

County of Tazewell, Virginia



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

COUNTY OF TAZEVELL, VIRGINIA

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**COUNTY OF TAZEWELL, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2023**

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INTRODUCTORY SECTION

COUNTY OF TAZEVELL, VIRGINIA

BOARD OF SUPERVISORS

Aaron Gillespie
Andy Hrovatic

Shanna Plaster, Chairman

Maggie Abury
Charles Stacy

COUNTY SCHOOL BOARD

Donna Whittington
David Woodard

Erik Robinson, Chairman

Dr. Christopher Stacy, Superintendent of Schools

Irene Mullins
Chris Moir

SOCIAL SERVICES BOARD

Kim Allen
Debra White

Amanda B. Buskill, Chairman

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 Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units (School Board and Other 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, 2023, and the related notes to the financial statements, which collectively comprise the County of Tazewell, Virginia's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the 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 the County of Tazewell, Virginia, as of and for the year ended June 30, 2023, 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.

We did not audit the financial statements of Tazewell County, Virginia School Activity Funds, which represent 3.52 percent, 4.93 percent, and 2.88 percent, respectively, of the assets, fund balance, and revenues of the discretely presented component unit - School Board as of June 30, 2023. 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 Fund, is based solely on the report of the other auditors.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of County of Tazewell, Virginia, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Restatement of Beginning Balances

As described in Note 20 to the financial statements, in 2023, the County restated beginning balances for the reissuance of 2022 audit report due to federal funding that was not previously reported.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about County of Tazewell, Virginia's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Specifications for Audits of Counties, Cities, and Towns* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Specifications for Audits of Counties, Cities, and Towns*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 County of Tazewell, Virginia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about County of Tazewell, Virginia's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and schedules related to pension and OPEB funding as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Management has omitted management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary 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 other supplementary information and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 and the report of other auditors, the other supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical information but does not include the basic financial statements and our auditors’ report thereon. Our opinions on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2024, 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
February 20, 2024

Basic Financial Statements

County of Tazewell, Virginia
Statement of Net Position
June 30, 2023

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	School Board	Other Component Units
ASSETS					
Cash and Cash Equivalents	\$ 21,822,888	\$ -	\$ 21,822,888	\$ 20,042,717	\$ 536,839
Investments	-	-	-	-	3,080,067
Receivables (Net of Allowance for Uncollectibles):					
Taxes	24,402,863	-	24,402,863	-	-
Accounts Receivable	1,908,138	160,833	2,068,971	36,805	988,047
Note Receivable	-	-	-	-	1,488,357
Leases receivable	-	-	-	-	1,082,624
Assets Held for Resale	-	-	-	-	2,564,058
Due from Component Units	6,751,207	-	6,751,207	-	-
Due from Other Governmental Units	3,716,294	-	3,716,294	15,020,821	390,424
Internal Balances	(32,830)	32,830	-	-	-
Inventory	-	-	-	-	182,178
Prepaid Items	52,021	-	52,021	494,078	38,253
Restricted Assets:					
Cash and Cash Equivalents	-	3,260,477	3,260,477	-	195,315
Capital assets not being depreciated/amortized	4,120,027	1,194,657	5,314,684	4,682,482	19,062,816
Capital assets, net of accumulated deprecation/amortization	17,040,598	6,116,956	23,157,554	27,011,883	80,898,529
Total Assets	<u>\$ 79,781,206</u>	<u>\$ 10,765,753</u>	<u>\$ 90,546,959</u>	<u>\$ 67,288,786</u>	<u>\$ 110,507,507</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension related items	\$ 2,070,411	\$ -	\$ 2,070,411	\$ 7,883,143	\$ 303,028
OPEB related items	1,381,249	-	1,381,249	3,653,414	145,472
Deferred charge on refunding	98,644	-	98,644	-	-
Total Deferred Outflows of Resources	<u>\$ 3,550,304</u>	<u>\$ -</u>	<u>\$ 3,550,304</u>	<u>\$ 11,536,557</u>	<u>\$ 448,500</u>
LIABILITIES					
Accounts Payable	\$ 1,125,843	\$ 918,354	\$ 2,044,197	\$ 973,620	\$ 773,277
Accrued Liabilities	-	-	-	1,293,312	-
Accrued Wages	-	-	-	3,561,828	48,358
Customer Deposits	-	-	-	-	195,315
Accrued Interest Payable	53,579	13,183	66,762	-	59,157
Due to Primary Government	-	-	-	6,640,168	111,039
Unearned Revenue	3,948,845	-	3,948,845	-	13,993
Long-term Liabilities:					
Due Within One Year	2,410,669	375,000	2,785,669	419,162	2,597,123
Due in More Than One Year	23,230,631	14,971,763	38,202,394	52,750,810	34,110,236
Total Liabilities	<u>\$ 30,769,567</u>	<u>\$ 16,278,300</u>	<u>\$ 47,047,867</u>	<u>\$ 65,638,900</u>	<u>\$ 37,908,498</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Revenue - Property Taxes	\$ 21,377,035	\$ -	\$ 21,377,035	\$ -	\$ -
Pension related items	2,204,678	-	2,204,678	8,001,128	407,392
OPEB related items	1,405,700	-	1,405,700	3,821,386	147,356
Lease related	-	-	-	-	1,054,701
Total Deferred Inflows of Resources	<u>\$ 24,987,413</u>	<u>\$ -</u>	<u>\$ 24,987,413</u>	<u>\$ 11,822,514</u>	<u>\$ 1,609,449</u>
NET POSITION					
Net Investment in Capital Assets	\$ 8,554,323	\$ 7,317,090	\$ 15,871,413	\$ 31,694,365	\$ 65,041,860
Restricted	2,166,168	-	2,166,168	7,694,106	-
Unrestricted	16,854,039	(12,829,637)	4,024,402	(38,024,542)	6,396,200
Total Net Position	<u>\$ 27,574,530</u>	<u>\$ (5,512,547)</u>	<u>\$ 22,061,983</u>	<u>\$ 1,363,929</u>	<u>\$ 71,438,060</u>

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, 2023

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	Other Component Units		
					Governmental Activities	Business-type Activities						
PRIMARY GOVERNMENT:												
Governmental Activities:												
General Government Administration	\$ 4,170,908	\$ 326,792	\$ 1,088,149	\$ -	\$ (2,755,967)	\$ -	\$ (2,755,967)	\$ -	\$ -	\$ -	\$ -	\$ -
Judicial Administration	3,314,581	149,854	1,728,735	-	(1,435,992)	-	(1,435,992)	-	-	-	-	-
Public Safety	15,712,788	203,506	4,338,183	-	(11,171,099)	-	(11,171,099)	-	-	-	-	-
Public Works	3,659,106	23,036	16,265	-	(3,619,805)	-	(3,619,805)	-	-	-	-	-
Health and Welfare	12,711,013	-	9,511,689	-	(3,199,324)	-	(3,199,324)	-	-	-	-	-
Education	13,483,163	-	-	-	(13,483,163)	-	(13,483,163)	-	-	-	-	-
Parks, Recreation and Cultural	2,725,520	53,036	329,887	-	(2,342,597)	-	(2,342,597)	-	-	-	-	-
Community Development	649,378	123	1,576,756	-	(432,099)	-	(432,099)	-	-	-	-	-
Interest	432,099	-	-	-	(432,099)	-	(432,099)	-	-	-	-	-
Total Governmental Activities	\$ 56,858,556	\$ 756,347	\$ 18,589,664	\$ -	\$ (37,512,545)	\$ -	\$ (37,512,545)	\$ -	\$ -	\$ -	\$ -	\$ -
Business-type Activities												
Landfill	\$ 4,916,955	\$ 1,129,934	\$ 24,914	\$ -	\$ (3,762,107)	\$ (3,762,107)	\$ (3,762,107)	\$ -	\$ -	\$ -	\$ -	\$ -
Total Primary Government	\$ 61,775,511	\$ 1,886,281	\$ 18,614,578	\$ -	\$ (37,512,545)	\$ (3,762,107)	\$ (41,274,652)	\$ -	\$ -	\$ -	\$ -	\$ -
Component Units:												
School Board	\$ 67,868,956	\$ 1,799,675	\$ 68,388,810	\$ -	\$ -	\$ -	\$ -	\$ 2,319,529	\$ -	\$ -	\$ -	\$ -
Other component units	11,393,136	8,114,461	170,924	1,530,431	-	-	-	-	-	-	(1,577,320)	-
Total Component Units	\$ 79,262,092	\$ 9,914,136	\$ 68,559,734	\$ 1,530,431	\$ -	\$ -	\$ -	\$ 2,319,529	\$ -	\$ -	\$ (1,577,320)	\$ -
General Revenues:												
General Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 26,583,248	\$ -	\$ 26,583,248	\$ -	\$ -	\$ -	\$ -	\$ -
Other Local Taxes	-	-	-	-	6,344,370	-	6,344,370	-	-	-	-	-
Local Sales and Use Taxes	-	-	-	-	817,181	-	817,181	-	-	-	-	-
Consumers' Utility Taxes	-	-	-	-	374,063	-	374,063	-	-	-	-	-
Franchise License Taxes	-	-	-	-	24,689	-	24,689	-	-	-	-	-
MOPED and ATV sales tax	-	-	-	-	8,968	-	8,968	-	-	-	-	-
Utility License Taxes	-	-	-	-	17	-	17	-	-	-	-	-
Other Will and taxes	-	-	-	-	122,482	-	122,482	-	-	-	-	-
Bank Franchise Taxes	-	-	-	-	257,510	-	257,510	-	-	-	-	-
Taxes on Recordation and Wills	-	-	-	-	2,973,584	-	2,973,584	-	-	-	-	-
Coal Severance Taxes	-	-	-	-	267,060	-	267,060	-	-	-	-	-
Hotel and Motel Taxes	-	-	-	-	848,940	-	848,940	-	-	-	-	-
Gas Severance Tax	-	-	-	-	282,154	-	282,154	-	-	-	-	-
Unrestricted Revenues from Use of Money and Property	-	-	-	-	485,010	45,514	327,668	59,041	1,375,645	374,008	884,069	884,069
Miscellaneous	-	-	-	-	4,659	4,659	489,669	13,083,163	1,143,391	1,143,391	1,143,391	1,143,391
Payments from Primary Government/Component Units	-	-	-	-	4,013,396	-	4,013,396	-	-	-	-	-
Grants and Contributions not Restricted to Specific Programs	-	-	-	-	(2,386,391)	2,386,391	-	-	-	-	-	-
Transfers	-	-	-	-	41,016,281	2,436,564	43,452,828	14,517,849	14,517,849	2,401,468	2,401,468	2,401,468
Total General Revenues and transfers	\$ -	\$ -	\$ -	\$ -	\$ 41,016,281	\$ 2,436,564	\$ 43,452,828	\$ 14,517,849	\$ 14,517,849	\$ 2,401,468	\$ 2,401,468	\$ 2,401,468
Change in Net Position	\$ -	\$ -	\$ -	\$ -	\$ 3,503,736	\$ (1,325,543)	\$ 2,178,193	\$ 16,837,378	\$ 16,837,378	\$ 824,148	\$ 824,148	\$ 824,148
Net Position - Beginning, as restated	\$ -	\$ -	\$ -	\$ -	\$ 24,070,794	\$ (4,187,004)	\$ 19,883,790	\$ (15,473,449)	\$ (15,473,449)	\$ 70,613,912	\$ 70,613,912	\$ 70,613,912
Net Position - Ending	\$ -	\$ -	\$ -	\$ -	\$ 27,574,530	\$ (5,512,547)	\$ 22,061,983	\$ 1,363,929	\$ 1,363,929	\$ 71,438,060	\$ 71,438,060	\$ 71,438,060

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

County of Tazewell, Virginia
Balance Sheet
Governmental Funds
June 30, 2023

	General Fund	County CIP Fund	Other Govern- mental Funds	Total
ASSETS				
Cash and Cash Equivalents	\$ 18,980,863	\$ 547,389	\$ 2,294,636	\$ 21,822,888
Receivables (Net of Allowance for Uncollectibles):				
Property Taxes	24,402,863	-	-	24,402,863
Other Receivables	1,788,228	-	119,910	1,908,138
Prepaid Items	52,021	-	-	52,021
Due from Other Funds	-	125,000	-	125,000
Due from Other Governmental Units	3,716,294	-	-	3,716,294
Due from Component Units	6,640,168	111,039	-	6,751,207
Total Assets	<u>\$ 55,580,437</u>	<u>\$ 783,428</u>	<u>\$ 2,414,546</u>	<u>\$ 58,778,411</u>
LIABILITIES				
Accounts Payable and Accrued Expenses	\$ 1,011,454	\$ 63,429	\$ 50,960	\$ 1,125,843
Due to Other Funds	157,830	-	-	157,830
Unearned Revenue	3,948,845	-	-	3,948,845
Total Liabilities	<u>\$ 5,118,129</u>	<u>\$ 63,429</u>	<u>\$ 50,960</u>	<u>\$ 5,232,518</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	\$ 24,901,269	\$ -	\$ -	\$ 24,901,269
Unavailable Revenue - Opioid Settlement	1,484,705	-	-	1,484,705
Total Deferred Inflows of Resources	<u>\$ 26,385,974</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,385,974</u>
FUND BALANCES				
Nonspendable	\$ 52,021	\$ -	\$ -	\$ 52,021
Restricted	681,463	-	-	681,463
Committed	57,952	719,999	2,363,586	3,141,537
Unassigned	23,284,898	-	-	23,284,898
Total Fund Balances	<u>\$ 24,076,334</u>	<u>\$ 719,999</u>	<u>\$ 2,363,586</u>	<u>\$ 27,159,919</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 55,580,437</u>	<u>\$ 783,428</u>	<u>\$ 2,414,546</u>	<u>\$ 58,778,411</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, 2023

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	27,159,919
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		
Capital assets, not being depreciated/amortized	\$ 4,120,027	
Capital assets, net of accumulated depreciation/amortization	17,040,598	21,160,625
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.		
Unavailable revenue - property taxes	\$ 3,524,234	
Unavailable revenue - opioid settlement	1,484,705	5,008,939
Deferred outflow of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.		
Pension related items	\$ 2,070,411	
OPEB related items	1,381,249	3,451,660
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	\$ (53,579)	
Compensated absences	(699,857)	
Lease Liabilities	(437,695)	
Net OPEB liabilities	(6,877,846)	
Net pension liability	(5,358,651)	
General obligation bonds, including bond premiums	(2,731,027)	
Revenue bonds, including bond premiums	(9,536,224)	
Deferred amount on refunding	98,644	(25,596,235)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.		
Pension related items	\$ (2,204,678)	
OPEB related items	(1,405,700)	(3,610,378)
Net Position of Governmental Activities	\$	27,574,530

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, 2023

	General Fund	County CIP Fund	Other Govern- mental Funds	Total
REVENUES				
General Property Taxes	\$ 26,226,980	\$ -	\$ -	\$ 26,226,980
Other Local Taxes	10,127,602	-	1,911,262	12,038,864
Permits, Privilege Fees and Regulatory Licenses	212,492	-	-	212,492
Fines and Forfeitures	55,739	-	-	55,739
Revenue from Use of Money and Property	566,089	-	-	566,089
Charges for Services	195,839	-	8,342	204,181
Miscellaneous	814,101	-	988	815,089
Recovered Costs	1,874,775	-	-	1,874,775
Intergovernmental	22,554,405	48,655	-	22,603,060
Total Revenues	\$ 62,628,022	\$ 48,655	\$ 1,920,592	\$ 64,597,269
EXPENDITURES:				
Current:				
General Government Administration	\$ 4,782,296	\$ 275,429	\$ -	\$ 5,057,725
Judicial Administration	2,950,830	-	12,028	2,962,858
Public Safety	17,068,195	-	-	17,068,195
Public Works	1,347,618	893,498	1,386,518	3,627,634
Health and Welfare	13,103,478	-	-	13,103,478
Education	13,483,163	-	-	13,483,163
Parks, Recreation and Cultural	2,157,737	-	-	2,157,737
Community Development	1,396,238	94,602	-	1,490,840
Nondepartmental	192,490	-	-	192,490
Debt Service:				
Principal Retirement	1,857,185	-	-	1,857,185
Interest and Other Fiscal Charges	506,583	-	-	506,583
Total Expenditures	\$ 58,845,813	\$ 1,263,529	\$ 1,398,546	\$ 61,507,888
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	\$ 3,782,209	\$ (1,214,874)	\$ 522,046	\$ 3,089,381
Other Financing Sources (Uses)				
Transfers In	\$ 5,000	\$ 1,555,998	\$ -	\$ 1,560,998
Transfers Out	(3,668,891)	-	(278,498)	(3,947,389)
Proceeds from lease liabilities	521,173	-	-	521,173
Total Other Financing Sources (Uses)	\$ (3,142,718)	\$ 1,555,998	\$ (278,498)	\$ (1,865,218)
Net Change in Fund Balance	\$ 639,491	\$ 341,124	\$ 243,548	\$ 1,224,163
Fund Balance - Beginning	23,436,843	378,875	2,120,038	25,935,756
Fund Balance - Ending	\$ 24,076,334	\$ 719,999	\$ 2,363,586	\$ 27,159,919

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, 2023

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

Net changes in fund balance - total governmental funds \$ 1,224,163

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. These are the details of items supporting this adjustment:

Capital outlays	\$	1,668,925	
Tenancy in common transfer		(576,707)	
Depreciation expense		(1,890,212)	(797,994)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.

