classified as committed; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. Unlike commitments, assignments general only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are only reported in the general fund. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

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.

O. 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.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

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

P. Net Position

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds, notes, and other debt that are attributable 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 included in this component of net position.
- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

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 that has received at least two of the following ratings: P-1 by Moody's Investors Service, Inc.; A-1 by Standard and Poor's; or F1 by Fitch Ratings, Inc. (Section 2.2-4502), banker's acceptances, repurchase agreements, and the State Treasurer's Local Government Investment Pool (LGIP).

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

Note 2 - Deposits and Investments: (Continued)

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 rated debt investments as of June 30, 2021 were rated by Standard and Poor's and/or an equivalent national rating organization and the rating are presented below using the Standard and Poor's rating scale.

County's Rated Debt Investments' Values	
Rated Debt Investments	Fair Quality Ratings
	AAAm
VIP Stable NAV Liquidity Pool	\$ 2,594,178

Interest Rate Risk

Investment Maturities (in years)		
Investment Type	Fair Value	Less than 1 Year
VIP Stable NAV Liquidity Pool	\$ 2,594,178	\$ 2,594,178

Redemption Restrictions

The County has the option to have access to withdraw funds from VACO/VML Investment Pool twice a month, with a five-day period notice. Additionally, funds are available to meet unexpected needs such as fluctuations in revenue sources, one-time outlays (disasters, immediate capital needs, state budget cuts, and etc.).

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The County has measured fair value of the above VML/VACO Investment Pool investment at the net asset value (NAV).

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

Note 3 - Internal Balances and Transfers:

Internal balances consisted of the following as of June 30, 2021:

Fund/Component Unit	Due From	Due To
Primary Government:		
General	\$ 3,857,841	\$ 159,828
County CIP Fund	238,453	-
Landfill	34,828	-
Component Units:		
School Board	-	3,684,385
Industrial Development Authority	-	173,456
Public Service Authority	-	113,453
Totals	<u>\$ 4,131,122</u>	<u>\$ 4,131,122</u>

Note: On the government-wide statement of net position, the amount due to the Primary Government from the Component Unit PSA is included in "Due from Component Units" for the Primary Government and "Due Within One Year" for the Component Unit PSA.

Interfund transfers for the year ended June 30, 2021, consisted of the following:

Fund	Transfers In	Transfers Out
General	\$ 5,000	\$ 1,842,468
County CIP	1,109,004	-
Law Library	-	5,000
Coal Road Improvement	-	280,000
Landfill	1,013,464	-
Totals	<u>\$ 2,127,468</u>	<u>\$ 2,127,468</u>

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

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

Note 4 - Due From Other Governmental Units:

At June 30, 2021, the County and School Board had receivables from other governments as follows:

	Primary Government	Discretely Presented Component Unit School Board
Local Government:		
Southwest Virginia Regional Jail	\$ 723,110	\$ -
Russell County	-	87,986
Commonwealth of Virginia:		
State sales taxes	946,147	-
Local sales taxes	-	933,996
VPA	243,937	-
CSA	413,420	-
Shared expenses	332,406	-
Categorical aid	46,503	-
Noncategorical aid	70,968	-
Federal Government:		
VPA	325,540	-
Categorical aid	-	1,411,593
Total	\$ 3,102,031	\$ 2,433,575

The remainder of this page left blank intentionally.

**COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)**

Note 5 - Capital Assets:

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2021:

Primary Government:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 2,840,590	\$ -	\$ -	\$ 2,840,590
Construction in progress	1,013,923	1,116,413	(2,118,238)	12,098
Tenancy in Common	2,614,264	-	(540,927)	2,073,337
Total capital assets not being depreciated	\$ 6,468,777	\$ 1,116,413	\$ (2,659,165)	\$ 4,926,025
Capital assets, being depreciated:				
Buildings	\$ 23,283,917	\$ 2,762,285	\$ (19,425)	\$ 26,026,777
Machinery and equipment	17,821,948	1,646,764	(190,236)	19,278,476
Total capital assets being depreciated	\$ 41,105,865	\$ 4,409,049	\$ (209,661)	\$ 45,305,253
Accumulated depreciation:				
Buildings	\$ (12,021,591)	\$ (606,351)	\$ 17,594	\$ (12,610,348)
Machinery and equipment	(13,417,154)	(1,052,339)	184,954	(14,284,539)
Total accumulated depreciation	\$ (25,438,745)	\$ (1,658,690)	\$ 202,548	\$ (26,894,887)
Total capital assets being depreciated, net	\$ 15,667,120	\$ 2,750,359	\$ (7,113)	\$ 18,410,366
Governmental activities capital assets, net	\$ 22,135,897	\$ 3,866,772	\$ (2,666,278)	\$ 23,336,391

The remainder of this page left blank intentionally.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

Note 5 - Capital Assets: (Continued)

Primary Government: (Continued)

Tazewell County Landfill Fund:

	Beginning Balance	Increases	Decreases	Ending Balance
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	9,585,580	22,750	-	9,608,330
Machinery and equipment	-	8,176	-	8,176
Total capital assets being depreciated	\$ 9,771,183	\$ 30,926	\$ -	\$ 9,802,109
Accumulated depreciation:				
Buildings and improvements	\$ (177,467)	\$ (3,060)	\$ -	\$ (180,527)
Land Improvements	(3,233,667)	(177,566)	-	(3,411,233)
Machinery and equipment	-	(1,226)	-	(1,226)
Total accumulated depreciation	\$ (3,411,134)	\$ (181,852)	\$ -	\$ (3,592,986)
Total capital assets being depreciated, net	\$ 6,360,049	\$ (150,926)	\$ -	\$ 6,209,123
Business-type activities capital assets, net	\$ 6,647,647	\$ (150,926)	\$ -	\$ 6,496,721

The remainder of this page left blank intentionally.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

Note 5 - Capital Assets: (Continued)

Primary Government: (Continued)

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

Governmental activities:		
General government administration	\$	268,970
Judicial administration		510,387
Public safety		726,047
Public works		116,704
Health and welfare		15,045
Parks, recreation, and cultural		19,342
Community development		<u>2,195</u>
 Total depreciation expense-governmental activities	 \$	 <u><u>1,658,690</u></u>
 Business-type activities:		
Landfill fund	\$	<u><u>181,852</u></u>

The remainder of this page left blank intentionally.

**COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)**

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
Construction in Progress	-	84,303	-	84,303
Tenancy in common	13,412,671	-	-	13,412,671
Tenancy in common (1)	(2,614,264)	-	540,927	(2,073,337)
Total capital assets not being depreciated	<u>\$ 12,707,123</u>	<u>\$ 84,303</u>	<u>\$ 540,927</u>	<u>\$ 13,332,353</u>
Capital assets, being depreciated:				
Buildings and improvements	\$ 37,072,327	\$ 401,237	\$ -	\$ 37,473,564
Machinery and equipment	20,086,700	1,161,620	(100,850)	21,147,470
Total capital assets being depreciated	<u>\$ 57,159,027</u>	<u>\$ 1,562,857</u>	<u>\$ (100,850)</u>	<u>\$ 58,621,034</u>
Accumulated depreciation:				
Buildings and improvements	\$ (28,672,015)	\$ (961,781)	\$ -	\$ (29,633,796)
Machinery and equipment	(16,091,542)	(744,007)	100,850	(16,734,699)
Total accumulated depreciation	<u>\$ (44,763,557)</u>	<u>\$ (1,705,788)</u>	<u>\$ 100,850</u>	<u>\$ (46,368,495)</u>
Total capital assets being depreciated, net	<u>\$ 12,395,470</u>	<u>\$ (142,931)</u>	<u>\$ -</u>	<u>\$ 12,252,539</u>
Governmental activities capital assets, net	<u>\$ 25,102,593</u>	<u>\$ (58,628)</u>	<u>\$ 540,927</u>	<u>\$ 25,584,892</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, 2021, is that assets and debt in the amount of \$2,073,337 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, 2021 (Continued)**

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, 2021:

Governmental Activities:

	<u>Beginning Balance</u>	<u>Increases/ Issuances</u>	<u>Decreases/ Retirements</u>	<u>Ending Balance</u>
Direct Borrowings and Placements:				
General obligation bonds	\$ 4,349,036	\$ -	\$ (540,927)	\$ 3,808,109
Premium on GO bond	86,610	-	(8,662)	77,948
Lease revenue bond	11,979,000	4,358,778	(4,521,778)	11,816,000
Premium on lease revenue bond	659,228	-	(425,752)	233,476
Net OPEB liabilities	7,075,493	1,051,911	(764,968)	7,362,436
Compensated absences	699,443	536,438	(524,582)	711,299
Net pension liability	8,052,192	4,578,147	(2,430,158)	10,200,181
Total	\$ 32,901,002	\$ 10,525,274	\$ (9,216,827)	\$ 34,209,449

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

Year Ending June 30	<u>Direct Borrowings and Placements</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 1,712,039	\$ 698,347
2023	1,773,707	621,899
2024	1,751,959	489,555
2025	1,797,832	450,647
2026	1,158,842	237,312
2027-2031	4,486,730	668,695
2032-2036	1,910,000	267,997
2037-2041	1,033,000	66,830
	<u>\$ 15,624,109</u>	<u>\$ 3,501,282</u>

The remainder of this page left blank intentionally.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

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
Direct Borrowings and Placements:						
General Obligation Bonds:						
GO Bond	3.10-5.10%	5/15/2002	7/15/2023	\$ 1,900,000	\$ 190,000	\$ 95,000
GO Bond	4.10-5.10%	5/15/2008	7/15/2028	1,880,000	885,000	110,000
GO Bond	3.60-5.35%	12/11/2008	1/15/2029	6,698,941	2,733,109	356,039
Subtotal GO Bond					<u>\$ 3,808,109</u>	<u>\$ 561,039</u>
Premium on Bond	n/a	n/a	n/a	n/a	77,948	8,662
Total General Obligation Bonds					<u><u>\$ 3,886,057</u></u>	<u><u>\$ 569,701</u></u>
Lease Revenue Bonds: (1)						
2014C	3.025-5.125%	11/18/2014	4/1/2033	\$ 11,885,000	\$ 3,955,000	\$ 925,000
2019 (2)	3.171%	8/14/2019	10/1/2039	3,924,000	3,808,000	128,000
2021B (2)	1.930%	5/6/2021	5/6/2033	3,736,000	3,736,000	74,000
2021C (2)	1.930%	5/6/2021	5/6/2034	317,000	317,000	24,000
Subtotal Lease Revenue Bonds					<u>\$ 11,816,000</u>	<u>\$ 1,151,000</u>
Premium on Bond	n/a	n/a	n/a	n/a	233,476	116,317
Total Lease Revenue Bonds					<u><u>\$ 12,049,476</u></u>	<u><u>\$ 1,267,317</u></u>
Other Obligations:						
Net OPEB Liabilities	n/a	n/a	n/a	n/a	\$ 7,362,436	\$ -
Compensated Absences	n/a	n/a	n/a	n/a	711,299	533,474
Net Pension Liability	n/a	n/a	n/a	n/a	10,200,181	-
Total Other Obligations					<u>\$ 18,273,916</u>	<u>\$ 533,474</u>
Total Long-term Obligations					<u><u>\$ 34,209,449</u></u>	<u><u>\$ 2,370,492</u></u>

(1) In the event of default, the lender of the related bonds may declare the entire unpaid principal and interest on the issuance as due and payable.

(2) Debt is collateralized by the underlying property.

The 2014C lease revenue bond was issued by the Tazewell County IDA for renovations to the Courthouse building which is utilized by the County. Payments on the debt issuance are made by the County directly to the issuer. As a result, the debt and the asset are shown in the County's financial statements.

**COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)**

Note 6 - Long-term Obligations: (Continued)

Primary Government: (Continued)

Business-type Activities:

Landfill Fund

	Beginning Balance	Increases/ Issuances	Decreases/ Retirements	Ending Balance
Direct Borrowings and Placements:				
Revenue bonds	\$ -	\$ 3,295,000	\$ -	\$ 3,295,000
Landfill closure/postclosure liability	8,229,915	1,349,847	-	9,579,762
Total	\$ 8,229,915	\$ 4,644,847	\$ -	\$ 12,874,762

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

Year Ending June 30,	Direct Borrowings and Placements	
	Principal	Interest
2022	\$ 20,000	\$ 48,027
2023	20,000	52,893
2024	375,000	49,693
2025	412,000	43,318
2026	603,000	35,097
2027-2031	1,865,000	45,626
Totals	\$ 3,295,000	\$ 274,654

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
Direct Borrowings and Placements:						
Revenue Bonds	1.62%	5/6/2021	5/6/2029	\$ 3,295,000	\$ 3,295,000	\$ 20,000
Other Obligations:						
Landfill Closure/ Postclosure Liability	n/a	n/a	n/a	n/a	\$ 9,579,762	\$ -
Total Long-term Obligations					\$ 12,874,762	\$ 20,000

**COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)**

Note 6 - Long-term Obligations: (Continued)

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, 2021:

	Beginning Balance	Issuances/ Increases	Retirements/ Decreases	Ending Balance
Capital leases	\$ 2,138,495	\$ -	\$ (787,072)	\$ 1,351,423
Net pension liability	45,654,425	19,456,027	(15,677,590)	49,432,862
Net OPEB liabilities	19,232,223	4,693,152	(2,376,185)	21,549,190
Compensated absences	662,421	444,354	(496,816)	609,959
Total	\$ 67,687,564	\$ 24,593,533	\$ (19,337,663)	\$ 72,943,434

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	\$ 560,622	\$ 416,615
Capital Lease	2.550%	3/10/2015	10/10/2022	3,118,167	790,801	390,527
Total Capital Leases					\$ 1,351,423	\$ 807,142
Other Obligations:						
Net Pension Liability	n/a	n/a	n/a	n/a	\$ 49,432,862	\$ -
Net OPEB Liabilities	n/a	n/a	n/a	n/a	21,549,190	-
Compensated Absences	n/a	n/a	n/a	n/a	609,959	457,469
Total Other Obligations					\$ 71,592,011	\$ 457,469
Total Long-term Obligations					\$ 72,943,434	\$ 1,264,611

The School Board has entered into capital leases for 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. They have also entered into a capital lease for energy improvements which will not be capitalized and depreciated.

**COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)**

Note 6 - Long-term Obligations: (Continued)

Component Unit - School Board (Continued)

Total assets acquired through capital leases are as follows:

Building Renovations	\$ 3,118,167
Accumulated Depreciation	(467,939)
Net Book Value of Assets	\$ 2,650,228

Present value of future minimum lease payments:

Year Ending June 30,	Capital Leases
2022	\$ 841,607
2023	558,165
Less: amount representing interest	(48,349)
Present value of future minimum lease payments	\$ 1,351,423

Note 7 - Compensated Absences:

Compensated Absences:

The County has accrued liabilities arising from outstanding compensated absences. Each county employee earns annual leave at various rates. Vested or accumulated leave is reported as an expenditure and a liability of the fund that will pay it. The County has outstanding accrued vacation and sick pay totaling \$711,299 in the general fund.

The School Board has accrued liabilities arising from outstanding compensated absences. Vacation and sick leave are accrued at various rates and paid out at \$50 per day upon retirement. The School Board has outstanding accrued vacation and sick pay totaling \$609,959.

The remainder of this page left blank intentionally.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

Note 8 - Pension Plans:

Plan Description

All full-time, salaried permanent employees of the County, Tazewell County PSA and Tazewell County Airport Authority (“Component Units”), and (nonprofessional) employees of public school divisions are automatically covered by VRS Retirement Plan upon employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the Code of Virginia, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

Benefit Structures

The System administers three different benefit structures for covered employees - Plan 1, Plan 2 and Hybrid. Each of these benefit structures has different eligibility criteria, as detailed below.

- a. Employees with a membership date before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit. Hazardous duty employees (law enforcement officers, firefighters, and sheriffs) are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service credit equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- c. Non-hazardous duty employees with a membership date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 - April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service credit equals 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

**COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)**

Note 8 - Pension Plans: (Continued)

Average Final Compensation and Service Retirement Multiplier

The VRS defined benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the employee's average final compensation multiplied by the employee's total service credit. Under Plan 1, average final compensation is the average of the employee's 36 consecutive months of highest compensation and the multiplier is 1.70% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.70% or 1.85% for hazardous duty employees as elected by the employer. Under Plan 2, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the retirement multiplier is 1.65% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.70% or 1.85% for hazardous duty employees as elected by the employer. Under the Hybrid Plan, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the multiplier is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.

Cost-of-Living Adjustment (COLA) in Retirement and Death and Disability Benefits

Retirees with an unreduced benefit or with a reduced benefit with at least 20 years of service credit are eligible for an annual COLA beginning July 1 after one full calendar year from the retirement date. Retirees with a reduced benefit and who have less than 20 years of service credit are eligible for an annual COLA beginning on July 1 after one calendar year following the unreduced retirement eligibility date. Under Plan 1, the COLA cannot exceed 5.00%. Under Plan 2 and the Hybrid Plan, the COLA cannot exceed 3.00%. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia, as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

Employees Covered by Benefit Terms

As of the June 30, 2019 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Primary Government and Other Component Units	Component Unit School Board Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	267	238
Inactive members:		
Vested inactive members	46	15
Non-vested inactive members	68	73
Inactive members active elsewhere in VRS	126	25
Total inactive members	240	113
Active members	298	175
Total covered employees	805	526

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

Note 8 - Pension Plans: (Continued)

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement.

The County's and Component Units contractually required employer contribution rate for the year ended June 30, 2021 was 12.16% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$1,216,175 and \$1,086,636 for the years ended June 30, 2021 and June 30, 2020, respectively. Contributions to the pension plan from the Component Units were \$191,688 and \$178,343 for the years ended June 30, 2021 and June 30, 2020, respectively.

The Component Unit School Board's contractually required contribution rate for nonprofessional employees for the year ended June 30, 2021 was 15.28% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were \$503,719 and \$446,160 for the years ended June 30, 2021 and June 30, 2020, respectively.

Net Pension Liability

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net pension. The County's and Component Unit School Board's (nonprofessional) net pension liabilities were measured as of June 30, 2020. The total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation performed as of June 30, 2019, and rolled forward to the measurement date of June 30, 2020.

The remainder of this page left blank intentionally.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

Note 8 - Pension Plans: (Continued)

Actuarial Assumptions - General Employees

The total pension liability for General Employees in the County's and Component Unit School Board's (nonprofessional) Retirement Plan was based on an actuarial valuation as of June 30, 2019, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020.

Inflation	2.50%
Salary increases, including inflation	3.50% - 5.35%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation*

* Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

Mortality rates:

All Others (Non-10 Largest) - Non-Hazardous Duty: 15% of deaths are assumed to be service related

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

The remainder of this page left blank intentionally.

**COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)**

Note 8 - Pension Plans: (Continued)

Actuarial Assumptions - General Employees (Continued)

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

All Others (Non-10 Largest) - Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the County's Retirement Plan was based on an actuarial valuation as of June 30, 2019, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020.

Inflation	2.50%
Salary increases, including inflation	3.50% - 5.35%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation*

* Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

**COUNTY OF TAZEWell, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)**

Note 8 - Pension Plans: (Continued)

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits (Continued)

Mortality rates:

All Others (Non-10 Largest) - Hazardous Duty: 45% of deaths are assumed to be service related

Pre-Retirement:

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

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year, 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

All Others (Non 10 Largest) - Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates, and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better fit experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

Note 8 - Pension Plans: (Continued)

Long-Term Expected Rate of Return

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

<u>Asset Class (Strategy)</u>	<u>Long-Term Target Asset Allocation</u>	<u>Arithmetic Long-term Expected Rate of Return</u>	<u>Weighted Average Long-term Expected Rate of Return*</u>
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Mult-Asset Public Strategies	6.00%	3.04%	0.18%
PIP - Private Investment Partnership	3.00%	6.49%	0.19%
 Total	 <u>100.00%</u>		 <u>4.64%</u>
		Inflation	<u>2.50%</u>
		*Expected arithmetic nominal return	<u>7.14%</u>

*The above allocation provides a one-year return of 7.14%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations provide a median return of 6.81%.

