

County of Tazewell, Virginia



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

COUNTY OF TAZEVELL, VIRGINIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

COUNTY OF TAZEVELL, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2025

TABLE OF CONTENTS

INTRODUCTORY SECTION

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

FINANCIAL SECTION

Independent Auditors' Report	2-4
------------------------------------	-----

	<u>Exhibit</u>	<u>Page</u>
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Position	1	5
Statement of Activities	2	6
Fund Financial Statements:		
Balance Sheet - Governmental Funds	3	7
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	4	8
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	5	9
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	6	10
Statement of Net Position - Proprietary Fund	7	11
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Fund	8	12
Statement of Cash Flows - Proprietary Fund	9	13
Statement of Fiduciary Net Position - Fiduciary Funds	10	14
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	11	15
Notes to Financial Statements		16-81
Required Supplementary Information:		
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual:		
General Fund	12	82
Pension Plans:		
Schedule of Changes in Net Pension Liability and Related Ratios		
Primary Government	13	83
Other Component Units	14	84
Component Unit School Board (Nonprofessional)	15	85
Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan	16	86
Schedule of Employer Contributions	17	87
Notes to Required Supplementary Information	18	88

COUNTY OF TAZEWELL, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2025

TABLE OF CONTENTS (CONTINUED)

FINANCIAL SECTION (Continued)

	<u>Exhibit</u>	<u>Page</u>
Required Supplementary Information: (Continued)		
Health Insurance Plans:		
Schedule of Changes Total OPEB Liability and Related Ratios		
Primary Government	19	89
Other Component Units	20	90
Component Unit School Board	21	91
Notes to Required Supplementary Information	22	92
Group Life Insurance Plan:		
Schedule of County's Share of Net OPEB Liability	23	93
Schedule of Employer Contributions	24	94
Notes to Required Supplementary Information	25	95
Teacher Employee Health Insurance Credit (HIC) Plan:		
Schedule of County of Tazewell School Board's Share of Net OPEB Liability	26	96
Schedule of Employer Contributions	27	97
Notes to Required Supplementary Information	28	98
Health Insurance Credit (HIC) Plan:		
Schedule of Changes in Net OPEB Liability and Related Ratios	29	99
Schedule of Employer Contributions	30	100
Notes to Required Supplementary Information	31	101
Other Supplementary Information:		
Schedule of Revenues, Expenditures and Changes in Fund Balance -		
Budget and Actual:		
Major Capital Projects Fund - County CIP Fund	32	102
Balance Sheet Nonmajor Funds	33	103
Statement of Revenues, Expenditures, and Changes in		
Fund Balances - Nonmajor Funds	34	104
Nonmajor Special Revenue Funds:		
Combining Balance Sheet	35	105
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	36	106
Combining Schedule of Revenues, Expenditures, and Changes in		
Fund Balances - Budget and Actual	37	107-108
Combining Statement of Fiduciary Net Position-Fiduciary Funds	38	109
Combining Statement of Changes in Fiduciary Net Position-Fiduciary Funds	39	110
Discretely Presented Component Unit - School Board:		
Combining Balance Sheet	40	111
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	41	112
Schedule of Revenues, Expenditures, and Changes in Fund Balance -		
Budget and Actual	42	113
Other Component Units - Government-Wide - Financial Statements:		
Combining Statement of Net Position	43	114
Combining Statement of Activities	44	115

COUNTY OF TAZEWELL, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2025

TABLE OF CONTENTS (CONTINUED)

STATISTICAL INFORMATION

	<u>Table</u>	<u>Page</u>
Government-Wide Expenses by Function.....	1	116
Government-Wide Revenues	2	117
General Governmental Expenditures by Function	3	118
General Governmental Revenues by Source	4	119
Property Tax Levies and Collections	5	120
Assessed Value of Taxable Property	6	121
Property Tax Rates	7	122
Ratio of Net General Obligation Bonded Debt to Assessed Value And Net General Obligation Bonded Debt Per Capita	8	123
Ratio of Annual Debt Service Expenditures for General Bonded Debt To Total General Governmental Expenditures	9	124

COMPLIANCE SECTION

	<u>Page</u>
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	125-126
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required By the Uniform Guidance	127-128
Schedule of Expenditures of Federal Awards.....	129-130
Schedule of Findings and Questioned Costs	131
Summary Schedule of Prior Audit Findings	132

INTRODUCTORY SECTION

COUNTY OF TAZEWELL, VIRGINIA

BOARD OF SUPERVISORS

Aaron Gillespie	Chuck Presley, Chairman	Kyle Cruey
Andy Hravotic		Shannon Plaster

COUNTY SCHOOL BOARD

Donna Whittinegton Culbertson	Irene Mullins, Chairman	Erik Robinson
David Woodard		Chris Morz
	Dr. Christopher Stacy, Superintendent of Schools	

SOCIAL SERVICES BOARD

Kim Allen	Amanda B. Buskill, Chairman	Barry Absher
Debra White		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.....	Charity Hurst
Commissioner of the Revenue.....	David R. Anderson
Treasurer.....	David T. Larimer
Sheriff	Brian L. Hieatt
School Board Clerk.....	Vicki Bailey

FINANCIAL SECTION



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

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, 2025, 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 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, 2025, 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 4.93 percent, 8.32 percent, and 2.40 percent, respectively, of the assets, fund balance, and revenues of the discretely presented component unit - School Board as of June 30, 2025. 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.

Change in Accounting Principles

As described in Note 21 to the financial statements, in 2025, the County adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Restatement of Beginning Balances

As described in Note 21 to the financial statements, in 2025, the County restated beginning balances to reflect the requirements of GASB Statement No. 101. Our opinions are not modified with respect to this matter.

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 opinions on the basic financial statements are 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 March 31, 2026, 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.



Blacksburg, Virginia
March 31, 2026

Basic Financial Statements

County of Tazewell, Virginia
Statement of Net Position
June 30, 2025

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	School Board	Other Component Units
ASSETS					
Cash and Cash Equivalents	\$ 20,624,444	\$ 3,488,906	\$ 24,113,350	\$ 26,440,256	\$ 5,271,927
Receivables (Net of Allowance for Uncollectibles):					
Taxes Receivable	27,151,203	-	27,151,203	-	-
Accounts Receivable	2,921,821	213,101	3,134,922	313,468	1,083,694
Note Receivable	-	-	-	-	1,325,969
Rent Receivable	-	-	-	-	8,436
Leases Receivable	-	-	-	-	1,543,157
Assets Held for Resale	-	-	-	-	2,564,058
Due from Component Units	6,211,035	-	6,211,035	-	-
Due from Primary Government	-	-	-	29,616	-
Due from Other Governmental Units	5,231,831	-	5,231,831	2,796,998	126,860
Internal Balances	409	(409)	-	-	-
Inventory	-	-	-	-	165,988
Prepaid Items	66,518	-	66,518	1,042,834	59,467
Restricted Assets:					
Cash and Cash Equivalents	-	1,260,625	1,260,625	-	203,150
Capital assets not being depreciated/amortized	2,840,590	4,980,263	7,820,853	16,354,257	20,523,049
Capital assets, net of accumulated deprecation/amortization	16,076,710	5,723,582	21,800,292	31,199,678	74,236,442
Total Assets	\$ 81,124,561	\$ 15,666,068	\$ 96,790,629	\$ 78,177,107	\$ 107,112,197
DEFERRED OUTFLOWS OF RESOURCES					
Pension related items	\$ 2,548,553	\$ -	\$ 2,548,553	\$ 11,177,481	\$ 340,826
OPEB related items	1,572,707	-	1,572,707	2,654,059	55,161
Deferred charge on refunding	64,591	-	64,591	-	-
Total Deferred Outflows of Resources	\$ 4,185,851	\$ -	\$ 4,185,851	\$ 13,831,540	\$ 395,987
LIABILITIES					
Accounts Payable	\$ 523,090	\$ 402,725	\$ 925,815	\$ 1,054,144	\$ 420,351
Accounts payable - construction projects	-	1,651,615	1,651,615	-	46,652
Accrued Liabilities	-	-	-	769,154	-
Accrued Wages	-	-	-	3,872,079	69,522
Customer Deposits	-	-	-	-	203,150
Accrued Interest Payable	42,836	47,756	90,592	-	83,014
Due to Primary Government	-	-	-	6,111,703	99,332
Unearned Revenue	-	-	-	895,412	446,204
Short-term loan payable	-	-	-	-	100,000
Long-term Liabilities:					
Due Within One Year	2,175,410	1,076,000	3,251,410	1,195,151	2,606,596
Due in More Than One Year	19,926,168	16,004,006	35,930,174	51,538,327	29,559,209
Total Liabilities	\$ 22,667,504	\$ 19,182,102	\$ 41,849,606	\$ 65,435,970	\$ 33,634,030
DEFERRED INFLOWS OF RESOURCES					
Deferred Revenue - Property Taxes	\$ 23,675,162	\$ -	\$ 23,675,162	\$ -	\$ -
Pension related items	1,591,631	-	1,591,631	5,249,014	264,967
OPEB related items	1,149,906	-	1,149,906	2,829,139	404,856
Lease related	-	-	-	-	1,469,155
Total Deferred Inflows of Resources	\$ 26,416,699	\$ -	\$ 26,416,699	\$ 8,078,153	\$ 2,138,978
NET POSITION					
Net Investment in Capital Assets	\$ 9,747,665	\$ 4,644,855	\$ 14,392,520	\$ 47,347,166	\$ 64,393,144
Restricted	3,752,449	-	3,752,449	7,614,805	-
Unrestricted (Deficit)	22,726,095	(8,160,889)	14,565,206	(36,467,447)	7,342,032
Total Net Position (Deficit)	\$ 36,226,209	\$ (3,516,034)	\$ 32,710,175	\$ 18,494,524	\$ 71,735,176