Loss on disposal of assets			(5,918)
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Change in unavailable revenue-property taxes	\$	356,268	
Change in unavailable revenue-opioid settlement		(330,079)	26,189

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.

Debt issued or incurred:

Issuance of lease liabilities	\$	(521,173)	
Principal repayments:			
General obligation bonds		576,707	
Lease Liabilities		83,478	
Lease revenue bond		1,197,000	1,336,012

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.

Change in compensated absences	\$	(30,742)	
Change in accrued interest payable		13,301	
Change in bond premium amortization		78,713	
Change in deferred amount on refunding		(17,530)	
Change in pension related items		873,538	
Change in OPEB related items		804,004	1,721,284

Change in net position of governmental activities \$ 3,503,736

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, 2023

		Tazewell County Landfill Fund
ASSETS		
Current Assets:		
Receivables (Net of Allowance for Uncollectibles)	\$	160,833
Due from Other Funds		32,830
Total Current Assets	\$	193,663
Noncurrent Assets:		
Capital assets not being depreciated	\$	1,194,657
Capital assets, net of accumulated depreciation		6,116,956
Total Capital Assets	\$	7,311,613
Other Assets:		
Restricted Cash - Unspent Bond Proceeds	\$	3,260,477
Total Assets	\$	10,765,753
LIABILITIES		
Current Liabilities:		
Accrued Interest Payable	\$	13,183
Accounts Payable		918,354
Notes Payable - Current Portion		375,000
Total Current Liabilities	\$	1,306,537
Noncurrent Liabilities:		
Estimated Landfill Closure Liability	\$	12,091,763
Notes Payable - Net of Current Portion		2,880,000
Total Noncurrent Liabilities	\$	14,971,763
Total Liabilities	\$	16,278,300
NET POSITION		
Net Investment in Capital Assets	\$	7,317,090
Unrestricted		(12,829,637)
Total Net Position	\$	(5,512,547)

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, 2023

		Tazewell County Landfill Fund
OPERATING REVENUES		
Charges for Services	\$	1,129,934
OPERATING EXPENSES		
Contractual Services	\$	3,058,251
Repairs and Maintenance		4,290
Closure Reserve Expense		1,453,027
Other Charges		147,549
Depreciation		192,632
Total Operating Expenses	\$	4,855,749
Operating Income (Loss)	\$	(3,725,815)
NONOPERATING REVENUES (EXPENSES)		
Interest income	\$	45,514
Miscellaneous Income		4,659
Interest Expense		(61,206)
State Grants		5,245
Federal Grants		19,669
Total Nonoperating Revenues (Expenses)	\$	13,881
Income (loss) before transfers	\$	(3,711,934)
TRANSFERS		
Transfers In	\$	2,386,391
Change in Net Position	\$	(1,325,543)
Net Position - Beginning		(4,187,004)
Net Position - Ending	\$	(5,512,547)

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, 2023

	<u>Tazewell County Landfill Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers and Users	\$ 1,124,451
Payments for Operating Expenses	(2,369,724)
Total Cash Provided by (Used for) Operating Activities	<u>\$ (1,245,273)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from Other Funds	\$ 2,385,564
State and Federal Grants	24,914
Interest income	45,514
Total Cash Provided by (Used for) Noncapital Financing Activities	<u>\$ 2,455,992</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of Capital Assets	\$ (1,083,999)
Principal Payments on Debt	(20,000)
Interest Payments on Debt	(61,069)
Total Cash Provided by (Used for) Capital and Related Financing Activities	<u>\$ (1,165,068)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 45,651
Cash and Cash Equivalents - Beginning, including restricted cash of \$3,214,826	<u>3,214,826</u>
Cash and Cash Equivalents - Ending, including restricted cash of \$3,260,477	<u><u>\$ 3,260,477</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:	
Operating Income (Loss)	\$ (3,725,815)
Depreciation	192,632
Miscellaneous Income	4,659
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:	
(Increase) Decrease in Accounts Receivable	(10,142)
Increase (Decrease) in Accounts Payable	840,366
Increase (Decrease) in Estimated Landfill Closure Liability	1,453,027
Total Adjustments	<u>\$ 2,283,251</u>
Net Cash Provided By (Used For) Operating Activities	<u><u>\$ (1,245,273)</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, 2023

		<u>Custodial Funds</u>
ASSETS		
Cash and cash equivalents	\$	93,720
Due from other governments		250,174
Total Assets	\$	<u>343,894</u>
 LIABILITIES		
Sales tax due to Towns	\$	<u>250,174</u>
 NET POSITION		
Restricted for:		
Social services clients	\$	93,720
Total Net Position	\$	<u>93,720</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, 2023

	<u>Custodial Funds</u>
ADDITIONS	
Contributions:	
Expenditure reimbursement	\$ 64,034
Sales tax collections for other governments	250,174
Total contributions	<u>\$ 314,208</u>
DEDUCTIONS:	
Special welfare payments	\$ 50,388
Payments to sales tax to other governments	250,174
Total deductions	<u>\$ 300,562</u>
Net increase (decrease) in fiduciary net position	\$ 13,646
Net position, beginning	<u>80,074</u>
Net position, ending	<u><u>\$ 93,720</u></u>

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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

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).

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 government-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.

COUNTY OF TAZEWell, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 (Continued)

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

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, 2023.

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

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 (Continued)

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

B. Individual Component Unit Disclosures (Continued)

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, 2023, the County contributed \$101,800.

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, 2023, the County contributed \$298,172.

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, 2023, the County contributed \$3,702,641.

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

The accompanying financial statements are prepared in accordance with pronouncements issued by the Governmental Accounting Standards Board. The principles prescribed by GASB represent generally accepted accounting principles applicable to governmental units.

The 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, including lease liabilities, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions, including right to use lease assets, are reported as expenditures in the governmental funds. Issuances of long-term debt through leases are reported as other financing sources.

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 (Continued)

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

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

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.

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, 2023 (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 Finance Director is authorized to transfer budgeted amounts within general government departments, with the exception of salary related amounts. However, the County Administrator is authorized to transfer budgeted amounts within a Fund, with the exception of salary related amounts. Additionally, 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 exceeded appropriations for departments in the Coal Road Economic Development Fund.
10. At June 30, 2023, the Landfill Fund had a deficit net position balance.

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.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 (Continued)

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

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 \$441,865 and \$6,292 at June 30, 2023 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.

H. Capital Assets

Capital assets, which include property, plant and equipment, lease 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 \$20,000. Such assets are recorded at historical cost (except for intangible right-to-use lease assets) 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.

Property, plant, equipment, lease assets, 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
Lease equipment	5-20

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 (Continued)

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

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets 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 pension and OPEB. For more detailed information on these items, reference the related notes.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets 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 and opioid settlement 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 pension and OPEB 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.

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.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 (Continued)

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

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.

N. Fund Balance

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called “fund balance.” The County’s governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes:

- 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.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 (Continued)

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

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.

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.

Q. Leases

The County has various lease assets requiring recognition. A lease is a contract that conveys control of the right to use another entity's nonfinancial asset. Lease recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases.

Lessee

The County recognizes lease liabilities and intangible right-to-use lease assets (lease assets) in the government-wide financial statements. At the commencement of the lease, the lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease liability is reduced by the principal portion of payments made. The lease asset is measured at the initial amount of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. The lease asset is amortized over the shorter of the lease term or the useful life of the underlying asset.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 (Continued)

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

Q. Leases (continued)

Key Estimates and Judgments

Lease accounting includes estimates and judgments for determining the (1) rate used to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The County uses the interest rate stated in lease contracts. When the interest rate is not provided or the implicit rate cannot be readily determined, the County uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease terms include the noncancellable period of the lease and certain periods covered by options to extend to reflect how long the lease is expected to be in effect, with terms and conditions varying by the type of underlying asset.
- Fixed and certain variable payments as well as lease incentives and certain other payments are included in the measurement of the lease liability (lessee).

The County monitors changes in circumstances that would require a remeasurement or modification of its leases. The County will remeasure the lease asset and liability (lessee) or the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the lease receivable, lease liability or subscription liability.

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 & 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, 2023 (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, 2023 were rated by Standard & Poor's and/or an equivalent national rating organization and the rating are presented below using the Standard & Poor's rating scale.

County's Rated Debt Investments' Values	
Rated Debt Investments	Fair Quality Ratings
	AAAm
VIP Stable NAV Liquidity Pool	\$ 10,031,122

Interest Rate Risk

Investment Maturities (in years)		
Investment Type	Fair Value	Less than 1 Year
VIP Stable NAV Liquidity Pool	\$ 10,031,122	\$ 10,031,122

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 TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 (Continued)**

Note 3 - Internal Balances and Transfers:

Internal balances consisted of the following as of June 30, 2023:

Fund/Component Unit	Due From	Due To
Primary Government:		
General	\$ -	\$ 157,830
County CIP Fund	125,000	-
Landfill	32,830	-
Totals	\$ 157,830	\$ 157,830

Interfund transfers for the year ended June 30, 2023, consisted of the following:

Fund	Transfers In	Transfers Out
General	\$ 5,000	\$ 3,668,891
County CIP	1,555,998	-
Law Library	-	5,000
Coal Road Improvement	-	273,498
Landfill	2,386,391	-
Totals	\$ 3,947,389	\$ 3,947,389

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

Note 4 - Due From Other Governmental Units:

At June 30, 2023, 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	\$ 253,759	\$ -
Commonwealth of Virginia:		
State sales taxes	1,124,745	-
Local sales taxes	-	1,124,745
VPA	256,464	-
CSA	441,372	-
Shared expenses	428,278	-
Categorical aid	96,912	-
Noncategorical aid	735,593	-
Federal Government:		
VPA	376,724	-
Categorical aid	2,447	13,896,076
Total	\$ 3,716,294	\$ 15,020,821

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 (Continued)

Note 5 - Capital Assets:

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2023:

Primary Government:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 2,840,590	\$ -	\$ -	\$ 2,840,590
Construction in progress	28,037	315,809	-	343,846
Tenancy in Common	1,512,298	-	(576,707)	935,591
Total capital assets not being depreciated	<u>\$ 4,380,925</u>	<u>\$ 315,809</u>	<u>\$ (576,707)</u>	<u>\$ 4,120,027</u>
Capital assets, being depreciated:				
Buildings	\$ 26,116,866	\$ 165,540	\$ -	\$ 26,282,406
Machinery and equipment	19,948,408	609,966	(103,600)	20,454,774
Right-to-use lease machinery and equipment	-	577,610	-	577,610
Total capital assets being depreciated	<u>\$ 46,065,274</u>	<u>\$ 1,353,116</u>	<u>\$ (103,600)</u>	<u>\$ 47,314,790</u>
Accumulated depreciation:				
Buildings	\$ (13,264,121)	\$ (651,588)	\$ -	\$ (13,915,709)
Machinery and equipment	(15,217,541)	(1,084,481)	97,682	(16,204,340)
Right-to-use lease machinery and equipment	-	(154,143)	-	(154,143)
Total accumulated depreciation	<u>\$ (28,481,662)</u>	<u>\$ (1,890,212)</u>	<u>\$ 97,682</u>	<u>\$ (30,274,192)</u>
Total capital assets being depreciated, net	<u>\$ 17,583,612</u>	<u>\$ (537,096)</u>	<u>\$ (5,918)</u>	<u>\$ 17,040,598</u>
Governmental activities capital	<u>\$ 21,964,537</u>	<u>\$ (221,287)</u>	<u>\$ (582,625)</u>	<u>\$ 21,160,625</u>

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 (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
Construction in progress	-	907,059	-	907,059
Total capital assets not being depreciated	\$ 287,598	\$ 907,059	\$ -	\$ 1,194,657
Capital assets, being depreciated:				
Buildings and improvements	\$ 185,603	\$ -	\$ -	\$ 185,603
Land improvements	9,717,080	176,940	-	9,894,020
Machinery and equipment	13,715	-	-	13,715
Total capital assets being depreciated	\$ 9,916,398	\$ 176,940	\$ -	\$ 10,093,338
Accumulated depreciation:				
Buildings and improvements	\$ (181,543)	\$ (1,017)	\$ -	\$ (182,560)
Land Improvements	(3,599,148)	(189,189)	-	(3,788,337)
Machinery and equipment	(3,059)	(2,426)	-	(5,485)
Total accumulated depreciation	\$ (3,783,750)	\$ (192,632)	\$ -	\$ (3,976,382)
Total capital assets being depreciated, net	\$ 6,132,648	\$ (15,692)	\$ -	\$ 6,116,956
Business-type activities capital assets, net	\$ 6,420,246	\$ 891,367	\$ -	\$ 7,311,613

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

Governmental activities:	
General government administration	\$ 245,980
Judicial administration	546,945
Public safety	939,215
Public works	75,243
Health and welfare	18,999
Parks, recreation, and cultural	35,000
Community development	28,830
Total depreciation expense-governmental activities	\$ 1,890,212
Business-type activities:	
Landfill fund	\$ 192,632

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 (Continued)

Note 5 - Capital Assets: (Continued)

Component Unit School Board:

	Beginning Balance	Increases	Decreases	Ending Balance
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 1,908,716	\$ -	\$ -	\$ 1,908,716
Construction in Progress	315,196	2,458,570	-	2,773,766
Tenancy in common	13,412,671	-	-	13,412,671
Tenancy in common (1)	<u>(1,512,298)</u>	<u>-</u>	<u>576,707</u>	<u>(935,591)</u>
Total capital assets not being depreciated	<u>\$ 14,124,285</u>	<u>\$ 2,458,570</u>	<u>\$ 576,707</u>	<u>\$ 17,159,562</u>
Capital assets, being depreciated:				
Buildings and improvements	\$ 40,361,640	\$ 497,884	\$ -	\$ 40,859,524
Machinery and equipment	22,086,738	1,884,527	(946,946)	23,024,319
Total capital assets being depreciated	<u>\$ 62,448,378</u>	<u>\$ 2,382,411</u>	<u>\$ (946,946)</u>	<u>\$ 63,883,843</u>
Accumulated depreciation:				
Buildings and improvements	\$ (30,618,581)	\$ (1,041,783)	\$ -	\$ (31,660,364)
Machinery and equipment	<u>(17,627,769)</u>	<u>(1,007,853)</u>	<u>946,946</u>	<u>(17,688,676)</u>
Total accumulated depreciation	<u>\$ (48,246,350)</u>	<u>\$ (2,049,636)</u>	<u>\$ 946,946</u>	<u>\$ (49,349,040)</u>
Total capital assets being depreciated, net	<u>\$ 14,202,028</u>	<u>\$ 332,775</u>	<u>\$ -</u>	<u>\$ 14,534,803</u>
Governmental activities capital assets, net	<u>\$ 28,326,313</u>	<u>\$ 2,791,345</u>	<u>\$ 576,707</u>	<u>\$ 31,694,365</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, 2023, is that assets and debt in the amount of \$935,591 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, 2023 (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, 2023:

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	\$ 3,247,070	\$ -	\$ (576,707)	\$ 2,670,363
Premium on GO bond	69,286	-	(8,622)	60,664
Lease revenue bond	10,665,000	-	(1,197,000)	9,468,000
Premium on lease revenue bond	138,315	-	(70,091)	68,224
Lease liabilities	-	521,173	(83,478)	437,695
Net OPEB liabilities	8,374,042	844,000	(2,340,196)	6,877,846
Compensated absences	669,115	532,578	(501,836)	699,857
Net pension liability	2,810,483	5,242,307	(2,694,139)	5,358,651
Total	<u>\$ 25,973,311</u>	<u>\$ 7,140,058</u>	<u>\$ (7,472,069)</u>	<u>\$ 25,641,300</u>

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>Lease Liabilities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 1,751,959	\$ 400,513	\$ 102,895	\$ 35,207
2025	1,797,832	315,050	112,116	25,986
2026	1,158,842	250,873	95,512	16,133
2027	1,195,978	209,302	72,987	8,210
2028	1,227,752	166,294	41,298	1,638
2029-2033	3,275,000	457,644	12,887	111
2034-2038	1,198,000	181,580	-	-
2039-2040	533,000	17,045	-	-
	<u>\$ 12,138,363</u>	<u>\$ 1,998,301</u>	<u>\$ 437,695</u>	<u>\$ 87,285</u>

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 (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	4.10-5.10%	5/15/2008	2029	1,880,000	\$ 660,000	\$ 120,000
GO Bond	3.60-5.35%	12/11/2008	2029	6,698,941	2,010,363	377,959
Subtotal GO Bond					\$ 2,670,363	\$ 497,959
Premium on Bond	n/a	n/a	n/a	n/a	60,664	8,662
Total General Obligation Bonds					\$ 2,731,027	\$ 506,621
Lease Revenue Bonds: (1)						
2014C	3.025-5.125%	11/18/2014	2033	\$ 11,885,000	\$ 2,055,000	\$ 1,025,000
2019 (2)	3.171%	8/14/2019	2040	3,924,000	3,550,000	135,000
2021B (2)	1.930%	5/6/2021	2033	3,736,000	3,594,000	70,000
2021C (2)	1.930%	5/6/2021	2034	3,736,000	269,000	24,000
Subtotal Lease Revenue Bonds					\$ 9,468,000	\$ 1,254,000
Premium on Bond	n/a	n/a	n/a	n/a	68,224	22,260
					\$ 9,536,224	\$ 1,276,260
Lease liabilities						
Enterprise Lease 1	6.94%	1/1/2021	2026	\$ 40,780	\$ 22,022	\$ 8,354
Enterprise Lease 2	6.88%	4/1/2021	2026	33,879	19,947	6,822
Enterprise Lease 3	6.76%	1/1/2021	2026	39,683	21,389	8,126
Enterprise Lease 4	6.87%	1/1/2021	2026	39,682	21,414	8,128
Enterprise Lease 5	7.19%	1/1/2021	2026	43,476	23,540	8,913
Enterprise Lease 6	7.19%	1/1/2021	2026	43,476	23,540	8,913
Enterprise Lease 7	12.25%	9/1/2022	2028	41,276	35,655	6,984
Enterprise Lease 8	12.37%	9/1/2022	2028	41,163	35,568	6,953
Enterprise Lease 9	12.15%	6/2/2023	2028	46,950	45,913	7,266
Enterprise Lease 10	12.61%	7/1/2022	2027	31,638	26,513	5,437
Enterprise Lease 11	13.82%	1/1/2023	2028	43,444	39,857	6,860
Enterprise Lease 12	14.19%	2/1/2023	2028	38,944	36,214	6,037
Virginia Cooperative Extension	1.88%	5/15/2019	2029	142,112	86,123	14,102
Total Lease liabilities					\$ 437,695	\$ 102,895
Other Obligations:						
Net OPEB Liabilities	n/a	n/a	n/a	n/a	\$ 6,877,846	\$ -
Compensated Absences	n/a	n/a	n/a	n/a	699,857	524,893
Net Pension Liability	n/a	n/a	n/a	n/a	5,358,651	-
Total Other Obligations					\$ 12,936,354	\$ 524,893
Total Long-term Obligations					\$ 25,641,300	\$ 2,410,669

(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, 2023 (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	\$ 3,275,000	\$ -	\$ (20,000)	\$ 3,255,000
Landfill closure/postclosure liability	10,638,736	1,453,027	-	12,091,763
Total	\$ 13,913,736	\$ 1,453,027	\$ (20,000)	\$ 15,346,763

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

Year Ending June 30,	Direct Borrowings and Placements	
	Principal	Interest
2024	\$ 375,000	\$ 49,693
2025	412,000	43,318
2026	603,000	35,097
2027	612,000	25,255
2028	622,000	15,260
2029-2030	631,000	5,111
Totals	\$ 3,255,000	\$ 173,734

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	2030	\$ 3,295,000	\$ 3,255,000	\$ 375,000
Other Obligations:						
Landfill Closure/ Postclosure Liability	n/a	n/a	n/a	n/a	\$ 12,091,763	\$ -
Total Long-term Obligations					\$ 15,346,763	\$ 375,000

**COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 (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, 2023:

	Beginning Balance	Issuances/ Increases	Retirements/ Decreases	Ending Balance
Direct Borrowings and Placements:				
Loans payable	\$ 544,281	\$ -	\$ (544,281)	\$ -
Net pension liability	26,430,402	25,668,495	(19,427,210)	32,671,687
Net OPEB liabilities	22,203,917	2,875,861	(5,140,375)	19,939,403
Compensated absences	560,282	418,812	(420,212)	558,882
Total	\$ 49,738,882	\$ 28,963,168	\$ (25,532,078)	\$ 53,169,972

Details of Long-Term Obligations:

	Interest Rates	Issue Dates	Final Maturity Date	Amount of Original Issue	Balance Governmental Activities	Amount Due Within One Year
Other Obligations:						
Net Pension Liability	n/a	n/a	n/a	n/a	\$ 32,671,687	\$ -
Net OPEB Liabilities	n/a	n/a	n/a	n/a	19,939,403	-
Compensated Absences	n/a	n/a	n/a	n/a	558,882	419,162
Total Long-term Obligations					\$ 53,169,972	\$ 419,162

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 \$699,857 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 \$558,882.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 (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 TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 (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, 2021 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	292	246
Inactive members:		
Vested inactive members	50	19
Non-vested inactive members	74	78
Inactive members active elsewhere in VRS	127	26
Total inactive members	251	123
Active members	301	171
Total covered employees	844	540

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 (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, 2023 was 12.09% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

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 \$1,410,751 and \$1,131,810 for the years ended June 30, 2023 and June 30, 2022, respectively. Contributions to the pension plan from the Component Units were \$204,865 and \$195,850 for the years ended June 30, 2023 and June 30, 2022, respectively.

The Component Unit School Board's contractually required contribution rate for nonprofessional employees for the year ended June 30, 2023 was 16.19% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

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 \$629,543 and \$554,929 for the years ended June 30, 2023 and June 30, 2022, 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, 2022. The total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022.

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, 2021, 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, 2022.

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

COUNTY OF TAZEVELL, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2023 (Continued)

Note 8 - Pension Plans: (Continued)

Actuarial Assumptions - General Employees (Continued)

Mortality rates:

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

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, 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)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 (Continued)

Note 8 - Pension Plans: (Continued)

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, 2021, 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, 2022.

Inflation	2.50%
Salary increases, including inflation	3.50% - 4.75%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation

Mortality rates:

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

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males and females set forward 2 years

Mortality Improvement:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

COUNTY OF TAZEWELL, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2023 (Continued)

Note 8 - Pension Plans: (Continued)

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, 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)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 (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%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Mult-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	<u>100.00%</u>		<u>5.33%</u>
		Inflation	<u>2.50%</u>
		Expected arithmetic nominal return**	<u>7.83%</u>

*The above allocation provides a one-year expected return of 7.83%. 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. These results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%.

**On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 (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, 2023, 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, 2021 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2022, 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, 2022 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, 2021	\$ 58,537,583	\$ 55,727,100	\$ 2,810,483
Changes for the year:			
Service cost	\$ 1,182,055	\$ -	\$ 1,182,055
Interest	3,956,419	-	3,956,419
Differences between expected and actual experience	(823,710)	-	(823,710)
Impact in change in proportion	455,803	433,919	21,884
Contributions - employer	-	1,313,810	(1,313,810)
Contributions - employee	-	555,331	(555,331)
Net investment income	-	(46,889)	46,889
Benefit payments, including refunds	(3,123,542)	(3,123,542)	-
Administrative expenses	-	(35,060)	35,060
Other changes	-	1,288	(1,288)
Net changes	\$ 1,647,025	\$ (901,143)	\$ 2,548,168
Balances at June 30, 2022	\$ 60,184,608	\$ 54,825,957	\$ 5,358,651

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 (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, 2021	\$ 9,249,921	\$ 8,805,818	\$ 444,103
Changes for the year:			
Service cost	\$ 176,209	\$ -	\$ 176,209
Interest	589,782	-	589,782
Differences between expected and actual experience	(122,791)	-	(122,791)
Impact in change in proportion	(455,803)	(433,920)	(21,883)
Contributions - employer	-	195,849	(195,849)
Contributions - employee	-	82,783	(82,783)
Net investment income	-	(6,990)	6,990
Benefit payments, including refunds	(465,626)	(465,626)	-
Administrative expenses	-	(5,227)	5,227
Other changes	-	192	(192)
Net changes	\$ (278,229)	\$ (632,939)	\$ 354,710
Balances at June 30, 2022	\$ 8,971,692	\$ 8,172,879	\$ 798,813

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 (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, 2021	\$ 28,762,292	\$ 24,653,124	\$ 4,109,168
Changes for the year:			
Service cost	\$ 265,252	\$ -	\$ 265,252
Interest	1,894,813	-	1,894,813
Differences between expected and actual experience	(191,026)	-	(191,026)
Contributions - employer	-	554,933	(554,933)
Contributions - employee	-	173,641	(173,641)
Net investment income	-	(7,621)	7,621
Benefit payments, including refunds	(1,912,471)	(1,912,471)	-
Administrative expenses	-	(15,619)	15,619
Other changes	-	551	(551)
Net changes	\$ 56,568	\$ (1,206,586)	\$ 1,263,154
Balances at June 30, 2022	\$ 28,818,860	\$ 23,446,538	\$ 5,372,322

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	\$ 13,216,365	\$ 5,358,651	\$ (1,054,419)
Other Component Units			
Net Pension Liability	\$ 1,970,163	\$ 798,813	\$ (157,182)
Component Unit School Board (Nonprofessional)			
Net Pension Liability	\$ 8,428,290	\$ 5,372,322	\$ 2,815,496

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 (Continued)

Note 8 - Pension Plans: (Continued)

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

For the year ended June 30, 2023, the County, Other Component Units, and Component Unit School Board (nonprofessional) recognized pension expense of \$537,214, \$57,552, and \$422,776, respectively. At June 30, 2023, 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	\$ -	\$ 613,287	\$ -	\$ 92,031	\$ 4,201	\$ 100,492
Change in assumptions	618,094	-	97,669	-	46,721	-
Net difference between projected and actual earnings on pension plan investments	-	1,591,391	-	273,301	-	744,813
Impact of change in proportion	41,566	-	494	42,060	-	-
Employer contributions subsequent to the measurement date	1,410,751	-	204,865	-	629,543	-
Total	\$ 2,070,411	\$ 2,204,678	\$ 303,028	\$ 407,392	\$ 680,465	\$ 845,305

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

\$1,410,751, \$204,865, and \$629,543 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, 2024. 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)
2024	\$ (335,132)	\$ (74,418)	\$ (320,124)
2025	(898,680)	(165,719)	(305,402)
2026	(1,070,063)	(182,213)	(495,107)
2027	758,857	113,121	326,250

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2022-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, 2023 (Continued)

Note 8 - Pension Plans: (Continued)

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, 2023 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. 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 \$4,628,325 and \$4,256,299 for the years ended June 30, 2023 and June 30, 2022, respectively.

In June 2022, the Commonwealth made a special contribution of approximately \$442.4 million to the VRS Teacher Retirement Plan. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act, and is classified as a non-employer contribution.

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

At June 30, 2023, the school division reported a liability of \$27,299,365 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2022 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2021, 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, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the school division's proportion was 0.28670% as compared to 0.28753% at June 30, 2021.

For the year ended June 30, 2023, the school division recognized pension expense of \$56,206. 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. Beginning with the June 30, 2022 measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 (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)

At June 30, 2023, 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	\$ -	\$ 1,882,399
Net difference between projected and actual earnings on pension plan investments	2,573,780	3,559,265
Changes in proportion and differences between employer contributions and proportionate share of contributions	573	1,714,159
Employer contributions subsequent to the measurement date	4,628,325	-
Total	\$ 7,202,678	\$ 7,155,823

\$4,628,325 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, 2024. 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	
2024	\$ (1,927,837)
2025	(1,747,694)
2026	(2,498,719)
2027	1,592,780

**COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 (Continued)**

Note 8 - Pension Plans: (Continued)

Component Unit School Board (professional) (Continued)

Actuarial Assumptions

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2021, 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, 2022.

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

Mortality rates:

Pre-Retirement:

Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males

Post-Retirement:

Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females

Post-Disablement:

Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, 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)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 (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, 2022, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

		Teacher Employee Retirement Plan
Total Pension Liability	\$	54,732,329
Plan Fiduciary Net Position		45,211,731
Employers' Net Pension Liability (Asset)	\$	9,520,598
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		
		82.61%

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	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability	\$ 48,758,755	\$ 27,299,365	\$ 9,826,702

**COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 (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 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2022-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			
	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	\$ 2,070,411	\$ 2,204,678	\$ 5,358,651	\$ 537,214	\$ -	\$ -	\$ -	\$ -
Other Component Units	-	-	-	-	303,028	407,392	798,813	57,552
Totals	<u>\$ 2,070,411</u>	<u>\$ 2,204,678</u>	<u>\$ 5,358,651</u>	<u>\$ 537,214</u>	<u>\$ 303,028</u>	<u>\$ 407,392</u>	<u>\$ 798,813</u>	<u>\$ 57,552</u>
	Component Unit School Board							
	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense				
VRS Pension Plans:								
School Board Nonprofessional	\$ 680,465	\$ 845,305	\$ 5,372,322	\$ 422,776				
School Board Professional	7,202,678	7,155,823	27,299,365	56,206				
Totals	<u>\$ 7,883,143</u>	<u>\$ 8,001,128</u>	<u>\$ 32,671,687</u>	<u>\$ 478,982</u>				

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, 2023 (Continued)

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

Plan Membership

At July 1, 2022 (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	256	50	691
Total retirees with coverage	25	-	64
Total	281	50	755

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, 2023 were \$432,812, \$43,136, and \$965,052, respectively.