COUNTY OF TAZEWell, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

Note 8 - Pension Plans: (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the County and Component Unit School Board (nonprofessional) was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2020, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2020, the rate contributed by the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2020 on, participating employers and school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2019	\$ 53,107,765	\$ 45,055,573	\$ 8,052,192
Changes for the year:			
Service cost	\$ 1,065,150	\$ -	\$ 1,065,150
Interest	3,482,375	-	3,482,375
Differences between expected and actual experience	(20,986)	-	(20,986)
Impact in change in proportion	(45,957)	(38,989)	(6,968)
Contributions - employer	-	1,045,597	(1,045,597)
Contributions - employee	-	491,857	(491,857)
Net investment income	-	864,750	(864,750)
Benefit payments, including refunds	(2,942,104)	(2,942,104)	-
Administrative expenses	-	(29,617)	29,617
Other changes	-	(1,005)	1,005
Net changes	\$ 1,538,478	\$ (609,511)	\$ 2,147,989
Balances at June 30, 2020	\$ 54,646,243	\$ 44,446,062	\$ 10,200,181

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

Note 8 - Pension Plans: (Continued)

Changes in Net Pension Liability (Continued)

	Other Component Units		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2019	\$ 8,662,734	\$ 7,349,287	\$ 1,313,447
Changes for the year:			
Service cost	\$ 174,816	\$ -	\$ 174,816
Interest	571,541	-	571,541
Differences between expected and actual experience	(3,444)	-	(3,444)
Impact in change in proportion	45,957	38,990	6,967
Contributions - employer	-	171,608	(171,608)
Contributions - employee	-	80,725	(80,725)
Net investment income	-	141,926	(141,926)
Benefit payments, including refunds	(482,870)	(482,870)	-
Administrative expenses	-	(4,861)	4,861
Other changes	-	(165)	165
Net changes	\$ 306,000	\$ (54,647)	\$ 360,647
Balances at June 30, 2020	\$ 8,968,734	\$ 7,294,640	\$ 1,674,094

Remainder of this page left blank intentionally

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

Note 8 - Pension Plans: (Continued)

Changes in Net Pension Liability (Continued)

	Component Unit School Board - Nonprofessional		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2019	\$ 27,649,950	\$ 21,295,614	\$ 6,354,336
Changes for the year:			
Service cost	\$ 302,641	\$ -	\$ 302,641
Interest	1,805,274	-	1,805,274
Differences between expected and actual experience	(321,563)	-	(321,563)
Contributions - employer	-	446,165	(446,165)
Contributions - employee	-	165,344	(165,344)
Net investment income	-	398,165	(398,165)
Benefit payments, including refunds	(1,810,307)	(1,810,307)	-
Administrative expenses	-	(14,365)	14,365
Other changes	-	(462)	462
Net changes	\$ (23,955)	\$ (815,460)	\$ 791,505
Balances at June 30, 2020	\$ 27,625,995	\$ 20,480,154	\$ 7,145,841

Remainder of this page left blank intentionally

COUNTY OF TAZEWell, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

Note 8 - Pension Plans: (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the County, Other Component Units, and Component Unit School Board (nonprofessional) using the discount rate of 6.75%, as well as what the County's, Other Component Unit's, and Component Unit School Board's (nonprofessional) net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County - Primary Government Net Pension Liability	\$ 16,823,652	\$ 10,200,181	\$ 4,684,476
Other Component Units Net Pension Liability	\$ 2,761,166	\$ 1,674,094	\$ 768,835
Component Unit School Board (Nonprofessional) Net Pension Liability	\$ 9,926,331	\$ 7,145,841	\$ 4,775,700

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

For the year ended June 30, 2021, the County, Other Component Units, and Component Unit School Board (nonprofessional) recognized pension expense of \$1,965,902, \$276,009, and \$877,669, respectively. At June 30, 2021, the County, Other Component Units, and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Units Tazewell County		Component Unit School Board (Nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 49,365	\$ 30,340	\$ 8,052	\$ 4,838	\$ 11,580	\$ 175,398
Change in assumptions	511,514	-	83,437	-	109,275	-
Net difference between projected and actual earnings on pension plan investments	1,311,340	-	219,564	-	612,683	-
Impact of change in proportion	-	27,768	30,786	3,019	-	-
Employer contributions subsequent to the measurement date	1,216,175	-	191,688	-	503,719	-
Total	<u>\$ 3,088,394</u>	<u>\$ 58,108</u>	<u>\$ 533,527</u>	<u>\$ 7,857</u>	<u>\$ 1,237,257</u>	<u>\$ 175,398</u>

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

Note 8 - Pension Plans: (Continued)

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

\$1,216,175, \$191,688, and \$503,719 reported as deferred outflows of resources related to pensions resulting from the County's, Other Component Units', and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ended June 30	Primary Government	Other Component Units	Component Unit School Board (Nonprofessional)
2022	\$ 513,253	\$ 103,913	\$ (23,751)
2023	426,246	84,523	167,629
2024	449,527	75,781	214,597
2025	425,085	69,765	199,665

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2020-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Component Unit School Board (professional)

Plan Description

All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Retirement Plan upon employment. This is a cost-sharing multiple employer plan administered by the Virginia Retirement System (the system). Additional information related to the plan description is included in the first section of this note.

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each School Division's contractually required employer contribution rate for the year ended June 30, 2021 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$4,067,701 and \$3,860,904 for the years ended June 30, 2021 and June 30, 2020, respectively.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

Note 8 - Pension Plans: (Continued)

Component Unit School Board (professional) (Continued)

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

At June 30, 2021, the school division reported a liability of \$42,287,021 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2020 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2019, and rolled forward to the measurement date of June 30, 2020. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the school division's proportion was 0.29060% as compared to 0.29862% at June 30, 2019.

For the year ended June 30, 2021, the school division recognized pension expense of \$3,101,895. Since there was a change in proportionate share between the measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

At June 30, 2021, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 2,478,670
Net difference between projected and actual earnings on pension plan investments	3,216,396	-
Change in assumptions	2,886,619	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	4,117,812
Employer contributions subsequent to the measurement date	4,067,701	-
Total	\$ 10,170,716	\$ 6,596,482

COUNTY OF TAZEWELL, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2021 (Continued)

Note 8 - Pension Plans: (Continued)

Component Unit School Board (professional) (Continued)

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

\$4,067,701 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

	<u>Year Ended June 30</u>
2022	\$ (1,429,231)
2023	(139,922)
2024	496,736
2025	672,563
2026	(93,613)

Actuarial Assumptions

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2019, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020.

Inflation	2.50%
Salary increase, including inflation	3.50% - 5.95%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation*

* Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

COUNTY OF TAZEWELL, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2021 (Continued)

Note 8 - Pension Plans: (Continued)

Component Unit School Board (professional) (Continued)

Actuarial Assumptions (Continued)

Mortality rates:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decreased rate from 7.00% to 6.75%

COUNTY OF TAZEWell, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

Note 8 - Pension Plans: (Continued)

Component Unit School Board (professional) (Continued)

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67, less that system's fiduciary net position. As of June 30, 2020, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

		Teacher Employee Retirement Plan	
Total Pension Liability	\$	51,001,855	
Plan Fiduciary Net Position		36,449,229	
Employers' Net Pension Liability (Asset)	\$	14,552,626	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability			71.47%

The total pension liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net pension liability is disclosed in accordance with the requirements of GASB Statement No. 67 in the System's notes to the financial statements and required supplementary information.

The long term expected rate of return and discount rate information previously described also apply to this plan.

Sensitivity of the School Division's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the school division's proportionate share of the net pension liability using the discount rate of 6.75%, as well as what the school division's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability	\$ 62,044,557	\$ 42,287,021	\$ 25,945,041

**COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)**

Note 8 - Pension Plans: (Continued)

Component Unit School Board (professional) (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2020-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Primary Government, Other Component Units, and Component Unit School Board

Aggregate Pension Information

	Primary Government				Other Component Units				Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
VRS Pension Plans:												
Primary Government	\$ 3,088,394	\$ 58,108	\$ 10,200,181	\$ 1,965,902	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Component Units	-	-	-	-	533,527	7,857	1,674,094	276,009	-	-	-	-
School Board Nonprofessional	-	-	-	-	-	-	-	-	1,237,257	175,398	7,145,841	877,669
School Board Professional	-	-	-	-	-	-	-	-	10,170,716	6,596,482	42,287,021	3,101,895
Totals	\$ 3,088,394	\$ 58,108	\$ 10,200,181	\$ 1,965,902	\$ 533,527	\$ 7,857	\$ 1,674,094	\$ 276,009	\$ 11,407,973	\$ 6,771,880	\$ 49,432,862	\$ 3,979,564

Note 9 - Other Postemployment Benefits (OPEB) - Health Insurance:

Plan Description

In addition to the pension benefits described in Note 8, the County administers an agent multiple employer healthcare plan for County employees as well as employees of the Other Component Units and the Component Unit School Board. The plan provides post-employment health care benefits to all eligible permanent employees who meet the requirements under the County's pension plan. The plan does not issue a publicly available financial report.

Benefits Provided

The plan 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 fifteen years or reaching Medicare eligibility at age 65.

Health benefits include medical and dental. Participating retirees pay 100% of monthly premiums to continue with the County's insurance plans.

**COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)**

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

Plan Membership

At July 1, 2020 (measurement date), the following employees were covered by the benefit terms:

	Primary Government	Component Units Tazewell County	Component Unit School Board
Total active employees with coverage	234	39	644
Total retirees with coverage	18	-	78
Total	252	39	722

Contributions

The County does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the Board of Supervisors. The amounts paid by the County, Other Component Units, and Component Unit School Board, for OPEB as the benefits came due during the year ended June 30, 2021 were \$266,762, \$25,860, and \$598,378, respectively.

Total OPEB Liability

The County's total OPEB liability was measured as of July 1, 2020. The total OPEB liability was determined by an actuarial valuation as July 1, 2020.

Actuarial Assumptions

The total OPEB liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Healthcare Cost Trend Rates	6.50% for fiscal year end 2021, decreasing 0.50% per year to an ultimate rate of 5.00%
Salary Increases	Service-graded
Discount Rate	2.45%

The mortality rates were calculated using the RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2020.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

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

Discount Rate

The discount rate used when OPEB plan investments are insufficient to pay for future benefit payments is from a 20-Year tax exempt general obligation municipal bond with an average rating of AA/Aa or higher. Since the plan has no assets, the discount rate is equal to the Fidelity Index's "20-year Municipal GO AA Index" as of the measurement date. The final equivalent single discount rate used for this year's valuation is 2.45% as of the end of the fiscal year.

Changes in Total OPEB Liability

	Primary Government	Other Component Units	Component Unit School Board
Balances at June 30, 2019	\$ 6,265,999	\$ 765,005	\$ 13,009,996
Changes for the year:			
Service cost	217,661	21,100	488,239
Interest	190,416	18,459	427,125
Difference between expected and actual experience	59,879	5,805	134,316
Changes in assumptions	338,617	32,826	759,557
Contributions - employer	(266,762)	(25,860)	(598,378)
Change in proportionate share	(265,804)	(183,335)	449,139
Net changes	\$ 274,007	\$ (131,005)	\$ 1,659,998
Balances at June 30, 2020	\$ 6,540,006	\$ 634,000	\$ 14,669,994

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

The following amounts present the total OPEB liability of the County, Other Component Units, and Component Unit School Board, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.45%) or one percentage point higher (3.45%) than the current discount rate:

	Rate		
	1% Decrease 1.45%	Current Discount 2.45%	1% Increase 3.45%
Proportionate share of the healthcare total OPEB liability:			
County	\$ 7,061,853	\$ 6,540,006	\$ 6,055,284
Other Component Units	\$ 684,589	\$ 634,000	\$ 587,010
Component Unit School Board	\$ 15,840,557	\$ 14,669,994	\$ 13,582,706

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

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

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the County, Other Component Units, and Component Unit School Board, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	Rate		
	Healthcare Cost		
	1% Decrease	Trend	1% Increase
Proportionate share of the healthcare net OPEB liability:			
County	\$ 5,890,018	\$ 6,540,006	\$ 7,302,268
Other Component Units	\$ 570,989	\$ 634,000	\$ 707,895
Component Unit School Board	\$ 13,211,993	\$ 14,669,994	\$ 16,379,836

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

For the year ended June 30, 2021, the County, Other Component Units, and Component Unit School Board recognized OPEB expense in the amounts of \$534,000, (\$45,000), and \$426,000, respectively. At June 30, 2021, the County, Other Component Units, and Component Unit School Board, reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Primary Government		Other Component Units		Component Unit School Board	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
	Differences between expected and actual experience	\$ 49,400	\$ 730,227	\$ 4,789	\$ 70,790	\$ 110,811
Changes in assumptions	571,248	120,956	55,378	11,726	1,281,374	271,318
Employer contributions subsequent to the measurement date	266,762	-	25,860	-	598,378	-
Total	\$ 887,410	\$ 851,183	\$ 86,027	\$ 82,516	\$ 1,990,563	\$ 1,909,301

\$266,762, \$25,860, and \$598,378 was reported as deferred outflows of resources related to OPEB resulting from the County, Other Component Units, and Component Unit School Board, respectively, contributions subsequent to the measurement date will be recognized as a reduction of the Total OPEB liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30	Primary Government	Other Component Units		Component Unit School Board
		Component Units	Component Unit School Board	
2022	\$ (137,423)	\$ (13,322)	\$ (308,255)	
2023	(137,423)	(13,322)	(308,255)	
2024	(110,776)	(10,739)	(248,485)	
2025	105,387	10,216	236,397	
2026	49,700	4,818	111,482	

Additional disclosures on changes in total OPEB liability and related ratios can be found in the required supplementary information following the notes to the financial statements.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

Note 10 - Group Life Insurance (GLI) Plan (OPEB Plan):

Plan Description

The Group Life Insurance (GLI) Plan was established pursuant to §51.1-500 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent employees of the state agencies, teachers, and employees of participating political subdivisions are automatically covered by the VRS GLI Plan upon employment. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

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

The specific information for GLI Plan OPEB, including eligibility, coverage and benefits is described below:

Eligible Employees

The GLI Plan was established July 1, 1960, for state employees, teachers, and employees of political subdivisions that elect the plan. Basic GLI coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, safety belt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$8,616 as of June 30, 2021.

Remainder of this page left blank intentionally

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

Note 10 - Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2021 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability.

Contributions to the GLI Plan from the Primary Government were \$56,021 and \$52,744 for the years ended June 30, 2021 and June 30, 2020, respectively.

Contributions to the GLI Plan from the Other Component Units were \$8,852 and \$8,657 for the years ended June 30, 2021 and June 30, 2020, respectively.

Contributions to the GLI Plan from the Component Unit School Board (nonprofessional) were \$18,620 and \$18,494 for the years ended June 30, 2021 and June, 30, 2020, respectively.

Contributions to the GLI Plan from the Component Unit School Board (professional) were \$136,169 and \$131,763 for the years ended June 30, 2021 and June, 30, 2020, respectively.

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Plan OPEB

Primary Government GLI Plan

At June 30, 2021, the entity reported a liability of \$822,430 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2020 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2019, and rolled forward to the measurement date of June 30, 2020. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the Group Life Insurance Plan for the year ended June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the participating employer's proportion was 0.04931% as compared to 0.04975% at June 30, 2019.

For the year ended June 30, 2021, the participating employer recognized GLI OPEB expense of \$18,089. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

Note 10 - Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

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

Other Component Units Group Life Insurance Plan

At June 30, 2021, the entity reported a liability of \$134,981 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2020 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2019, and rolled forward to the measurement date of June 30, 2020. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the Group Life Insurance Plan for the year ended June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the participating employer's proportion was 0.00809% as compared to 0.00811% at June 30, 2019.

For the year ended June 30, 2021, the participating employer recognized GLI OPEB expense of \$2,969. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

Component Unit School Board (nonprofessional) GLI Program

At June 30, 2021, the entity reported a liability of \$288,375 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2020 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2019, and rolled forward to the measurement date of June 30, 2020. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the Group Life Insurance Plan for the year ended June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the participating employer's proportion was 0.01730% as compared to 0.01805% at June 30, 2019.

For the year ended June 30, 2021, the participating employer recognized GLI OPEB expense of \$(1,065). Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

Component Unit School Board (professional) GLI Program

At June 30, 2021, the entity reported a liability of \$2,054,671 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2020 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2019, and rolled forward to the measurement date of June 30, 2020. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the Group Life Insurance Program for the year ended June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the participating employer's proportion was 0.12310% as compared to 0.12656% at June 30, 2019.

For the year ended June 30, 2021, the participating employer recognized GLI OPEB expense of \$17,757. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

**COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)**

Note 10 - Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

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

At June 30, 2021, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Primary Government		Other Component Units	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 52,751	\$ 7,388	\$ 8,658	\$ 1,212
Net difference between projected and actual earnings on GLI OPEB plan investments	24,705	-	4,055	-
Change in assumptions	41,131	17,173	6,751	2,818
Changes in proportionate share	-	49,434	-	8,113
Employer contributions subsequent to the measurement date	56,021	-	8,852	-
Total	\$ 174,608	\$ 73,995	\$ 28,316	\$ 12,143

	Component Unit School Board (Nonprofessional)		Component Unit School Board (Professional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 18,497	\$ 2,591	\$ 131,788	\$ 18,455
Net difference between projected and actual earnings on GLI OPEB plan investments	8,663	-	61,721	-
Change in assumptions	14,422	6,021	102,757	42,903
Changes in proportionate share	-	47,642	-	239,277
Employer contributions subsequent to the measurement date	18,620	-	136,169	-
Total	\$ 60,202	\$ 56,254	\$ 432,435	\$ 300,635

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

Note 10 - Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

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

\$56,021, \$8,852, \$18,620, and \$136,169 reported as deferred outflows of resources related to the GLI OPEB resulting from the County's, Other Component Units', Component Unit School Board (nonprofessional)'s and Component Unit School Board (professional)'s contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ended June 30	Primary Government	Other Component Units	Component Unit School Board (Nonprofessional)	Component Unit School Board (Professional)
2022	\$ (887)	\$ (146)	\$ (7,718)	\$ (29,648)
2023	6,090	999	(5,272)	(12,218)
2024	15,323	2,515	(1,804)	9,745
2025	19,836	3,256	1,499	27,969
2026	3,996	656	(1,106)	548
Thereafter	234	41	(271)	(765)

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2019, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS ACFR.

Inflation	2.50%
Salary increases, including inflation:	
Teachers	3.50%-5.95%
Locality - General employees	3.50%-5.35%
Locality - Hazardous Duty employees	3.50%-4.75%
Investment rate of return	6.75%, net of investment expenses, including inflation*

COUNTY OF TAZEWELL, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2021 (Continued)

Note 10 - Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

*Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of OPEB liabilities.

Mortality Rates - Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decreased rate from 7.00% to 6.75%

COUNTY OF TAZEWELL, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2021 (Continued)

Note 10 - Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

Mortality Rates - Non-Largest Ten Locality Employers - General Employees

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

Note 10 - Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

Mortality Rates - Non-Largest Ten Locality Employers - Hazardous Duty Employees

Pre-Retirement:

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

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

Note 10 - Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

NET GLI OPEB Liability

The net OPEB liability (NOL) for the GLI Plan represents the plan's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2020, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

	GLI OPEB Plan
Total GLI OPEB Liability	\$ 3,523,937
Plan Fiduciary Net Position	1,855,102
GLI Net OPEB Liability (Asset)	\$ <u>1,668,835</u>
 Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	 52.64%

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

Remainder of this page left blank intentionally

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

Note 10 - Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Long-Term Expected Rate of Return

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

<u>Asset Class (Strategy)</u>	<u>Long-Term Target Asset Allocation</u>	<u>Arithmetic Long-term Expected Rate of Return</u>	<u>Weighted Average Long-term Expected Rate of Return*</u>
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP - Private Investment Partnership	3.00%	6.49%	0.19%
Total	100.00%		4.64%
		Inflation	2.50%
		*Expected arithmetic nominal return	7.14%

*The above allocation provides a one-year return of 7.14%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. On October 10, 2019 the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS Fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations provide a median return of 6.81%.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

Note 10 - Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2020, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2020 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

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

The following presents the employer's proportionate share of the net GLI OPEB liability using the discount rate of 6.75%, as well as what the employer's proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Proportional share of the GLI Plan Net OPEB Liability			
Primary Government	\$ 1,081,149	\$ 822,430	\$ 612,328
Other Component Units	\$ 177,442	\$ 134,981	\$ 100,498
Component Unit School Board (Nonprofessional)	\$ 379,091	\$ 288,375	\$ 214,705
Component Unit School Board (Professional)	\$ 2,071,023	\$ 2,054,671	\$ 1,529,773

GLI Plan Fiduciary Net Position

Detailed information about the GLI Plan's Fiduciary Net Position is available in the separately issued VRS 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2020-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

Note 11 - Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan):

Plan Description

The Virginia Retirement System (VRS) Teacher Employee Health Insurance Credit (HIC) Plan was established pursuant to §51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Employee HIC Plan. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The HIC is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

The specific information for the Teacher HIC Plan OPEB, including eligibility, coverage, and benefits is described below:

Eligible Employees

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

Benefit Amounts

The Teacher Employee HIC Plan is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired teachers. For Teacher and other professional school employees who retire, the monthly benefit is \$4.00 per year of service per month with no cap on the benefit amount. For Teacher and other professional school employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is either: \$4.00 per month, multiplied by twice the amount of service credit, or \$4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.

HIC Plan Notes

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

Remainder of this page left blank intentionally

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

Note 11 - Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Contributions

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2021 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Plan were \$304,224 and \$302,696 for the years ended June 30, 2021 and June 30, 2020, respectively.

Teacher Employee HIC OPEB Liabilities, Teacher Employee HIC OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Teacher Employee HIC Plan OPEB

At June 30, 2021, the school division reported a liability of \$3,753,485 for its proportionate share of the VRS Teacher Employee HIC Plan Net OPEB Liability. The Net VRS Teacher Employee HIC Plan OPEB Liability was measured as of June 30, 2020 and the total VRS Teacher Employee HIC Plan OPEB liability used to calculate the Net VRS Teacher Employee HIC Plan OPEB Liability was determined by an actuarial valuation performed as of June 30, 2019 and rolled forward to the measurement date of June 30, 2020. The school division's proportion of the Net VRS Teacher Employee HIC Program OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC OPEB plan for the year ended June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the school division's proportion of the VRS Teacher Employee Health Insurance Credit Plan was 0.28770% as compared to 0.29555% at June 30, 2019.