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, 2025

Functions/Programs	Net (Expense) Revenue and Changes in Net Position						
	Primary Government						Other Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
PRIMARY GOVERNMENT:							
Governmental Activities:							
General Government Administration	\$ 3,866,884	\$ 379,309	\$ 607,296	\$ -	\$ (2,880,279)	\$ -	\$ -
Judicial Administration	3,637,711	147,581	1,993,069	-	(1,497,061)	-	-
Public Safety	17,294,047	197,715	5,734,415	-	(11,361,917)	-	-
Public Works	4,079,995	10,319	20,138	-	(4,049,538)	-	-
Health and Welfare	12,943,756	-	9,670,723	-	(3,273,033)	-	-
Education	19,069,224	-	-	-	(19,069,224)	-	-
Parks, Recreation and Cultural	2,172,856	38,701	254,880	-	(1,879,275)	-	-
Community Development	1,460,314	1,383	138,312	-	(1,320,619)	-	-
Interest	335,663	-	-	-	(335,663)	-	-
Total Governmental Activities	\$ 64,860,450	\$ 775,008	\$ 18,418,833	\$ -	\$ (45,666,609)	\$ -	\$ -
Business-type Activities							
Landfill	\$ 6,091,737	\$ 804,776	\$ -	\$ -	\$ -	\$ (5,286,961)	\$ -
Total Primary Government	\$ 70,952,187	\$ 1,579,784	\$ 18,418,833	\$ -	\$ (45,666,609)	\$ (5,286,961)	\$ -
Component Units:							
School Board	\$ 84,068,375	\$ 1,703,134	\$ 68,346,843	\$ -	\$ -	\$ -	\$ -
Other component units	11,986,317	9,418,228	260,525	407,945	-	-	(1,899,619)
Total Component Units	\$ 96,054,692	\$ 11,121,362	\$ 68,607,368	\$ 407,945	\$ -	\$ -	\$ (14,018,398)
General Revenues:							
General Property Taxes		\$ 31,094,008	\$ -	\$ -	\$ 31,094,008	\$ -	\$ -
Other Local Taxes							
Local Sales and Use Taxes		6,505,594	-	-	-	6,505,594	-
Consumers' Utility Taxes		808,747	-	-	-	808,747	-
Franchise License Taxes		324,193	-	-	-	324,193	-
MOPED and ATV Sales Tax		31,120	-	-	-	31,120	-
Utility License Taxes		9,032	-	-	-	9,032	-
Bank Franchise Taxes		145,003	-	-	-	145,003	-
Taxes on Recordation and Wills		214,852	-	-	-	214,852	-
Coal severance taxes		3,643,719	-	-	-	3,643,719	-
Hotel and Motel Taxes		283,933	-	-	-	283,933	-
Gas severance taxes		285,680	-	-	-	285,680	-
Unrestricted Revenues from Use of Money		636,728	92,803	729,531	-	248,098	206,777
Miscellaneous		499,497	-	-	-	1,500,776	447,700
Payments from Primary Government/Component Units		-	-	-	-	18,937,742	1,304,756
Grants and Contributions not Restricted to Specific Programs		4,477,222	-	-	-	-	-
Transfers		(6,005,441)	6,005,441	-	-	-	-
Total General Revenues and Transfers		\$ 42,953,887	\$ 6,098,244	\$ 49,052,131	\$ 20,686,616	\$ 1,959,233	\$ -
Change in Net Position		\$ (2,712,722)	\$ 811,283	\$ (1,901,439)	\$ 6,668,218	\$ 59,614	\$ -
Net Position - Beginning, as previously reported		39,024,219	12,734,205	34,696,902	12,734,205	71,675,562	-
Restatements		(85,288)	-	-	(85,288)	(907,899)	-
Net Position - Beginning, as restated		\$ 38,938,931	\$ (4,327,317)	\$ 34,611,614	\$ 11,826,306	\$ 71,675,562	\$ -
Net Position - Ending		\$ 36,226,209	\$ (3,516,034)	\$ 32,710,175	\$ 18,494,524	\$ 71,735,176	\$ -

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

County of Tazewell, Virginia
Balance Sheet
Governmental Funds
June 30, 2025

	General Fund	County CIP Fund	Other Govern- mental Funds	Total
ASSETS				
Cash and Cash Equivalents	\$ 16,989,901	\$ 535,601	\$ 3,098,942	\$ 20,624,444
Receivables (Net of Allowance for Uncollectibles):				
Taxes Receivable	27,052,410	-	98,793	27,151,203
Other Receivables	2,921,821	-	-	2,921,821
Prepaid Items	66,518	-	-	66,518
Due from Other Funds	-	125,000	30,254	155,254
Due from Other Governmental Units	5,231,831	-	-	5,231,831
Due from Component Units	6,111,703	99,332	-	6,211,035
Total Assets	<u>\$ 58,374,184</u>	<u>\$ 759,933</u>	<u>\$ 3,227,989</u>	<u>\$ 62,362,106</u>
LIABILITIES				
Accounts Payable and Accrued Expenses	\$ 522,984	\$ 106	\$ -	\$ 523,090
Due to Other Funds	154,845	-	-	154,845
Total Liabilities	<u>\$ 677,829</u>	<u>\$ 106</u>	<u>\$ -</u>	<u>\$ 677,935</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	\$ 27,671,338	\$ -	\$ -	\$ 27,671,338
Unavailable Revenue - Opioid Settlement	2,470,667	-	-	2,470,667
Total Deferred Inflows of Resources	<u>\$ 30,142,005</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,142,005</u>
FUND BALANCES				
Nonspendable	\$ 66,518	\$ -	\$ -	\$ 66,518
Restricted	1,281,782	-	-	1,281,782
Committed	34,341	759,827	3,227,989	4,022,157
Unassigned	26,171,709	-	-	26,171,709
Total Fund Balances	<u>\$ 27,554,350</u>	<u>\$ 759,827</u>	<u>\$ 3,227,989</u>	<u>\$ 31,542,166</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 58,374,184</u>	<u>\$ 759,933</u>	<u>\$ 3,227,989</u>	<u>\$ 62,362,106</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, 2025

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds		\$ 31,542,166
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		
Capital assets, not being depreciated/amortized	\$ 2,840,590	
Capital assets, net of accumulated depreciation/amortization	<u>16,076,710</u>	18,917,300
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.		
Unavailable revenue - property taxes	\$ 3,996,176	
Unavailable revenue - opioid settlement	<u>2,470,667</u>	6,466,843
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.		
Pension related items	\$ 2,548,553	
OPEB related items	<u>1,572,707</u>	4,121,260
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	\$ (42,836)	
Compensated absences	(1,057,330)	
Lease Liabilities	(544,399)	
Subscription Liabilities	(57,835)	
Net OPEB liabilities	(6,992,247)	
Net pension liability	(4,817,775)	
General obligation bonds, including bond premiums	(1,700,992)	
Revenue bonds, including bond premiums	(6,931,000)	
Deferred amount on refunding	<u>64,591</u>	(22,079,823)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.		
Pension related items	\$ (1,591,631)	
OPEB related items	<u>(1,149,906)</u>	(2,741,537)
Net Position of Governmental Activities		<u><u>\$ 36,226,209</u></u>

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

County of Tazewell, Virginia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2025