Total OPEB Liability

The County's total OPEB liability was measured as of July 1, 2022. The total OPEB liability was determined by an actuarial valuation as July 1, 2022.

Actuarial Assumptions

The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Healthcare Cost Trend Rates	6.75% for fiscal year end 2023, decreasing 0.25% per year to an ultimate rate of 5.00%
Salary Increases	Service-graded
Discount Rate	3.69%

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-2021.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 (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 3.69% 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, 2021	\$ 7,789,000	\$ 766,000	\$ 16,141,000
Changes for the year:			
Service cost	421,000	55,000	607,000
Interest	150,000	16,000	315,000
Difference between expected and actual experience	(262,000)	(63,000)	(523,000)
Changes in assumptions	(1,092,000)	(151,000)	(1,916,000)
Contributions - employer	(755,000)	-	(686,000)
Net changes	\$ (1,538,000)	\$ (143,000)	\$ (2,203,000)
Balances at June 30, 2022	\$ 6,251,000	\$ 623,000	\$ 13,938,000

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 (2.69%) or one percentage point higher (4.69%) than the current discount rate:

	Rate		
	1% Decrease 2.69%	Current Discount 3.69%	1% Increase 4.69%
Proportionate share of the healthcare total OPEB liability:			
County	\$ 6,696,427	\$ 6,251,000	\$ 5,837,711
Other Component Units	\$ 667,393	\$ 623,000	\$ 581,810
Component Unit School Board	\$ 14,931,180	\$ 13,938,000	\$ 13,016,479

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 (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		
	1% Decrease	Healthcare Cost Trend	1% Increase
Proportionate share of the healthcare net OPEB liability:			
County	\$ 5,720,872	\$ 6,251,000	\$ 6,862,824
Other Component Units	\$ 570,165	\$ 623,000	\$ 683,977
Component Unit School Board	\$ 12,755,963	\$ 13,938,000	\$ 15,302,199

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

For the year ended June 30, 2023, the County, Other Component Units, and Component Unit School Board recognized OPEB expense in the amounts of \$515,000, \$(67,000), and \$272,000, respectively. At June 30, 2023, 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	\$ 28,534	\$ 460,445	\$ 2,844	\$ 45,890	\$ 63,622
Changes in assumptions	756,596	798,345	75,405	79,566	1,686,999	1,780,089
Employer contributions subsequent to the measurement date	432,812	-	43,136	-	965,052	-
Total	\$ 1,217,942	\$ 1,258,790	\$ 121,385	\$ 125,456	\$ 2,715,673	\$ 2,806,754

\$432,812, \$43,136, and \$965,052 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, 2024. 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
2024	\$ (230,072)	\$ (22,930)	\$ (512,998)
2025	(13,216)	(1,317)	(29,467)
2026	(69,082)	(6,885)	(154,033)
2027	(151,680)	(15,117)	(338,203)
2028	(9,610)	(958)	(21,432)

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, 2023 (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 employee 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, seatbelt 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 \$8,984 as of June 30, 2023.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 (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, 2023, was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. 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 \$66,565 and \$61,147 for the years ended June 30, 2023 and June 30, 2022, respectively.

Contributions to the GLI Plan from the Other Component Units were \$9,666 and \$9,115 for the years ended June 30, 2023 and June 30, 2022, respectively.

Contributions to the GLI Plan from the Component Unit School Board (nonprofessional) were \$22,397 and \$20,662 for the years ended June 30, 2023 and June 30, 2022, respectively.

Contributions to the GLI Plan from the Component Unit School Board (professional) were \$156,613 and \$142,818 for the years ended June 30, 2023 and June 30, 2022, respectively.

In June 2022, the Commonwealth made a special contribution of approximately \$30.4 million to the Group Life Insurance Plan. This special payment was authorized by a Budget Amendment included in Chapter 1 of the 2022 Appropriation Act, and is classified as a non-employer contribution.

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, 2023, the entity reported a liability of \$626,846 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2022 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, 2021, and rolled forward to the measurement date of June 30, 2022. 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, 2022, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the participating employer's proportion was 0.05204% as compared to 0.05026% at June 30, 2021.

For the year ended June 30, 2023, the participating employer recognized GLI OPEB expense of \$11,297. 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, 2023 (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, 2023, the entity reported a liability of \$93,444 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2022 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, 2021, and rolled forward to the measurement date of June 30, 2022. 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, 2022, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the participating employer's proportion was 0.00776% as compared to 0.00794% at June 30, 2021.

For the year ended June 30, 2023, the participating employer recognized GLI OPEB expense of \$1,684. 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, 2023, the entity reported a liability of \$211,801 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2022 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, 2021, and rolled forward to the measurement date of June 30, 2022. 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, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the participating employer's proportion was 0.01760% as compared to 0.01670% at June 30, 2021.

For the year ended June 30, 2023, the participating employer recognized GLI OPEB expense of \$(4,764). 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, 2023, the entity reported a liability of \$1,463,940 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2022 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, 2021, and rolled forward to the measurement date of June 30, 2022. 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, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the participating employer's proportion was 0.12160% as compared to 0.12210% at June 30, 2021.

For the year ended June 30, 2023, the participating employer recognized GLI OPEB expense of \$(18,602). 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, 2023 (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, 2023, 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	\$ 49,638	\$ 25,147	\$ 7,400	\$ 3,749
Net difference between projected and actual earnings on GLI OPEB plan investments	-	39,169	-	5,839
Change in assumptions	23,381	61,057	3,485	9,102
Changes in proportionate share	23,723	21,537	3,536	3,210
Employer contributions subsequent to the measurement date	66,565	-	9,666	-
Total	<u>\$ 163,307</u>	<u>\$ 146,910</u>	<u>\$ 24,087</u>	<u>\$ 21,900</u>

	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	\$ 16,772	\$ 8,497	\$ 115,926	\$ 58,730
Net difference between projected and actual earnings on GLI OPEB plan investments	-	13,234	-	91,475
Change in assumptions	7,900	20,630	54,603	142,594
Changes in proportionate share	10,475	28,653	-	130,210
Employer contributions subsequent to the measurement date	22,397	-	156,613	-
Total	<u>\$ 57,544</u>	<u>\$ 71,014</u>	<u>\$ 327,142</u>	<u>\$ 423,009</u>

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 (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)

\$66,565, \$9,666, \$22,397, and \$156,613 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, 2024. 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)
2024	\$ (16,807)	\$ (2,505)	\$ (14,005)	\$ (84,958)
2025	(12,222)	(1,822)	(10,700)	(66,743)
2026	(29,145)	(4,345)	(13,432)	(93,532)
2027	9,405	1,402	1,792	4,965
2028	(1,399)	(209)	478	(12,212)

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2021, 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, 2022. 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, 2023 (Continued)**

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

Mortality Rates - Teachers

Pre-Retirement:

Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males

Post-Retirement:

Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females

Post-Disablement:

Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, 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)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

COUNTY OF TAZEWELL, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2023 (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:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, 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)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

COUNTY OF TAZEWELL, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2023 (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:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, 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)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 (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, 2022, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

		<u>GLI OPEB Plan</u>
Total GLI OPEB Liability	\$	3,672,085
Plan Fiduciary Net Position		2,467,989
GLI Net OPEB Liability (Asset)	\$	<u>1,204,096</u>
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		
		67.21%

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.

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:

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	100.00%		5.33%
		Inflation	2.50%
		Expected arithmetic nominal return**	7.83%

*The above allocation provides a one-year return of 7.83%. 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. These results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%.

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 (Continued)

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

Long-Term Expected Rate of Return (Continued)

**On October 10, 2019 the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 40th percentile of expected long-term results of the VRS Fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

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 and 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, 2022, 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, 2022 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	\$ 912,135	\$ 626,846	\$ 396,294
Other Component Units	\$ 135,972	\$ 93,444	\$ 59,076
Component Unit School Board (Nonprofessional)	\$ 308,195	\$ 211,801	\$ 133,901
Component Unit School Board (Professional)	\$ 2,130,205	\$ 1,463,940	\$ 925,508

GLI Plan Fiduciary Net Position

Detailed information about the GLI Plan's Fiduciary Net Position is available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2022-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, 2023 (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.

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, 2023 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. 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 \$349,496 and \$319,276 for the years ended June 30, 2023 and June 30, 2022, respectively.

In June 2022, the Commonwealth made a special contribution of approximately \$12 million to the VRS Teacher HIC Plan. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act, and is classified as a non-employer contribution.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 (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

At June 30, 2023, the school division reported a liability of \$3,536,176 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, 2022 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, 2021 and rolled forward to the measurement date of June 30, 2022. 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, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the school division's proportion of the VRS Teacher Employee Health Insurance Credit Plan was 0.28311% as compared to 0.28434% at June 30, 2021.

For the year ended June 30, 2023, the school division recognized VRS Teacher Employee HIC OPEB expense of \$172,701. 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 proportionate share and differences between actual and expected contributions.

At June 30, 2023, 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	\$ -	\$ 144,140
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	3,549
Change in assumptions	103,310	9,030
Change in proportionate share and differences between actual and expected contributions	-	346,393
Employer contributions subsequent to the measurement date	349,496	-
Total	\$ 452,806	\$ 503,112

COUNTY OF TAZEWELL, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2023 (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

\$349,496 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, 2024. 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	
2024	\$ (120,695)
2025	(111,669)
2026	(86,464)
2027	(40,814)
2028	(24,058)
Thereafter	(16,102)

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, 2021, 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, 2022.

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

Mortality Rates - Teachers

Pre-Retirement:

Pub-2010 Amount Weighted Teacher Employee Rates projected generationally; 110% of rates for males

Post-Retirement:

Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females

Post-Disablement:

Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 (Continued)

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

Actuarial Assumptions: (Continued)

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, 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)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

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, 2022, NOL amounts for the VRS Teacher Employee HIC Plan are as follows (amounts expressed in thousands):

		Teacher Employee HIC OPEB Plan
Total Teacher Employee HIC OPEB Liability	\$	1,470,891
Plan Fiduciary Net Position		221,845
Teacher Employee Net HIC OPEB Liability (Asset)	\$	1,249,046
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability		15.08%

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, 2023 (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:

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	100.00%		5.33%
		Inflation	2.50%
		Expected arithmetic nominal return**	7.83%

*The above allocation provides a one-year return of 7.83%. 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. These results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%.

**On October 10, 2019 the VRS Board elected a long-term rate of 6.75% which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

COUNTY OF TAZEWELL, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2023 (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, 2022, 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, 2022 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	\$ 3,985,311	\$ 3,536,176	\$ 3,155,455

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 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2022-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, 2023 (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, 2023 (Continued)

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

Employees Covered by Benefit Terms

As of the June 30, 2021 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan:

	Number
Inactive members or their beneficiaries currently receiving benefits	160
Inactive members:	
Vested inactive members	2
Active members	171
Total covered employees	333

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, 2023 was 1.95% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. 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 \$79,447 and \$61,980 for the years ended June 30, 2023 and June 30, 2022, respectively.

Net HIC OPEB Liability

The Component Unit School Board’s net HIC OPEB liability was measured as of June 30, 2022. The total HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2021, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2021, 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, 2022.

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

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 (Continued)

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

Actuarial Assumptions: (Continued)

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

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, 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)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 (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:

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	100.00%		5.33%
		Inflation	2.50%
		Expected arithmetic nominal return**	7.83%

*The above allocation provides a one-year return of 7.83%. 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. These results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%.

**On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 (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, 2022, 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, 2022 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, 2021	\$ 860,295	\$ 63,438	\$ 796,857
Changes for the year:			
Service cost	\$ 4,852	\$ -	\$ 4,852
Interest	57,043	-	57,043
Differences between expected and actual experience	(25,007)	-	(25,007)
Assumption changes	17,140	-	17,140
Contributions - employer	-	61,981	(61,981)
Net investment income	-	(430)	430
Benefit payments	(40,126)	(40,126)	-
Administrative expenses	-	(152)	152
Net changes	\$ 13,902	\$ 21,273.00	\$ (7,371)
Balances at June 30, 2022	\$ 874,197	\$ 84,711	\$ 789,486

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 (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Component Unit School Board's Net HIC OPEB Liability	\$ 860,485	\$ 789,486	\$ 727,879

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 (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

For the year ended June 30, 2023, the Component Unit School Board recognized HIC Plan OPEB expense of \$60,377. At June 30, 2023, 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
Differences between expected and actual experience	\$ -	\$ 17,497
Net difference between projected and actual earnings on HIC OPEB plan investments	1,012	-
Change in assumptions	19,790	-
Employer contributions subsequent to the measurement date	79,447	-
Total	\$ 100,249	\$ 17,497

\$79,447 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

Year Ended June 30	
2024	\$ 3,344
2025	(325)
2026	(802)
2027	1,088

HIC Plan Data

Information about the VRS Political Subdivision HIC Plan is available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2022-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			
	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	\$ 163,307	\$ 146,910	\$ 626,846	\$ 11,297	\$ -	\$ -	\$ -	\$ -
Component Units	-	-	-	-	24,087	21,900	93,444	1,684
County Stand-Alone Plan	1,217,942	1,258,790	6,251,000	515,000	-	-	-	-
Component Units Stand-Alone Plan	-	-	-	-	121,385	125,456	623,000	(67,000)
Totals	\$ 1,381,249	\$ 1,405,700	\$ 6,877,846	\$ 526,297	\$ 145,472	\$ 147,356	\$ 716,444	\$ (65,316)

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 (Continued)

Note 13 - Aggregate OPEB Information: (Continued)

	Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
VRS OPEB Plans:				
Group Life Insurance Plan:				
School Board Nonprofessional	\$ 57,544	\$ 71,014	\$ 211,801	\$ (4,764)
School Board Professional	327,142	423,009	1,463,940	(18,602)
Health Insurance Credit Plan:				
School Board Health Insurance Credit Plan	100,249	17,497	789,486	60,377
Teacher Health Insurance Credit Plan	452,806	503,112	3,536,176	172,701
School Stand-Alone Plan	2,715,673	2,806,754	13,938,000	272,000
Totals	<u>\$ 3,653,414</u>	<u>\$ 3,821,386</u>	<u>\$ 19,939,403</u>	<u>\$ 481,712</u>

Note 14 - Commitments and Contingencies:

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.

The County and its Component Units were involved in major construction projects during the fiscal year as presented below along with the anticipated funding source:

Project	Contract Amount	Accounts	Contract Amount	Funding Source
		Payable at June 30, 2023	Outstanding at June 30, 2023	
County - Library Project	\$ 272,539	\$ 225,109	\$ -	Local
School Board - Roof at Cedar Bluff Elementary	175,000	87,500	-	Federal
School Board - Graham High School Outdoor Learning Facility	174,000	-	83,337	Federal
School Board - Tazewell HS Turf Field and New Track	202,000	-	155,940	Federal
School Board - Richland HS Turf Field and New Track	196,000	-	143,197	Federal
School Board - Tazewell Co Schools Graham MS	301,675	135,754	150,838	Federal
School Board - Tazewell CO Schools Richlands	716,318	-	501,423	Federal
School Board - IAQ USC Tazewell Middle School	72,241	39,733	-	Federal
School Board - IAQ Tazewell Schools Ctrl's UPG	756,775	-	75,668	Federal

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 (Continued)

Note 15 - Landfill Closure and Post-closure 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 \$19,060,306 reported as landfill closure and post closure care liability at June 30, 2023, \$12,091,763 represents the cumulative amount reported to date based on use of 58.00 percent of the estimated capacity of the landfill.

The County will recognize the remaining estimated cost of closure and post-closure care of \$6,968,543 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 2023.

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 post-closure 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.