For the year ended June 30, 2021, the school division recognized VRS Teacher Employee HIC OPEB expense of \$209,346. Since there was a change in proportionate share between measurement dates, a portion of the VRS Teacher Employee HIC Net OPEB expense was related to deferred amounts from changes in proportion.

Remainder of this page left blank intentionally

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

Note 11 - Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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

At June 30, 2021, the school division reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee HIC OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 50,126
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	16,634	-
Change in assumptions	74,201	20,508
Change in proportionate share	-	501,625
Employer contributions subsequent to the measurement date	304,224	-
Total	\$ 395,059	\$ 572,259

\$304,224 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

Year Ended June 30

2022	\$ (98,040)
2023	(96,391)
2024	(96,944)
2025	(87,890)
2026	(62,673)
Thereafter	(39,486)

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

Note 11 - Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Actuarial Assumptions

The total Teacher Employee HIC OPEB liability for the VRS Teacher Employee HIC Plan was based on an actuarial valuation as of June 30, 2019, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020.

Inflation	2.50%
Salary increases, including inflation:	3.50%-5.95%
Investment rate of return	6.75%, net of investment expenses, including inflation*

*Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of OPEB liabilities.

Mortality Rates - Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Remainder of this page left blank intentionally

**COUNTY OF TAZEWell, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)**

Note 11 - Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decreased rate from 7.00% to 6.75%

Net Teacher Employee HIC OPEB Liability

The net OPEB liability (NOL) for the Teacher Employee HIC Plan represents the plan's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2020, NOL amounts for the VRS Teacher Employee HIC Plan is as follows (amounts expressed in thousands):

		<u>Teacher Employee HIC OPEB Plan</u>
Total Teacher Employee HIC OPEB Liability	\$	1,448,676
Plan Fiduciary Net Position		144,160
Teacher Employee Net HIC OPEB Liability (Asset)	\$	<u>1,304,516</u>
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability		
		9.95%

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

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

Note 11 - Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Long-Term Expected Rate of Return

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

<u>Asset Class (Strategy)</u>	<u>Long-Term Target Asset Allocation</u>	<u>Arithmetic Long-term Expected Rate of Return</u>	<u>Weighted Average Long-term Expected Rate of Return*</u>
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP - Private Investment Partnership	3.00%	6.49%	0.19%
Total	<u>100.00%</u>		<u>4.64%</u>
		Inflation	<u>2.50%</u>
		*Expected arithmetic nominal return	<u><u>7.14%</u></u>

*The above allocation provides a one-year return of 7.14%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. On October 10, 2019 the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations provide a median return of 6.81%.

COUNTY OF TAZEWELL, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2021 (Continued)

Note 11 - Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Discount Rate

The discount rate used to measure the total Teacher Employee HIC OPEB was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2020, the rate contributed by each school division for the VRS Teacher Employee HIC Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2020 on, all agencies are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Teacher Employee HIC OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total Teacher Employee HIC OPEB liability.

Sensitivity of the School Division's Proportionate Share of the Teacher Employee HIC Net OPEB Liability to Changes in the Discount Rate

The following presents the school division's proportionate share of the VRS Teacher Employee HIC Plan net HIC OPEB liability using the discount rate of 6.75%, as well as what the school division's proportionate share of the net HIC OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability	\$ 4,201,636	\$ 3,753,485	\$ 3,372,590

Teacher Employee HIC OPEB Fiduciary Net Position

Detailed information about the VRS Teacher Employee HIC Plan's Fiduciary Net Position is available in the separately issued VRS 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2020-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

Note 12 - Health Insurance Credit (HIC) Plan (OPEB Plan):

Plan Description

The Political Subdivision Health Insurance Credit (HIC) Plan was established pursuant to §51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent employees of participating political subdivisions are automatically covered by the VRS Political Subdivision HIC Plan upon employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The HIC is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

The specific information about the Political Subdivision HIC Plan OPEB, including eligibility, coverage and benefits is described below:

Eligible Employees

The Political Subdivision Retiree HIC Plan was established July 1, 1993 for retired political subdivision employees of employers who elect the benefit and retire with at least 15 years of service credit. Eligible employees include full-time permanent salaried employees of the participating political subdivision who are covered under the VRS pension plan. These employees are enrolled automatically upon employment.

Benefit Amounts

The Political Subdivision Retiree HIC Plan is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired political subdivision employees of participating employers. For employees who retire, the monthly benefit is \$1.50 per year of service per month with a maximum benefit of \$45.00 per month. For employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is \$45.00 per month.

HIC Plan Notes

The monthly HIC benefit cannot exceed the individual premium amount. There is no HIC for premiums paid and qualified under LODA; however, the employee may receive the credit for premiums paid for other qualified health plans. Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the HIC as a retiree.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

Note 12 - Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Employees Covered by Benefit Terms

As of the June 30, 2019 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan:

	<u>Number</u>
Active members	175
Total covered employees	<u><u>175</u></u>

Contributions

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The Component Unit School Board's contractually required employer contribution rate for the year ended June 30, 2021 was 1.64% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the Component Unit School Board to the HIC Plan were \$56,225 and \$0 for the years ended June 30, 2021 and June 30, 2020, respectively.

Net HIC OPEB Liability

The Component Unit School Board's net HIC OPEB liability was measured as of June 30, 2020. The total HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2019, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020.

Remainder of this page left blank intentionally

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

Note 12 - Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2019, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020.

Inflation	2.50%
Salary increases, including inflation:	
Locality - General employees	3.50%-5.35%
Investment rate of return	6.75%, net of investment expenses, including inflation*

*Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of the OPEB liabilities.

Mortality Rates - Non-Largest Ten Locality Employers - General Employees

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

COUNTY OF TAZEWELL, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2021 (Continued)

Note 12 - Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

Remainder of this page left blank intentionally

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

Note 12 - Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Long-Term Expected Rate of Return

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

<u>Asset Class (Strategy)</u>	<u>Long-Term Target Asset Allocation</u>	<u>Arithmetic Long-term Expected Rate of Return</u>	<u>Weighted Average Long-term Expected Rate of Return*</u>
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP - Private Investment Partnership	3.00%	6.49%	0.19%
Total	100.00%		4.64%
		Inflation	2.50%
		*Expected arithmetic nominal return	7.14%

*The above allocation provides a one-year return of 7.14%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations provide a median return of 6.81%.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

Note 12 - Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Discount Rate

The discount rate used to measure the total HIC OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2020, the rate contributed by the entity for the HIC OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2020 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

Changes in Net HIC OPEB Liability

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2019	\$ -	\$ -	\$ -
Changes for the year:			
Benefit changes	\$ 782,665	\$ -	\$ 782,665
Net changes	\$ 782,665	\$ -	\$ 782,665
Balances at June 30, 2020	\$ 782,665	\$ -	\$ 782,665

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

Note 12 - Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Sensitivity of the Component Unit School Board's HIC Net OPEB Liability to Changes in the Discount Rate

The following presents the Component Unit School Board's HIC Plan net HIC OPEB liability using the discount rate of 6.75%, as well as what the Component Unit School Board's net HIC OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
Component Unit School Board's			
Net HIC OPEB Liability	\$ 855,605	\$ 782,665	\$ 719,247

HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC Plan OPEB

For the year ended June 30, 2021, the Component Unit School Board recognized HIC Plan OPEB expense of \$782,665. At June 30, 2021, the Component Unit School Board reported deferred outflows of resources and deferred inflows of resources related to the Component Unit School Board's HIC Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions subsequent to the measurement date	\$ 56,225	\$ -
Total	\$ 56,225	\$ -

**COUNTY OF TAZEWell, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)**

Note 12 - Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC Plan OPEB: (Continued)

\$56,225 reported as deferred outflows of resources related to the HIC OPEB resulting from the Component Unit School Board's contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2022.

HIC Plan Data

Information about the VRS Political Subdivision HIC Plan is available in the separately issued VRS 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2020-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 13 - Aggregate OPEB Information:

	Primary Government				Other Component Units				Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
VRS OPEB Plans:												
Group Life Insurance Plan:												
County	\$ 174,608	\$ 73,995	\$ 822,430	\$ 18,089	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Component Units	-	-	-	-	28,316	12,143	134,981	2,969	-	-	-	-
School Board Nonprofessional	-	-	-	-	-	-	-	-	60,202	56,254	288,375	(1,065)
School Board Professional	-	-	-	-	-	-	-	-	432,435	300,635	2,054,671	17,757
Health Insurance Credit Plan:												
School Board Health Insurance Credit Plan	-	-	-	-	-	-	-	-	56,225	-	782,665	782,665
Teacher Health Insurance Credit Plan	-	-	-	-	-	-	-	-	395,059	572,259	3,753,485	209,346
County Stand-Alone Plan	887,410	851,183	6,540,006	534,000	-	-	-	-	-	-	-	-
Component Units Stand-Alone Plan	-	-	-	-	86,027	82,516	634,000	(45,000)	-	-	-	-
School Stand-Alone Plan	-	-	-	-	-	-	-	-	1,990,563	1,909,301	14,669,994	426,000
Totals	\$ 1,062,018	\$ 925,178	\$ 7,362,436	\$ 552,089	\$ 114,343	\$ 94,659	\$ 768,981	\$ (42,031)	\$ 2,934,484	\$ 2,838,449	\$ 21,549,190	\$ 1,434,703

Note 14 - Contingent Liabilities:

Federal programs in which the County and its component units participate were audited in accordance with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards (the Uniform Guidance). Pursuant to the provisions of this circular all major programs and certain other programs were tested for compliance with applicable grant requirements. Matters of noncompliance were disclosed by audit and the Federal Government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, any future disallowances of current grant program expenditures, if any, would be immaterial.

Note 15 - Landfill Closure and Postclosure Care Cost:

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post closure care costs as an operating expense in each period based on landfill capacity used at each balance sheet date. Of the \$17,014,089 reported as landfill closure and post closure care liability at June 30, 2021, \$9,579,762 represents the cumulative amount reported to date based on use of 56.30 percent of the estimated capacity of the landfill.

**COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)**

Note 15 - Landfill Closure and Postclosure Care Cost: (Continued)

The County will recognize the remaining estimated cost of closure and postclosure care of \$7,434,327 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 2021.

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 16 - 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 17 - 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. Under the accrual basis, assessments for future periods are deferred. Deferred/unavailable revenue is comprised of the following:

	Government-wide Statements	Balance Sheet
	Governmental Activities	Governmental Funds
Primary Government		
Unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures (amount due but not collected at 6/30)	\$ -	\$ 2,839,471
Property taxes due in December 2021	28,298,000	28,298,000
Prepaid property taxes due in December 2021 but paid in advance by the taxpayers	1,079,145	1,079,145
Total deferred/unavailable revenue	\$ 29,377,145	\$ 32,216,616

**COUNTY OF TAZEWell, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)**

Note 18 - Surety Bonds:

	Amount
Commonwealth of America, Division of Risk Management	
Tammy Allison, Clerk of the Circuit Court	\$ 710,000
David Larimer, Treasurer	500,000
David Anderson, Commissioner of the Revenue	3,000
Brian Heatt, 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:	
C. Eric Young, County Administrator	50,000
St. Paul Fire and Marine Insurance Company	
David Taylor, Interim Director of Social Services	25,000
All Social Services employees - blanket	100,000

Note 19 - Nonspendable, Restricted, and Committed Fund Balances/Net Position by Fund:

	Governmental Activities						Total	Business-type Activities	Component Unit - School Board		Total
	General Fund	County CIP Fund	Law Library Fund	Coal Road Improvement Fund	Coal Road Economic Development Fund	Damage Stamp Fund		Landfill Fund	School Operating Fund	School Activity Fund	
Nonspendable:											
Prepaid items	\$ 146,994	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 146,994	\$ -	\$ 484,050	\$ -	\$ 484,050
Restricted:											
Public safety	\$ 85,348	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 85,348	\$ -	\$ -	\$ -	\$ -
Health insurance	627,702	-	-	-	-	-	627,702	-	3,554,780	-	3,554,780
Debt service	-	-	-	-	-	-	-	3,207,336	-	-	-
Total restricted balances	\$ 713,050	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 713,050	\$3,207,336	\$3,554,780	\$ -	\$3,554,780
Committed funds:											
Wireless fund	\$ 35,834	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,834	\$ -	\$ -	\$ -	\$ -
Recreation	360,108	-	-	-	-	-	360,108	-	-	-	-
Capital projects	-	325,547	-	-	-	-	325,547	-	-	-	-
Law library	-	-	57,937	-	-	-	57,937	-	-	-	-
Coal road improvements	-	-	-	1,140,168	-	-	1,140,168	-	-	-	-
Coal road economic development	-	-	-	-	27,596	-	27,596	-	-	-	-
Damage stamp	-	-	-	-	-	42	42	-	-	-	-
Education	-	-	-	-	-	-	-	-	6,231,249	1,001,083	7,232,332
Total committed balances	\$ 395,942	\$ 325,547	\$ 57,937	\$1,140,168	\$ 27,596	\$ 42	\$ 1,947,232	\$ -	\$6,231,249	\$1,001,083	\$7,232,332

COUNTY OF TAZEWell, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

Note 20 - COVID-19 Pandemic:

The COVID-19 pandemic and its impact on operations continues to evolve. Specific to the County, COVID-19 impacted various parts of its 2021 operations and financial results including, but not limited to, costs for emergency preparedness and shortages of personnel. Federal relief has been received through various programs. Management believes the County is taking appropriate actions to mitigate the negative impact. The extent to which COVID-19 may impact operations in subsequent years remains uncertain, and management is unable to estimate the effects on future results of operations, financial condition, or liquidity for fiscal year 2022.

CARES Act Funding

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was passed by the federal government to alleviate some of the effects of the sharp economic downturn due to the COVID-19 pandemic, which included direct aid for state and local governments from the federal Coronavirus Relief Fund (CRF).

Each locality received its CRF allocations based on population in two equal payments, with the second and final round of funding being received during fiscal year 2021. The County received total CRF funding of \$7,093,378. In addition, the School Board received CRF funding from the Virginia Department of Education in the amount of \$942,375. As a condition of receiving CRF funds, any funds unexpended as of December 31, 2021 will be returned to the federal government. Unspent CRF funds in the amount of \$503,054 are reported as unearned revenue as of June 30.

ARPA Funding

On March 11, 2021, the American Rescue Plan (ARPA) Act of 2021 was passed by the federal government. A primary component of the ARPA was the establishment of the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF). Local governments are to receive funds in two tranches, with 50% provided beginning in May 2021 and the balance delivered approximately 12 months later.

On June 22, 2021, the County received its share of the first half of the CSLFRF funds. As a condition of receiving CSLFRF funds, any funds unobligated by December 31, 2024, and unexpended by December 31, 2026, will be returned to the federal government. Unspent funds in the amount of \$3,942,552 from the initial allocation are reported as unearned revenue as of June 30.

ESF Funding

The CARES Act also established the Education Stabilization Fund (ESF) and allocated \$30.75 billion to the U.S. Department of Education. The ESF is composed of three primary emergency relief funds: (1) a Governor's Emergency Education Relief (GEER) Fund, (2) an Elementary and Secondary School Emergency Relief (ESSER) Fund, and (3) a Higher Education Emergency Relief (HEER) Fund. The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA Act) was signed into law on December 27, 2020 and added \$81.9 billion to the ESF. In March 2021, the American Rescue Plan Act (ARP Act), in support of ongoing state and institutional COVID-19 recovery efforts, added more than \$170 billion to the ESF. The School Board is receiving this funding from the Virginia Department of Education on a reimbursement basis.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

Note 21 - Adoption of Accounting Principle:

The County implemented the financial reporting provisions of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, during the fiscal year ended June 30, 2021. This Statement establishes criteria for identifying fiduciary activities of all state and local governments for accounting and financial reporting purpose and how those activities should be reported.

	Fund Balance	Net Position	
	Component Unit - School Board	Component Unit - School Board	Custodial Funds
Beginning balance, as previously stated	\$ 6,426,910	\$ (37,128,459)	\$ -
Implementation of GASB 84	1,208,544	1,208,544	67,203
Beginning balance, as restated	<u>\$ 7,635,454</u>	<u>\$ (35,919,915)</u>	<u>\$ 67,203</u>

Note 22 - Subsequent Events:

After year end, the County settled on two claims regarding erroneous assessment of machinery and tools taxes. As a result, \$213,240 in taxes will be abated.

Note 23 - Upcoming Pronouncements:

Statement No. 87, *Leases*, requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, provides guidance for reporting capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

Statement No. 91, *Conduit Debt Obligations*, provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

Statement No. 92, *Omnibus 2020*, addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics such as leases, assets related to pension and postemployment benefits, and reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature. The effective dates differ by topic, ranging from January 2020 to periods beginning after June 15, 2021.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 (Continued)

Note 23 - Upcoming Pronouncements: (Continued)

Statement No. 93, *Replacement of Interbank Offered Rates*, establishes accounting and financial reporting requirements related to the replacement of Interbank Offered Rates (IBORs) in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The requirements of this Statement, except for removal of London Interbank Offered Rate (LIBOR) as an appropriate benchmark interest rate and the requirements related to lease modifications, are effective for reporting periods beginning after June 15, 2020. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All requirements related to lease modifications in this Statement are effective for reporting periods beginning after June 15, 2021.

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability of Payment Arrangements*, addresses issues related to public-private and public-public partnership arrangements. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code (IRC) Section 457 Deferred Compensation Plans - an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement. No 32*, (1) increases consistency and comparability related to reporting of fiduciary component units in certain circumstances; (2) mitigates costs associated with the reporting of certain plans as fiduciary component units in fiduciary fund financial statements; and (3) enhances the relevance, consistency, and comparability of the accounting and financial reporting for Section 457 plans that meet the definition of a pension plan and for benefits provided through those plans. The effective dates differ based on the requirements of the Statement, ranging from June 2020 to reporting periods beginning after June 15, 2021.

Management is currently evaluating the impact these standards will have on the financial statements when adopted.