	General Fund	County CIP Fund	Other Govern- mental Funds	Total
REVENUES				
General Property Taxes	\$ 30,899,894	\$ -	\$ -	\$ 30,899,894
Other Local Taxes	10,287,174	-	1,964,699	12,251,873
Permits, Privilege Fees and Regulatory Licenses	230,056	-	-	230,056
Fines and Forfeitures	48,283	-	-	48,283
Revenue from Use of Money and Property	964,173	-	-	964,173
Charges for Services	159,562	-	9,662	169,224
Miscellaneous	660,417	-	-	660,417
Recovered Costs	3,365,226	-	-	3,365,226
Intergovernmental	22,846,519	49,536	-	22,896,055
Total Revenues	<u>\$ 69,461,304</u>	<u>\$ 49,536</u>	<u>\$ 1,974,361</u>	<u>\$ 71,485,201</u>
EXPENDITURES:				
Current:				
General Government Administration	\$ 5,245,424	\$ 3,000	\$ -	\$ 5,248,424
Judicial Administration	3,128,663	-	13,575	3,142,238
Public Safety	18,956,982	-	-	18,956,982
Public Works	1,626,074	898,000	1,516,533	4,040,607
Health and Welfare	13,463,453	-	-	13,463,453
Education	19,069,224	-	-	19,069,224
Parks, Recreation and Cultural	1,692,271	-	-	1,692,271
Community Development	1,173,422	283,184	-	1,456,606
Nondepartmental	360,903	-	-	360,903
Debt Service:				
Principal Retirement	2,014,783	-	-	2,014,783
Interest and Other Fiscal Charges	364,351	-	-	364,351
Total Expenditures	<u>\$ 67,095,550</u>	<u>\$ 1,184,184</u>	<u>\$ 1,530,108</u>	<u>\$ 69,809,842</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 2,365,754</u>	<u>\$ (1,134,648)</u>	<u>\$ 444,253</u>	<u>\$ 1,675,359</u>
Other Financing Sources (Uses)				
Transfers In	\$ 46,452	\$ 941,350	\$ 5,000	\$ 992,802
Transfers Out	(6,693,293)	-	(304,950)	(6,998,243)
Issuance of lease liabilities	258,707	-	-	258,707
Total Other Financing Sources (Uses)	<u>\$ (6,388,134)</u>	<u>\$ 941,350</u>	<u>\$ (299,950)</u>	<u>\$ (5,746,734)</u>
Net Change in Fund Balance	\$ (4,022,380)	\$ (193,298)	\$ 144,303	\$ (4,071,375)
Fund Balance - Beginning	31,576,730	953,125	3,083,686	35,613,541
Fund Balance - Ending	<u>\$ 27,554,350</u>	<u>\$ 759,827</u>	<u>\$ 3,227,989</u>	<u>\$ 31,542,166</u>

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

County of Tazewell, Virginia
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2025

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

Net changes in fund balance - total governmental funds \$ (4,071,375)

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	\$ 916,435	
Tenancy in common transfer	(437,632)	
Depreciation expense	<u>(1,702,779)</u>	(1,223,976)

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	\$ 194,114	
Change in unavailable revenue-opioid settlement	<u>(160,920)</u>	33,194

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	\$ (258,707)	
-------------------------------	--------------	--

Principal repayments:

General obligation bonds	514,832	
Lease liabilities	149,119	
Subscription liabilities	67,832	
Lease revenue bond	<u>1,283,000</u>	1,756,076

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	\$ (205,947)	
Change in accrued interest payable	14,661	
Change in bond premium amortization	30,883	
Change in deferred amount on refunding	(16,856)	
Change in pension related items	1,058,873	
Change in OPEB related items	<u>(88,255)</u>	793,359

Change in net position of governmental activities \$ (2,712,722)

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, 2025

	Tazewell County Landfill Fund
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 3,488,906
Receivables (Net of Allowance for Uncollectibles)	213,101
Due from Other Funds	29,845
Total Current Assets	<u>\$ 3,731,852</u>
Noncurrent Assets:	
Capital assets not being depreciated	\$ 4,980,263
Capital assets, net of accumulated depreciation	5,723,582
Total Capital Assets	<u>\$ 10,703,845</u>
Other Assets:	
Restricted Cash - Unspent Bond Proceeds	<u>\$ 1,260,625</u>
Total Assets	<u>\$ 15,696,322</u>
LIABILITIES	
Current Liabilities:	
Accrued Interest Payable	\$ 47,756
Accounts Payable	402,725
Construction Payable	1,651,615
Due to Other Funds	30,254
Notes Payable - Current Portion	1,076,000
Total Current Liabilities	<u>\$ 3,208,350</u>
Noncurrent Liabilities:	
Estimated Landfill Closure Liability	\$ 11,412,006
Notes Payable - Net of Current Portion	4,592,000
Total Noncurrent Liabilities	<u>\$ 16,004,006</u>
Total Liabilities	<u>\$ 19,212,356</u>
NET POSITION	
Net Investment in Capital Assets	\$ 4,644,855
Unrestricted (Deficit)	(8,160,889)
Total Net Position (Deficit)	<u>\$ (3,516,034)</u>

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

County of Tazewell, Virginia
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
For the Fiscal Year Ended June 30, 2025

	Tazewell County Landfill Fund
OPERATING REVENUES	
Charges for Services	\$ 804,776
OPERATING EXPENSES	
Contractual Services	\$ 4,594,964
Repairs and Maintenance	26,464
Closure Reserve Expense	285,186
Other Charges	794,936
Depreciation	196,687
Total Operating Expenses	\$ 5,898,237
Operating Income (Loss)	\$ (5,093,461)
NONOPERATING REVENUES (EXPENSES)	
Interest income	\$ 92,803
Interest Expense	(193,500)
Total Nonoperating Revenues (Expenses)	\$ (100,697)
Income (loss) before transfers	\$ (5,194,158)
TRANSFERS	
Transfers In	\$ 6,005,441
Change in Net Position	\$ 811,283
Net Position (Deficit) - Beginning	(4,327,317)
Net Position (Deficit) - Ending	\$ (3,516,034)

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, 2025

	Tazewell County Landfill Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers and Users	\$ 812,239
Payments for Operating Expenses	(6,260,681)
Total Cash Provided by (Used for) Operating Activities	<u>\$ (5,448,442)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from Other Funds	\$ 6,006,287
Transfers to Other Funds	30,254
Interest income	92,803
Total Cash Provided by (Used for) Noncapital Financing Activities	<u>\$ 6,129,344</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of Capital Assets	\$ (680,639)
Principal Payments on Debt	(412,000)
Interest Payments on Debt	(194,358)
Total Cash Provided by (Used for) Capital and Related Financing Activities	<u>\$ (1,286,997)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (606,095)
Cash and Cash Equivalents - Beginning, including restricted cash of \$2,978,522	5,355,626
Cash and Cash Equivalents - Ending, including restricted cash of \$1,260,625	<u><u>\$ 4,749,531</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:	
Operating Income (Loss)	\$ (5,093,461)
Depreciation	196,687
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:	
(Increase) Decrease in Accounts Receivable	7,463
Increase (Decrease) in Accounts Payable	(844,317)
Increase (Decrease) in Estimated Landfill Closure Liability	285,186
Total Adjustments	<u>\$ (551,668)</u>
Net Cash Provided By (Used For) Operating Activities	<u><u>\$ (5,448,442)</u></u>
Noncash investing, capital and financing activities:	
Capital asset additions included in accounts payable at end of year	<u>\$ 1,651,615</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, 2025

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	\$ 179,304
Due from other governments	286,814
Total Assets	<u>\$ 466,118</u>
LIABILITIES	
Sales tax due to Towns	<u>\$ 286,814</u>
NET POSITION	
Restricted for:	
Social services clients	\$ 179,304
Total Net Position	<u><u>\$ 179,304</u></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, 2025

	<u>Custodial Funds</u>
ADDITIONS	
Contributions:	
Expenditure reimbursement	\$ 59,250
Sales tax collections for other governments	1,637,086
Interest	11
Total contributions	<u>\$ 1,696,347</u>
DEDUCTIONS:	
Special welfare payments	\$ 11,763
Payments of sales tax to other governments	1,637,086
Total deductions	<u>\$ 1,648,849</u>
 Net increase (decrease) in fiduciary net position	 \$ 47,498
Net position, beginning	131,806
Net position, ending	<u><u>\$ 179,304</u></u>

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

COUNTY OF TAZEWell, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

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, 2025 (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, 2024.

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.

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, 2025 (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, 2025, the County contributed \$100,000.

County of Tazewell and Counties of Russell, Buchanan, Wise, Scott, Lee, Washington, Smyth and Dickenson and the Cities of Norton and Bristol participate in supporting the Appalachian Juvenile Commission. For the year ended June 30, 2025, the County contributed \$422,288.

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, 2025, the County contributed \$4,157,397.

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 and subscription 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 and subscription assets, are reported as expenditures in the governmental funds. Issuances of long-term debt through leases and subscriptions are reported as other financing sources.