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 (Continued)

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		
Long-term portion of opioid settlement receivable that is not available for funding of current expenditures	\$ -	\$ 1,484,705
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)	-	3,524,234
Property taxes due in December 2023	20,579,524	20,579,524
Prepaid property taxes due in December 2023 but paid in advance by the taxpayers	797,511	797,511
Total deferred/unavailable revenue	\$ 21,377,035	\$ 26,385,974

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 Hieatt, Sheriff	30,000
The above constitutional officers' employees	
Blanket bond	50,000
Landfill employees	20,000
VACO Insurance Program:	
All School Board employees - blanket	250,000
Fidelity and Deposit Company of Maryland Surety:	
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

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 (Continued)

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

	Governmental Activities							Component Unit - School Board		
	General Fund	County CIP Fund	Law Library Fund	Coal Road Improvement Fund	Coal Road Economic Development Fund	Damage Stamp Fund	Total	School Operating Fund	School Activity Fund	Total
Fund Balance:										
Nonspendable:										
Prepaid items	\$ 52,021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,021	\$ 494,078	\$ -	\$ 494,078
Restricted:										
Public safety	\$ 110,485	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 110,485	\$ -	\$ -	\$ -
Health insurance	92,253	-	-	-	-	-	92,253	5,104,155	-	5,104,155
School Construction	-	-	-	-	-	-	-	2,534,122	-	2,534,122
Amount held for others	-	-	-	-	-	-	-	55,829	-	55,829
Opioid settlement	478,725	-	-	-	-	-	478,725	-	-	-
Total restricted balances	\$ 681,463	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 681,463	\$ 7,694,106	\$ -	\$ 7,694,106
Committed funds:										
Wireless fund	\$ 35,834	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,834	\$ -	\$ -	\$ -
Recreation	22,118	-	-	-	-	-	22,118	-	-	-
Capital projects	-	719,999	-	-	-	-	719,999	-	-	-
Law library	-	-	40,149	-	-	-	40,149	-	-	-
Coal road improvements	-	-	-	2,255,465	-	-	2,255,465	-	-	-
Coal road economic development	-	-	-	-	67,972	-	67,972	-	-	-
Damage stamp	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	13,798,321	1,138,988	14,937,309
Total committed balances	\$ 57,952	\$ 719,999	\$ 40,149	\$ 2,255,465	\$ 67,972	\$ -	\$ 3,141,537	\$ 13,798,321	\$ 1,138,988	\$ 14,937,309
Net Position:										
Restricted:										
Public safety	n/a	n/a	n/a	n/a	n/a	n/a	\$ 110,485	n/a	n/a	\$ -
Health insurance	n/a	n/a	n/a	n/a	n/a	n/a	92,253	n/a	n/a	5,104,155
Opioid settlement	n/a	n/a	n/a	n/a	n/a	n/a	1,963,430	n/a	n/a	-
School Construction	n/a	n/a	n/a	n/a	n/a	n/a	-	n/a	n/a	2,534,122
Amount held for others	n/a	n/a	n/a	n/a	n/a	n/a	-	n/a	n/a	55,829
Total restricted balances							\$ 2,166,168			\$ 7,694,106

Note 20 - Restatement of Beginning Balances:

Beginning net position and fund balance for the School Board was restated due to the reissuance of the 2021 and 2022 audit reports for federal funding that was not previously reported due to the timing of the requests for funds:

	Fund Balance	Net Position
	Component Unit - School Board	Component Unit - School Board
Beginning balance, as previously stated	\$ 7,756,427	\$ (23,881,309)
Adjustment for ESSER	8,407,860	8,407,860
Beginning balance, as restated	<u>\$ 16,164,287</u>	<u>\$ (15,473,449)</u>

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 (Continued)

Note 21 - Upcoming Pronouncements:

Statement No. 99, *Omnibus 2022*, addresses (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The effective dates differ based on the requirements of the Statement, ranging from April 2022 to for fiscal years beginning after June 15, 2023.

Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*, provides more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability for accounting changes and error corrections. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023.

Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. It aligns the recognition and measurement guidance under a unified model and amends certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023.

Implementation Guide No. 2021-1, *Implementation Guidance Update—2021*, with dates ranging from reporting periods beginning after June 15, 2022 to reporting periods beginning after June 15, 2023.

Implementation Guide No. 2023-1, *Implementation Guidance Update—2023*, effective for fiscal years beginning after June 15, 2023.

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, 2023

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Pos (Neg)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
General Property Taxes	\$ 28,331,554	\$ 28,331,554	\$ 26,226,980	(2,104,574)
Other Local Taxes	8,810,600	8,810,600	10,127,602	1,317,002
Permits, Privilege Fees and Regulatory Licenses	151,125	151,125	212,492	61,367
Fines and Forfeitures	40,000	40,000	55,739	15,739
Revenue from Use of Money and Property	292,780	292,780	566,089	273,309
Charges for Services	123,250	123,250	195,839	72,589
Miscellaneous	702,500	549,629	814,101	264,472
Recovered Costs	1,677,275	1,765,503	1,874,775	109,272
Intergovernmental:				
Commonwealth	12,167,229	12,223,282	14,403,938	2,180,656
Federal Government	10,155,096	10,163,687	8,150,467	(2,013,220)
Total Revenues	<u>\$ 62,451,409</u>	<u>\$ 62,451,410</u>	<u>\$ 62,628,022</u>	<u>\$ 176,612</u>
EXPENDITURES:				
Current:				
General Government Administration	\$ 6,610,046	\$ 6,646,699	\$ 4,782,296	1,864,403
Judicial Administration	2,683,825	2,804,411	2,950,830	(146,419)
Public Safety	17,259,218	17,481,869	17,068,195	413,674
Public Works	1,672,142	1,749,213	1,347,618	401,595
Health and Welfare	16,385,488	15,881,957	13,103,478	2,778,479
Education	14,438,346	14,438,346	13,483,163	955,183
Parks, Recreation and Cultural	2,383,930	2,417,001	2,157,737	259,264
Community Development	1,286,925	1,809,925	1,396,238	413,687
Nondepartmental	255,000	245,500	192,490	53,010
Debt Service:				
Principal Retirement	1,787,286	1,787,286	1,857,185	(69,899)
Interest and Other Fiscal Charges	487,517	487,517	506,583	(19,066)
Total Expenditures	<u>\$ 65,249,723</u>	<u>\$ 65,749,724</u>	<u>\$ 58,845,813</u>	<u>\$ 6,903,911</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (2,798,314)</u>	<u>\$ (3,298,314)</u>	<u>\$ 3,782,209</u>	<u>\$ 7,080,523</u>
Other Financing Sources (Uses)				
Transfers In	\$ 5,000	\$ 5,000	\$ 5,000	-
Transfers Out	(2,157,500)	(2,157,500)	(3,668,891)	(1,511,391)
Proceeds from lease liabilities	-	-	521,173	521,173
Total Other Financing Sources (Uses)	<u>\$ (2,152,500)</u>	<u>\$ (2,152,500)</u>	<u>\$ (3,142,718)</u>	<u>\$ (990,218)</u>
Net Change in Fund Balance	<u>\$ (4,950,814)</u>	<u>\$ (5,450,814)</u>	<u>\$ 639,491</u>	<u>\$ 6,090,305</u>
Fund Balance - Beginning	4,950,814	5,450,814	23,436,843	17,986,029
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,076,334</u>	<u>\$ 24,076,334</u>

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, 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability									
Service cost	\$ 1,182,055	\$ 1,116,259	\$ 1,065,150	\$ 1,004,039	\$ 1,015,173	\$ 1,090,137	\$ 1,095,549	\$ 1,086,879	\$ 1,078,495
Interest	3,956,419	3,613,198	3,482,375	3,386,517	3,310,997	3,202,401	3,043,467	2,899,146	2,767,693
Change of assumptions	(823,710)	(207,767)	(20,986)	142,508	(305,314)	(7,195)	651,020	313,432	-
Differences between expected and actual experience	455,803	288,176	(45,957)	(328,076)	(40,854)	(209,616)	(111,024)	-	-
Impact in change in proportion	(3,123,542)	(2,811,039)	(2,942,104)	(2,561,543)	(2,666,301)	(2,406,191)	(2,213,605)	(2,039,716)	(1,896,954)
Benefit payments	1,647,025	3,891,340	1,538,478	3,120,079	1,313,701	1,512,653	2,465,407	2,259,741	1,949,234
Net change in total pension liability	\$ 58,537,583	\$ 54,646,243	\$ 53,107,765	\$ 49,987,686	\$ 48,673,985	\$ 47,161,332	\$ 44,695,925	\$ 42,436,184	\$ 40,486,950
Total pension liability - beginning	\$ 60,184,608	\$ 58,537,583	\$ 54,646,243	\$ 53,107,765	\$ 49,987,686	\$ 48,673,985	\$ 47,161,332	\$ 44,695,925	\$ 42,436,184
Total pension liability - ending (a)	\$ 118,722,191	\$ 113,183,826	\$ 107,754,008	\$ 103,095,451	\$ 98,661,671	\$ 95,845,317	\$ 91,857,257	\$ 87,132,109	\$ 82,923,134
Plan fiduciary net position									
Impact in change in proportion	\$ 433,919	\$ 234,385	\$ (38,989)	\$ (285,911)	\$ (35,018)	\$ (169,900)	\$ (95,046)	\$ -	\$ -
Contributions - employer	1,313,810	1,213,082	1,045,597	1,015,055	1,010,986	1,018,151	1,110,489	1,127,068	1,109,531
Contributions - employee	555,331	523,307	491,857	494,738	497,210	491,028	527,074	515,377	495,039
Net investment income	(46,889)	12,150,619	864,750	2,860,605	3,064,187	4,593,798	657,018	1,688,554	5,070,273
Benefit payments	(3,123,542)	(2,811,039)	(2,942,104)	(2,561,543)	(2,666,301)	(2,406,191)	(2,213,605)	(2,039,716)	(1,896,954)
Administrator charges	(35,060)	(30,459)	(29,617)	(28,648)	(26,916)	(26,855)	(23,721)	(23,151)	(27,328)
Other	1,288	1,143	(1,005)	(1,799)	(2,704)	(4,077)	(280)	(356)	268
Net change in plan fiduciary net position	\$ (901,143)	\$ 11,281,038	\$ (609,511)	\$ 1,492,497	\$ 1,841,444	\$ 3,495,954	\$ (38,071)	\$ 1,267,776	\$ 4,750,829
Plan fiduciary net position - beginning	\$ 55,727,100	\$ 44,446,062	\$ 45,055,573	\$ 43,563,076	\$ 41,721,632	\$ 38,225,678	\$ 38,263,749	\$ 36,995,973	\$ 32,245,144
Plan fiduciary net position - ending (b)	\$ 54,825,957	\$ 55,727,100	\$ 44,446,062	\$ 45,055,573	\$ 43,563,076	\$ 41,721,632	\$ 38,225,678	\$ 38,263,749	\$ 36,995,973
County's net pension liability - ending (a) - (b)	\$ 5,358,651	\$ 2,810,483	\$ 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	91.10%	95.20%	81.33%	84.84%	87.15%	85.72%	81.05%	85.61%	87.18%
Covered payroll	\$ 11,292,489	\$ 10,391,181	\$ 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	47.45%	27.05%	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, 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability									
Service cost	\$ 176,209	\$ 176,388	\$ 174,816	\$ 163,776	\$ 157,842	\$ 168,446	\$ 163,654	\$ 159,256	\$ 158,027
Interest	589,782	570,949	571,541	552,397	514,803	494,813	454,636	424,797	405,539
Change of assumptions	-	299,050	-	240,864	-	(24,240)	-	-	-
Differences between expected and actual experience	(122,791)	(32,831)	(3,444)	23,246	(47,471)	(1,112)	97,250	45,926	-
Impact in change of proportion	(455,803)	(288,176)	45,957	328,076	40,855	209,616	111,024	-	-
Benefit payments	(465,626)	(444,193)	(482,870)	(417,830)	(414,564)	(371,788)	(330,671)	(298,872)	(277,953)
Net change in total pension liability	\$(278,229)	\$281,187	\$306,000	\$890,529	\$251,465	\$475,735	\$495,893	\$331,107	\$285,613
Total pension liability - beginning	9,249,921	8,968,734	8,662,734	7,772,205	7,520,740	7,045,005	6,549,112	6,218,005	5,932,392
Total pension liability - ending (a)	\$ 8,971,692	\$ 9,249,921	\$ 8,968,734	\$ 8,662,734	\$ 7,772,205	\$ 7,520,740	\$ 7,045,005	\$ 6,549,112	\$ 6,218,005
Plan fiduciary net position									
Impact in change of proportion	\$ (433,920)	\$ (234,385)	\$ 38,990	\$ 285,911	\$ 35,018	\$ 169,900	\$ 95,046	\$ -	\$ -
Contributions - employer	195,849	191,688	171,608	165,572	157,191	157,318	165,886	165,145	162,576
Contributions - employee	82,783	82,692	80,725	80,700	77,308	75,870	78,735	75,516	72,536
Net investment income	(6,990)	1,920,008	141,926	466,612	476,429	709,802	98,146	247,413	742,927
Benefit payments	(465,626)	(444,193)	(482,870)	(417,830)	(414,564)	(371,788)	(330,671)	(298,872)	(277,953)
Administrator charges	(5,227)	(4,813)	(4,861)	(4,673)	(4,185)	(4,149)	(3,543)	(3,393)	(4,004)
Other	192	181	(165)	(293)	(420)	(629)	(42)	(52)	38
Net change in plan fiduciary net position	\$(632,939)	\$1,511,178	\$(54,647)	\$575,999	\$326,777	\$736,324	\$103,557	\$185,757	\$696,120
Plan fiduciary net position - beginning	8,805,818	7,294,640	7,349,287	6,773,288	6,446,511	5,710,187	5,606,630	5,420,873	4,724,753
Plan fiduciary net position - ending (b)	\$ 8,172,879	\$ 8,805,818	\$ 7,294,640	\$ 7,349,287	\$ 6,773,288	\$ 6,446,511	\$ 5,710,187	\$ 5,606,630	\$ 5,420,873
Component Units' net pension liability - ending (a) - (b)	\$ 798,813	\$ 444,103	\$ 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	91.10%	95.20%	81.33%	84.84%	87.15%	85.72%	81.05%	85.61%	87.18%
Covered payroll	\$ 1,683,373	\$ 1,611,887	\$ 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	47.45%	27.55%	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, 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability	\$ 265,252	\$ 281,580	\$ 302,641	\$ 312,522	\$ 325,917	\$ 353,607	\$ 359,182	\$ 375,904	\$ 389,969
Service cost	1,894,813	1,799,889	1,805,274	1,797,737	1,784,614	1,770,523	1,752,811	1,729,888	1,688,775
Interest	-	896,175	-	655,655	-	(70,894)	-	-	-
Change of assumptions	(191,026)	80,585	(321,563)	69,476	(208,796)	(183,199)	(243,199)	(222,538)	-
Differences between expected and actual experience	(1,912,471)	(1,921,932)	(1,810,307)	(1,734,801)	(1,693,716)	(1,643,775)	(1,587,749)	(1,523,814)	(1,459,018)
Benefit payments	\$ 56,568	\$ 1,136,297	\$ (23,955)	\$ 1,100,589	\$ 208,019	\$ 226,262	\$ 281,045	\$ 359,440	\$ 619,726
Net change in total pension liability	\$ 28,762,292	\$ 27,625,995	\$ 27,649,950	\$ 26,549,361	\$ 26,341,342	\$ 26,115,080	\$ 25,834,035	\$ 25,474,595	\$ 24,854,869
Total pension liability - beginning	\$ 28,818,860	\$ 28,762,292	\$ 27,625,995	\$ 27,649,950	\$ 26,549,361	\$ 26,341,342	\$ 26,115,080	\$ 25,834,035	\$ 25,474,595
Total pension liability - ending (a)	\$ 57,581,152	\$ 56,388,287	\$ 55,275,945	\$ 54,199,311	\$ 52,890,703	\$ 52,456,422	\$ 51,949,115	\$ 51,308,630	\$ 50,329,464
Plan fiduciary net position	\$ 554,933	\$ 503,723	\$ 446,165	\$ 450,672	\$ 496,279	\$ 511,878	\$ 637,931	\$ 629,864	\$ 589,541
Contributions - employer	173,641	158,847	165,344	167,179	179,643	185,775	191,556	190,601	190,618
Contributions - employee	(7,621)	5,446,221	398,165	1,360,432	1,494,878	2,292,108	328,681	875,280	2,714,251
Net investment income	(1,912,471)	(1,921,932)	(1,810,307)	(1,734,801)	(1,693,716)	(1,643,775)	(1,587,749)	(1,523,814)	(1,459,018)
Benefit payments	(15,619)	(14,390)	(14,365)	(14,332)	(13,492)	(13,865)	(12,500)	(12,501)	(15,068)
Administrator charges	551	501	(462)	(850)	(1,308)	(2,014)	(142)	(185)	143
Other	(1,206,586)	4,172,970	(815,460)	228,300	462,284	1,330,107	(442,223)	159,245	2,020,467
Net change in plan fiduciary net position	\$ 24,653,124	\$ 20,480,154	\$ 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 - beginning	\$ 23,446,538	\$ 24,653,124	\$ 20,480,154	\$ 21,295,614	\$ 21,067,314	\$ 20,605,030	\$ 19,274,923	\$ 19,717,146	\$ 19,557,901
Plan fiduciary net position - ending (b)	\$ 48,100,662	\$ 45,133,278	\$ 41,775,768	\$ 42,362,928	\$ 41,672,344	\$ 41,880,953	\$ 41,992,069	\$ 41,275,047	\$ 41,095,335
School Board's net pension liability - ending (a) - (b)	\$ 5,372,322	\$ 4,109,168	\$ 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	81.36%	85.71%	74.13%	77.02%	79.35%	78.22%	73.81%	76.32%	76.77%
Covered payroll	\$ 3,779,290	\$ 3,428,413	\$ 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	142.15%	119.86%	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, 2022