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, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Pos (Neg)
	Original	Final		
REVENUES				
General Property Taxes	\$ 24,620,734	\$ 24,920,734	\$ 25,600,311	\$ 679,577
Other Local Taxes	6,757,738	6,757,738	7,740,161	982,423
Permits, Privilege Fees and Regulatory Licenses	144,775	144,775	194,352	49,577
Fines and Forfeitures	40,000	40,000	39,202	(798)
Revenue from Use of Money and Property	307,526	307,526	280,572	(26,954)
Charges for Services	343,000	413,000	374,879	(38,121)
Miscellaneous	177,500	197,182	94,698	(102,484)
Recovered Costs	1,464,090	1,484,302	2,270,072	785,770
Intergovernmental:				
Commonwealth	13,026,246	13,505,134	12,864,344	(640,790)
Federal Government	8,916,282	8,266,282	11,228,513	2,962,231
Total Revenues	\$ 55,797,891	\$ 56,036,673	\$ 60,687,104	\$ 4,650,431
EXPENDITURES:				
Current:				
General Government Administration	\$ 4,793,590	\$ 4,994,651	\$ 3,776,948	\$ 1,217,703
Judicial Administration	2,297,868	2,411,128	2,469,515	(58,387)
Public Safety	14,681,663	15,136,728	14,174,212	962,516
Public Works	1,292,740	1,254,797	1,247,481	7,316
Health and Welfare	15,976,301	18,132,820	16,270,756	1,862,064
Education	11,493,764	11,584,099	12,798,276	(1,214,177)
Parks, Recreation and Cultural	1,454,280	1,469,341	1,411,144	58,197
Community Development	1,093,175	2,734,113	2,365,135	368,978
Non-Departmental	330,000	106,243	65,871	40,372
Debt Service:				
Principal Retirement	1,823,948	1,823,948	1,546,927	277,021
Interest and Other Fiscal Charges	936,064	936,064	718,895	217,169
Bond Issuance Costs	-	-	75,000	(75,000)
Total Expenditures	\$ 56,173,393	\$ 60,583,932	\$ 56,920,160	\$ 3,663,772
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (375,502)	\$ (4,547,259)	\$ 3,766,944	\$ 8,314,203
Other Financing Sources (Uses)				
Transfers In	\$ 5,000	\$ 5,000	\$ 5,000	-
Transfers Out	(1,231,754)	(1,531,754)	(1,842,468)	(310,714)
Payment to Refunded Bonds Escrow Agent	-	-	(3,977,361)	(3,977,361)
Issuance of Refunding Bonds	-	-	4,053,000	4,053,000
Total Other Financing Sources (Uses)	\$ (1,226,754)	\$ (1,526,754)	\$ (1,761,829)	\$ (235,075)
Net Change in Fund Balance	\$ (1,602,256)	\$ (6,074,013)	\$ 2,005,115	\$ 8,079,128
Fund Balance - Beginning	1,602,256	6,074,013	12,110,557	6,036,544
Fund Balance - Ending	\$ -	\$ -	\$ 14,115,672	\$ 14,115,672

County of Tazewell, Virginia
 Schedule of Changes in Net Pension Liability and Related Ratios
 Primary Government
 Pension Plans
 For the Measurement Dates of June 30, 2014 through June 30, 2020

	2020	2019	2018	2017	2016	2015	2014
Total pension liability							
Service cost	\$ 1,065,150	\$ 1,004,039	\$ 1,015,173	\$ 1,090,137	\$ 1,095,549	\$ 1,086,879	\$ 1,078,495
Interest	3,482,375	3,386,517	3,310,997	3,202,401	3,043,467	2,899,146	2,767,693
Change of assumptions	-	1,476,634	-	(156,883)	-	-	-
Differences between expected and actual experience	(20,986)	142,508	(305,314)	(7,195)	651,020	313,432	-
Impact in change in proportion	(45,957)	(328,076)	(40,854)	(209,616)	(111,024)	-	-
Benefit payments	(2,942,104)	(2,561,543)	(2,666,301)	(2,406,191)	(2,213,605)	(2,039,716)	(1,896,954)
Net change in total pension liability	\$ 1,538,478	\$ 3,120,079	\$ 1,313,701	\$ 1,512,653	\$ 2,465,407	\$ 2,259,741	\$ 1,949,234
Total pension liability - beginning	<u>53,107,765</u>	<u>49,987,686</u>	<u>48,673,985</u>	<u>47,161,332</u>	<u>44,695,925</u>	<u>42,436,184</u>	<u>40,486,950</u>
Total pension liability - ending (a)	<u>\$ 54,646,243</u>	<u>\$ 53,107,765</u>	<u>\$ 49,987,686</u>	<u>\$ 48,673,985</u>	<u>\$ 47,161,332</u>	<u>\$ 44,695,925</u>	<u>\$ 42,436,184</u>
Plan fiduciary net position							
Impact in change in proportion	\$ (38,989)	\$ (285,911)	\$ (35,018)	\$ (169,900)	\$ (95,046)	\$ -	\$ -
Contributions - employer	1,045,597	1,015,055	1,010,986	1,018,151	1,110,489	1,127,068	1,109,531
Contributions - employee	491,857	494,738	497,210	491,028	527,074	515,377	495,039
Net investment income	864,750	2,860,605	3,064,187	4,593,798	657,018	1,688,554	5,070,273
Benefit payments	(2,942,104)	(2,561,543)	(2,666,301)	(2,406,191)	(2,213,605)	(2,039,716)	(1,896,954)
Administrator charges	(29,617)	(28,648)	(26,916)	(26,855)	(23,721)	(23,151)	(27,328)
Other	(1,005)	(1,799)	(2,704)	(4,077)	(280)	(356)	268
Net change in plan fiduciary net position	\$ (609,511)	\$ 1,492,497	\$ 1,841,444	\$ 3,495,954	\$ (38,071)	\$ 1,267,776	\$ 4,750,829
Plan fiduciary net position - beginning	<u>45,055,573</u>	<u>43,563,076</u>	<u>41,721,632</u>	<u>38,225,678</u>	<u>38,263,749</u>	<u>36,995,973</u>	<u>32,245,144</u>
Plan fiduciary net position - ending (b)	<u>\$ 44,446,062</u>	<u>\$ 45,055,573</u>	<u>\$ 43,563,076</u>	<u>\$ 41,721,632</u>	<u>\$ 38,225,678</u>	<u>\$ 38,263,749</u>	<u>\$ 36,995,973</u>
County's net pension liability - ending (a) - (b)	\$ 10,200,181	\$ 8,052,192	\$ 6,424,610	\$ 6,952,353	\$ 8,935,654	\$ 6,432,176	\$ 5,440,211
Plan fiduciary net position as a percentage of the total pension liability	81.33%	84.84%	87.15%	85.72%	81.05%	85.61%	87.18%
Covered payroll	\$ 10,098,852	\$ 9,731,606	\$ 9,910,529	\$ 9,859,374	\$ 9,964,213	\$ 10,048,316	\$ 9,720,135
County's net pension liability as a percentage of covered payroll	101.00%	82.74%	64.83%	70.52%	89.68%	64.01%	55.97%

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

County of Tazewell, Virginia
 Schedule of Changes in Net Pension Liability and Related Ratios
 Other Component Units
 Pension Plans
 For the Measurement Dates of June 30, 2014 through June 30, 2020

	2020	2019	2018	2017	2016	2015	2014
Total pension liability							
Service cost	\$ 174,816	\$ 163,776	\$ 157,842	\$ 168,446	\$ 163,654	\$ 159,256	\$ 158,027
Interest	571,541	552,397	514,803	494,813	454,636	424,797	405,539
Change of assumptions	-	240,864	-	(24,240)	-	-	-
Differences between expected and actual experience	(3,444)	23,246	(47,471)	(1,112)	97,250	45,926	-
Impact in change of proportion	45,957	328,076	40,855	209,616	111,024	-	-
Benefit payments	(482,870)	(417,830)	(414,564)	(371,788)	(330,671)	(298,872)	(277,953)
Net change in total pension liability	\$ 306,000	\$ 890,529	\$ 251,465	\$ 475,735	\$ 495,893	\$ 331,107	\$ 285,613
Total pension liability - beginning	<u>8,662,734</u>	<u>7,772,205</u>	<u>7,520,740</u>	<u>7,045,005</u>	<u>6,549,112</u>	<u>6,218,005</u>	<u>5,932,392</u>
Total pension liability - ending (a)	<u>\$ 8,968,734</u>	<u>\$ 8,662,734</u>	<u>\$ 7,772,205</u>	<u>\$ 7,520,740</u>	<u>\$ 7,045,005</u>	<u>\$ 6,549,112</u>	<u>\$ 6,218,005</u>
Plan fiduciary net position							
Impact in change of proportion	\$ 38,990	\$ 285,911	\$ 35,018	\$ 169,900	\$ 95,046	\$ -	\$ -
Contributions - employer	171,608	165,572	157,191	157,318	165,886	165,145	162,576
Contributions - employee	80,725	80,700	77,308	75,870	78,735	75,516	72,536
Net investment income	141,926	466,612	476,429	709,802	98,146	247,413	742,927
Benefit payments	(482,870)	(417,830)	(414,564)	(371,788)	(330,671)	(298,872)	(277,953)
Administrator charges	(4,861)	(4,673)	(4,185)	(4,149)	(3,543)	(3,393)	(4,004)
Other	(165)	(293)	(420)	(629)	(42)	(52)	38
Net change in plan fiduciary net position	\$ (54,647)	\$ 575,999	\$ 326,777	\$ 736,324	\$ 103,557	\$ 185,757	\$ 696,120
Plan fiduciary net position - beginning	<u>7,349,287</u>	<u>6,773,288</u>	<u>6,446,511</u>	<u>5,710,187</u>	<u>5,606,630</u>	<u>5,420,873</u>	<u>4,724,753</u>
Plan fiduciary net position - ending (b)	<u>\$ 7,294,640</u>	<u>\$ 7,349,287</u>	<u>\$ 6,773,288</u>	<u>\$ 6,446,511</u>	<u>\$ 5,710,187</u>	<u>\$ 5,606,630</u>	<u>\$ 5,420,873</u>
Component Units' net pension liability - ending (a) - (b)	\$ 1,674,094	\$ 1,313,447	\$ 998,917	\$ 1,074,229	\$ 1,334,818	\$ 942,482	\$ 797,132
Plan fiduciary net position as a percentage of the total pension liability	81.33%	84.84%	87.15%	85.72%	81.05%	85.61%	87.18%
Covered payroll	\$ 1,657,458	\$ 1,590,448	\$ 1,531,307	\$ 1,472,797	\$ 1,460,017	\$ 1,472,340	\$ 1,424,253
Component Units' net pension liability as a percentage of covered payroll	101.00%	82.58%	65.23%	72.94%	91.42%	64.01%	55.97%

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

County of Tazewell, Virginia
 Schedule of Changes in Net Pension Liability and Related Ratios
 Component Unit School Board (Nonprofessional)
 Pension Plans
 For the Measurement Dates of June 30, 2014 through June 30, 2020

	2020	2019	2018	2017	2016	2015	2014
Total pension liability							
Service cost	\$ 302,641	\$ 312,522	\$ 325,917	\$ 353,607	\$ 359,182	\$ 375,904	\$ 389,969
Interest	1,805,274	1,797,737	1,784,614	1,770,523	1,752,811	1,729,888	1,688,775
Change of assumptions	-	655,655	-	(70,894)	-	-	-
Differences between expected and actual experience	(321,563)	69,476	(208,796)	(183,199)	(243,199)	(222,538)	-
Benefit payments	(1,810,307)	(1,734,801)	(1,693,716)	(1,643,775)	(1,587,749)	(1,523,814)	(1,459,018)
Net change in total pension liability	\$ (23,955)	\$ 1,100,589	\$ 208,019	\$ 226,262	\$ 281,045	\$ 359,440	\$ 619,726
Total pension liability - beginning	27,649,950	26,549,361	26,341,342	26,115,080	25,834,035	25,474,595	24,854,869
Total pension liability - ending (a)	\$ 27,625,995	\$ 27,649,950	\$ 26,549,361	\$ 26,341,342	\$ 26,115,080	\$ 25,834,035	\$ 25,474,595
Plan fiduciary net position							
Contributions - employer	\$ 446,165	\$ 450,672	\$ 496,279	\$ 511,878	\$ 637,931	\$ 629,864	\$ 589,541
Contributions - employee	165,344	167,179	179,643	185,775	191,556	190,601	190,618
Net investment income	398,165	1,360,432	1,494,878	2,292,108	328,681	875,280	2,714,251
Benefit payments	(1,810,307)	(1,734,801)	(1,693,716)	(1,643,775)	(1,587,749)	(1,523,814)	(1,459,018)
Administrator charges	(14,365)	(14,332)	(13,492)	(13,865)	(12,500)	(12,501)	(15,068)
Other	(462)	(850)	(1,308)	(2,014)	(142)	(185)	143
Net change in plan fiduciary net position	\$ (815,460)	\$ 228,300	\$ 462,284	\$ 1,330,107	\$ (442,223)	\$ 159,245	\$ 2,020,467
Plan fiduciary net position - beginning	21,295,614	21,067,314	20,605,030	19,274,923	19,717,146	19,557,901	17,537,434
Plan fiduciary net position - ending (b)	\$ 20,480,154	\$ 21,295,614	\$ 21,067,314	\$ 20,605,030	\$ 19,274,923	\$ 19,717,146	\$ 19,557,901
School Board's net pension liability - ending (a) - (b)	\$ 7,145,841	\$ 6,354,336	\$ 5,482,047	\$ 5,736,312	\$ 6,840,157	\$ 6,116,889	\$ 5,916,694
Plan fiduciary net position as a percentage of the total pension liability	74.13%	77.02%	79.35%	78.22%	73.81%	76.32%	76.77%
Covered payroll	\$ 3,526,992	\$ 3,530,389	\$ 3,778,109	\$ 3,877,669	\$ 3,958,254	\$ 3,891,558	\$ 3,824,515
School Board's net pension liability as a percentage of covered payroll	202.60%	179.99%	145.10%	147.93%	172.81%	157.18%	154.70%

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

County of Tazewell, Virginia
 Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan
 Pension Plans
 For the Measurement Dates of June 30, 2014 through June 30, 2020

	2020	2019	2018	2017	2016	2015	2014
Employer's Proportion of the Net Pension Liability (Asset)	0.29060%	0.29862%	0.32016%	0.33673%	0.34666%	0.35749%	0.36174%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 42,287,021	\$ 39,300,089	\$ 37,651,000	\$ 41,411,000	\$ 48,581,000	\$ 44,995,000	\$ 43,715,000
Employer's Covered Payroll	25,224,367	24,794,223	25,740,658	26,133,765	26,431,418	26,579,014	26,452,530
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	167.64%	158.51%	146.27%	158.46%	183.80%	169.29%	165.26%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.47%	73.51%	74.81%	72.92%	89.84%	70.88%	70.88%

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

County of Tazewell, Virginia
 Schedule of Employer Contributions
 Pension Plans
 For the Fiscal Years Ended June 30, 2012 through June 30, 2021

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
2021	\$ 1,216,175	\$ 1,216,175	-	\$ 10,391,181	11.70%
2020	1,086,636	1,086,636	-	10,098,852	10.76%
2019	1,015,039	1,015,039	-	9,731,606	10.43%
2018	1,024,401	1,024,401	-	9,910,529	10.34%
2017	1,016,717	1,016,717	-	9,859,374	10.31%
2016	1,120,484	1,120,484	-	9,964,213	11.25%
2015	1,127,068	1,127,068	-	10,048,316	11.22%
Component Units					
2021	\$ 191,688	\$ 191,688	-	\$ 1,611,887	11.89%
2020	178,343	178,343	-	1,657,458	10.76%
2019	165,570	165,570	-	1,590,448	10.41%
2018	159,510	159,510	-	1,531,307	10.42%
2017	157,456	157,456	-	1,472,797	10.69%
2016	167,379	167,379	-	1,460,017	11.46%
2015	165,145	165,145	-	1,472,340	11.22%
Component Unit School Board (nonprofessional)					
2021	\$ 503,719	\$ 503,719	-	\$ 3,428,413	14.69%
2020	446,160	446,160	-	3,526,992	12.65%
2019	450,673	450,673	-	3,530,389	12.77%
2018	496,256	496,256	-	3,778,109	13.14%
2017	511,880	511,880	-	3,877,669	13.20%
2016	638,441	638,441	-	3,958,254	16.13%
2015	633,935	633,935	-	3,891,558	16.29%
2014	585,916	585,916	-	3,824,515	15.32%
2013	585,126	585,126	-	3,819,361	15.32%
2012	440,570	440,570	-	3,874,849	11.37%
Component Unit School Board (professional)					
2021	\$ 4,067,701	\$ 4,067,701	-	\$ 25,146,532	16.18%
2020	3,860,904	3,860,904	-	25,224,367	15.31%
2019	3,824,277	3,824,277	-	24,794,223	15.42%
2018	4,140,042	4,140,042	-	25,740,658	16.08%
2017	3,831,210	3,831,210	-	26,133,765	14.66%
2016	3,695,626	3,695,626	-	26,431,418	13.98%
2015	4,249,445	4,249,445	-	26,579,014	15.99%
2014	3,084,365	3,084,365	-	26,452,530	11.66%
2013	3,115,911	3,115,911	-	26,723,079	11.66%
2012	3,956,125	3,956,125	-	34,917,255	11.33%

Contributions are from County records.

Schedule is intended to show information for 10 years. Because multiple employers participate in the County of Tazewell, Virginia's retirement plan, prior to 2015 the Component Units' information was included in the County's schedules. Therefore, no additional data is currently available. Additional years will be included as they become available.

County of Tazewell, Virginia
Notes to Required Supplementary Information
Pension Plans
For the Fiscal Year Ended June 30, 2021

Changes of benefit terms - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions - The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

All Others (Non 10 Largest) - Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

All Others (Non 10 Largest) - Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates, and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better fit experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

Component Unit School Board - Professional Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decreased rate from 7.00% to 6.75%

County of Tazewell, Virginia
 Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios - Health Insurance
 Primary Government
 For the Fiscal Years Ended June 30, 2018 through June 30, 2021

	2021	2020	2019	2018
Total OPEB liability				
Service cost	\$ 217,661	\$ 193,536	\$ 299,000	\$ 283,000
Interest	190,416	215,422	207,000	198,000
Changes in assumptions	338,617	461,172	66,000	-
Differences between expected and actual experience	59,879	(214,484)	(430,000)	-
Contributions	(266,762)	(293,899)	(268,000)	-
Benefit payments	-	-	-	(257,000)
Changes in proportionate share	(265,804)	395,252	-	-
Net change in total OPEB liability	\$ 274,007	\$ 756,999	\$ (126,000)	\$ 224,000
Total OPEB liability - beginning	6,265,999	5,509,000	5,635,000	5,411,000
Total OPEB liability - ending	\$ 6,540,006	\$ 6,265,999	\$ 5,509,000	\$ 5,635,000
Covered-employee payroll	\$ 10,892,625	\$ 11,921,375	\$ 11,122,229	\$ 10,159,885
County's total OPEB liability (asset) as a percentage of covered-employee	60.04%	52.56%	49.53%	55.46%

Schedule is intended to show information for 10 years. Additional years will be included as they become available.

County of Tazewell, Virginia
 Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios - Health Insurance
 Other Component Units
 For the Fiscal Years Ended June 30, 2018 through June 30, 2021

	2021	2020	2019	2018
Total OPEB liability				
Service cost	\$ 21,100	\$ 23,628	\$ 35,000	\$ 33,000
Interest	18,459	26,301	41,000	39,000
Changes in assumptions	32,826	56,304	(9,000)	-
Differences between expected and actual experience	5,805	(26,186)	(496,000)	-
Contributions	(25,860)	(35,882)	(29,000)	
Benefit payments	-	-	-	(41,000)
Changes in proportionate share	(183,335)	59,840	-	-
Net change in total OPEB liability	\$ (131,005)	\$ 104,005	\$ (458,000)	\$ 31,000
Total OPEB liability - beginning	765,005	661,000	1,119,000	1,088,000
Total OPEB liability - ending	\$ 634,000	\$ 765,005	\$ 661,000	\$ 1,119,000
Covered-employee payroll	\$ 1,055,951	\$ 1,455,451	\$ 1,334,629	\$ 2,018,712
Other Component Unit's total OPEB liability (asset) as a percentage of covered-employee	60.04%	52.56%	49.53%	55.43%

Schedule is intended to show information for 10 years. Additional years will be included as they become available.

County of Tazewell, Virginia
 Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios - Health Insurance
 Component Unit School Board
 For the Fiscal Years Ended June 30, 2018 through June 30, 2021

	2021	2020	2019	2018
Total OPEB liability				
Service cost	\$ 488,239	\$ 401,836	\$ 573,000	\$ 543,000
Interest	427,125	447,277	585,000	582,000
Changes in assumptions	759,557	957,524	(878,000)	-
Differences between expected and actual experience	134,316	(445,330)	(3,120,000)	-
Contributions	(598,378)	(610,219)	(683,000)	
Benefit payments	-	-	-	(1,371,000)
Changes in proportionate share	449,139	(455,092)	-	-
Net change in total OPEB liability	\$ 1,659,998	\$ 295,996	\$ (3,523,000)	\$ (246,000)
Total OPEB liability - beginning	13,009,996	12,714,000	16,237,000	16,483,000
Total OPEB liability - ending	\$ 14,669,994	\$ 13,009,996	\$ 12,714,000	\$ 16,237,000
Covered-employee payroll	\$ 24,433,424	\$ 24,752,165	\$ 25,671,036	\$ 29,273,402
School Board's total OPEB liability (asset) as a percentage of covered-employee	60.04%	52.56%	49.53%	55.47%

Schedule is intended to show information for 10 years. Additional years will be included as they become available.

County of Tazewell, Virginia
 Notes to Required Supplementary Information - Health Insurance
 For the Fiscal Year Ended June 30, 2021

Valuation Date: 7/1/2020
 Measurement Date: 7/1/2020

No assets are accumulated in a trust that meets the criteria in GASB 75 to pay related benefits.

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age actuarial cost method
Discount Rate	2.45%
Inflation	2.50%
Healthcare Trend Rate	6.50% for fiscal year end 2021, decreasing 0.50% per year to an ultimate rate of 5.00%
Salary Increase Rates	Service-graded
Retirement Age	The average age at retirement is 62
Mortality Rates	RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2020

County of Tazewell, Virginia
 Schedule of County's Share of Net OPEB Liability
 Group Life Insurance (GLI) Plan
 For the Measurement Dates of June 30, 2017 through June 30, 2020

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
Primary Government:					
2020	0.04931%	\$ 822,430	\$ 10,142,757	8.11%	52.64%
2019	0.04975%	809,494	9,750,829	8.30%	52.00%
2018	0.05207%	790,810	9,937,378	7.96%	51.22%
2017	0.05350%	804,781	9,867,602	8.16%	48.86%
Other Component Units:					
2020	0.00809%	\$ 134,981	\$ 1,664,670	8.11%	52.64%
2019	0.00811%	132,042	1,590,522	8.30%	52.00%
2018	0.00805%	122,190	1,535,455	7.96%	51.22%
2017	0.00799%	120,219	1,474,039	8.16%	48.86%
Component Unit School Board-Nonprofessional:					
2020	0.01730%	\$ 288,375	\$ 3,556,386	8.11%	52.64%
2019	0.01805%	293,722	3,537,467	8.30%	52.00%
2018	0.01993%	303,000	3,789,766	8.00%	51.22%
2017	0.02123%	320,000	3,915,089	8.17%	48.86%
Component Unit School Board-Professional:					
2020	0.12310%	\$ 2,054,671	\$ 25,337,995	8.11%	52.64%
2019	0.12656%	2,059,468	24,814,371	8.30%	52.00%
2018	0.13578%	2,063,000	25,814,219	7.99%	51.22%
2017	0.14346%	2,159,000	26,462,433	8.16%	48.86%

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available.