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 (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, and Law Library Fund are reported as nonmajor special revenue funds.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 (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 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. As of June 30, 2025 expenditures did not exceed appropriations by department for the County.
10. At June 30, 2025, 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, and 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 County'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 TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 (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 \$515,500 and \$3,713 at June 30, 2025 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, subscription 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 and subscription 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, subscription assets, and infrastructure of the primary government, as well as the component units, are depreciated/amortized using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	40-60
Lease buildings	7
Building, land, and other improvements	40-60
Vehicles	5
Office and computer equipment	7
Machinery and other equipment	7
Lease equipment	5-20
Subscription asset	3-5

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 (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. The property tax 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 TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 (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 TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 (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 and Subscription-Based IT Arrangements

The County has various lease assets and subscription-based IT arrangements (SBITAs) 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. A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

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). Subsequently, the lease liability is reduced by the principal portion of lease 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. Subsequently, 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, 2025 (Continued)

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

Q. Leases and Subscription-Based IT Arrangements (continued)

Subscriptions

The County recognizes intangible right-to-use subscription assets (subscription assets) and corresponding subscription liabilities, individually or in the aggregate, in the government-wide financial statements. At the commencement of the subscription, the subscription liability is measured at the present value of payments expected to be made during the subscription liability term (less any contract incentives). Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is measured at the initial amount of the subscription liability, adjusted for subscription payments made at or before commencement of the subscription term, and capitalizable implementation costs, less any incentives received. Subsequently, the subscription asset is amortized over the shorter of the subscription term or the useful life of the underlying IT asset.

Key Estimates and Judgments

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

- The County uses the interest rate stated in lease or subscription 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 and subscriptions.
- The lease and subscription terms include the noncancellable period of the lease or subscription 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 or subscription incentives and certain other payments are included in the measurement of the lease liability (lessee) or subscription liability.

The County monitors changes in circumstances that would require a remeasurement or modification of its leases and subscriptions. 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 liability or subscription liability.

R. Compensated Absences

The County recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences - vacation and sick leave. The liability for compensated absences is reported as incurred in the government-wide financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 (Continued)

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).

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, 2025 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	\$ 17,586,538
SNAP	299,951
Totals	\$ 17,886,489

External Investment Pools

The value of the positions in the external investment pool State Non-Arbitrage Pool (SNAP) is the same as the value of the pool shares. As SNAP is not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury. SNAP is an amortized cost basis portfolio.

Interest Rate Risk

Investment Maturities (in years)		
Investment Type	Fair Value	Less than 1 Year
VIP Stable NAV Liquidity Pool	\$ 17,586,538	\$ 17,586,538
SNAP	299,951	299,951
Totals	\$ 17,886,489	\$ 17,886,489

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 (Continued)

Note 2 - Deposits and Investments: (continued)

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).

Note 3 - Internal Balances and Transfers:

Internal balances consisted of the following as of June 30, 2025:

Fund	Due From	Due To
Primary Government:		
General	\$ -	\$ 154,845
County CIP Fund	125,000	-
Coal Road Improvement Fund	30,254	-
Landfill	29,845	30,254
Totals	<u>\$ 185,099</u>	<u>\$ 185,099</u>

Interfund transfers for the year ended June 30, 2025, consisted of the following:

Fund	Transfers In	Transfers Out
General	\$ 46,452	\$ 6,693,293
County CIP	941,350	-
Law Library	5,000	-
Coal Road Improvement	-	304,950
Landfill	6,005,441	-
Totals	<u>\$ 6,998,243</u>	<u>\$ 6,998,243</u>

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

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 (Continued)

Note 4 - Due From Other Governmental Units:

At June 30, 2025, 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	\$ 1,062,520	\$ -
Bristol Transportation District Regional Improvement Commission	941,860	-
Commonwealth of Virginia:		
State sales taxes	1,139,765	-
Local sales taxes	-	1,313,625
VPA	283,504	-
CSA	216,881	-
Shared expenses	438,289	-
Categorical aid	693,703	-
Noncategorical aid	32,828	-
Federal Government:		
VPA	410,552	-
Categorical aid	11,929	1,483,373
Total	<u>\$ 5,231,831</u>	<u>\$ 2,796,998</u>

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 (Continued)

Note 5 - Capital Assets:

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2025:

Primary Government:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 2,840,590	\$ -	\$ -	\$ 2,840,590
Construction in progress	543,802	98,788	(642,590)	-
Tenancy in Common	437,632	-	(437,632)	-
Total capital assets not being depreciated	<u>\$ 3,822,024</u>	<u>\$ 98,788</u>	<u>\$ (1,080,222)</u>	<u>\$ 2,840,590</u>
Capital assets, being depreciated:				
Buildings	\$ 26,551,229	\$ 759,196	\$ -	\$ 27,310,425
Machinery and equipment	20,792,563	442,334	-	21,234,897
Right-to-use lease buildings	113,545	-	-	113,545
Right-to-use lease machinery and equipment	570,334	258,707	-	829,041
Right-to-use subscription asset	202,693	-	-	202,693
Total capital assets being depreciated	<u>\$ 48,230,364</u>	<u>\$ 1,460,237</u>	<u>\$ -</u>	<u>\$ 49,690,601</u>
Accumulated depreciation:				
Buildings	\$ (14,560,020)	\$ (658,706)	\$ -	\$ (15,218,726)
Machinery and equipment	(16,999,061)	(821,255)	-	(17,820,316)
Right-to-use lease buildings	(43,285)	(14,415)	-	(57,700)
Right-to-use lease machinery and equipment	(229,890)	(140,839)	-	(370,729)
Right-to-use subscription asset	(78,856)	(67,564)	-	(146,420)
Total accumulated depreciation	<u>\$ (31,911,112)</u>	<u>\$ (1,702,779)</u>	<u>\$ -</u>	<u>\$ (33,613,891)</u>
Total capital assets being depreciated, net	<u>\$ 16,319,252</u>	<u>\$ (242,542)</u>	<u>\$ -</u>	<u>\$ 16,076,710</u>
Governmental activities capital	<u>\$ 20,141,276</u>	<u>\$ (143,754)</u>	<u>\$ (1,080,222)</u>	<u>\$ 18,917,300</u>

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 (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	2,881,965	1,810,700	-	4,692,665
Total capital assets not being depreciated	<u>\$ 3,169,563</u>	<u>\$ 1,810,700</u>	<u>\$ -</u>	<u>\$ 4,980,263</u>
Capital assets, being depreciated:				
Buildings and improvements	\$ 185,603	\$ -	\$ -	\$ 185,603
Land improvements	9,894,020	-	-	9,894,020
Machinery and equipment	13,715	-	-	13,715
Total capital assets being depreciated	<u>\$ 10,093,338</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,093,338</u>
Accumulated depreciation:				
Buildings and improvements	\$ (183,576)	\$ (1,017)	\$ -	\$ (184,593)
Land improvements	(3,981,581)	(193,244)	-	(4,174,825)
Machinery and equipment	(7,912)	(2,426)	-	(10,338)
Total accumulated depreciation	<u>\$ (4,173,069)</u>	<u>\$ (196,687)</u>	<u>\$ -</u>	<u>\$ (4,369,756)</u>
Total capital assets being depreciated, net	<u>\$ 5,920,269</u>	<u>\$ (196,687)</u>	<u>\$ -</u>	<u>\$ 5,723,582</u>
Business-type activities capital assets, net	<u><u>\$ 9,089,832</u></u>	<u><u>\$ 1,614,013</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 10,703,845</u></u>

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

Governmental activities:

General government administration	\$ 141,736
Judicial administration	545,482
Public safety	877,309
Public works	40,800
Health and welfare	30,324
Parks, recreation, and cultural	52,713
Community development	<u>14,415</u>

Total depreciation expense-governmental activities \$ 1,702,779

Business-type activities:

Landfill fund	<u><u>\$ 196,687</u></u>
---------------	--------------------------

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 (Continued)

Note 5 - Capital Assets: (Continued)

Component Unit School Board:

	Beginning Balance		Increases		Decreases		Ending Balance
Governmental Activities:							
Capital assets, not being depreciated:							
Land	\$ 1,908,716	\$ -		\$ -		\$ 1,908,716	
Construction in Progress	7,140,190	4,129,600		(10,236,920)		1,032,870	
Tenancy in common	13,412,671	-		-		13,412,671	
Tenancy in common (1)	(437,632)	-		437,632		-	
Total capital assets not being depreciated	<u>\$ 22,023,945</u>	<u>\$ 4,129,600</u>		<u>\$ (9,799,288)</u>		<u>\$ 16,354,257</u>	
Capital assets, being depreciated:							
Buildings and improvements	\$ 45,143,558	\$ 12,180,638		\$ -		\$ 57,324,196	
Machinery and equipment	24,757,725	3,059,098		(171,570)		27,645,253	
Total capital assets being depreciated	<u>\$ 69,901,283</u>	<u>\$ 15,239,736</u>		<u>\$ (171,570)</u>		<u>\$ 84,969,449</u>	
Accumulated depreciation:							
Buildings and improvements	\$ (32,783,901)	\$ (1,279,821)		\$ -		\$ (34,063,722)	
Machinery and equipment	(18,473,607)	(1,404,012)		171,570		(19,706,049)	
Total accumulated depreciation	<u>\$ (51,257,508)</u>	<u>\$ (2,683,833)</u>		<u>\$ 171,570</u>		<u>\$ (53,769,771)</u>	
Total capital assets being depreciated, net	<u>\$ 18,643,775</u>	<u>\$ 12,555,903</u>		<u>\$ -</u>		<u>\$ 31,199,678</u>	
Governmental activities capital assets, net	<u><u>\$ 40,667,720</u></u>	<u><u>\$ 16,685,503</u></u>		<u><u>\$ (9,799,288)</u></u>		<u><u>\$ 47,553,935</u></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, 2025, is that assets and debt in the amount of \$0 have been transferred to the Primary Government from the Component Unit School Board for financial reporting purposes. The County reports a total of \$1,657,572 in outstanding GO bonds for which the underlying assets is reported on the School Board's activity.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 (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, 2025:

Governmental Activities:

	Beginning Balance, as restated	Increases/ Issuances	Decreases/ Retirements	Ending Balance
Direct Borrowings and Placements:				
General obligation bonds	\$ 2,172,404	\$ -	\$ (514,832)	\$ 1,657,572
Premium on GO bond	52,042	-	(8,622)	43,420
Lease revenue bond	8,214,000	-	(1,283,000)	6,931,000
Premium on lease revenue bond	22,261	-	(22,261)	-
Lease liabilities	434,811	258,707	(149,119)	544,399
Subscription liabilities	125,667	-	(67,832)	57,835
Net OPEB liabilities	6,393,609	756,015	(157,377)	6,992,247
Compensated absences*	851,383	205,947	-	1,057,330
Net pension liability	5,629,344	6,862,101	(7,673,670)	4,817,775
Total	<u>\$ 23,895,521</u>	<u>\$ 8,082,770</u>	<u>\$ (9,876,713)</u>	<u>\$ 22,101,578</u>

*The change in the compensated absences liability is presented as a net change.

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

Year Ending June 30	Direct Borrowings and Placements		Lease Liabilities		Subscription Liabilities	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 1,158,842	\$ 250,873	\$ 157,113	\$ 50,137	\$ 57,835	\$ -
2027	1,195,978	209,302	142,010	34,792	-	-
2028	1,227,752	166,294	118,718	19,823	-	-
2029	672,000	122,755	90,215	8,941	-	-
2030	687,000	107,259	36,343	1,430	-	-
2031-2035	2,375,000	322,879	-	-	-	-
2036-2040	1,272,000	103,376	-	-	-	-
	<u>\$ 8,588,572</u>	<u>\$ 1,282,738</u>	<u>\$ 544,399</u>	<u>\$ 115,123</u>	<u>\$ 57,835</u>	<u>\$ -</u>

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 (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	\$ 415,000	\$ 130,000
GO Bond	3.60-5.35%	12/11/2008	2029	6,698,941	1,242,572	401,842
Subtotal GO Bond					\$ 1,657,572	\$ 531,842
Premium on Bond	n/a	n/a	n/a	n/a	43,420	8,622
Total General Obligation Bonds					<u>\$ 1,700,992</u>	<u>\$ 540,464</u>
Lease Revenue Bonds: (1)						
2019 (2)	0.03171	8/14/2019	2040	\$ 3,924,000	\$ 3,258,000	\$ 175,000
2021B (2)	1.930%	5/6/2021	2033	3,736,000	3,453,000	427,000
2021C (2)	1.930%	5/6/2021	2034	3,736,000	220,000	25,000
Total Lease Revenue Bonds					<u>\$ 6,931,000</u>	<u>\$ 627,000</u>
Lease liabilities:						
Enterprise Lease 1	6.94%	1/1/2021	2026	\$ 40,780	\$ 4,715	\$ 4,715
Enterprise Lease 2	6.88%	4/1/2021	2026	33,879	5,819	5,819
Enterprise Lease 3	6.76%	1/1/2021	2026	39,683	4,571	4,571
Enterprise Lease 4	6.87%	1/1/2021	2026	39,682	4,581	4,581
Enterprise Lease 5	7.19%	1/1/2021	2026	43,476	5,051	5,051
Enterprise Lease 6	7.19%	1/1/2021	2026	43,476	5,051	5,051
Enterprise Lease 7	12.25%	9/1/2022	2028	41,276	20,782	8,913
Enterprise Lease 8	12.37%	9/1/2022	2028	41,163	20,750	8,893
Enterprise Lease 9	12.15%	6/2/2023	2028	46,950	30,446	9,254
Enterprise Lease 10	12.61%	7/1/2022	2027	31,638	14,912	6,988
Enterprise Lease 11	13.82%	1/1/2023	2028	43,444	25,128	9,030
Enterprise Lease 12	14.19%	2/1/2023	2028	38,944	23,227	8,004
Virginia Cooperative Extension	1.88%	4/15/2029	2029	142,112	57,653	14,642
Enterprise Lease 14	12.48%	2/1/2029	2029	53,073	41,535	9,524
Enterprise Lease 15	12.48%	2/1/2029	2029	53,196	41,621	9,524
Enterprise Lease 16	12.85%	2/1/2025	2030	43,054	39,994	6,846
Enterprise Lease 17	12.85%	2/1/2025	2030	43,054	39,994	6,846
Enterprise Lease 18	12.85%	2/1/2025	2030	43,054	39,994	6,846
Enterprise Lease 19	12.85%	2/1/2025	2030	43,054	39,994	6,846
Enterprise Lease 20	12.85%	2/1/2025	2030	43,054	39,994	6,846
Xerox Altalink 3105756	2.81%	12/12/2024	2030	43,437	38,587	8,323
Total Lease liabilities					<u>\$ 544,399</u>	<u>\$ 157,113</u>
Subscription liabilities:						
Google Workspace	250.00%	4/1/2026	2026	\$ 202,693	\$ 57,835	\$ 57,835
Other Obligations:						
Net OPEB Liabilities	n/a	n/a	n/a	n/a	\$ 6,992,247	\$ -
Compensated Absences	n/a	n/a	n/a	n/a	1,057,330	792,998
Net Pension Liability	n/a	n/a	n/a	n/a	4,817,775	-
Total Other Obligations					<u>\$ 12,867,352</u>	<u>\$ 792,998</u>
Total Long-term Obligations					<u>\$ 22,101,578</u>	<u>\$ 2,175,410</u>

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

(2) Debt is collateralized by the County Administration Building.

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, 2025 (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	\$ 6,080,000	\$ -	\$ (412,000)	\$ 5,668,000
Landfill closure/postclosure liability	11,126,820	285,186	-	11,412,006
Total	<u>\$ 17,206,820</u>	<u>\$ 285,186</u>	<u>\$ (412,000)</u>	<u>\$ 17,080,006</u>

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

Year Ending June 30,	Direct Borrowings and Placements	
	Principal	Interest
2026	\$ 1,076,000	\$ 174,974
2027	1,107,000	142,287
2028	1,141,000	108,362
2029	1,175,000	73,126
2030	571,000	41,701
2031	598,000	14,113
Totals	<u>\$ 5,668,000</u>	<u>\$ 554,563</u>

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)	1.62%	5/6/2021	2029	\$ 3,295,000	\$ 2,468,000	\$ 603,000
Revenue Bonds (2)	4.72%	7/19/2023	2031	3,200,000	3,200,000	473,000
Total Direct Borrowings and Placements:					<u>\$ 5,668,000</u>	<u>\$ 1,076,000</u>
Other Obligations:						
Landfill Closure/ Postclosure Liability	n/a	n/a	n/a	n/a	\$ 11,412,006	\$ -
Total Long-term Obligations					<u>\$ 17,080,006</u>	<u>\$ 1,076,000</u>

(1) Debt is collateralized by the County Administration Building.

(2) Debt is collateralized by underlying property.

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 (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, 2025:

	Beginning Balance	Issuances/ Increases	Retirements/ Decreases	Ending Balance
Net pension liabilities	\$ 35,710,689	\$ 14,426,405	\$ (17,091,914)	\$ 33,045,180
Net OPEB liabilities	18,429,782	2,363,787	(2,698,806)	18,094,763
Compensated absences*	1,440,243	153,292	-	1,593,535
Total	<u>\$ 55,580,714</u>	<u>\$ 16,943,484</u>	<u>\$ (19,790,720)</u>	<u>\$ 52,733,478</u>

*The change in the compensated absences liability is presented as a net change.