Date (1)	Employer's Proportion of the Net Pension Liability (Asset) (2)	Employer's Proportionate Share of the Net Pension Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (5)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (6)
2022	0.28670%	\$ 27,299,365	\$ 26,387,899	103.45%	82.61%
2021	0.28753%	22,321,234	25,146,532	88.76%	85.46%
2020	0.29060%	42,287,021	25,224,367	167.64%	71.47%
2019	0.29862%	39,300,089	24,794,223	158.51%	73.51%
2018	0.32016%	37,651,000	25,740,658	146.27%	74.81%
2017	0.33673%	41,411,000	26,133,765	158.46%	72.92%
2016	0.34666%	48,581,000	26,431,418	183.80%	68.28%
2015	0.35749%	44,995,000	26,579,014	169.29%	70.68%
2014	0.36174%	43,715,000	26,452,530	165.26%	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, 2014 through June 30, 2023

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					
2023	\$ 1,410,751	\$ 1,410,751	-	\$ 12,307,375	11.46%
2022	1,313,810	1,313,810	-	11,292,489	11.63%
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					
2023	\$ 204,865	\$ 204,865	-	\$ 1,787,241	11.46%
2022	195,850	195,850	-	1,683,373	11.63%
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)					
2023	\$ 629,543	\$ 629,543	-	\$ 4,074,182	15.45%
2022	554,929	554,929	-	3,779,290	14.68%
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%
Component Unit School Board (professional)					
2023	\$ 4,628,325	\$ 4,628,325	-	\$ 28,887,547	16.02%
2022	4,256,299	4,256,299	-	26,387,899	16.13%
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%

*Excludes contributions (mandatory and match on voluntary) to the defined contribution portion of the Hybrid plan.

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, 2023

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, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, 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)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

All Others (Non 10 Largest) - Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Component Unit School Board - Professional Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

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, 2023

	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service cost	\$ 421,000	\$ 332,000	\$ 217,661	\$ 193,536	\$ 299,000	\$ 283,000
Interest	150,000	165,000	190,416	215,422	207,000	198,000
Changes in assumptions	(1,092,000)	791,000	338,617	461,172	66,000	-
Differences between expected and actual experience	(262,000)	221,994	59,879	(214,484)	(430,000)	-
Contributions	(755,000)	(261,000)	(266,762)	(293,899)	(268,000)	-
Benefit payments	-	-	-	-	-	(257,000)
Changes in proportionate share	-	-	(265,804)	395,252	-	-
Net change in total OPEB liability	\$ (1,538,000)	\$ 1,248,994	\$ 274,007	\$ 756,999	\$ (126,000)	\$ 224,000
Total OPEB liability - beginning	7,789,000	6,540,006	6,265,999	5,509,000	5,635,000	5,411,000
Total OPEB liability - ending	\$ 6,251,000	\$ 7,789,000	\$ 6,540,006	\$ 6,265,999	\$ 5,509,000	\$ 5,635,000
Covered-employee payroll	\$ 12,915,289	\$ 11,474,701	\$ 10,892,625	\$ 11,921,375	\$ 11,122,229	\$ 10,159,885
County's total OPEB liability (asset) as a percentage of covered-employee	48.40%	67.88%	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, 2023

	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service cost	\$ 55,000	\$ 44,000	\$ 21,100	\$ 23,628	\$ 35,000	\$ 33,000
Interest	16,000	17,000	18,459	26,301	41,000	39,000
Changes in assumptions	(151,000)	65,000	32,826	56,304	(9,000)	-
Differences between expected and actual experience	(63,000)	6,000	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	<u>\$ (143,000)</u>	<u>\$ 132,000</u>	<u>\$ (131,005)</u>	<u>\$ 104,005</u>	<u>\$ (458,000)</u>	<u>\$ 31,000</u>
Total OPEB liability - beginning	<u>766,000</u>	<u>634,000</u>	<u>765,005</u>	<u>661,000</u>	<u>1,119,000</u>	<u>1,088,000</u>
Total OPEB liability - ending	<u><u>\$ 623,000</u></u>	<u><u>\$ 766,000</u></u>	<u><u>\$ 634,000</u></u>	<u><u>\$ 765,005</u></u>	<u><u>\$ 661,000</u></u>	<u><u>\$ 1,119,000</u></u>
Covered-employee payroll	<u>\$ 1,287,190</u>	<u>\$ 1,128,460</u>	<u>\$ 1,055,951</u>	<u>\$ 1,455,451</u>	<u>\$ 1,334,629</u>	<u>\$ 2,018,712</u>
Other Component Unit's total OPEB liability (asset) as a percentage of covered-employee	48.40%	67.88%	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, 2023

	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service cost	\$ 607,000	\$ 475,000	\$ 488,239	\$ 401,836	\$ 573,000	\$ 543,000
Interest	315,000	364,000	427,125	447,277	585,000	582,000
Changes in assumptions	(1,916,000)	1,461,000	759,557	957,524	(878,000)	-
Differences between expected and actual experience	(523,000)	(259,994)	134,316	(445,330)	(3,120,000)	-
Contributions	(686,000)	(569,000)	(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	\$ (2,203,000)	\$ 1,471,006	\$ 1,659,998	\$ 295,996	\$ (3,523,000)	\$ (246,000)
Total OPEB liability - beginning	16,141,000	14,669,994	13,009,996	12,714,000	16,237,000	16,483,000
Total OPEB liability - ending	\$ 13,938,000	\$ 16,141,000	\$ 14,669,994	\$ 13,009,996	\$ 12,714,000	\$ 16,237,000
Covered-employee payroll	\$ 28,797,521	\$ 23,778,839	\$ 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	48.40%	67.88%	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, 2023

Valuation Date: 7/1/2022
 Measurement Date: 7/1/2022

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	3.69%
Inflation	2.50%
Healthcare Trend Rate	6.75% for fiscal year end 2023, decreasing 0.25% 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-2021

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, 2022

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:					
2022	0.05204%	\$ 626,846	\$ 11,323,484	5.54%	67.21%
2021	0.05026%	585,042	10,374,477	5.64%	67.45%
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:					
2022	0.00776%	\$ 93,444	\$ 1,687,992	5.54%	67.21%
2021	0.00794%	92,447	1,638,961	5.64%	67.45%
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:					
2022	0.01760%	\$ 211,801	\$ 3,826,243	5.54%	67.21%
2021	0.01670%	194,434	3,448,202	5.64%	67.45%
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:					
2022	0.12160%	\$ 1,463,940	\$ 26,447,857	5.54%	67.21%
2021	0.12210%	1,421,925	25,216,444	5.64%	67.45%
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, 2014 through June 30, 2023

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:					
2023	\$ 66,565	\$ 66,565	\$ -	\$ 12,326,763	0.54%
2022	61,147	61,147	-	11,323,484	0.54%
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:					
2023	\$ 9,666	\$ 9,666	\$ -	\$ 1,790,055	0.54%
2022	9,115	9,115	-	1,687,992	0.54%
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):					
2023	\$ 22,397	\$ 22,397	\$ -	\$ 4,147,656	0.54%
2022	20,662	20,662	-	3,826,243	0.54%
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%
Component Unit School Board (professional):					
2023	\$ 156,613	\$ 156,613	\$ -	\$ 29,002,351	0.54%
2022	142,818	142,818	-	26,447,857	0.54%
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%

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, 2023

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, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, 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)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

Non-Largest Ten Locality Employers - General Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Non-Largest Ten Locality Employers - Hazardous Duty Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

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, 2022

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)
2022	0.28311%	\$ 3,536,176	\$ 26,386,475	13.40%	15.08%
2021	0.28434%	3,649,701	25,146,532	14.51%	13.15%
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, 2014 through June 30, 2023

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)
2023	\$ 349,496	\$ 349,496	-	\$ 28,883,972	1.21%
2022	319,276	319,276	-	26,386,475	1.21%
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%

County of Tazewell, Virginia
 Notes to Required Supplementary Information
 Teacher Employee Health Insurance Credit (HIC) Plan
 For the Fiscal Year Ended June 30, 2023

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, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, 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)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

County of Tazewell, Virginia
 Schedule of Changes in Net OPEB Liability and Related Ratios
 Health Insurance Credit (HIC) Plan
 For the Measurement Dates of June 30, 2020 through June 30, 2022

	2022	2021	2020
Total HIC OPEB Liability			
Service cost	\$ 4,852	\$ 5,537	\$ -
Interest	57,043	52,830	-
Differences between expected and actual experience	(25,007)	-	-
Changes in assumptions	17,140	19,263	-
Benefit payments	(40,126)	-	782,665
Net change in total pension liability	\$ 13,902	\$ 77,630	\$ 782,665
Total HIC OPEB Liability - beginning	860,295	782,665	-
Total HIC OPEB Liability - ending (a)	\$ 874,197	\$ 860,295	\$ 782,665
Plan fiduciary net position			
Contributions - employer	\$ 61,981	\$ 56,225	\$ -
Net investment income	(430)	7,462	-
Benefit payments	(40,126)	-	-
Administrator charges	(152)	(249)	-
Net change in plan fiduciary net position	\$ 21,273	\$ 63,438	\$ -
Plan fiduciary net position - beginning	63,438	-	-
Plan fiduciary net position - ending (b)	\$ 84,711	\$ 63,438	\$ -
Component Unit School Board's net HIC OPEB liability - ending (a) - (b)	\$ 789,486	\$ 796,857	\$ 782,665
Plan fiduciary net position as a percentage of the total HIC OPEB liability	9.69%	7.37%	0.00%
Covered payroll	\$ 3,779,290	\$ 3,428,413	\$ -
Component Unit School Board's net HIC OPEB liability as a percentage of covered payroll	20.89%	23.24%	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 Years Ended June 30, 2021 through June 30, 2023

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)
2023	\$ 79,447	\$ 79,447	-	\$ 4,074,182	1.95%
2022	61,980	61,980	-	3,779,290	1.64%
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, 2023

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, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, 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)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

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, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Pos (Neg)
	Original	Final		
REVENUES				
Intergovernmental:				
Federal Government	\$ -	\$ -	\$ 48,655	\$ 48,655
Total Revenues	\$ -	\$ -	\$ 48,655	\$ 48,655
EXPENDITURES:				
Current:				
General Government Administration	\$ 600,000	\$ -	\$ 275,429	\$ (275,429)
Public Safety	500,000	-	-	-
Public Works	893,498	893,498	893,498	-
Community Development	112,419	62,500	94,602	(32,102)
Total Expenditures	\$ 2,105,917	\$ 955,998	\$ 1,263,529	\$ (307,531)
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (2,105,917)	\$ (955,998)	\$ (1,214,874)	\$ (258,876)
Other Financing Sources (Uses)				
Transfers In	\$ 1,555,998	\$ -	\$ 1,555,998	\$ 1,555,998
Proceeds from Bond Issuance	500,000	-	-	-
Total Other Financing Sources (Uses)	\$ 2,055,998	\$ -	\$ 1,555,998	\$ 1,555,998
Net Change in Fund Balance	\$ (49,919)	\$ (955,998)	\$ 341,124	\$ 1,297,122
Fund Balance - Beginning	49,919	955,998	378,875	(577,123)
Fund Balance - Ending	\$ -	\$ -	\$ 719,999	\$ 719,999

County of Tazewell, Virginia
 Combining Statement of Fiduciary Net Position
 Fiduciary Funds
 June 30, 2023

	Custodial Funds		
	Special Welfare Funds	Local Sales Tax Fund	Total
ASSETS			
Cash and cash equivalents	\$ 93,720	\$ -	\$ 93,720
Due from other governments	-	250,174	250,174
Total Assets	<u>\$ 93,720</u>	<u>\$ 250,174</u>	<u>\$ 343,894</u>
LIABILITIES			
Sales tax due to Towns	\$ -	\$ 250,174	\$ 250,174
NET POSITION			
Restricted for:			
Social services clients	\$ 93,720	\$ -	\$ 93,720
Total Net Postion	<u>\$ 93,720</u>	<u>\$ -</u>	<u>\$ 93,720</u>

County of Tazewell, Virginia
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2023

	Custodial Funds		
	Special Welfare Funds	Local Sales Tax Fund	Total
ADDITIONS			
Contributions:			
Expenditure reimbursement	\$ 64,034	\$ -	\$ 64,034
Sales tax collections for other governments	-	250,174	250,174
Total contributions	<u>\$ 64,034</u>	<u>\$ 250,174</u>	<u>\$ 314,208</u>
DEDUCTIONS:			
Special welfare payments	\$ 50,388	\$ -	\$ 50,388
Payments to sales tax to other governments		250,174	250,174
Total deductions	<u>\$ 50,388</u>	<u>\$ 250,174</u>	<u>\$ 300,562</u>
Net increase (decrease) in fiduciary net position	\$ 13,646	\$ -	\$ 13,646
Net position, beginning	80,074	-	80,074
Net position, ending	<u><u>\$ 93,720</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 93,720</u></u>

County of Tazewell, Virginia
 Nonmajor Funds
 Balance Sheet
 June 30, 2023

	<u>Special Revenue Funds</u>
ASSETS	
Cash and Cash Equivalents	\$ 2,294,636
Receivables (Net of Allowance for Uncollectibles):	
Taxes	119,910
Total Assets	<u>\$ 2,414,546</u>
 LIABILITIES	
Accounts Payable	\$ 50,960
Total Liabilities	<u>\$ 50,960</u>
 FUND BALANCES	
Committed	\$ 2,363,586
Total Liabilities and Fund Balances	<u>\$ 2,414,546</u>

County of Tazewell, Virginia
 Nonmajor Funds
 Statement of Revenues, Expenditures and Changes in Fund Balances
 For the Fiscal Year Ended June 30, 2023