County of Tazewell, Virginia
 Schedule of Employer Contributions
 Group Life Insurance (GLI) Plan
 For the Fiscal Years Ended June 30, 2012 through June 30, 2021

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government:					
2021	\$ 56,021	\$ 56,021	\$ -	\$ 10,374,477	0.54%
2020	52,744	52,744	-	10,142,757	0.52%
2019	50,703	50,703	-	9,750,829	0.52%
2018	51,673	51,673	-	9,937,378	0.52%
2017	51,312	51,312	-	9,867,602	0.52%
Other Component Units:					
2021	\$ 8,852	\$ 8,852	\$ -	\$ 1,638,961	0.54%
2020	8,657	8,657	-	1,664,670	0.52%
2019	8,270	8,270	-	1,590,522	0.52%
2018	7,984	7,984	-	1,535,455	0.52%
2017	7,665	7,665	-	1,474,039	0.52%
Component Unit School Board (nonprofessional):					
2021	\$ 18,620	\$ 18,620	\$ -	\$ 3,448,202	0.54%
2020	18,494	18,494	-	3,556,386	0.52%
2019	18,395	18,395	-	3,537,467	0.52%
2018	19,707	19,707	-	3,789,766	0.52%
2017	20,358	20,358	-	3,915,089	0.52%
2016	19,014	19,014	-	3,961,302	0.48%
2015	18,688	18,688	-	3,893,364	0.48%
2014	18,446	18,446	-	3,842,931	0.48%
2013	18,492	18,492	-	3,852,398	0.48%
2012	10,887	10,887	-	3,888,368	0.28%
Component Unit School Board (professional):					
2021	\$ 136,169	\$ 136,169	\$ -	\$ 25,216,444	0.54%
2020	131,763	131,763	-	25,337,995	0.52%
2019	129,038	129,038	-	24,814,371	0.52%
2018	134,238	134,238	-	25,814,219	0.52%
2017	137,605	137,605	-	26,462,433	0.52%
2016	127,248	127,248	-	26,510,012	0.48%
2015	127,864	127,864	-	26,638,341	0.48%
2014	127,308	127,308	-	26,522,546	0.48%
2013	128,717	128,717	-	26,816,024	0.48%
2012	78,056	78,056	-	27,877,204	0.28%

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available for the County and Other Component Units as the information prior to this time was not allocated in a similar manner. However, additional years will be included as they become available.

County of Tazewell, Virginia
Notes to Required Supplementary Information
Group Life Insurance (GLI) Plan
For the Fiscal Year Ended June 30, 2021

Changes of benefit terms - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions - The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Teachers

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decreased rate from 7.00% to 6.75%

Non-Largest Ten Locality Employers - General Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

Non-Largest Ten Locality Employers - Hazardous Duty Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

County of Tazewell, Virginia
 Schedule of County of Tazewell School Board's Share of Net OPEB Liability
 Teacher Employee Health Insurance Credit (HIC) Plan
 For the Measurement Dates of June 30, 2017 through June 30, 2020

Date (1)	Employer's Proportion of the Net HIC OPEB Liability (2)	Employer's Proportionate Share of the Net HIC OPEB Liability (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net HIC OPEB Liability as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)
2020	0.28770%	\$ 3,753,485	\$ 25,224,367	14.88%	9.95%
2019	0.29555%	3,869,037	24,794,223	15.60%	8.97%
2018	0.31833%	4,042,000	25,740,658	15.70%	8.08%
2017	0.33488%	4,248,000	26,428,915	16.07%	7.04%

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available.

County of Tazewell, Virginia
 Schedule of Employer Contributions
 Teacher Employee Health Insurance Credit (HIC) Plan
 For the Fiscal Years Ended June 30, 2012 through June 30, 2021

Date	Contributions in Relation to			Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
	Contractually Required Contribution (1)	Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)		
2021	\$ 304,224	\$ 304,224	-	\$ 25,146,532	1.21%
2020	302,696	302,696	-	25,224,367	1.20%
2019	297,533	297,533	-	24,794,223	1.20%
2018	316,611	316,611	-	25,740,658	1.23%
2017	293,361	293,361	-	26,428,915	1.11%
2016	280,173	280,173	-	26,431,418	1.06%
2015	281,738	281,738	-	26,579,014	1.06%
2014	293,637	293,637	-	26,453,792	1.11%
2013	296,626	296,626	-	26,723,055	1.11%
2012	167,051	167,051	-	27,841,898	0.60%

County of Tazewell, Virginia
Notes to Required Supplementary Information
Teacher Employee Health Insurance Credit (HIC) Plan
For the Fiscal Year Ended June 30, 2021

Changes of benefit terms - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions - The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decreased rate from 7.00% to 6.75%

County of Tazewell, Virginia
 Schedule of Changes in Net OPEB Liability and Related Ratios
 Health Insurance Credit (HIC) Plan
 For the Measurement Date of June 30, 2020

		2020
Total HIC OPEB Liability		
Benefit payments	\$	782,665
Net change in total pension liability	\$	782,665
Total HIC OPEB Liability - beginning		-
Total HIC OPEB Liability - ending (a)	\$	782,665
Component Unit School Board's net HIC OPEB liability - ending (a) - (b)	\$	782,665
Plan fiduciary net position as a percentage of the total HIC OPEB liability		0.00%
Covered payroll	\$	-
Component Unit School Board's net HIC OPEB liability as a percentage of covered payroll		0.00%

Schedule is intended to show information for 10 years. However, additional years will be included as they become available.

County of Tazewell, Virginia
 Schedule of Employer Contributions
 Health Insurance Credit (HIC) Plan
 For the Fiscal Year Ended June 30, 2021

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2021	\$ 56,225	\$ 56,225	-	\$ 3,428,413	1.64%

Schedule is intended to show information for 10 years. However, additional years will be included as they become available.

County of Tazewell, Virginia
Notes to Required Supplementary Information
Health Insurance Credit (HIC) Plan
For the Fiscal Year Ended June 30, 2021

Changes of benefit terms - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions - The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Non-Largest Ten Locality Employers - General Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

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, 2021

	<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	\$ -	\$ -	\$ 1,657	\$ 1,657
Miscellaneous	-	-	73,266	73,266
Intergovernmental:				
Federal Government	1,005,410	1,005,410	940,985	(64,425)
Total Revenues	<u>\$ 1,005,410</u>	<u>\$ 1,005,410</u>	<u>\$ 1,015,908</u>	<u>\$ 10,498</u>
EXPENDITURES:				
Current:				
Judicial Administration	\$ 1,406,719	\$ 1,406,719	\$ 914,735	\$ 491,984
Public Safety	390,591	390,591	893,279	(502,688)
Public Works	900,000	900,000	900,000	-
Community Development	1,157,914	1,157,914	1,100,916	56,998
Total Expenditures	<u>\$ 3,855,224</u>	<u>\$ 3,855,224</u>	<u>\$ 3,808,930</u>	<u>\$ 46,294</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (2,849,814)</u>	<u>\$ (2,849,814)</u>	<u>\$ (2,793,022)</u>	<u>\$ 56,792</u>
Other Financing Sources (Uses)				
Transfers In	\$ 909,004	\$ 909,004	\$ 1,109,004	\$ 200,000
Proceeds from Bond Issuance	1,864,810	1,864,810	-	(1,864,810)
Total Other Financing Sources (Uses)	<u>\$ 2,773,814</u>	<u>\$ 2,773,814</u>	<u>\$ 1,109,004</u>	<u>\$ (1,664,810)</u>
Net Change in Fund Balance	\$ (76,000)	\$ (76,000)	\$ (1,684,018)	\$ (1,608,018)
Fund Balance - Beginning	76,000	76,000	2,009,565	1,933,565
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 325,547</u>	<u>\$ 325,547</u>

County of Tazewell, Virginia
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	Custodial Funds		
	Special Welfare Funds	Local Sales Tax Fund	Total
ASSETS			
Cash and cash equivalents	\$ 62,867	\$ -	\$ 62,867
Due from other governments	-	228,317	228,317
Total Assets	<u>\$ 62,867</u>	<u>\$ 228,317</u>	<u>\$ 291,184</u>
LIABILITIES			
Sales tax due to Towns	\$ -	\$ 228,317	\$ 228,317
NET POSITION			
Restricted for:			
Social services clients	\$ 62,867	\$ -	\$ 62,867
Total Net Postion	<u>\$ 62,867</u>	<u>\$ -</u>	<u>\$ 62,867</u>

County of Tazewell, Virginia
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2021

	Custodial Funds		
	Special Welfare Funds	Local Sales Tax Fund	Total
ADDITIONS			
Contributions:			
Expenditure reimbursement	\$ 94,696	\$ -	\$ 94,696
Sales tax collections for other governments	-	228,317	228,317
Total contributions	<u>\$ 94,696</u>	<u>\$ 228,317</u>	<u>\$ 323,013</u>
DEDUCTIONS:			
Special welfare payments	\$ 99,032	\$ -	\$ 99,032
Payments to sales tax to other governments	-	228,317	228,317
Total deductions	<u>\$ 99,032</u>	<u>\$ 228,317</u>	<u>\$ 327,349</u>
Net increase (decrease) in fiduciary net position	\$ (4,336)	\$ -	\$ (4,336)
Net position, beginning - as restated	67,203	-	67,203
Net position, ending	<u>\$ 62,867</u>	<u>\$ -</u>	<u>\$ 62,867</u>

County of Tazewell, Virginia
 Nonmajor Funds
 Balance Sheet
 June 30, 2021

	<u>Special Revenue Funds</u>
ASSETS	
Cash and Cash Equivalents	\$ 1,516,133
Receivables (Net of Allowance for Uncollectibles):	
Taxes	34,997
Total Assets	<u>\$ 1,551,130</u>
 LIABILITIES	
Accounts Payable	\$ 325,387
Total Liabilities	<u>\$ 325,387</u>
 FUND BALANCES	
Committed	\$ 1,225,743
Total Liabilities and Fund Balances	<u>\$ 1,551,130</u>

County of Tazewell, Virginia
 Nonmajor Funds
 Statement of Revenues, Expenditures and Changes in Fund Balances
 For the Fiscal Year Ended June 30, 2021

		<u>Special Revenue Funds</u>
REVENUES		
Other Local Taxes	\$	743,159
Charges for Services		8,705
Miscellaneous		34,711
Intergovernmental:		
Commonwealth		60,214
Total Revenues	\$	<u>846,789</u>
EXPENDITURES:		
Current:		
Judicial Administration	\$	8,359
Public Works		770,659
Total Expenditures	\$	<u>779,018</u>
Excess (Deficiency) of Revenues Over (Under)		
Expenditures	\$	<u>67,771</u>
Other Financing Sources (Uses)		
Transfers Out	\$	<u>(285,000)</u>
Net Change in Fund Balance	\$	(217,229)
Fund Balance - Beginning		1,442,972
Fund Balance - Ending	\$	<u><u>1,225,743</u></u>

County of Tazewell, Virginia
 Nonmajor Special Revenue Funds
 Combining Balance Sheet
 June 30, 2021

	<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>Damage Stamp</u> <u>Fund</u>	<u>Total</u>
ASSETS					
Cash and Cash Equivalents	\$ 58,754	\$ 1,446,125	\$ 11,212	\$ 42	\$ 1,516,133
Receivables (Net of Allowance for Uncollectibles):					
Taxes	-	18,613	16,384	-	34,997
Total Assets	<u>\$ 58,754</u>	<u>\$ 1,464,738</u>	<u>\$ 27,596</u>	<u>\$ 42</u>	<u>\$ 1,551,130</u>
LIABILITIES					
Accounts Payable	\$ 817	\$ 324,570	\$ -	\$ -	\$ 325,387
FUND BALANCES					
Committed	\$ 57,937	\$ 1,140,168	\$ 27,596	\$ 42	\$ 1,225,743
Total Fund Balances	<u>\$ 57,937</u>	<u>\$ 1,140,168</u>	<u>\$ 27,596</u>	<u>\$ 42</u>	<u>\$ 1,225,743</u>
Total Liabilities and Fund Balances	<u>\$ 58,754</u>	<u>\$ 1,464,738</u>	<u>\$ 27,596</u>	<u>\$ 42</u>	<u>\$ 1,551,130</u>

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, 2021

	<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>Damage</u> <u>Stamp Fund</u>	<u>Total</u>
REVENUES					
Other Local Taxes	\$ -	\$ 479,800	\$ 263,359	\$ -	\$ 743,159
Charges for Services	8,705	-	-	-	8,705
Miscellaneous	-	34,711	-	-	34,711
Intergovernmental:					
Commonwealth	-	60,214	-	-	60,214
Total Revenues	<u>\$ 8,705</u>	<u>\$ 574,725</u>	<u>\$ 263,359</u>	<u>\$ -</u>	<u>\$ 846,789</u>
EXPENDITURES					
Current:					
Judicial Administration	\$ 8,359	\$ -	\$ -	\$ -	\$ 8,359
Public Works	-	478,951	291,708	-	770,659
Total Expenditures	<u>\$ 8,359</u>	<u>\$ 478,951</u>	<u>\$ 291,708</u>	<u>\$ -</u>	<u>\$ 779,018</u>
Excess (Deficiency) of Revenues Over (Under)					
Expenditures	\$ 346	\$ 95,774	\$ (28,349)	\$ -	\$ 67,771
Other Financing Sources (Uses)					
Transfers Out	\$ (5,000)	\$ (280,000)	\$ -	\$ -	\$ (285,000)
Net Change in Fund Balance	\$ (4,654)	\$ (184,226)	\$ (28,349)	\$ -	\$ (217,229)
Fund Balance - Beginning	62,591	1,324,394	55,945	42	1,442,972
Fund Balance - Ending	<u>\$ 57,937</u>	<u>\$ 1,140,168</u>	<u>\$ 27,596</u>	<u>\$ 42</u>	<u>\$ 1,225,743</u>

Exhibit 39

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, 2021

	Law Library Fund			Coal Road Improvement Fund			Variance with Final Budget Pos (Neg)
	Budget Amounts		Actual Amounts	Budget Amounts		Actual Amounts	
	Original	Final		Original	Final		
REVENUES							
Other Local Taxes	\$ -	\$ -	\$ -	\$ 746,675	\$ 479,800	\$ (266,875)	
Charges for Services	11,200	11,200	8,705	-	-	(2,495)	
Miscellaneous	-	-	-	-	34,711	34,711	
Intergovernmental:							
Commonwealth	-	-	-	237,575	60,214	(177,361)	
Total Revenues	\$ 11,200	\$ 11,200	\$ 8,705	\$ 984,250	\$ 574,725	\$ (409,525)	
EXPENDITURES:							
Current:							
Judicial Administration	\$ 25,000	\$ 25,000	\$ 8,359	\$ -	\$ -	\$ 16,641	
Public Works	-	-	-	750,000	478,951	271,049	
Total Expenditures	\$ 25,000	\$ 25,000	\$ 8,359	\$ 750,000	\$ 478,951	\$ 271,049	
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (13,800)	\$ (13,800)	\$ 346	\$ 234,250	\$ 95,774	\$ (138,476)	
Other Financing Sources (Uses)							
Transfers Out	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (280,000)	\$ (280,000)	\$ -	
Net Change in Fund Balance	\$ (18,800)	\$ (18,800)	\$ (4,654)	\$ (45,750)	\$ (184,226)	\$ (138,476)	
Fund Balance - Beginning	18,800	18,800	62,591	45,750	1,324,394	1,278,644	
Fund Balance - Ending	\$ -	\$ -	\$ 57,937	\$ -	\$ 1,140,168	\$ 1,140,168	

Exhibit 39

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, 2021

	Coal Road Economic Development Fund				Damage Stamp Fund			
	Budget Amounts		Actual Amounts	Variance with Final Budget Pos (Neg)	Budget Amounts		Actual Amounts	Variance with Final Budget Pos (Neg)
	Original	Final			Original	Final		
REVENUES								
Other Local Taxes	\$ 350,757	\$ 350,757	\$ 263,359	\$ (87,398)	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Intergovernmental:								
Commonwealth	-	-	-	-	-	-	-	-
Total Revenues	\$ 350,757	\$ 350,757	\$ 263,359	\$ (87,398)	\$ -	\$ -	\$ -	\$ -
EXPENDITURES:								
Current:								
Judicial Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Works	350,033	350,033	291,708	58,325	-	-	-	-
Total Expenditures	\$ 350,033	\$ 350,033	\$ 291,708	\$ 58,325	\$ -	\$ -	\$ -	\$ -
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 724	\$ 724	\$ (28,349)	\$ (29,073)	\$ -	\$ -	\$ -	\$ -
Other Financing Sources (Uses)								
Transfers Out	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Change in Fund Balance	\$ 724	\$ 724	\$ (28,349)	\$ (29,073)	\$ -	\$ -	\$ -	\$ -
Fund Balance - Beginning	(724)	(724)	55,945	56,669	-	-	42	42
Fund Balance - Ending	\$ -	\$ -	\$ 27,596	\$ 27,596	\$ -	\$ -	\$ 42	\$ 42

Exhibit 39

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, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Pos (Neg)
	Original	Final		
		Total		
REVENUES				
Other Local Taxes	\$ 1,097,432	\$ 1,097,432	\$ 743,159	\$ (354,273)
Charges for Services	11,200	11,200	8,705	(2,495)
Miscellaneous	-	-	34,711	34,711
Intergovernmental:				
Commonwealth	237,575	237,575	60,214	(177,361)
Total Revenues	\$ 1,346,207	\$ 1,346,207	\$ 846,789	\$ (499,418)
EXPENDITURES:				
Current:				
Judicial Administration	\$ 25,000	\$ 25,000	\$ 8,359	\$ 16,641
Public Works	1,100,033	1,100,033	770,659	329,374
Total Expenditures	\$ 1,125,033	\$ 1,125,033	\$ 779,018	\$ 346,015
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 221,174	\$ 221,174	\$ 67,771	\$ (153,403)
Other Financing Sources (Uses)				
Transfers Out	(285,000)	(285,000)	(285,000)	-
Net Change in Fund Balance	\$ (63,826)	\$ (63,826)	\$ (217,229)	\$ (153,403)
Fund Balance - Beginning	63,826	63,826	1,442,972	1,379,146
Fund Balance - Ending	\$ -	\$ -	\$ 1,225,743	\$ 1,225,743

County of Tazewell, Virginia
Discretely Presented Component Unit - School Board
Combining Balance Sheet
June 30, 2021

	School Operating Fund	School Activity Fund	Total
ASSETS			
Cash and Cash Equivalents	\$ 15,133,722	\$ 1,005,525	\$ 16,139,247
Accounts Receivable	15,263	-	15,263
Due from Other Governmental Units	2,433,575	-	2,433,575
Prepaid items	484,050	-	484,050
Total Assets	<u>\$ 18,066,610</u>	<u>\$ 1,005,525</u>	<u>\$ 19,072,135</u>
LIABILITIES			
Accounts Payable	\$ 325,637	\$ 4,442	\$ 330,079
Accrued Wages Payable	3,245,845	-	3,245,845
Accrued Health Claims	540,664	-	540,664
Due to Primary Government	3,684,385	-	3,684,385
Total Liabilities	<u>\$ 7,796,531</u>	<u>\$ 4,442</u>	<u>\$ 7,800,973</u>
FUND BALANCE			
Nonspendable	\$ 484,050	\$ -	\$ 484,050
Restricted	3,554,780	-	3,554,780
Committed	6,231,249	1,001,083	7,232,332
Total Fund Balances	<u>\$ 10,270,079</u>	<u>\$ 1,001,083</u>	<u>\$ 11,271,162</u>
Total Liabilities and Fund Balances	<u>\$ 18,066,610</u>	<u>\$ 1,005,525</u>	<u>\$ 19,072,135</u>

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

Total fund balances - per above		\$ 11,271,162
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Land	\$ 1,908,716	
Buildings and Improvements	7,839,768	
Tenancy in common	11,339,334	
Machinery and equipment	4,412,771	
Construction in progress	<u>84,303</u>	25,584,892
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.		
Pension related items	\$ 11,407,973	
OPEB related items	<u>2,934,484</u>	14,342,457
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	\$ (24,064)	
Net OPEB liabilities	(21,549,190)	
Compensated absences	(609,959)	
Net pension liability	(49,432,862)	
Capital lease	<u>(1,351,423)</u>	(72,967,498)
Deferred inflows of resources are not due and payable in the current period, and, therefore, are not reported in the funds.		
Pension related items	\$ (6,771,880)	
OPEB related items	<u>(2,838,449)</u>	(9,610,329)
Net Position of governmental activities - component unit school board		<u>\$ (31,379,316)</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, 2021

	School Operating Fund	School Activity Fund	Total
REVENUES			
Revenue from Use of Money and Property	\$ 104	\$ -	104
Charges for Services	577,011	219,028	796,039
Miscellaneous	23,702	724,108	747,810
Recovered Costs	410,083	-	410,083
Intergovernmental:			
Local Government	12,392,942	-	12,392,942
Commonwealth	43,151,418	-	43,151,418
Federal Government	8,743,670	-	8,743,670
Total Revenues	<u>\$ 65,298,930</u>	<u>\$ 943,136</u>	<u>\$ 66,242,066</u>
EXPENDITURES:			
Current:			
Education	\$ 60,613,899	\$ 1,150,597	61,764,496
Debt Service:			
Principal Retirement	787,072	-	787,072
Interest and Other Fiscal Charges	54,790	-	54,790
Total Expenditures	<u>\$ 61,455,761</u>	<u>\$ 1,150,597</u>	<u>\$ 62,606,358</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 3,843,169</u>	<u>\$ (207,461)</u>	<u>\$ 3,635,708</u>
Net Change in Fund Balance	\$ 3,843,169	\$ (207,461)	\$ 3,635,708
Fund Balance - Beginning, as restated	6,426,910	1,208,544	7,635,454
Fund Balance - Ending	<u>\$ 10,270,079</u>	<u>\$ 1,001,083</u>	<u>\$ 11,271,162</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 \$ 3,635,708

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 capital outlays exceeded depreciation in the current period.