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	\$ 33,045,180	\$ -
Net OPEB Liabilities	n/a	n/a	n/a	n/a	18,094,763	-
Compensated Absences	n/a	n/a	n/a	n/a	1,593,535	1,195,151
Total Long-term Obligations					<u>\$ 52,733,478</u>	<u>\$ 1,195,151</u>

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 \$1,057,330 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 \$1,593,535.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 (Continued)

Note 8 - Pension Plans:

Plan Description

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

Benefit Structures

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

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

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 (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, 2023 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	311	237
Inactive members:		
Vested inactive members	54	25
Non-vested inactive members	104	93
Inactive members active elsewhere in VRS	135	34
Total inactive members	293	152
Active members	310	162
Total covered employees	914	551

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 (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, 2025 was 11.64% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

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 \$1,673,877 and \$1,528,362 for the years ended June 30, 2025 and June 30, 2024, respectively. Contributions to the pension plan from the Component Units were \$216,849 and \$220,711 for the years ended June 30, 2025 and June 30, 2024, respectively.

The Component Unit School Board's contractually required contribution rate for nonprofessional employees for the year ended June 30, 2025 was 15.20% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

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 \$699,763 and \$676,918 for the years ended June 30, 2025 and June 30, 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$58,833 and \$24,943 for the County and School Board, respectively, for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled \$53,367 and \$12,336 for the County and School Board, respectively, for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$5,880,264 and \$2,493,972 for the County and School Board, respectively, for the year ended June 30, 2025.

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, 2024. The total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024.

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 (Continued)

Note 8 - Pension Plans: (Continued)

Actuarial Assumptions - General Employees

The total pension liability for General Employees in the County's and Component Unit School Board's (nonprofessional) Retirement Plan was based on an actuarial valuation as of June 30, 2023, 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, 2024.

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

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

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 (Continued)

Note 8 - Pension Plans: (Continued)

Actuarial Assumptions - General Employees (Continued)

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. 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

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, 2023, 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, 2024.

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

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 (Continued)

Note 8 - Pension Plans: (Continued)

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

Mortality rates:

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

Pre-Retirement:

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. 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, 2025 (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:

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	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnerships	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
Total	<u>100.00%</u>		<u>7.07%</u>
		Expected arithmetic nominal return**	<u>7.07%</u>

*The above allocation provides a one-year expected return of 7.07% (includes 2.50% inflation assumption). 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 7.10%, including expected inflation of 2.50%.

**On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 (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. For the year ended June 30, 2024, the employer contribution rate was 100% of the actuarially determined employer contribution rate from the June 30, 2023 actuarial valuations. Through the fiscal year ended June 30, 2024, 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 112% of the actuarially determined contribution rate. From July 1, 2024 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, 2023	\$ 62,741,019	\$ 57,111,675	\$ 5,629,344
Changes for the year:			
Service cost	\$ 1,443,247	\$ -	\$ 1,443,247
Interest	4,222,975	-	4,222,975
Differences between expected and actual experience	1,155,207	-	1,155,207
Impact in change in proportion	40,395	36,771	3,624
Contributions - employer	-	1,528,364	(1,528,364)
Contributions - employee	-	629,476	(629,476)
Net investment income	-	5,514,714	(5,514,714)
Benefit payments, including refunds	(3,324,101)	(3,324,101)	-
Administrative expenses	-	(37,048)	37,048
Other changes	-	1,116	(1,116)
Net changes	\$ 3,537,723	\$ 4,349,292	\$ (811,569)
Balances at June 30, 2024	\$ 66,278,742	\$ 61,460,967	\$ 4,817,775

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 (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, 2023	\$ 9,111,049	\$ 8,293,572	\$ 817,477
Changes for the year:			
Service cost	\$ 208,521	\$ -	\$ 208,521
Interest	610,137	-	610,137
Differences between expected and actual experience	166,904	-	166,904
Impact in change in proportion	(40,395)	(36,771)	(3,624)
Contributions - employer	-	220,818	(220,818)
Contributions - employee	-	90,947	(90,947)
Net investment income	-	796,768	(796,768)
Benefit payments, including refunds	(480,267)	(480,267)	-
Administrative expenses	-	(5,353)	5,353
Other changes	-	161	(161)
Net changes	\$ 464,900	\$ 586,303	\$ (121,403)
Balances at June 30, 2024	\$ 9,575,949	\$ 8,879,875	\$ 696,074

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 (Continued)

Note 8 - Pension Plans: (Continued)

Changes in Net Pension Liability (Continued)

	Component Unit School Board - Nonprofessional		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at June 30, 2023	\$ 29,731,059	\$ 23,667,834	\$ 6,063,225
Changes for the year:			
Service cost	\$ 352,755	\$ -	\$ 352,755
Interest	1,961,122	-	1,961,122
Differences between expected and actual experience	171,028	-	171,028
Contributions - employer	-	676,921	(676,921)
Contributions - employee	-	193,906	(193,906)
Net investment income	-	2,251,582	(2,251,582)
Benefit payments, including refunds	(2,060,314)	(2,060,314)	-
Administrative expenses	-	(15,737)	15,737
Other changes	-	437	(437)
Net changes	\$ 424,591	\$ 1,046,795	\$ (622,204)
Balances at June 30, 2024	\$ 30,155,650	\$ 24,714,629	\$ 5,441,021

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 Units', 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	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
County - Primary Government			
Net Pension Liability	\$ 12,904,747	\$ 4,817,775	\$ (1,802,695)
Other Component Units			
Net Pension Liability	\$ 1,864,482	\$ 696,074	\$ (260,454)
Component Unit School Board (Nonprofessional)			
Net Pension Liability	\$ 8,576,252	\$ 5,441,021	\$ 2,783,101

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 (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, 2025, the County, Other Component Units, and Component Unit School Board (nonprofessional) recognized pension expense of \$615,005, \$46,914, and \$600,223, respectively. At June 30, 2025, 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	\$ 857,473	\$ -	\$ 123,977	\$ -	\$ 83,321	\$ -
Net difference between projected and actual earnings on pension plan investments	-	1,591,631	-	247,764	-	682,039
Impact of change in proportion	17,203	-	-	17,203	-	-
Employer contributions subsequent to the measurement date	1,673,877	-	216,849	-	699,763	-
Total	\$ 2,548,553	\$ 1,591,631	\$ 340,826	\$ 264,967	\$ 783,084	\$ 682,039

\$1,673,877, \$216,849, and \$699,763 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, 2026. 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)
2026	\$ (840,098)	\$ (155,076)	\$ (536,535)
2027	773,591	109,078	201,501
2028	(310,894)	(45,934)	(124,751)
2029	(339,554)	(49,058)	(138,933)

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2024-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, 2025 (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, 2025 was 14.21% of covered employee compensation. This was the Generally Assembly approved rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. 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 \$4,643,080 and \$4,959,886 for the years ended June 30, 2025 and June 30, 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$125,153 for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled \$99,120 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$12,515,397 for the year ended June 30, 2025.

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

At June 30, 2025, the school division reported a liability of \$27,604,159 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2024 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. 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, 2024, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the school division's proportion was 0.29407% as compared to 0.29333% at June 30, 2023.

For the year ended June 30, 2025, the school division recognized pension expense of \$2,402,701. 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, 2025 (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, 2025, 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	\$ 4,788,932	568,389
Net difference between projected and actual earnings on pension plan investments	-	3,799,728
Change in assumptions	501,052	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	461,333	198,858
Employer contributions subsequent to the measurement date	4,643,080	-
Total	\$ 10,394,397	\$ 4,566,975

\$4,643,080 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, 2026. 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	
2026	\$ (1,676,561)
2027	2,516,305
2028	675,403
2029	(330,805)

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 (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, 2023, 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, 2024.

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 standard rates

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. 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 TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 (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, 2024, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

		Teacher Employee Retirement Plan
Total Pension Liability	\$	60,622,260
Plan Fiduciary Net Position		51,235,326
Employers' Net Pension Liability (Asset)	\$	<u>9,386,934</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		84.52%

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	\$ 51,283,116	\$ 27,604,159	\$ 8,211,846

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 (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 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2024-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	\$ 2,548,553	\$ 1,591,631	\$ 4,817,775	\$ 615,005	\$ -	\$ -	\$ -	\$ -
Other Component Units	-	-	-	-	340,826	264,967	696,074	46,914
Totals	<u>\$ 2,548,553</u>	<u>\$ 1,591,631</u>	<u>\$ 4,817,775</u>	<u>\$ 615,005</u>	<u>\$ 340,826</u>	<u>\$ 264,967</u>	<u>\$ 696,074</u>	<u>\$ 46,914</u>

	Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net Pension Liabilities (Asset)	Pension Expense
VRS Pension Plans:				
School Board Nonprofessional	\$ 783,084	\$ 682,039	\$ 5,441,021	\$ 600,223
School Board Professional	10,394,397	4,566,975	27,604,159	2,402,701
Totals	<u>\$ 11,177,481</u>	<u>\$ 5,249,014</u>	<u>\$ 33,045,180</u>	<u>\$ 3,002,924</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, 2025 (Continued)

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

Plan Membership

At July 1, 2024 (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	259	35	509
Total retirees with coverage	22	-	60
Total	281	35	569

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, 2024 were \$456,000, \$0, and \$894,000, respectively.