		<u>Special Revenue Funds</u>
REVENUES		
Other Local Taxes	\$	1,911,262
Charges for Services		8,342
Miscellaneous		988
Total Revenues	\$	<u>1,920,592</u>
EXPENDITURES:		
Current:		
Judicial Administration	\$	12,028
Public Works		1,386,518
Total Expenditures	\$	<u>1,398,546</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	<u>522,046</u>
Other Financing Sources (Uses)		
Transfers Out	\$	<u>(278,498)</u>
Net Change in Fund Balance	\$	243,548
Fund Balance - Beginning		2,120,038
Fund Balance - Ending	\$	<u><u>2,363,586</u></u>

County of Tazewell, Virginia
 Nonmajor Special Revenue Funds
 Combining Balance Sheet
 June 30, 2023

	<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	\$ 40,149	\$ 2,220,557	\$ 33,930	\$ -	\$ 2,294,636
Receivables (Net of Allowance for Uncollectibles):					
Taxes	-	85,868	34,042	-	119,910
Total Assets	<u>\$ 40,149</u>	<u>\$ 2,306,425</u>	<u>\$ 67,972</u>	<u>\$ -</u>	<u>\$ 2,414,546</u>
LIABILITIES					
Accounts Payable	\$ -	\$ 50,960	\$ -	\$ -	\$ 50,960
FUND BALANCES					
Committed	\$ 40,149	\$ 2,255,465	\$ 67,972	\$ -	\$ 2,363,586
Total Fund Balances	<u>\$ 40,149</u>	<u>\$ 2,255,465</u>	<u>\$ 67,972</u>	<u>\$ -</u>	<u>\$ 2,363,586</u>
Total Liabilities and Fund Balances	<u>\$ 40,149</u>	<u>\$ 2,306,425</u>	<u>\$ 67,972</u>	<u>\$ -</u>	<u>\$ 2,414,546</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, 2023

	<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	\$ -	\$ 1,248,554	\$ 662,708	\$ -	\$ 1,911,262
Charges for Services	8,342	-	-	-	8,342
Miscellaneous	-	988	-	-	988
Total Revenues	\$ 8,342	\$ 1,249,542	\$ 662,708	\$ -	\$ 1,920,592
EXPENDITURES					
Current:					
Judicial Administration	\$ 11,986	\$ -	\$ -	\$ 42	\$ 12,028
Public Works	-	630,763	755,755	-	1,386,518
Total Expenditures	\$ 11,986	\$ 630,763	\$ 755,755	\$ 42	\$ 1,398,546
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (3,644)	\$ 618,779	\$ (93,047)	\$ (42)	\$ 522,046
Other Financing Sources (Uses)					
Transfers Out	\$ (5,000)	\$ (273,498)	\$ -	\$ -	\$ (278,498)
Net Change in Fund Balance	\$ (8,644)	\$ 345,281	\$ (93,047)	\$ (42)	\$ 243,548
Fund Balance - Beginning	48,793	1,910,184	161,019	42	2,120,038
Fund Balance - Ending	\$ 40,149	\$ 2,255,465	\$ 67,972	\$ -	\$ 2,363,586

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, 2023

	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	\$ -	\$ -	\$ -	\$ 475,000	\$ 475,000	\$ 1,248,554	\$ 773,554
Charges for Services	8,250	8,250	8,342	-	-	-	-
Miscellaneous	-	-	-	-	-	988	988
Total Revenues	\$ 8,250	\$ 8,250	\$ 8,342	\$ 475,000	\$ 475,000	\$ 1,249,542	\$ 774,542
EXPENDITURES:							
Current:							
Judicial Administration	\$ 15,000	\$ 15,000	\$ 11,986	\$ -	\$ -	\$ -	\$ -
Public Works	-	-	-	1,229,429	1,229,429	630,763	598,666
Total Expenditures	\$ 15,000	\$ 15,000	\$ 11,986	\$ 1,229,429	\$ 1,229,429	\$ 630,763	\$ 598,666
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (6,750)	\$ (6,750)	\$ (3,644)	\$ (754,429)	\$ (754,429)	\$ 618,779	\$ 1,373,208
Other Financing Sources (Uses)							
Transfers Out	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ (273,498)	\$ (273,498)	\$ (273,498)	\$ -
Net Change in Fund Balance	\$ (11,750)	\$ (11,750)	\$ (8,644)	\$ (1,027,927)	\$ (1,027,927)	\$ 345,281	\$ 1,373,208
Fund Balance - Beginning	11,750	11,750	48,793	1,027,927	1,027,927	1,910,184	882,257
Fund Balance - Ending	\$ -	\$ -	\$ 40,149	\$ -	\$ -	\$ 2,255,465	\$ 2,255,465

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, 2023

	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	\$ 440,000	\$ 440,000	\$ 662,708	\$ 222,708	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	\$ 440,000	\$ 440,000	\$ 662,708	\$ 222,708	\$ -	\$ -	\$ -	\$ -
EXPENDITURES:								
Current:								
Judicial Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42	\$ (42)
Public Works	333,000	333,000	755,755	(422,755)	-	-	-	-
Total Expenditures	\$ 333,000	\$ 333,000	\$ 755,755	\$ (422,755)	\$ -	\$ -	\$ 42	\$ (42)
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 107,000	\$ 107,000	\$ (93,047)	\$ (200,047)	\$ -	\$ -	\$ (42)	\$ (42)
Other Financing Sources (Uses)								
Transfers Out	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Change in Fund Balance	\$ 107,000	\$ 107,000	\$ (93,047)	\$ (200,047)	\$ -	\$ -	\$ (42)	\$ (42)
Fund Balance - Beginning	(107,000)	(107,000)	161,019	268,019	-	-	42	42
Fund Balance - Ending	\$ -	\$ -	\$ 67,972	\$ 67,972	\$ -	\$ -	\$ -	\$ -

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, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Pos (Neg)
	Original	Final		
REVENUES				
Other Local Taxes	\$ 915,000	\$ 915,000	\$ 1,911,262	\$ 996,262
Charges for Services	8,250	8,250	8,342	92
Miscellaneous	-	-	988	988
Total Revenues	\$ 923,250	\$ 923,250	\$ 1,920,592	\$ 997,342
EXPENDITURES:				
Current:				
Judicial Administration	\$ 15,000	\$ 15,000	\$ 12,028	\$ 2,972
Public Works	1,562,429	1,562,429	1,386,518	175,911
Total Expenditures	\$ 1,577,429	\$ 1,577,429	\$ 1,398,546	\$ 178,883
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (654,179)	\$ (654,179)	\$ 522,046	\$ 1,176,225
Other Financing Sources (Uses)				
Transfers Out	\$ (278,498)	\$ (278,498)	\$ (278,498)	\$ -
Net Change in Fund Balance	\$ (932,677)	\$ (932,677)	\$ 243,548	\$ 1,176,225
Fund Balance - Beginning	932,677	932,677	2,120,038	1,187,361
Fund Balance - Ending	\$ -	\$ -	\$ 2,363,586	\$ 2,363,586

County of Tazewell, Virginia
Discretely Presented Component Unit - School Board
Combining Balance Sheet
June 30, 2023

	School Operating <u>Fund</u>	School Activity <u>Fund</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 18,812,825	\$ 1,229,892	\$ 20,042,717
Accounts Receivable	14,442	22,363	36,805
Due from Other Governmental Units	15,020,821	-	15,020,821
Prepaid items	494,078	-	494,078
Total Assets	\$ 34,342,166	\$ 1,252,255	\$ 35,594,421
LIABILITIES			
Accounts Payable	\$ 860,353	\$ 113,267	\$ 973,620
Accrued Wages Payable	3,561,828	-	3,561,828
Accrued Health Claims	1,293,312	-	1,293,312
Due to Primary Government	6,640,168	-	6,640,168
Total Liabilities	\$ 12,355,661	\$ 113,267	\$ 12,468,928
FUND BALANCE			
Nonspendable	\$ 494,078	\$ -	\$ 494,078
Restricted	7,694,106	-	7,694,106
Committed	13,798,321	1,138,988	14,937,309
Total Fund Balances	\$ 21,986,505	\$ 1,138,988	\$ 23,125,493
Total Liabilities and Fund Balances	\$ 34,342,166	\$ 1,252,255	\$ 35,594,421

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

Total fund balances - per above		\$	23,125,493
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
Capital assets, not being depreciated/amortized		\$	17,159,562
Capital assets, net of accumulated depreciation/amortization			14,534,803
			31,694,365
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.			
Pension related items		\$	7,883,143
OPEB related items			3,653,414
			11,536,557
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds			
Net OPEB liabilities		\$	(19,939,403)
Compensated absences			(558,882)
Net pension liability			(32,671,687)
			(53,169,972)
Deferred inflows of resources are not due and payable in the current period, and, therefore, are not reported in the funds.			
Pension related items		\$	(8,001,128)
OPEB related items			(3,821,386)
			(11,822,514)
Net Position of governmental activities - component unit school board		\$	1,363,929

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, 2023

	<u>School Operating</u> <u>Fund</u>	<u>School Activity</u> <u>Fund</u>	<u>Total</u>
REVENUES			
Revenue from Use of Money and Property	\$ 59,041	\$ -	59,041
Charges for Services	694,771	1,104,904	1,799,675
Miscellaneous	62,173	1,313,472	1,375,645
Recovered Costs	445,786	-	445,786
Intergovernmental:			
Local Government	13,083,163	-	13,083,163
Commonwealth	51,668,500	-	51,668,500
Federal Government	15,450,068	-	15,450,068
Total Revenues	<u>\$ 81,463,502</u>	<u>\$ 2,418,376</u>	<u>\$ 83,881,878</u>
EXPENDITURES:			
Current:			
Education	\$ 75,082,653	\$ 2,392,036	77,474,689
Debt Service:			
Principal Retirement	544,281	-	544,281
Interest and Other Fiscal Charges	14,350	-	14,350
Total Expenditures	<u>\$ 75,641,284</u>	<u>\$ 2,392,036</u>	<u>\$ 78,033,320</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 5,822,218</u>	<u>\$ 26,340</u>	<u>\$ 5,848,558</u>
Net Change in Fund Balance	\$ 5,822,218	\$ 26,340	\$ 5,848,558
Fund Balance - Beginning, as restated	16,164,287	1,112,648	17,276,935
Fund Balance - Ending	<u>\$ 21,986,505</u>	<u>\$ 1,138,988</u>	<u>\$ 23,125,493</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			\$ 5,848,558
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. These are the details of items supporting this adjustment:			
Capital outlays		\$ 4,840,981	
Tenancy in common		576,707	
Depreciation expense		<u>(2,049,636)</u>	3,368,052
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:			
Loan payable			544,281
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
State non-employer contribution to the pension plan		\$ 1,268,455	
State non-employer contribution to the OBEB plans		<u>1,787</u>	1,270,242
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		\$ 9,695	
Change in compensated absences		1,400	
Change in OPEB related items		1,012,871	
Change in pension related items		<u>4,782,279</u>	5,806,245
Change in net position of governmental funds - component unit school board			<u>\$ 16,837,378</u>

County of Tazewell, Virginia
Discretely Presented Component Unit-School Board
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Pos (Neg)
	Original	Final		
REVENUES				
Revenue from Use of Money and Property	\$ 1,000	\$ 1,000	\$ 59,041	\$ 58,041
Charges for Services	663,805	663,805	694,771	30,966
Miscellaneous	25,000	25,000	62,173	37,173
Recovered Costs	427,000	427,000	445,786	18,786
Intergovernmental:				
Local Government	14,178,346	14,178,346	13,083,163	(1,095,183)
Commonwealth	53,061,463	53,061,463	51,668,500	(1,392,963)
Federal Government	18,288,111	18,288,111	15,450,068	(2,838,043)
Total Revenues	<u>\$ 86,644,725</u>	<u>\$ 86,644,725</u>	<u>\$ 81,463,502</u>	<u>\$ (5,181,223)</u>
EXPENDITURES				
Current:				
Education	\$ 95,588,843	\$ 95,588,843	\$ 75,082,653	\$ 20,506,190
Debt Service:				
Principal Retirement	658,780	658,780	544,281	114,499
Interest and Other Fiscal Charges	17,369	17,369	14,350	3,019
Total Expenditures	<u>\$ 96,264,992</u>	<u>\$ 96,264,992</u>	<u>\$ 75,641,284</u>	<u>\$ 20,623,708</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (9,620,267)</u>	<u>\$ (9,620,267)</u>	<u>\$ 5,822,218</u>	<u>\$ 15,442,485</u>
Net Change in Fund Balance	\$ (9,620,267)	\$ (9,620,267)	\$ 5,822,218	\$ 15,442,485
Fund Balance - Beginning, as restated	9,620,267	9,620,267	16,164,287	6,544,020
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,986,505</u>	<u>\$ 21,986,505</u>

County of Tazewell, Virginia
Combining Statement of Net Position
Other Component Units
June 30, 2023

	Public Service <u>Authority</u>	Industrial Develop- <u>ment Authority</u>	<u>Airport Authority</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 12,279	\$ 523,636	\$ 924	\$ 536,839
Investments	3,080,067	-	-	3,080,067
Receivables (net of allowance for uncollectibles):				
Accounts receivable	957,566	-	30,481	988,047
Notes receivable	398,923	1,089,434	-	1,488,357
Leases receivable	-	1,082,624	-	1,082,624
Assets held for sale	-	2,564,058	-	2,564,058
Due from other governmental units	100,123	-	290,301	390,424
Inventories	166,997	-	15,181	182,178
Prepaid items	25,737	-	12,516	38,253
Restricted assets:				
Cash and cash equivalents	195,315	-	-	195,315
Capital assets not being depreciated/amortized	1,132,293	16,608,464	1,322,059	19,062,816
Capital assets, net of accumulated depreciation/amortization	70,572,855	6,681,387	3,644,287	80,898,529
Total assets	<u>\$ 76,642,155</u>	<u>\$ 28,549,603</u>	<u>\$ 5,315,749</u>	<u>\$ 110,507,507</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	\$ 294,692	\$ -	\$ 8,336	\$ 303,028
OPEB related items	144,844	-	628	145,472
Total deferred outflows of resources	<u>\$ 439,536</u>	<u>\$ -</u>	<u>\$ 8,964</u>	<u>\$ 448,500</u>
LIABILITIES				
Accounts payable	\$ 347,394	\$ 30,008	\$ 378,008	\$ 755,410
Accounts payable - construction projects				-
Reconciled overdraft	-	-	17,867	17,867
Accrued wages	44,608	-	3,750	48,358
Customers' deposits	195,315	-	-	195,315
Accrued interest payable	58,674	-	483	59,157
Due to primary government	111,039	-	-	111,039
Unearned Revenue	-	13,993	-	13,993
Long-term liabilities:				
Due within one year	2,484,266	100,091	12,766	2,597,123
Due in more than one year	29,869,144	4,038,641	202,451	34,110,236
Total liabilities	<u>\$ 33,110,440</u>	<u>\$ 4,182,733</u>	<u>\$ 615,325</u>	<u>\$ 37,908,498</u>
DEFERRED INFLOWS OF RESOURCES				
Pension related items	\$ 396,794	\$ -	\$ 10,598	\$ 407,392
OPEB related items	146,774	-	582	147,356
Lease related	-	1,054,701	-	1,054,701
Total deferred inflows of resources	<u>\$ 543,568</u>	<u>\$ 1,054,701</u>	<u>\$ 11,180</u>	<u>\$ 1,609,449</u>
NET POSITION				
Net investment in capital assets	\$ 41,198,196	\$ 19,442,786	\$ 4,400,878	\$ 65,041,860
Unrestricted	2,229,487	3,869,383	297,330	6,396,200
Total Net Position	<u>\$ 43,427,683</u>	<u>\$ 23,312,169</u>	<u>\$ 4,698,208</u>	<u>\$ 71,438,060</u>