Capital outlays	\$ 1,647,160	
Tenancy in common	540,927	
Depreciation expense	<u>(1,705,788)</u>	482,299

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		787,072

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 accrued interest payable	\$ 14,063	
Change in compensated absences	52,462	
Change in OPEB related items	(1,020,203)	
Change in pension related items	<u>589,198</u>	<u>(364,480)</u>

Change in net position of governmental funds - component unit school board \$ 4,540,599

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, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Pos (Neg)
	Original	Final		
REVENUES				
Revenue from Use of Money and Property	\$ 5,000	\$ 5,000	\$ 104	\$ (4,896)
Charges for Services	1,101,720	1,101,720	577,011	(524,709)
Miscellaneous	18,000	18,000	23,702	5,702
Recovered Costs	375,000	375,000	410,083	35,083
Intergovernmental:				
Local Government	11,178,764	11,178,764	12,392,942	1,214,178
Commonwealth	43,165,957	43,165,957	43,151,418	(14,539)
Federal Government	6,276,294	6,276,294	8,743,670	2,467,376
Total Revenues	\$ 62,120,735	\$ 62,120,735	\$ 65,298,930	\$ 3,178,195
EXPENDITURES				
Current:				
Education	\$ 65,070,835	\$ 65,070,835	\$ 60,613,899	\$ 4,456,936
Debt Service:				
Principal Retirement	795,658	795,658	787,072	8,586
Interest and Other Fiscal Charges	55,388	55,388	54,790	598
Total Expenditures	\$ 65,921,881	\$ 65,921,881	\$ 61,455,761	\$ 4,466,120
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (3,801,146)	\$ (3,801,146)	\$ 3,843,169	\$ 7,644,315
Net Change in Fund Balance	\$ (3,801,146)	\$ (3,801,146)	\$ 3,843,169	\$ 7,644,315
Fund Balance - Beginning	3,801,146	3,801,146	6,426,910	2,625,764
Fund Balance - Ending	\$ -	\$ -	\$ 10,270,079	\$ 10,270,079

County of Tazewell, Virginia
Combining Statement of Net Position
Other Component Units
June 30, 2021

	<u>Public Service Authority</u>	<u>Industrial Develop- ment Authority</u>	<u>Airport Authority</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 83,502	\$ 963,884	\$ 44,817	\$ 1,092,203
Investments	2,352,823	-	-	2,352,823
Receivables (net of allowance for uncollectibles):				
Accounts receivable	1,003,189	-	3,114	1,006,303
Notes receivable	430,656	718,245	-	1,148,901
Due from other governmental units	268,922	-	-	268,922
Inventories	133,736	-	16,039	149,775
Prepaid items	54,870	-	11,809	66,679
Restricted assets:				
Cash and cash equivalents	198,565	-	-	198,565
Assets held for resale	-	2,564,058	-	2,564,058
Capital assets (net of accumulated depreciation):				
Land	330,662	16,079,525	629,871	17,040,058
Buildings and improvements	110,999	6,371,704	681,336	7,164,039
Improvements other than buildings	-	-	2,721,354	2,721,354
Machinery and equipment	471,800	-	203,839	675,639
Infrastructure	72,969,480	-	-	72,969,480
Construction in progress	2,213,278	264,737	49,947	2,527,962
Total assets	<u>\$ 80,622,482</u>	<u>\$ 26,962,153</u>	<u>\$ 4,362,126</u>	<u>\$ 111,946,761</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	\$ 521,323	\$ -	\$ 12,204	\$ 533,527
OPEB related items	113,607	-	736	114,343
Total deferred outflows of resources	<u>\$ 634,930</u>	<u>\$ -</u>	<u>\$ 12,940</u>	<u>\$ 647,870</u>
LIABILITIES				
Accounts payable	\$ 700,637	\$ 33,502	\$ 3,221	\$ 737,360
Accrued wages	115,014	-	3,585	118,599
Customers' deposits	198,565	-	-	198,565
Accrued interest payable	59,102	-	556	59,658
Due to other governmental units	-	100,000	-	100,000
Due to primary government	-	173,456	-	173,456
Unearned Revenue	-	37,500	-	37,500
Long-term liabilities:				
Due within one year	2,490,572	71,429	14,639	2,576,640
Due in more than one year	34,376,062	2,985,365	248,112	37,609,539
Total liabilities	<u>\$ 37,939,952</u>	<u>\$ 3,401,252</u>	<u>\$ 270,113</u>	<u>\$ 41,611,317</u>
DEFERRED INFLOWS OF RESOURCES				
Pension related items	\$ 4,713	\$ -	\$ 3,144	\$ 7,857
OPEB related items	94,350	-	309	94,659
Total deferred inflows of resources	<u>\$ 99,063</u>	<u>\$ -</u>	<u>\$ 3,453</u>	<u>\$ 102,516</u>
NET POSITION				
Net investment in capital assets	\$ 41,718,466	\$ 20,093,696	\$ 4,074,634	\$ 65,886,796
Unrestricted	1,499,931	3,467,205	26,866	4,994,002
Total Net Position	<u>\$ 43,218,397</u>	<u>\$ 23,560,901</u>	<u>\$ 4,101,500</u>	<u>\$ 70,880,798</u>

County of Tazewell, Virginia
 Combining Statement of Activities
 Other Component Units
 For the Fiscal Year Ended June 30, 2021

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Public Service Authority	Industrial Development Authority	Airport Authority	Total
OTHER COMPONENT UNITS:								
Public Service Authority	\$ 8,792,901	\$ 7,463,321	\$ -	\$ 711,801	\$ (617,779)	\$ -	\$ -	\$ (617,779)
Industrial Development Authority	2,164,584	375,400	-	-	(1,789,184)	-	-	(1,789,184)
Airport Authority	503,555	19,228	133,793	199,376	-	-	(151,158)	(151,158)
Total other component units	\$ 11,461,040	\$ 7,857,949	\$ 133,793	\$ 911,177	\$ (617,779)	\$ (1,789,184)	\$ (151,158)	\$ (2,558,121)
General revenues:								
Unrestricted revenues from use of money and property					\$ 3,635	\$ -	\$ 33,351	\$ 36,986
Miscellaneous					58,717	11,986	2,790	73,493
Payments from Tazewell County					1,062,576	1,177,014	-	2,239,590
Grants and contributions not restricted to specific programs					38,792	-	-	38,792
Total general revenues					\$ 1,163,720	\$ 1,189,000	\$ 36,141	\$ 2,388,861
Change in net position					\$ 545,941	\$ (600,184)	\$ (115,017)	\$ (169,260)
Net position - beginning					42,672,456	24,161,085	4,216,517	71,050,058
Net position - ending					\$ 43,218,397	\$ 23,560,901	\$ 4,101,500	\$ 70,880,798

Supporting Schedules

County of Tazewell, Virginia
Schedule of Revenues-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2021

<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	\$ 14,670,131	\$ 14,670,131	\$ 14,984,485	\$ 314,354
Real and personal public service corporation taxes	1,542,432	1,542,432	1,624,617	82,185
Personal property taxes	5,187,747	5,187,747	5,484,849	297,102
Mobile home taxes	169,393	169,393	158,109	(11,284)
Machinery and tools taxes	1,143,124	1,443,124	1,237,770	(205,354)
Merchant's capital taxes	857,907	857,907	1,082,327	224,420
Vehicle Licenses	500,000	500,000	507,433	7,433
Penalties	290,000	290,000	281,933	(8,067)
Interest	260,000	260,000	238,788	(21,212)
Total General Property Taxes	<u>\$ 24,620,734</u>	<u>\$ 24,920,734</u>	<u>\$ 25,600,311</u>	<u>\$ 679,577</u>
Other Local Taxes:				
Local sales and use taxes	\$ 4,491,060	\$ 4,491,060	\$ 5,563,784	\$ 1,072,724
Consumers' utility taxes	836,004	836,004	834,975	(1,029)
MOPED and ATV sales tax	7,500	7,500	16,585	9,085
Utility license taxes	24,924	24,924	10,006	(14,918)
Bank franchise taxes	61,000	61,000	111,514	50,514
Taxes on recordation and wills	260,000	260,000	278,957	18,957
Transient fee	192,000	192,000	181,181	(10,819)
Coal severance taxes	385,000	385,000	439,885	54,885
Gas severance taxes	500,250	500,250	303,274	(196,976)
Total Other Local Taxes	<u>\$ 6,757,738</u>	<u>\$ 6,757,738</u>	<u>\$ 7,740,161</u>	<u>\$ 982,423</u>
Permits, Privilege Fees and Regulatory Licenses:				
Animal licenses	\$ 8,500	\$ 8,500	\$ 6,939	\$ (1,561)
Land use application fees	300	300	170	(130)
Transfer fees	1,250	1,250	2,328	1,078
Legal service fees	42,000	42,000	92,565	50,565
Cavitts Creek camping fee	25,000	25,000	34,378	9,378
Building permits	60,000	60,000	48,446	(11,554)
Installment service fees	5,250	5,250	6,091	841
Return check fees	375	375	250	(125)
Junk dealers license	1,100	1,100	1,100	-
Erosion and sediment control permit	1,000	1,000	929	(71)
Other permits and licenses	-	-	1,156	1,156
Total Permits, Privilege Fees and Regulatory Licenses	<u>\$ 144,775</u>	<u>\$ 144,775</u>	<u>\$ 194,352</u>	<u>\$ 49,577</u>
Fines and Forfeitures:				
Court fines and forfeitures	\$ 40,000	\$ 40,000	\$ 39,202	\$ (798)
Revenue from Use of Money and Property:				
Revenue from use of money	\$ 35,000	\$ 35,000	\$ 19,136	\$ (15,864)
Revenue from use of property	272,526	272,526	261,436	(11,090)
Total Revenue from Use of Money and Property	<u>\$ 307,526</u>	<u>\$ 307,526</u>	<u>\$ 280,572</u>	<u>\$ (26,954)</u>
Charges for Services:				
Commonwealth attorney fees	\$ 8,000	\$ 8,000	\$ 9,169	\$ 1,169
Courthouse maintenance fees	12,500	12,500	7,665	(4,835)
Courthouse security fees	125,000	195,000	73,262	(121,738)
Courthouse admission fee	5,000	5,000	5,446	446
Library fees	-	-	10,838	10,838

County of Tazewell, Virginia
Schedule of Revenues-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2021

<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: (continued)				
General Fund: (continued)				
Revenue from Local Sources: (continued)				
Charges for Services: (continued)				
Court appointed attorney	\$ -	\$ -	\$ 2,570	\$ 2,570
Gun permit fees	-	-	55,029	55,029
County garage service fees	185,000	185,000	186,657	1,657
Charges for animal pound	7,500	7,500	7,182	(318)
Miscellaneous jail and inmate fees	-	-	12,418	12,418
Sheriff special project fees	-	-	3,743	3,743
Other charges for service	-	-	900	900
Total Charges for Services	<u>\$ 343,000</u>	<u>\$ 413,000</u>	<u>\$ 374,879</u>	<u>\$ (38,121)</u>
Miscellaneous:				
Miscellaneous	<u>\$ 177,500</u>	<u>\$ 197,182</u>	<u>\$ 94,698</u>	<u>\$ (102,484)</u>
Recovered Costs:				
Library	\$ 15,000	\$ 15,000	\$ 15,008	\$ 8
Health department	-	-	60,667	60,667
Welfare recoveries	60,000	60,000	42,075	(17,925)
CSA recoveries	85,000	85,000	112,378	27,378
Sheriff	-	-	22,998	22,998
Insurance recoveries	100,590	115,793	134,192	18,399
Southwest Virginia Regional Jail Authority	275,000	275,000	472,584	197,584
VRS refund	675,000	675,000	788,856	113,856
EMS Recoveries	253,500	253,500	320,420	66,920
Other recoveries	-	5,009	300,894	295,885
Total Recovered Costs	<u>\$ 1,464,090</u>	<u>\$ 1,484,302</u>	<u>\$ 2,270,072</u>	<u>\$ 785,770</u>
Total Revenue from Local Sources	<u>\$ 33,855,363</u>	<u>\$ 34,265,257</u>	<u>\$ 36,594,247</u>	<u>\$ 2,328,990</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical Aid:				
Mobile home titling tax	\$ 73,000	\$ 73,000	\$ 51,582	\$ (21,418)
Motor vehicle rental tax	39,000	39,000	28,110	(10,890)
Rolling stock tax	103,500	103,500	100,669	(2,831)
State communications tax	517,325	517,325	443,049	(74,276)
Game of Skills	-	-	20,736	20,736
Personal property tax relief funds	2,667,893	2,667,893	2,758,262	90,369
Total Noncategorical Aid	<u>\$ 3,400,718</u>	<u>\$ 3,400,718</u>	<u>\$ 3,402,408</u>	<u>\$ 1,690</u>
Categorical Aid:				
Shared Expenses:				
Commonwealth's Attorney	\$ 760,445	\$ 760,445	\$ 745,472	\$ (14,973)
Sheriff	2,020,003	2,020,003	2,007,940	(12,063)
Commissioner of the Revenue	169,961	169,961	162,419	(7,542)
Treasurer	185,183	185,183	181,274	(3,909)
Registrar/Electoral Board	41,000	41,000	45,658	4,658
Clerk of the Circuit Court	556,612	556,612	540,675	(15,937)
Total Shared Expenses	<u>\$ 3,733,204</u>	<u>\$ 3,733,204</u>	<u>\$ 3,683,438</u>	<u>\$ (49,766)</u>
Other Categorical Aid:				
Public assistance and welfare administration	\$ 3,009,593	\$ 3,009,593	\$ 2,864,618	\$ (144,975)
Comprehensive Services Act	1,487,500	1,917,500	1,859,735	(57,765)
Fire programs	100,735	100,735	105,405	4,670

County of Tazewell, Virginia
Schedule of Revenues-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2021

<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: (continued)				
General Fund: (continued)				
Intergovernmental: (continued)				
Revenue from the Commonwealth: (continued)				
Categorical Aid: (continued)				
Other Categorical Aid: (continued)				
Litter control	\$ 10,500	\$ 10,500	\$ 9,569	\$ (931)
Corrective service grant	141,107	141,107	136,107	(5,000)
School resource officer	241,585	241,585	116,944	(124,641)
PSAP, VITA & RSAF	325,186	325,186	266,560	(58,626)
Project lifesaver	-	1,090	1,040	(50)
Virginia tourism grant	-	-	10,000	10,000
Drug court coordinator grant	85,509	85,509	27,462	(58,047)
Records preservation	-	-	15,014	15,014
Library of VA - record preservation grant	173,583	173,583	176,431	2,848
Commission on the arts	4,500	4,500	4,500	-
Substance abuse task force in rural Appalachia	75,510	75,510	75,703	193
Emergency services grant	38,376	38,376	38,877	501
Bulletproof vest grant	86,000	86,000	19,376	(66,624)
Domestic violence DCJS grant	87,640	87,640	51,157	(36,483)
Total Other Categorical Aid	<u>\$ 5,892,324</u>	<u>\$ 6,371,212</u>	<u>\$ 5,778,498</u>	<u>\$ (592,714)</u>
Total Revenue from the Commonwealth	<u>\$ 13,026,246</u>	<u>\$ 13,505,134</u>	<u>\$ 12,864,344</u>	<u>\$ (640,790)</u>
Revenue from the Federal Government:				
Noncategorical Aid:				
Payment in lieu of taxes	<u>\$ 29,600</u>	<u>\$ 29,600</u>	<u>\$ 30,618</u>	<u>\$ 1,018</u>
Categorical Aid:				
Public assistance and welfare administration	\$ 4,198,912	\$ 4,198,912	\$ 4,406,902	\$ 207,990
CARES act coronavirus relief	3,541,757	3,891,757	6,554,629	2,662,872
Victim witness	106,659	106,659	106,659	-
Violence against women	27,584	27,584	32,007	4,423
HIDTA grant	-	-	8,847	8,847
CDBG	-	-	70,356	70,356
Motor vehicle grant	-	-	18,495	18,495
Total Categorical Aid	<u>\$ 8,886,682</u>	<u>\$ 8,236,682</u>	<u>\$ 11,197,895</u>	<u>\$ 2,961,213</u>
Total Revenue from the Federal Government	<u>\$ 8,916,282</u>	<u>\$ 8,266,282</u>	<u>\$ 11,228,513</u>	<u>\$ 2,962,231</u>
Total General Fund	<u><u>\$ 55,797,891</u></u>	<u><u>\$ 56,036,673</u></u>	<u><u>\$ 60,687,104</u></u>	<u><u>\$ 4,650,431</u></u>
Nonmajor Special Revenue Funds:				
Law Library Fund				
Charges for Services:				
Law library fees	<u>\$ 11,200</u>	<u>\$ 11,200</u>	<u>\$ 8,705</u>	<u>\$ (2,495)</u>
Total Law Library Fund	<u><u>\$ 11,200</u></u>	<u><u>\$ 11,200</u></u>	<u><u>\$ 8,705</u></u>	<u><u>\$ (2,495)</u></u>
Coal Road Improvement Fund				
Revenue from Local Sources:				
Other Local Taxes:				
Coal road tax	<u>\$ 746,675</u>	<u>\$ 746,675</u>	<u>\$ 479,800</u>	<u>\$ (266,875)</u>
Miscellaneous:				
Miscellaneous	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,711</u>	<u>\$ 34,711</u>
Total Revenue from Local Sources	<u><u>\$ 746,675</u></u>	<u><u>\$ 746,675</u></u>	<u><u>\$ 514,511</u></u>	<u><u>\$ (232,164)</u></u>

County of Tazewell, Virginia
Schedule of Revenues-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2021

<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: (continued)				
Nonmajor Special Revenue Funds: (continued)				
Coal Road Improvement Fund (continued)				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical Aid:				
Clinic Rd Lap - VDOT	\$ 237,575	\$ 237,575	\$ 60,214	\$ (177,361)
Total Coal Road Improvement Fund	<u>\$ 984,250</u>	<u>\$ 984,250</u>	<u>\$ 574,725</u>	<u>\$ (409,525)</u>
Coal Road Economic Development Fund				
Revenue from Local Sources:				
Other Local Taxes:				
Coal road tax	\$ 350,757	\$ 350,757	\$ 263,359	\$ (87,398)
Total Coal Road Economic Development Fund	<u>\$ 350,757</u>	<u>\$ 350,757</u>	<u>\$ 263,359</u>	<u>\$ (87,398)</u>
Total Nonmajor Special Revenue Funds	<u>\$ 1,346,207</u>	<u>\$ 1,346,207</u>	<u>\$ 846,789</u>	<u>\$ (499,418)</u>
Major Capital Projects Fund:				
County CIP Fund:				
Revenue from Local Sources:				
Revenue from Use of Money and Property:				
Revenue from use of money	\$ -	\$ -	\$ 1,657	\$ 1,657
Miscellaneous:				
Miscellaneous	\$ -	\$ -	\$ 73,266	\$ 73,266
Total Revenue from Local Sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,923</u>	<u>\$ 74,923</u>
Intergovernmental:				
Revenue from the Federal Government:				
Categorical Aid:				
CDBG	\$ 592,644	\$ 592,644	\$ 642,859	\$ 50,215
ARC grant	412,766	412,766	298,126	(114,640)
Total Categorical Aid	<u>\$ 1,005,410</u>	<u>\$ 1,005,410</u>	<u>\$ 940,985</u>	<u>\$ (64,425)</u>
Total Revenue from the Federal Government	<u>\$ 1,005,410</u>	<u>\$ 1,005,410</u>	<u>\$ 940,985</u>	<u>\$ (64,425)</u>
Total County CIP Fund	<u>\$ 1,005,410</u>	<u>\$ 1,005,410</u>	<u>\$ 1,015,908</u>	<u>\$ 10,498</u>
Total Primary Government	<u>\$ 58,149,508</u>	<u>\$ 58,388,290</u>	<u>\$ 62,549,801</u>	<u>\$ 4,161,511</u>
Discretely Presented Component Unit-School Board:				
School Operating Fund:				
Revenue from Local Sources:				
Revenue from Use of Money and Property:				
Revenue from use of property	\$ 5,000	\$ 5,000	\$ 104	\$ (4,896)
Charges for Services:				
Tuition	\$ 521,470	\$ 521,470	\$ 520,613	\$ (857)
Cafeteria sales	550,000	550,000	31,663	(518,337)
Charges for damaged books	250	250	294	44
Charges for transportation	30,000	30,000	24,441	(5,559)
Total Charges for Services	<u>\$ 1,101,720</u>	<u>\$ 1,101,720</u>	<u>\$ 577,011</u>	<u>\$ (524,709)</u>

County of Tazewell, Virginia
Schedule of Revenues-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2021