Total OPEB Liability

The County's total OPEB liability was measured as of July 1, 2024. The total OPEB liability was determined by an actuarial valuation as July 1, 2024.

Actuarial Assumptions

The total OPEB liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Healthcare Cost Trend Rates	6.25% for fiscal year end 2025, decreasing 0.25% per year to an ultimate rate of 5.00%
Salary Increases	Service-graded
Discount Rate	4.09%

The mortality rates were calculated using the PUB - 2010 Amount-Weighted General Mortality Table - Employees with MP-2021 Projection Scale Fully Generational.

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 (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 4.09% 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, 2023	\$ 5,766,000	\$ 603,000	\$ 12,823,000
Changes for the year:			
Service cost	309,000	45,000	466,000
Interest	226,000	25,000	496,000
Difference between expected and actual experience	715,000	(277,000)	(138,000)
Changes in assumptions	(152,000)	(1,000)	102,000
Contributions - employer	(456,000)	-	(894,000)
Net changes	\$ 642,000	\$ (208,000)	\$ 32,000
Balances at June 30, 2024	\$ 6,408,000	\$ 395,000	\$ 12,855,000

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 (3.09%) or one percentage point higher (5.09%) than the current discount rate:

	Rate		
	1% Decrease 3.09%	Current Discount 4.09%	1% Increase 5.09%
Proportionate share of the healthcare total OPEB liability:			
County	\$ 6,955,000	\$ 6,408,000	\$ 5,916,000
Other Component Units	\$ 416,000	\$ 395,000	\$ 374,000
Component Unit School Board	\$ 13,665,000	\$ 12,855,000	\$ 12,089,000

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 (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	\$ 5,804,000	\$ 6,408,000	\$ 7,119,000
Other Component Units	\$ 366,000	\$ 395,000	\$ 427,000
Component Unit School Board	\$ 11,875,000	\$ 12,855,000	\$ 13,967,000

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

For the year ended June 30, 2025, the County, Other Component Units, and Component Unit School Board recognized OPEB expense in the amounts of \$539,000, \$(62,000), and \$787,000, respectively. At June 30, 2025, 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	\$ 651,000	\$ 442,000	\$ 3,000	\$ 324,000	\$ 101,000	\$ 1,168,000
Changes in assumptions	288,000	612,000	27,000	67,000	614,000	875,000
Employer contributions subsequent to the measurement date	456,000	-	-	-	894,000	-
Total	\$ 1,395,000	\$ 1,054,000	\$ 30,000	\$ 391,000	\$ 1,609,000	\$ 2,043,000

\$456,000, \$0, and \$894,000 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, 2026. 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
2026	\$ (83,000)	\$ (129,000)	\$ (281,000)
2027	(134,000)	(106,000)	(533,000)
2028	(2,000)	(77,000)	(219,000)
2029	51,000	(49,000)	(200,000)
2030	53,000	-	(95,000)

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, 2025 (Continued)

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

Plan Description

The Group Life Insurance (GLI) Plan was established pursuant to §51.1-500 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended.

All full-time, salaried permanent employees of the state agencies, teachers, and employees of participating political subdivisions are automatically covered by the VRS GLI Plan upon employment. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

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

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

Eligible Employees

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

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, 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 \$9,532 as of June 30, 2025.

COUNTY OF TAZEWell, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 (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 1.18% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.71% (1.18% x 60%) and the employer component was 0.47% (1.18% 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, 2025, was 0.47% of covered employee compensation. 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, 2023. 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 \$67,846 and \$72,597 for the years ended June 30, 2025 and June 30, 2024, respectively.

Contributions to the GLI Plan from the Other Component Units were \$9,288 and \$10,484 for the years ended June 30, 2025 and June 30, 2024, respectively.

Contributions to the GLI Plan from the Component Unit School Board (nonprofessional) were \$21,763 and \$23,766 for the years ended June 30, 2025 and June 30, 2024, respectively.

Contributions to the GLI Plan from the Component Unit School Board (professional) were \$151,941 and \$168,342 for the years ended June 30, 2025 and June 30, 2024, respectively.

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

Primary Government GLI Plan

At June 30, 2025, the entity reported a liability of \$584,247 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2024 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, 2023, and rolled forward to the measurement date of June 30, 2024. 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, 2024, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the participating employer's proportion was 0.05236% as compared to 0.05233% at June 30, 2023.

For the year ended June 30, 2025, the participating employer recognized GLI OPEB expense of \$12,697. 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, 2025 (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, 2025, the entity reported a liability of \$84,414 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2024 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, 2023, and rolled forward to the measurement date of June 30, 2024. 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, 2024, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the participating employer's proportion was 0.00756% as compared to 0.00760% at June 30, 2023.

For the year ended June 30, 2025, the participating employer recognized GLI OPEB expense of \$1,834. 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 Plan

At June 30, 2025, the entity reported a liability of \$191,269 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2024 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, 2023, and rolled forward to the measurement date of June 30, 2024. 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, 2024, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the participating employer's proportion was 0.01714% as compared to 0.01761% at June 30, 2023.

For the year ended June 30, 2025, the participating employer recognized GLI OPEB expense of \$(3,430). 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 Plan

At June 30, 2025, the entity reported a liability of \$1,354,841 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2024 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, 2023, and rolled forward to the measurement date of June 30, 2024. 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, 2024, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the participating employer's proportion was 0.12141% as compared to 0.12312% at June 30, 2023.

For the year ended June 30, 2025, the participating employer recognized GLI OPEB expense of \$(9,400). 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, 2025 (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, 2025, 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	\$ 92,149	\$ 14,271	\$ 13,314	\$ 2,062
Net difference between projected and actual earnings on GLI OPEB plan investments	-	49,246	-	7,115
Change in assumptions	3,330	28,954	481	4,183
Changes in proportionate share	14,382	3,435	2,078	496
Employer contributions subsequent to the measurement date	67,846	-	9,288	-
Total	<u>\$ 177,707</u>	<u>\$ 95,906</u>	<u>\$ 25,161</u>	<u>\$ 13,856</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	\$ 30,168	\$ 4,672	\$ 213,690	\$ 33,094
Net difference between projected and actual earnings on GLI OPEB plan investments	-	16,122	-	114,199
Change in assumptions	1,090	9,479	7,723	67,143
Changes in proportionate share	6,440	11,616	13,338	45,007
Employer contributions subsequent to the measurement date	21,763	-	151,941	-
Total	<u>\$ 59,461</u>	<u>\$ 41,889</u>	<u>\$ 386,692</u>	<u>\$ 259,443</u>

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 (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)

\$67,846, \$9,288, \$21,763, and \$151,941 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, 2026. 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)
2026	\$ (22,810)	\$ (3,295)	\$ (12,027)	\$ (78,972)
2027	15,956	2,305	2,886	19,407
2028	5,091	736	1,650	2,260
2029	6,657	962	1,181	14,659
2030	9,061	1,309	2,119	17,954

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2023, 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, 2024. 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 TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 (Continued)

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

Actuarial Assumptions (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, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. 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, 2025 (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, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. 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, 2025 (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, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. 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 TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 (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, 2024, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

	GLI OPEB Plan
Total GLI OPEB Liability	\$ 4,196,055
Plan Fiduciary Net Position	3,080,133
GLI Net OPEB Liability (Asset)	\$ 1,115,922

Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	73.41%
--	--------

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	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnerships	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
Total	100.00%		7.07%
Expected arithmetic nominal return**			7.07%

*The above allocation provides a one-year expected return of 7.07% (includes 2.50% inflation assumption). 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 7.10%, including expected inflation of 2.50%.

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 (Continued)

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

Long-Term Expected Rate of Return (Continued)

**On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 45th percentile of expected long-term results of the VRS Fund asset allocation at that time, providing a median return of 7.14%, 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, 2024, 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 113% of the actuarially determined contribution rate. From July 1, 2024 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	\$ 908,581	\$ 584,247	\$ 322,228
Other Component Units	\$ 131,273	\$ 84,414	\$ 46,557
Component Unit School Board (Nonprofessional)	\$ 297,448	\$ 191,269	\$ 105,490
Component Unit School Board (Professional)	\$ 2,106,954	\$ 1,354,841	\$ 747,233

GLI Plan Fiduciary Net Position

Detailed information about the GLI Plan's Fiduciary Net Position is available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2024-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, 2025 (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, 2025 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, 2023. 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 \$390,609 and \$375,669 for the years ended June 30, 2025 and June 30, 2024, respectively.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 (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, 2025, the school division reported a liability of \$3,348,837 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, 2024 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, 2023 and rolled forward to the measurement date of June 30, 2024. 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, 2024, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the school division's proportion of the VRS Teacher Employee Health Insurance Credit Plan was 0.28978% as compared to 0.28968% at June 30, 2023.