County of Tazewell, Virginia
 Combining Statement of Activities
 Other Component Units
 For the Fiscal Year Ended June 30, 2023

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	\$ 9,704,130	\$ 8,107,915	\$ 32,824	\$ 328,595	\$ (1,234,796)	\$ -	\$ -	\$ (1,234,796)
Industrial Development Authority	957,708	-	-	-	-	(957,708)	-	(957,708)
Airport Authority	731,298	6,546	138,100	1,201,836	-	-	615,184	615,184
Total other component units	\$ 11,393,136	\$ 8,114,461	\$ 170,924	\$ 1,530,431	\$ (1,234,796)	\$ (957,708)	\$ 615,184	\$ (1,577,320)
General revenues:								
Unrestricted revenues from use of money and property					\$ 118,963	\$ 55,950	\$ 199,095	\$ 374,008
Miscellaneous					225,220	658,249	600	884,069
Payments from Tazewell County					1,030,488	112,903	-	1,143,391
Total general revenues					\$ 1,374,671	\$ 827,102	\$ 199,695	\$ 2,401,468
Change in net position					\$ 139,875	\$ (130,606)	\$ 814,879	\$ 824,148
Net position - beginning					43,287,808	23,442,775	3,883,329	70,613,912
Net position - ending					\$ 43,427,683	\$ 23,312,169	\$ 4,698,208	\$ 71,438,060

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
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
2021-22	6,451,189	3,160,810	13,934,972	2,857,235	12,794,696	11,430,568	2,394,880	1,491,048	426,577	3,892,660	58,834,635
2022-23	4,170,908	3,314,581	15,712,788	3,659,106	12,711,013	13,483,163	2,725,520	649,378	432,099	4,916,955	61,775,511

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		
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	
2021-22	1,347,845	18,688,834		33,619,972	10,344,261	300,473	2,763,382	3,461,777	70,526,544	
2022-23	1,886,281	18,614,578		26,583,248	12,038,847	327,668	489,669	4,013,396	63,953,687	

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
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	1,341,710	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
2021-22	6,792,029	2,705,894	14,771,370	2,807,800	13,484,808	70,393,255	1,887,116	1,425,598	512,910	-	3,117,546	117,898,326
2022-23	5,057,725	2,962,858	17,068,195	3,627,634	13,103,478	77,874,689	2,157,737	1,490,840	192,490	-	2,922,399	126,458,045

(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	Total
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
2021-22	33,291,477	10,344,261	175,997	44,935	292,984	1,620,008	2,095,785	2,882,172	76,389,306	127,136,925
2022-23	26,226,980	12,038,864	212,492	55,739	625,130	2,003,856	2,190,734	2,320,561	89,721,628	135,395,984

(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
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%
2021-22 (3)	35,790,333	33,762,216	94.33%	1,184,854	34,947,070	97.64%	3,465,995	9.68%
2022-23	28,953,216	26,704,401	92.23%	1,297,240	28,001,641	96.71%	3,823,339	13.21%

(1) Excludes penalty and interest.

(2) Does not include land redemptions.

(3) During fiscal year 2022, the County started twice year collections for real estate taxes.

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
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
2021-22 (3)	3,929,963,350	474,443,155	62,167,300	19,358,050	414,963,436	4,900,895,291
2022-23	2,607,150,600	553,114,772	65,151,700	21,458,000	264,370,069	3,511,245,141

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

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

(3) During fiscal year 2022, the County started twice year collections for real estate taxes.

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	
	\$	0.57		\$	2.00		\$	0.57		\$
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
2021-22		0.58		2.00		4.30		0.58		2.00
2022-23		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
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
2021-22 (3)	39,925	4,900,895,291	3,247,070	0.07%	81
2022-23	39,925	3,511,245,141	2,670,363	0.08%	67

(1) Bureau of the Census.

(2) Includes all long-term general obligation bonded debt and Literary Fund loans.

Excludes revenue bonds, leases and compensated absences.

(3) During fiscal year 2022, the County started twice year collections for real estate taxes.

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 (1)	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
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%
2021-22	1,712,039	563,629	2,275,668	117,898,326	1.93%
2022-23	1,857,185	506,583	2,363,768	126,458,045	1.87%

(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 discretely presented component units (School Board and Other 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, 2023, 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 February 20, 2024. Our report includes a reference to other auditors who audited the financial statements of Tazewell County 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.

Report on 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 were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002 that we consider to be material weaknesses.

Report on 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

Government Auditing Standards requires the auditor to perform limited procedures on County of Tazewell, Virginia's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. County of Tazewell, Virginia's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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, Jarmon, Cox, Associates

Blacksburg, Virginia
February 20, 2024



**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

Qualified and Unmodified Opinions

We have audited County of Tazewell, Virginia's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of County of Tazewell, Virginia's major federal programs for the year ended June 30, 2023. 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.

Qualified Opinion on Education Stabilization Fund (ALN 84.425)

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, County of Tazewell, Virginia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on ALN 84.425 Education Stabilization Fund for the year ended June 30, 2023.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, County of Tazewell, Virginia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2023.

Basis for Qualified and Unmodified Opinions

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of County of Tazewell, Virginia and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of County of Tazewell, Virginia's compliance with the compliance requirements referred to above.

Matter Giving Rise to Qualified Opinion on Education Stabilization Fund (ALN 84.425)

As described in the accompanying schedule of findings and questioned costs, County of Tazewell, Virginia did not comply with requirements regarding ALN 84.425 Education Stabilization Fund as described in finding number 2023-003.

Compliance with such requirements is necessary, in our opinion, for County of Tazewell, Virginia to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to County of Tazewell, Virginia's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on County of Tazewell, Virginia's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about County of Tazewell, Virginia's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding County of Tazewell, Virginia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of County of Tazewell, Virginia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 County of Tazewell, Virginia's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not 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 item 2023-003 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.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on County of Tazewell, Virginia's response to the internal control over compliance findings identified in our compliance audit and described in the accompanying schedule of findings and questioned costs. County of Tazewell, Virginia's response was not subjected to the other 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, Jarmon, Cox, Associates

Blacksburg, Virginia
February 20, 2024

County of Tazewell, Virginia
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2023

Federal Grantor/State Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
Department of Health and Human Services:			
Pass-through Payments:			
Department of Education:			
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	40297	\$ 78,144
Virginia Department of Social Services:			
Temporary Assistance for Needy Families (TANF)	93.558	0400122/0400123	586,111
MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950121/0950122/0950221	47,839
Refugee and Entrant Assistance State /Replacement Designee Administered Programs	93.566	0500122/0500123	2,625
Low-Income Home Energy Assistance	93.568	0600422/0600423	114,978
CCDF Cluster:			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760122/0760123	130,025
Chafee Education and Training Vouchers Program (ETV)	93.599	9160122	132
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900121/0900122	888
Foster Care Title IV-E	93.658	1100122/1100123	558,063
Adoption Assistance	93.659	1120122/1120123	1,239,920
Social Services Block Grant	93.667	1000122/1000123	500,883
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150121/9150122/9152121	44,628
Children's Health Insurance Program	93.767	050122/0540123	4,492
Medicaid Cluster:			
Medical Assistance Program	93.778	1200122/1200123	512,051
Guardianship Assistance	93.090	1110122/1110123	225
Title IV-E Prevention Program	93.472	1140122/1140123	8,774
Elder Abuse Prevention Interventions Program	93.747	8000221	7,041
Total Department of Health and Human Services			<u>\$ 3,836,819</u>
Department of Agriculture:			
Pass-through Payments:			
Child Nutrition Cluster:			
Virginia Department of Education:			
School Breakfast Program	10.553	40253/41110	\$ 913,448
National School Lunch Program	10.555	40254/41106/41108	\$ 2,285,808
Virginia Department of Agriculture:			
National School Lunch Program (Food Commodities)	10.555	Unknown	402,087
Summer Food Service Program for Children	10.559	60302/60303	\$ 30,635
Summer Food Service Program for Children (SFSPC) (Food Commodities)	10.559	Unknown	888
			<u>\$ 3,632,866</u>
Virginia Department of Education:			
Forest Service Schools and Roads Cluster:			
Schools and Roads - Grants to States	10.665	43841	12,284
Pandemic EBT Administrative Costs	10.649	86556	3,135
Virginia Department of Social Services:			
SNAP Cluster:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0010122/0010123/0030122/0030123/ 0040122/0040123/0050122/0050123	1,018,094
Virginia Department of Education:			
Child and Adult Care Food Program (CACFP)	10.558	70027/70028	1,593
Total Department of Agriculture			<u>\$ 4,667,972</u>
Department of Homeland Security			
Pass-through Payments:			
Virginia Department of Emergency Management			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	4674DRVAP0000001	\$ 19,669
Institute of Museum and Library Services			
Pass-through Payments:			
The Library of Virginia			
Grants to States	45.310	Unknown	\$ 17,204
Department of Labor:			
Direct Payments:			
WIOA Cluster:			
WIOA Dislocated Worker National Reserve Demonstration Grants	17.280	Not applicable	\$ 618,028
Department of Justice:			
Pass-through Payments:			
Virginia Department of Criminal Justice Services:			
Crime Victim Assistance	16.575	19V2GX0054/20V2GX0048	\$ 136,845
Violence Against Women Formula Grants	16.588	15JOVW21G00568STOP/15JOVW22G00455STOP	27,428
Total Department of Justice			<u>\$ 164,273</u>
Department of Housing and Urban Development:			
Pass-through Payments:			
Virginia Office of Community Planning and Development			
Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii	14.228	Unknown	\$ 35,237
Department of Transportation:			
Pass-through Payments:			
Virginia Department of Motor Vehicles:			
Alcohol Open Container Requirements	20.607	154AL-2022-52255-22255/ENF_AL-2023-53316-23316	\$ 16,407
Highway Safety Cluster:			
State and Community Highway Safety	20.600	BOP-2023-53315-23315/BSC-2023-53317-23317/ FOP-2022-52264-22264/FSC-2022-52265-22265	28,532
Virginia Department of Conservation and Recreation			
Recreational Trails Program	20.219	Unknown	2,537
Total Department of Transportation			<u>\$ 47,476</u>

County of Tazewell, Virginia
Schedule of Expenditures of Federal Awards (continued)
For the Fiscal Year Ended June 30, 2023

Federal Grantor/State Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
Appalachian Regional Commission:			
Pass-through Payments:			
Virginia Department of Housing and Community Development Appalachian Area Development	23.002	HCD49301	\$ 29,018
Department of Treasury:			
Direct Payments:			
COVID-19 - Coronavirus State and Local Recovery Funds	21.027	Not Applicable	\$ 2,407,426
Pass-through Payments:			
Virginia Department of Criminal Justice Services: COVID-19 - Coronavirus State and Local Recovery Funds	21.027	Unknown	43,198
Virginia Department of Education: COVID-19 - Coronavirus State and Local Recovery Funds	21.027	60054	1,320,247
Virginia Department of Health and Community Development: COVID-19 - Coronavirus State and Local Recovery Funds	21.027	9122222	10,493
Direct Payments Local Assistance and Tribal Consistency Fund	21.032	Not Applicable	50,000
Total Department of Treasury			\$ 3,831,364
Department of Education:			
Pass-through Payments:			
Virginia Department of Education: Title I Grants to Local Educational Agencies	84.010	42901	\$ 2,379,009
Special Education Cluster:			
Special Education Grants to States	84.027	40287/43071	\$ 1,664,747
Special Education Preschool Grants	84.173	40286/62521	65,939
Career and Technical Education - Basic Grants to States	84.048	60031	1,730,686
Rural Education	84.358	43481	127,481
Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)	84.367	61480	12,301
Student Support and Academic Enrichment Program	84.424	60281	90,237
Education Stabilization Fund:			
COVID-19: Elementary and Secondary School Emergency Relief Fund	84.425D	40298/60042/60173/60177	\$ 1,895,571
COVID-19: American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	50193/86834/86891	4,029,874
COVID-19: Governor's Emergency Education Relief Fund	84.425C	70037	94,105
COVID-19: American Rescue Plan - Education for Homeless Children and Youth	84.425W	Unknown	11,701
Total Department of Education			\$ 10,401,799
Total Expenditures of Federal Awards			\$ 23,668,859
Notes to Schedule of Expenditures of Federal Awards			
Note 1 -- Basis of Presentation			
The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal awards of the County of Tazewell, Virginia under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (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.			
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 revenues per the basic financial statements:			
Primary Government:			
General Fund			\$ 22,554,405
Less: Revenue from the Commonwealth			(14,403,938)
County CIP Fund			48,655
Landfill Fund			19,669
Total Primary Government			\$ 8,218,791
Component Unit School Board:			
School Operating Fund			\$ 15,450,068
Total expenditures of federal awards per basic financial statements			\$ 23,668,859

County of Tazewell, Virginia

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

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? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

 Material weaknesses identified? Yes

 Significant deficiency(ies) identified? None reported

Type of auditors' report issued on compliance for major programs:

84.425	Education Stabilization Fund	Qualified
93.659	Adoption Assistance	Unmodified
84.027/84.173	Special Education Cluster (IDEA)	Unmodified
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Unmodified
21.027	Coronavirus State and Local Fiscal Recovery Funds	Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? No

Identification of major programs:

Federal Assistance Listing #	Name of Federal Program or Cluster
84.425	Education Stabilization Fund
93.659	Adoption Assistance
84.027/84.173	Special Education Cluster (IDEA)
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
21.027	Coronavirus State and Local Fiscal Recovery Funds

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

Auditee qualified as low-risk auditee? No

County of Tazewell, Virginia

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section II - Financial Statement Findings

2023-001 (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
Effect:	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:	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.

Section II - Financial Statement Findings (Continued)

2023-002 (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:	There is a reasonable possibility that revenues and expenditures are not appropriately matched and reported in accordance with Generally Accepted Accounting Principles.
Cause:	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 is unable to implement the above recommendation.

County of Tazewell, Virginia

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section III - Federal Award Findings and Questioned Costs

2023-003

Program Titles:	Education Stabilization Fund
ALN:	84.425
Pass-through Entity:	Department of Education
Compliance Requirement:	Activities allowed/unallowed
Finding Type:	Noncompliance and Material Weakness
Criteria:	Grant reimbursement requests should be reconciled to accounts within the general ledger to ensure amounts are appropriately requested for reimbursement and reported for federal reporting.
Condition:	Specific project codes were established for expenditures related to the program in the general ledger; however, amounts requested for reimbursement were not reconciled to the ledger totals for those project codes.
Questioned Costs:	Undetermined
Context:	The School Board did not agree or reconcile amounts requested for reimbursement to the specific project codes established for expenditures under the program. Reimbursement requests totaled \$6,019,550.62, the detailed general ledger for identified project codes totaled \$6,572,979.20, and the unadjusted trial balance totaled \$6,112,694.00 for identified project
Effect:	Amounts could be under or over-requested from the federal government.
Cause:	Requested amounts were not routinely reconciled to the general ledger or trial balance.
Recommendation:	Management should reconcile amounts requested for reimbursement to the general ledger and/or trial balance routinely throughout the year to ensure that amounts are appropriately requested for reimbursement.
Views of Responsible Officials:	Management will review its process for requesting reimbursements and reconciling same to the ledger.

County of Tazewell, Virginia

Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2023

2022-001

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 2022-001 was repeated in the current year as 2023-001.

2022-002

Condition: The School Board is not submitting reimbursement requests for federal grant programs 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.

Current Status: Finding 2022-002 was repeated in the current year as 2023-002.

2022-003

Condition: Specific project codes were established for expenditures related to the program in the general ledger; however, amounts requested for reimbursement were not reconciled to the ledger totals for those project codes.

Recommendation: Management should reconcile amounts requested for reimbursement to the general ledger and/or trial balance routinely throughout the year to ensure that amounts are appropriately requested for reimbursement.

Current Status: Finding 2022-003 was repeated in the current year as 2023-003.