<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)				
Revenue from Local Sources: (continued)				
Miscellaneous:				
Miscellaneous	\$ 18,000	\$ 18,000	\$ 23,702	\$ 5,702
Recovered Costs:				
Rebates and refunds	\$ 320,000	\$ 320,000	\$ 359,981	\$ 39,981
JROTC	55,000	55,000	50,102	(4,898)
Total Recovered Costs	\$ 375,000	\$ 375,000	\$ 410,083	\$ 35,083
Total Revenue from Local Sources	\$ 1,499,720	\$ 1,499,720	\$ 1,010,900	\$ (488,820)
Intergovernmental:				
Revenue from Local Governments:				
Contribution from the County of Tazewell	\$ 11,178,764	\$ 11,178,764	\$ 12,392,942	\$ 1,214,178
Revenue from the Commonwealth:				
Categorical Aid:				
At risk four-year olds	\$ 573,041	\$ 573,041	\$ 380,612	\$ (192,429)
At risk payments	1,566,034	1,566,034	1,558,389	(7,645)
Basic school aid	19,609,077	19,609,077	19,577,643	(31,434)
Dual enrollment	450,000	450,000	38,530	(411,470)
ESL	9,058	9,058	9,058	-
Project graduation	5,999	5,999	5,999	-
E-rate funding	357,310	357,310	407,198	49,888
Foster care	22,827	22,827	18,288	(4,539)
GED funding	25,159	25,159	25,159	-
Gifted and talented children	209,355	209,355	208,349	(1,006)
GLI instructional	90,852	90,852	90,416	(436)
Mentor teaching program	5,688	5,688	3,602	(2,086)
Virtual VA tuition	-	-	2,040	2,040
Reading intervention	158,375	158,375	158,375	-
Reduced K-3 classroom	1,183,182	1,183,182	1,158,128	(25,054)
Remedial education	793,970	793,970	790,155	(3,815)
Retirement	3,029,727	3,029,727	3,015,170	(14,557)
School food	55,650	55,650	28,339	(27,311)
Share of state sales tax	6,856,429	6,856,429	7,335,565	479,136
Social security	1,299,583	1,299,583	1,293,339	(6,244)
SOL algebra readiness	117,318	117,318	117,320	2
Special education - SOQ	2,946,775	2,946,775	2,932,617	(14,158)
Special education - foster care	-	-	19,887	19,887
Special education - homebound	47,876	47,876	50,503	2,627
State textbook payments	424,517	424,517	422,478	(2,039)
State lottery payments	1,475,768	1,475,768	1,639,350	163,582
Technology assistance	638,000	638,000	388,000	(250,000)
Vocational education - SOQ	900,623	900,623	896,296	(4,327)
Vocational education - equipment	32,369	32,369	13,966	(18,403)
Vocational education	-	-	1,987	1,987
Vocational education occup/tech	-	-	19,786	19,786
Other state payments	281,395	281,395	544,874	263,479
Total Categorical Aid	\$ 43,165,957	\$ 43,165,957	\$ 43,151,418	\$ (14,539)
Total Revenue from the Commonwealth	\$ 43,165,957	\$ 43,165,957	\$ 43,151,418	\$ (14,539)

County of Tazewell, Virginia
Schedule of Revenues-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2021

<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 Federal Government:				
Categorical Aid:				
Forest reserve funds	\$ 11,200	\$ 11,200	\$ 9,839	\$ (1,361)
Title I	1,914,900	1,914,900	1,753,768	(161,132)
Title II, A Staff training	247,801	247,801	260,769	12,968
Vocational education	133,800	133,800	260,318	126,518
Title VI-B	1,667,848	1,667,848	1,564,750	(103,098)
Title VI-B Preschool	78,830	78,830	66,128	(12,702)
Title IV - Student Support	-	-	141,969	141,969
Title IV Part B 21	111,915	111,915	93,992	(17,923)
CACFP	175,000	175,000	-	(175,000)
TANF	-	-	117,276	117,276
School food-Summer program	15,000	15,000	2,674,050	2,659,050
School breakfast	530,000	530,000	33,026	(496,974)
School lunch	1,390,000	1,390,000	210,350	(1,179,650)
CARES - ESSER	-	-	615,060	615,060
CARES - CRF	-	-	942,375	942,375
Total Categorical Aid	<u>\$ 6,276,294</u>	<u>\$ 6,276,294</u>	<u>\$ 8,743,670</u>	<u>\$ 2,467,376</u>
Total Revenue from the Federal Government	<u>\$ 6,276,294</u>	<u>\$ 6,276,294</u>	<u>\$ 8,743,670</u>	<u>\$ 2,467,376</u>
Total School Operating Fund	<u>\$ 62,120,735</u>	<u>\$ 62,120,735</u>	<u>\$ 65,298,930</u>	<u>\$ 3,178,195</u>

County of Tazewell, Virginia
Schedule of Expenditures-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2021

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget- Pos (Neg)</u>
Primary Government:				
General Fund:				
General Government Administration:				
Legislative:				
Board of supervisors	\$ 127,478	\$ 147,128	\$ 142,017	\$ 5,111
General and Financial Administration:				
County administrator	\$ 264,933	\$ 268,451	\$ 266,421	\$ 2,030
County attorney	219,465	222,007	208,982	13,025
Economic development	1,268,608	1,270,200	280,537	989,663
Commissioner of revenue	546,767	554,657	547,304	7,353
Reassessment	-	-	130	(130)
Treasurer	661,757	703,599	705,002	(1,403)
Finance office	439,925	444,112	426,184	17,928
Administration services	36,250	36,250	34,503	1,747
County garage	322,223	324,812	296,275	28,537
Information technology	566,961	569,512	447,204	122,308
Workforce consortium	-	-	179	(179)
Transit system	79,047	79,047	74,000	5,047
Total General and Financial Administration	\$ 4,405,936	\$ 4,472,647	\$ 3,286,721	\$ 1,185,926
Board of Elections:				
Electoral Board	\$ 81,430	\$ 188,975	\$ 170,253	\$ 18,722
Registrar	178,746	185,901	177,957	7,944
Total Board of Elections	\$ 260,176	\$ 374,876	\$ 348,210	\$ 26,666
Total General Government Administration	\$ 4,793,590	\$ 4,994,651	\$ 3,776,948	\$ 1,217,703
Judicial Administration:				
Courts:				
Clerk of the Circuit Court	\$ 886,462	\$ 903,613	\$ 995,889	\$ (92,276)
Circuit court	142,693	146,701	146,777	(76)
District court	14,002	11,840	6,581	5,259
Magistrate	6,425	6,425	5,114	1,311
Juvenile and domestic relations court	9,387	9,387	8,339	1,048
Total Courts	\$ 1,058,969	\$ 1,077,966	\$ 1,162,700	\$ (84,734)
Commonwealth's Attorney:				
Commonwealth's attorney	\$ 1,238,899	\$ 1,333,162	\$ 1,306,815	\$ 26,347
Total Judicial Administration	\$ 2,297,868	\$ 2,411,128	\$ 2,469,515	\$ (58,387)
Public Safety:				
Law Enforcement and Traffic Control:				
Sheriff	\$ 5,409,336	\$ 5,596,905	\$ 5,409,380	\$ 187,525
911 System	174,686	174,686	-	174,686
Total Law Enforcement and Traffic Control	\$ 5,584,022	\$ 5,771,591	\$ 5,409,380	\$ 362,211
Fire and Rescue Services:				
Volunteer fire departments	\$ 413,593	\$ 414,643	\$ 416,547	\$ (1,904)
Volunteer rescue squads	415,376	383,691	365,963	17,728
Fire & EMS	134,404	136,234	133,437	2,797
EMS	857,799	1,027,337	1,034,361	(7,024)
Total Fire and Rescue Services	\$ 1,821,172	\$ 1,961,905	\$ 1,950,308	\$ 11,597

County of Tazewell, Virginia
Schedule of Expenditures-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2021

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget- Pos (Neg)</u>
Primary Government: (continued)				
General Fund: (continued)				
Public Safety: (continued)				
Correction and Detention:				
Sheriff - correction and detention	\$ 3,908,984	\$ 3,933,355	\$ 3,953,985	\$ (20,630)
Juvenile detention	224,008	210,603	197,212	13,391
Court services unit	29,700	29,700	38,663	(8,963)
Total Correction and Detention	<u>\$ 4,162,692</u>	<u>\$ 4,173,658</u>	<u>\$ 4,189,860</u>	<u>\$ (16,202)</u>
Inspections:				
Building Inspections	\$ 256,450	\$ 237,532	\$ 232,671	\$ 4,861
Other Protection:				
Human services	\$ 363,107	\$ 356,646	\$ 356,646	\$ -
Emergency services	134,909	228,054	209,717	18,337
Animal control	276,237	280,893	261,764	19,129
E911 System	1,363,974	1,351,944	1,236,419	115,525
Forestry service	20,000	20,000	19,952	48
Victim witness grant program	185,093	190,396	190,069	327
V-Stop investigator grant program	38,069	42,896	42,896	-
Substance Abuse Force in Rural Appalachia	475,938	521,213	74,530	446,683
Total Other Protection	<u>\$ 2,857,327</u>	<u>\$ 2,992,042</u>	<u>\$ 2,391,993</u>	<u>\$ 600,049</u>
Total Public Safety	<u>\$ 14,681,663</u>	<u>\$ 15,136,728</u>	<u>\$ 14,174,212</u>	<u>\$ 962,516</u>
Public Works:				
Maintenance of Streets, Highways, and Bridges:				
Orphan Road upgrading	\$ 30,000	\$ 30,000	\$ 34,342	\$ (4,342)
Maintenance of General Building and Grounds:				
General properties	\$ 1,207,770	\$ 1,082,847	\$ 1,065,605	\$ 17,242
Fairgrounds operations	54,970	141,950	147,534	(5,584)
Total Maintenance of General Buildings and Grounds	<u>\$ 1,262,740</u>	<u>\$ 1,224,797</u>	<u>\$ 1,213,139</u>	<u>\$ 11,658</u>
Total Public Works	<u>\$ 1,292,740</u>	<u>\$ 1,254,797</u>	<u>\$ 1,247,481</u>	<u>\$ 7,316</u>
Health and Welfare:				
Health:				
Supplement of Local Health Department	\$ 520,142	\$ 520,142	\$ 520,142	\$ -
Behavioral Health and Development Services:				
Cumberland Mountain Community Services Board	\$ 70,000	\$ 70,000	\$ 70,000	\$ -
Welfare:				
Public Assistance	\$ 8,614,396	\$ 8,614,396	\$ 8,184,334	\$ 430,062
Welfare Administration	1,230,006	995,364	1,091,828	(96,464)
Comprehensive Services Act	2,000,000	2,450,250	2,810,977	(360,727)
COVID recovery	3,541,757	5,482,668	3,593,475	1,889,193
Total Welfare	<u>\$ 15,386,159</u>	<u>\$ 17,542,678</u>	<u>\$ 15,680,614</u>	<u>\$ 1,862,064</u>
Total Health and Welfare	<u>\$ 15,976,301</u>	<u>\$ 18,132,820</u>	<u>\$ 16,270,756</u>	<u>\$ 1,862,064</u>
Education:				
Other Instructional Costs:				
Contribution to community colleges	\$ 315,000	\$ 405,335	\$ 405,334	\$ 1
Contribution to Tazewell County School Board	11,178,764	11,178,764	12,392,942	(1,214,178)
Total Education	<u>\$ 11,493,764</u>	<u>\$ 11,584,099</u>	<u>\$ 12,798,276</u>	<u>\$ (1,214,177)</u>

County of Tazewell, Virginia
Schedule of Expenditures-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2021

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget- Pos (Neg)</u>
Primary Government: (continued)				
General Fund: (continued)				
Parks, Recreational and Cultural:				
Parks and Recreation:				
Cavitt's Creek Park	\$ 296,466	\$ 296,993	\$ 225,421	\$ 71,572
Museums	78,100	79,263	79,943	(680)
Total Parks and Recreation	<u>\$ 374,566</u>	<u>\$ 376,256</u>	<u>\$ 305,364</u>	<u>\$ 70,892</u>
Library:				
Library Administration	\$ 1,079,714	\$ 1,093,085	\$ 1,105,780	\$ (12,695)
Total Parks, Recreation and Cultural	<u>\$ 1,454,280</u>	<u>\$ 1,469,341</u>	<u>\$ 1,411,144</u>	<u>\$ 58,197</u>
Community Development:				
Planning and Community Development:				
Community Development	\$ 52,500	\$ 52,500	\$ 57,000	\$ (4,500)
Tourism	196,316	207,924	179,651	28,273
Planning and engineering	209,143	210,977	168,558	42,419
Contribution to Community Organizations	159,430	186,080	131,289	54,791
Contribution to Airport	133,793	133,793	133,793	-
Contribution to IDA	61,021	1,661,867	1,427,390	234,477
Contribution to Tazewell County PSA	150,000	150,000	150,000	-
Total Planning and Community Development	<u>\$ 962,203</u>	<u>\$ 2,603,141</u>	<u>\$ 2,247,681</u>	<u>\$ 355,460</u>
Cooperative Extension Program:				
VPI extension	\$ 130,972	\$ 130,972	\$ 117,454	\$ 13,518
Total Community Development	<u>\$ 1,093,175</u>	<u>\$ 2,734,113</u>	<u>\$ 2,365,135</u>	<u>\$ 368,978</u>
Non-departmental:				
Contingent expenditures	\$ 330,000	\$ 106,243	\$ 65,871	\$ 40,372
Debt Service:				
Principal retirement	\$ 1,823,948	\$ 1,823,948	\$ 1,546,927	\$ 277,021
Interest	936,064	936,064	718,895	217,169
Bond issuance costs	-	-	75,000	(75,000)
Total Debt Service	<u>\$ 2,760,012</u>	<u>\$ 2,760,012</u>	<u>\$ 2,340,822</u>	<u>\$ 419,190</u>
Total General Fund	<u>\$ 56,173,393</u>	<u>\$ 60,583,932</u>	<u>\$ 56,920,160</u>	<u>\$ 3,663,772</u>
Nonmajor Special Revenue Funds:				
Law Library Fund:				
Judicial Administration:				
Courts:				
Law library	\$ 25,000	\$ 25,000	\$ 8,359	\$ 16,641
Coal Road Improvement Fund:				
Public Works:				
Maintenance of Highways, streets, bridges, and sidewalks	\$ 750,000	\$ 750,000	\$ 478,951	\$ 271,049
Coal Road Economic Development Fund:				
Public Works:				
Economic development	\$ 350,033	\$ 350,033	\$ 291,708	\$ 58,325
Total Nonmajor Special Revenue Funds	<u>\$ 1,125,033</u>	<u>\$ 1,125,033</u>	<u>\$ 779,018</u>	<u>\$ 346,015</u>

County of Tazewell, Virginia
Schedule of Expenditures-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2021

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget- Pos (Neg)</u>
Primary Government: (Continued)				
Major Capital Project Fund:				
County CIP Fund:				
Public Works:				
Contributions to the Public Service Authority	\$ 900,000	\$ 900,000	\$ 900,000	\$ -
Community Development:				
Community Development	\$ 1,157,914	\$ 1,157,914	\$ 1,100,916	\$ 56,998
Judicial Administration:				
Courts:				
Courthouse improvements	\$ 1,406,719	\$ 1,406,719	\$ 914,735	\$ 491,984
Public Safety:				
EMS Building and Equipment	\$ 195,491	\$ 195,491	\$ 701,191	\$ (505,700)
E-911 Equipment	60,000	60,000	59,900	100
Fire Department Equipment	135,100	135,100	132,188	2,912
Total Public Safety	\$ 390,591	\$ 390,591	\$ 893,279	\$ (502,688)
Total County CIP Fund	\$ 3,855,224	\$ 3,855,224	\$ 3,808,930	\$ 46,294
Total Primary Government	\$ 61,153,650	\$ 65,564,189	\$ 61,508,108	\$ 4,056,081
Discretely Presented Component Unit-School Board:				
School Operating Fund:				
Education:				
Administration of schools:				
Administration, health and attendance	\$ 4,106,490	\$ 4,106,490	\$ 4,079,514	\$ 26,976
Cafeteria operation	3,783,072	3,783,072	3,016,675	766,397
Total Administration of schools	\$ 7,889,562	\$ 7,889,562	\$ 7,096,189	\$ 793,373
Instructional:				
Instruction	\$ 41,753,610	\$ 41,753,610	\$ 38,584,438	\$ 3,169,172
Other operating costs:				
Pupil transportation	\$ 4,044,470	\$ 4,044,470	\$ 3,323,213	\$ 721,257
Operation and maintenance of school plant	6,693,508	6,693,508	5,710,366	983,142
Contingencies	637,740	637,740	-	637,740
Technical resources	4,051,945	4,051,945	5,892,713	(1,840,768)
CARES Act	-	-	6,980	(6,980)
Total other operating costs	\$ 15,427,663	\$ 15,427,663	\$ 14,933,272	\$ 494,391
Total Education	\$ 65,070,835	\$ 65,070,835	\$ 60,613,899	\$ 4,456,936
Debt Service:				
Principal retirement	\$ 795,658	\$ 795,658	\$ 787,072	\$ 8,586
Interest and fiscal charges	55,388	55,388	54,790	598
Total Debt Service	\$ 851,046	\$ 851,046	\$ 841,862	\$ 9,184
Total School Operating Fund	\$ 65,921,881	\$ 65,921,881	\$ 61,455,761	\$ 4,466,120
Total School Operating Fund	\$ 65,921,881	\$ 65,921,881	\$ 61,455,761	\$ 4,466,120

STATISTICAL INFORMATION

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	Interest on Long-Term Debt	Landfill	Total
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
2014-15	5,341,134	3,313,678	15,278,730	7,195,353	7,914,541	13,914,784	1,507,870	1,067,600	314,193	1,770,276	57,618,159
2015-16	5,951,692	3,173,371	13,873,649	4,493,410	8,152,624	13,353,326	1,165,905	1,099,152	320,679	1,926,065	53,509,873
2016-17	5,426,841	3,190,221	14,237,930	3,686,198	8,470,019	13,273,962	1,336,454	1,139,934	654,959	2,000,193	53,416,711
2017-18	3,796,817	2,874,446	15,144,377	2,963,089	8,731,480	12,056,621	2,145,145	1,322,293	627,138	2,315,958	51,977,364
2018-19	3,205,172	2,907,411	15,812,040	3,044,245	9,367,370	10,620,057	1,852,831	1,007,607	565,080	2,522,917	50,904,730
2019-20	3,328,911	2,082,005	11,806,175	3,349,392	11,376,114	12,542,961	3,266,404	1,359,609	773,150	2,768,180	52,652,901
2020-21	2,880,516	3,064,793	13,421,241	3,018,966	16,152,768	12,798,276	1,950,726	3,210,361	678,188	3,757,368	60,933,203

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		General Property Taxes	Other Local Taxes	Unrestricted Revenues from Use of Money and Property	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs		
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	
2014-15	1,437,334	12,655,943		24,806,128	7,991,869	332,444	1,100,181	3,757,650	52,081,549	
2015-16	1,071,528	13,190,909		26,226,424	6,901,746	329,816	447,548	3,728,032	51,896,003	
2016-17	891,969	13,149,277		24,906,174	7,605,273	329,599	591,915	3,659,505	51,133,712	
2017-18	1,416,491	12,506,228		23,661,693	7,701,876	337,777	98,340	3,498,665	49,221,070	
2018-19	1,760,458	13,526,882		24,922,845	7,754,175	341,361	97,593	3,514,228	51,917,542	
2019-20	1,321,084	14,241,460		24,445,200	8,520,826	371,999	126,469	3,542,497	52,569,535	
2020-21	1,625,009	21,661,030		25,528,918	8,483,320	283,867	202,675	3,433,026	61,217,845	

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
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	5,846,948	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
2014-15	5,772,315	3,402,648	15,341,044	7,153,041	7,955,651	62,685,113	1,552,509	956,162	497,324	-	1,055,604	106,371,411
2015-16	6,183,097	3,218,821	14,228,870	5,127,796	8,317,691	60,723,862	1,420,994	980,731	619,775	-	2,139,823	102,961,460
2016-17	5,640,127	3,132,105	14,778,822	3,314,163	8,362,506	57,145,016	1,342,090	973,789	338,815	-	4,164,434	99,191,867
2017-18	4,457,149	2,340,575	15,504,643	2,628,755	8,715,225	56,961,881	1,388,303	1,297,301	12,409	-	3,565,698	96,871,939
2018-19	3,581,451	2,324,839	16,016,826	3,272,940	9,300,544	56,311,615	1,326,288	975,468	96,178	-	3,649,331	96,855,480
2019-20	3,676,369	2,207,052	12,976,007	3,192,500	11,255,391	57,436,854	2,684,526	1,341,770	142,518	-	3,257,185	98,170,112
2020-21	3,776,948	3,392,609	15,067,491	2,918,140	16,270,756	62,169,830	1,411,144	3,466,051	65,871	-	3,182,684	111,721,524

(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
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
2014-15	24,738,746	8,060,659	378,410	71,963	341,579	1,162,471	1,226,111	1,611,264	59,555,518	97,146,721
2015-16	24,474,804	6,901,746	331,782	52,080	354,381	1,004,989	522,481	1,204,894	60,599,417	95,446,574
2016-17	24,605,026	7,605,273	175,550	63,875	337,299	1,521,353	302,798	2,158,735	62,406,844	99,176,753
2017-18	24,501,490	7,701,876	229,706	52,808	342,874	2,070,380	127,059	1,736,386	60,305,021	97,067,600
2018-19	24,666,410	7,754,175	168,725	45,217	346,067	2,187,402	108,410	2,459,595	62,477,730	100,213,731
2019-20	24,236,934	8,520,826	161,334	31,217	374,924	1,330,668	133,220	2,271,139	64,470,584	101,530,846
2020-21	25,600,311	8,483,320	194,352	39,202	282,333	1,179,623	950,485	2,680,155	76,989,144	116,398,925

(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

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
				Delinquent Tax Collections (1,2)	Percent of Delinquent Taxes to Tax Levy				
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%	
2014-15	25,540,970	23,004,731	90.07%	941,423	23,946,154	93.76%	1,233,192	4.83%	
2015-16	26,633,971	25,583,198	96.05%	1,049,309	26,632,507	99.99%	2,065,848	7.76%	
2016-17	26,083,174	25,791,783	98.88%	951,614	26,743,397	102.53%	2,258,280	8.66%	
2017-18	25,775,840	25,419,900	98.62%	1,161,594	26,581,494	103.13%	2,345,758	9.10%	
2018-19	26,598,519	25,503,905	95.88%	818,948	26,322,853	98.96%	2,609,632	9.81%	
2019-20	26,631,158	24,963,150	93.74%	1,004,003	25,967,153	97.51%	3,081,946	11.57%	
2020-21	27,415,987	26,296,611	95.92%	1,033,808	27,330,419	99.69%	3,014,810	11.00%	

(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
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
2014-15	2,788,112,400	442,628,944	115,749,000	24,289,700	176,684,724	3,547,464,768
2015-16	2,663,296,800	433,577,251	109,308,261	23,703,017	182,456,119	3,412,341,448
2016-17	2,653,393,750	434,951,196	85,434,736	22,026,809	186,984,542	3,382,791,033
2017-18	2,652,574,550	426,879,741	75,498,859	20,728,800	210,192,345	3,385,874,295
2018-19	2,626,363,975	430,906,347	70,123,200	20,868,400	231,089,717	3,379,351,639
2019-20	2,608,139,775	437,842,645	59,864,000	21,279,980	265,251,375	3,392,377,775
2020-21	2,621,130,200	446,169,285	70,396,500	25,289,540	276,925,696	3,439,911,221

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

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

Table 7

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

Fiscal Year	Real Estate		Personal Property	Machinery and Tools		Merchants Capital	Public Service		Public Service Personal Property	
	\$	0.58		\$	2.00		\$	0.58		\$
2011-12	\$	0.58	\$	2.00	\$	4.30	\$	0.58	\$	2.00
2012-13		0.57		2.00		4.30		0.58		2.00
2013-14		0.57		2.00		3.80		0.57		2.00
2014-15		0.55		2.00		3.80		0.55		2.00
2015-16		0.55		2.00		3.80		0.55		2.00
2016-17		0.55		2.00		3.80		0.55		2.00
2017-18		0.55		2.00		3.80		0.55		2.00
2018-19		0.58		2.00		3.80		0.58		2.00
2019-20		0.58		2.00		3.80		0.58		2.00
2020-21		0.58		2.00		4.30		0.58		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
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
2014-15	45,078	3,547,464,768	7,782,189	0.22%	173
2015-16	45,078	3,412,341,448	7,237,855	0.21%	161
2016-17	45,078	3,382,791,033	6,276,668	0.19%	139
2017-18	45,078	3,385,874,295	5,537,635	0.16%	123
2018-19	45,078	3,379,351,639	5,025,378	0.15%	111
2019-20	45,078	3,392,377,775	4,349,036	0.13%	96
2020-21	40,429	3,439,911,221	3,808,109	0.11%	94

(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
	\$		\$		\$		\$		
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%
2014-15		295,798		321,897		617,695		106,371,411	0.58%
2015-16		544,334		364,102		908,436		102,961,460	0.88%
2016-17		1,691,187		1,004,878		2,696,065		99,191,867	2.72%
2017-18		1,499,033		844,279		2,343,312		96,871,939	2.42%
2018-19		1,312,257		734,164		2,046,421		96,855,480	2.11%
2019-20		1,516,342		748,157		2,264,499		98,170,112	2.31%
2020-21		1,546,927		718,895		2,265,822		111,721,524	2.03%

(1) Includes General Fund of the Primary Government

COMPLIANCE SECTION



**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**

**To the Board of Supervisors
County of Tazewell, Virginia
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, each major fund, and the aggregate remaining fund information of the County of Tazewell, Virginia as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County of Tazewell, Virginia's basic financial statements and have issued our report thereon dated November 30, 2021. Our report includes a reference to other auditors who audited the financial statements of Tazewell County, Virginia School Activity Funds, as described in our report on the County of Tazewell, Virginia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County of Tazewell, Virginia's internal control over financial reporting (internal control) as a basis for designing 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 the County of Tazewell, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 financial statements. 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*.

County of Tazewell, Virginia's Response to Findings

County of Tazewell, Virginia's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. County of Tazewell, Virginia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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, Jarrett, Cox, Associates

Blacksburg, Virginia
November 30, 2021



**Independent Auditors' Report on Compliance for Each Major Program and on
Internal Control over Compliance Required by the Uniform Guidance**

**To the Board of Supervisors
County of Tazewell, Virginia
Tazewell, Virginia**

Report on Compliance for Each Major Federal Program

We have audited the County of Tazewell, Virginia's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the County of Tazewell, Virginia's major federal programs for the year ended June 30, 2021. 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.

County of Tazewell, Virginia's basic financial statements include the operations of the Public Service Authority (the Authority) which expended \$1,724,947 in federal awards which is not included in the County of Tazewell, Virginia's schedule of expenditures of federal awards during the year ended June 30, 2021. Our audit, described below, did not include the operations of the Authority because the Authority engaged other auditors to perform an audit in accordance with the Uniform Guidance.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the 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 the audit requirements of Title 2 U.S. Code of *Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County of 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 qualified and unmodified opinions on compliance for major federal programs. However, our audit does not provide a legal determination of the County of Tazewell, Virginia's compliance.

Basis for Qualified Opinion on Coronavirus Relief Fund (ALN 21.019)

As described in the accompanying schedule of findings and questioned costs, the County of Tazewell, Virginia did not comply with requirements regarding ALN 21.019 Coronavirus Relief Funds as described in finding numbers 2021-003 for Reporting, 2021-004 for Subrecipient Monitoring and 2021-005 for Activities allowed/unallowed and allowable costs. Compliance with such requirements is necessary, in our opinion, for the County of Tazewell, Virginia to comply with the requirements applicable to that program.

Qualified Opinion on Coronavirus Relief Fund (ALN 21.019)

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the 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 ALN 21.019 Coronavirus Relief Fund for the year ended June 30, 2021.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the 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 other major federal programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2021.

Other Matters

County of Tazewell, Virginia's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. County of Tazewell, Virginia's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the 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 the 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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County of Tazewell, Virginia's internal control over compliance.

Report on Internal Control Over Compliance (continued)

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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 a 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2021-003, 2021-004, and 2021-005 to be material weaknesses.

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.

County of Tazewell, Virginia's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. County of Tazewell, Virginia's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Robinson, Jarrett, Cox, Associates
Blacksburg, Virginia
November 30, 2021

County of Tazewell, Virginia
 Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended June 30, 2021

Federal Grantor/State Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
Department of Health and Human Services:				
Pass-through Payments:				
Department of Education:				
Temporary Assistance for Needy Families (TANF)	93.558	Unknown	\$ 117,276	
Department of Social Services:				
Temporary Assistance for Needy Families (TANF)	93.558	90603, 91109, 91110, 91111 91112, 91127, 90365, 90366 90367, 90377, 90603, 92127 92109, 92110, 92111, 92112,	502,832	\$ 620,108
MaryLee Allen Promoting Safe and Stable Families Program	93.556	92129, 91129, 90359, 90360, 90361		41,805
Refugee and Entrant Assistance State / Replacement Designee Administered Programs	93.566	92129, 91129, 90359, 90360, 90361		1,169
Low-Income Home Energy Assistance	93.568	92113, 91113, 92114, 91114		81,476
CCDF Cluster:				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	92116, 92117, 92118, 91116, 91117, 91118		103,965
Chafee Education and Training Vouchers Program (ETV)	93.599	90353		8,473
Stephanie Tubbs Jones Child Welfare Services Program	93.645	92131, 91131		252
Foster Care Title IV-E	93.658	90209, 90635, 90636, 90637 90638, 90639, 90640, 90656 90657, 90658, 91105, 91106 91107, 91128, 91133, 91138 91147, 91405, 91406, 91407 91433, 91438, 91447, 92105 92106, 92107, 92128, 92133 92138, 92147		695,567
Adoption Assistance	93.659	90606, 90627, 90607, 91108 91408, 92108, 90214		954,278
Social Services Block Grant	93.667	90308, 90340 90351, 90379 90648, 91120, 91122, 91123 91124, 91125, 91126, 91142 92120, 92122, 92123, 92124 92125, 92126, 92142		535,658
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	92102, 91102, 91402		8,073
Children's Health Insurance Program	93.767	92102, 91102, 91402		7,599
Medicaid Cluster:				
Medical Assistance Program	93.778	90213, 91101, 91146, 91150 91401, 91446, 91450, 92101 92146, 92150		624,651
Total Department of Health and Human Services			\$	3,683,074
Department of Agriculture:				
Pass-through Payments:				
Child Nutrition Cluster:				
Department of Education:				
School Breakfast Program	10.553	40253	\$ 33,026	
National School Lunch Program	10.555	40254	\$ 64,534	
Department of Agriculture:				
National School Lunch Program (Food Commodities)	10.555	Unknown	211,130	275,664
Summer Food Service Program for Children	10.559	Unknown	\$ 2,143,888	
Summer Food Service Program for Children (SFSPC) (Food Commodities)	10.559	Unknown	2,325	
COVID-19 - Summer Food Service Program for Children	10.559	Unknown	462,523	2,608,736
Department of Education:				
Forest Service Schools and Roads Cluster:				
Schools and Roads - Grants to States	10.665	43841		9,839
Department of Social Services:				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	92103, 91103, 91403, 90212 90304, 92104, 91104, 91404 90303		841,104
Total Department of Agriculture			\$	3,768,369
Department of Justice:				
Pass-through Payments:				
Department of Criminal Justice Services:				
Crime Victim Assistance	16.575	17VAGX0018	\$	106,659
Violence Against Women Formula Grants	16.588	18WFAQ0056		32,007
Total Department of Justice			\$	138,666

County of Tazewell, Virginia
Schedule of Expenditures of Federal Awards (continued)
For the Fiscal Year Ended June 30, 2021

Federal Grantor/State Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
Executive Office of the President Pass-through Payments: Appalachia HIDTA: High Intensity Drug Trafficking Areas Program	95.001	Unknown	\$ 8,847	
Department of Housing and Urban Development: Pass-through Payments: Office of Community Planning and Development Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii	14.228	Unknown	\$ 713,215	\$ 642,859
Department of Transportation: Pass-through Payments: Department of Motor Vehicles: Highway Safety Cluster: State and Community Highway Safety	20.600	FOP-2018-58096-8096	\$ 18,495	
Appalachian Regional Commission: Pass-through Payments: Department of Housing and Community Development Appalachian Area Development	23.002	Unknown	\$ 298,126	298,126
Department of Treasury: Pass-through Payments: Department of Accounts: COVID-19: Coronavirus Relief Fund	21.019	SLT0022	\$ 6,492,324	
Department of Education: COVID-19: Coronavirus Relief Fund	21.019	70056	942,375	\$ 7,434,699
Department of Elections: Pass-through Payments: Department of Elections: COVID-19: HAVA Election Security Grants	90.404	Unknown	\$ 62,305	
Department of Education: Pass-through Payments: Department of Education: Title I Grants to Local Educational Agencies	84.010	42901	\$ 1,753,768	
Special Education Cluster: Special Education Grants to States	84.027	43071	\$ 1,564,750	
Special Education Preschool Grants	84.173	62521	66,128	1,630,878
Career and Technical Education - Basic Grants to States	84.048	61095		260,318
Rural Education	84.358	43481		93,992
Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)	84.367	61480		260,769
Student Support and Academic Enrichment Program	84.424	Unknown		141,969
Education Stabilization Fund Cluster: COVID-19: Elementary and Secondary School Emergency Relief Fund	84.425D	Unknown		615,060
Total Department of Education			\$ 4,756,754	
Total Expenditures of Federal Awards			\$ 20,882,550	\$ 3,293,268
Notes to Schedule of Expenditures of Federal Awards				
Note 1 -- Basis of Presentation				
<p>The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal awards of the County of Tazewell, Virginia under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, <i>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</i> (Uniform Guidance). 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.</p>				
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 the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.				
(2) Pass-through entity identifying numbers are presented where available.				
(3) The County did not elect to use the 10 percent de minimis indirect cost rate allowed under Uniform Guidance.				
Note 3 -- Food Distribution				
Nonmonetary assistance is reported in the schedule at the fair market value of commodities received and disbursed.				
Note 4 -- Outstanding Balance of Federal Loans				
The County did not have any loans or loan guarantees which are subject to reporting requirements for the current year.				
Note 5 -- 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			\$ 11,228,513	
County CIP Fund			940,985	
Less: Payment in lieu of taxes			(30,618)	
Total Primary Government			\$ 12,138,880	
Component Unit School Board:				
School Operating Fund			\$ 8,743,670	
Total expenditures of federal awards per basic financial statements			\$ 20,882,550	
Total expenditures of federal awards per the Schedule of Expenditures of Federal Awards			\$ 20,882,550	

County of Tazewell, Virginia

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

Section I - Summary of Auditors' Results

Financial Statements

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

Federal Awards

Internal control over major programs:			
Material weaknesses identified?			Yes
Significant deficiency(ies) identified?			No
Type of auditors' report issued on compliance for major programs:			
14.228	Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii		Unmodified
21.019	COVID-19 Coronavirus Relief Fund		Qualified
84.425	Education Stabilization Fund		Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? Yes

Identification of major programs:

<u>Federal Assistance Listing #</u>	<u>Name of Federal Program or Cluster</u>
14.228	Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii
21.019	COVID-19 Coronavirus Relief Fund
84.425	Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? No

Section II - Financial Statement Findings

2021-001 (Material Weakness)

Criteria:	An auditee should have sufficient controls in place to produce financial statements in accordance with applicable standards.
Condition:	The financial statements as presented for audit, did not contain all necessary adjustments to comply with generally accepted accounting principles (GAAP). As such, there were proposed adjustments that were material to the financial statements.
Effect of Condition:	There is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected by the County's internal controls over financial reporting.
Cause of Condition:	The County does not have proper controls in place to detect and correct adjustments in closing their year end financial statements.
Recommendation:	The County should review the auditors' proposed audit adjustments for the fiscal year and develop a plan to ensure the trial balances and related schedules are accurately presented for audit.
Management's Response:	The County will review the auditors' proposed audit adjustments for the fiscal year and will develop a plan of action to ensure that all adjusting entries are made prior to final audit fieldwork next year.

County of Tazewell, Virginia

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

Section II - Financial Statement Findings (Continued)

2021-002 (Material Weakness)

Criteria:	Controls should be in place to ensure that grant funds are requested for reimbursement in a timely manner in accordance with the matching principle.
Condition:	The School Board is not submitting reimbursement requests for federal grant programs in a timely manner.
Effect of Condition:	There is a reasonable possibility that revenues and expenditures are not appropriately matched and reported in accordance with Generally Accepted Accounting Principles.
Cause of Condition:	The School Board does not have adequate staffing to ensure that reimbursement requests are filed in a timely manner.
Recommendation:	The School Board should review its processes to see if there are any efficiencies that can be gained with the current staff to ensure that reimbursement requests are filed timely.
Management's Response:	The School Board agrees with the finding and recommendation, but with the current staffing feels that is unable to implement the above recommendation.

Section III - Federal Award Findings and Questioned Costs

2021-003

Program Titles:	COVID-19 Coronavirus Relief Fund
ALN:	21.019
Pass-through Entity:	Virginia Department of Accounts
Compliance Requirement:	Reporting
Finding Type:	Noncompliance and Material Weakness
Criteria:	Prime recipients (i.e. the Commonwealth of Virginia) are required to submit quarterly Financial Progress reports. To assist with same, the Commonwealth required quarterly reports from its subrecipients (the County).
Condition:	The amount reported in the quarterly reports to the Commonwealth totaled \$7,424,202 while expenditure reports from the County's system show a total of \$6,918,557 expended, with a difference of \$505,645.
Questioned Costs:	None
Context:	Quarterly reports prepared for the Commonwealth were based on system generated expenditure detail reports for the same quarter; however, a year-to-date report was not utilized to ensure that aggregate totals reported to the state were updated for any journal entries or voided checks.
Effect:	The amounts reported by the County to the Commonwealth are overstated resulting in an error in reporting by the Commonwealth to the federal government.
Cause:	Lack of appropriate reconciliation and review processes over the quarterly reporting process.
Recommendation:	Management should establish a reconciliation process and reports should be reviewed by someone other than the preparer prior to submission to ensure accuracy of same.
Views of Responsible Officials:	Management agrees with the recommendation and Finance staff will implement a reconciliation process that includes proper review and approval by someone other than the report preparer prior to submission to ensure accuracy of reporting.

County of Tazewell, Virginia

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

Section III - Federal Award Findings and Questioned Costs (Continued)

2021-004

Program Titles:	COVID-19 Coronavirus Relief Fund
ALN:	21.019
Pass-through Entity:	Virginia Department of Accounts
Compliance Requirement:	Subrecipient Monitoring
Finding Type:	Noncompliance and Material Weakness
Criteria:	Pass-through entities are required to perform subrecipient monitoring for subawards made to Towns or other entities to whom grant awards are made.
Condition:	Documentation provided by subrecipients was not complete nor did it agree to the schedule of expenditures that was provided to the County regarding the use of funds.
Questioned Costs:	Unknown
Context:	Total population of >200 expenditures and a sample of 40 items were selected haphazardly for testing. Four out of the 40 items selected for testing did not have sufficient documentation to ensure subrecipient monitoring was adequate.
Effect:	Unallowable costs may have been reported.
Cause:	Lack of monitoring on an ongoing basis to ensure subrecipient documentation is complete.
Recommendation:	Management should consider distributing funds on a reimbursement basis after documentation has been reviewed or should implement a review process wherein subrecipient expenditures are monitored on a routine basis to ensure allowability under the program and completeness.
Views of Responsible Officials:	Management agrees and will evaluate its subrecipient monitoring process and implement new procedures to ensure that funds are on a reimbursement basis or that there is a formalized review process in place.

County of Tazewell, Virginia

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

Section III - Federal Award Findings and Questioned Costs (Continued)

2021-005

Program Titles:	COVID-19 Coronavirus Relief Fund
ALN:	21.019
Pass-through Entity:	Virginia Department of Accounts
Compliance Requirement:	Activities allowed/unallowed and allowable costs
Finding Type:	Noncompliance and Material Weakness
Criteria:	Expenditures under the program must meet allowability criteria under the program and documentation to support that this has been met should be maintained and provided for audit purposes.
Condition:	Documentation provided for testing did not provide sufficient detail to determine that Comprehensive Services Act (CSA) expenditures and salaries, other than public safety and public health, met the allowability criteria. Additionally, CSA is reimbursed in part by State funds and guidance related to the program does not specify that funds can be used to meet local match requirements for other awards.
Questioned Costs:	Questioned costs totaled \$127,141.72.
Context:	Total population of >200 expenditures and a sample of 40 items were selected haphazardly for testing for both payroll and accounts payable disbursements. One out of the 40 accounts payable items selected for testing did not have adequate documentation and 11 out of 40 payroll items selected for testing did not have adequate documentation.
Effect:	Unable to determine that amounts reported as expended under the program meet activities allowed/unallowed and allowable cost requirements.
Cause:	Lack of review processes to ensure that documentation provided for audit was adequate.
Recommendation:	Management should implement a process to ensure that documentation maintained is adequate to ensure that allowability and allowable cost requirements for the program have been met.
Views of Responsible Officials:	Management will review its process for reviewing disbursements under the program and related documentation requirements for same to ensure that adequate documentation is available upon request.

County of Tazewell, Virginia

Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2021

2020-001

Condition: The financial statements as presented for audit, did not contain all necessary adjustments to comply with generally accepted accounting principles (GAAP). As such, there were proposed adjustments that were material to the financial statements.

Recommendation: The County should review the auditors' proposed audit adjustments for the fiscal year and develop a plan to ensure the trial balances and related schedules are accurately presented for audit.

Current Status: Finding 2020-001 was repeated in the current year as 2021-001.

2020-002

Condition: Controls should be in place to ensure that grant funds are requested for reimbursement in a timely manner in accordance with the matching principle.

Recommendation: The School Board should review its processes to see if there are any efficiencies that can be gained with the current staff to ensure that reimbursement requests are filed timely.

Current Status: Finding 2020-002 was previously reported as a significant deficiency and is shown as finding 2021-002 as a material weakness in the current year.