For the year ended June 30, 2025, the school division recognized VRS Teacher Employee HIC OPEB expense of \$165,675. 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, 2025, 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	\$ -	\$ 158,660
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	11,912
Change in assumptions	57,691	-
Change in proportionate share and differences between actual and expected contributions	60,052	138,559
Employer contributions subsequent to the measurement date	390,609	-
Total	\$ <u>508,352</u>	\$ <u>309,131</u>

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 (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

\$390,609 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, 2026. 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	
2026	\$ (90,510)
2027	(44,607)
2028	(28,126)
2029	(18,772)
2030	(3,754)
Thereafter	(5,619)

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, 2023, 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, 2024.

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 TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 (Continued)

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

Actuarial Assumptions: (Continued)

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. 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, 2024, 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	\$ 1,478,105
Plan Fiduciary Net Position	322,457
Teacher Employee Net HIC OPEB Liability (Asset)	<u>\$ 1,155,648</u>
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability	21.82%

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, 2025 (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	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnerships	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
Total	100.00%		7.07%
Expected arithmetic nominal return**			7.07%

*The above allocation provides a one-year expected return of 7.07% (includes 2.50% inflation assumption). 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 7.10%, including expected inflation of 2.50%.

**On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 (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, 2024, 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, 2024 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	\$ 3,808,463	\$ 3,348,837	\$ 2,959,262

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 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2024-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, 2025 (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, 2025 (Continued)

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

Employees Covered by Benefit Terms

As of the June 30, 2023 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	81
Vested inactive members	31
Active members	<u>162</u>
Total covered employees	<u><u>274</u></u>

Contributions

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The Component Unit School Board's contractually required employer contribution rate for the year ended June 30, 2025 was 1.95% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. 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 \$88,855 and \$84,695 for the years ended June 30, 2025 and June 30, 2024, respectively.

Net HIC OPEB Liability

The Component Unit School Board's net HIC OPEB liability was measured as of June 30, 2024. The total HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2023, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2023, 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, 2024.

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, 2025 (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, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. 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, 2025 (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	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnerships	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
Total	100.00%		7.07%
Expected arithmetic nominal return**			7.07%

*The above allocation provides a one-year expected return of 7.07% (includes 2.50% inflation assumption). 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 7.10%, including expected inflation of 2.50%.

**On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 (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, 2024, 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, 2024 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, 2023	\$ 537,961	\$ 128,207	\$ 409,754
Changes for the year:			
Service cost	\$ 3,656	\$ -	\$ 3,656
Interest	35,164	-	35,164
Differences between expected and actual experience	(4,510)	-	(4,510)
Contributions - employer	-	84,694	(84,694)
Net investment income	-	14,773	(14,773)
Benefit payments	(41,340)	(41,340)	-
Administrative expenses	-	(220)	220
Other changes	-	1	(1)
Net changes	\$ (7,030)	\$ 57,908.00	\$ (64,938)
Balances at June 30, 2024	\$ 530,931	\$ 186,115	\$ 344,816

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	\$ 393,989	\$ 344,816	\$ 302,452

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 (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, 2025, the Component Unit School Board recognized HIC Plan OPEB expense of \$(67,460). At June 30, 2025, 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	\$ -	\$ 173,054
Net difference between projected and actual earnings on HIC OPEB plan investments	-	2,622
Change in assumptions	1,699	-
Employer contributions subsequent to the measurement date	88,855	-
Total	<u>\$ 90,554</u>	<u>\$ 175,676</u>

\$88,855 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, 2026. 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	
2026	\$ (96,866)
2027	(74,305)
2028	(1,875)
2029	(931)

HIC Plan Data

Information about the VRS Political Subdivision HIC Plan is available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2024-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 Liabilities	OPEB Expense	Deferred Outflows	Deferred Inflows	Net OPEB Liabilities	OPEB Expense
VRS OPEB Plans:								
Group Life Insurance Plan:								
County	\$ 177,707	\$ 95,906	\$ 584,247	\$ 12,697	\$ -	\$ -	\$ -	\$ -
Component Units	-	-	-	-	25,161	13,856	84,414	1,834
County Stand-Alone Plan	1,395,000	1,054,000	6,408,000	539,000	-	-	-	-
Component Units Stand-Alone Plan	-	-	-	-	30,000	391,000	395,000	(62,000)
Totals	<u>\$ 1,572,707</u>	<u>\$ 1,149,906</u>	<u>\$ 6,992,247</u>	<u>\$ 551,697</u>	<u>\$ 55,161</u>	<u>\$ 404,856</u>	<u>\$ 479,414</u>	<u>\$ (60,166)</u>

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 (Continued)

Note 13 - Aggregate OPEB Information: (Continued)

	Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net OPEB Liabilities	OPEB Expense
VRS OPEB Plans:				
Group Life Insurance Plan:				
School Board Nonprofessional	\$ 59,461	\$ 41,889	\$ 191,269	\$ (3,430)
School Board Professional	386,692	259,443	1,354,841	(9,400)
Health Insurance Credit Plan:				
School Board Health Insurance Credit Plan	90,554	175,676	344,816	(67,460)
Teacher Health Insurance Credit Plan	508,352	309,131	3,348,837	165,675
School Stand-Alone Plan	1,609,000	2,043,000	12,855,000	787,000
Totals	<u>\$ 2,654,059</u>	<u>\$ 2,829,139</u>	<u>\$ 18,094,763</u>	<u>\$ 872,385</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 Guidance 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:

Project	Contract Amount	Accounts Payable at June 30, 2025	Contract Amount Outstanding at June 30, 2025
County - Cell 5A Construction	\$ 4,975,286	\$ 1,733,151	\$ 1,651,615
School Board - Turf - THS	2,986,937	148,347	148,347
School Board - Turf - RHS	1,168,447	58,422	58,422
School Board - Tazewell Intermediate	372,400	-	35,000
School Board - Richlands Elementary	64,178	-	32,089
School Board - Tazewell High School	201,178	-	100,589
School Board - Tazewell Intermediate	365,337	-	36,534
School Board - RHS Baseball Field	54,900	-	29,900

COUNTY OF TAZEWell, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 (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 \$16,507,062 reported as landfill closure and post closure care liability at June 30, 2025, \$11,412,006 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 \$5,095,056 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 2025.

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 are 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 VACORP. 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 VACORP 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, 2025 (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	\$ -	\$ 2,470,667
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)	-	3,996,176
Property taxes due in December 2025	22,660,789	22,660,789
Prepaid property taxes due in December 2025 but paid in advance by the taxpayers	1,014,373	1,014,373
Total deferred/unavailable revenue	<u>\$ 23,675,162</u>	<u>\$ 30,142,005</u>

The School Board reported unearned revenue of \$895,412 related to unspent grant funding as of June 30, 2025.

Note 18 - Surety Bonds:

	Amount
Commonwealth of America, Division of Risk Management	
Tammy Allison, Clerk of the Circuit Court	\$ 710,000
David T. Larimer, Treasurer	500,000
David R. Anderson, Commissioner of the Revenue	3,000
Brian L. 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, Director of Social Services	25,000
All Social Services employees - blanket	100,000

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 (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	Total	School Operating Fund	School Activity Fund	Total
Fund Balance:									
Nonspendable:									
Prepaid items	\$ 66,518	\$ -	\$ -	\$ -	\$ -	\$ 66,518	\$ 1,042,834	\$ -	\$ 1,042,834
Restricted:									
Public safety	\$ 109,646	\$ -	\$ -	\$ -	\$ -	\$ 109,646	\$ -	\$ -	\$ -
Health insurance	9,484	-	-	-	-	9,484	7,496,406	-	7,496,406
Amount held for others	-	-	-	-	-	-	118,399	-	118,399
Opioid settlement	1,162,652	-	-	-	-	1,162,652	-	-	-
Total restricted balances	\$ 1,281,782	\$ -	\$ -	\$ -	\$ -	\$ 1,281,782	\$ 7,614,805	\$ -	\$ 7,614,805
Committed funds:									
Wireless fund	\$ 12,636	\$ -	\$ -	\$ -	\$ -	\$ 12,636	\$ -	\$ -	\$ -
Recreation	21,705	-	-	-	-	21,705	-	-	-
Capital projects	-	759,827	-	-	-	759,827	-	-	-
Law library	-	-	3,684	-	-	3,684	-	-	-
Coal road improvements	-	-	-	3,116,368	-	3,116,368	-	-	-
Coal road economic development	-	-	-	-	107,937	107,937	-	-	-
School facilities fund	-	-	-	-	-	-	5,869,667	-	5,869,667
Education	-	-	-	-	-	-	1,901,494	1,491,880	3,393,374
Total committed balances	\$ 34,341	\$ 759,827	\$ 3,684	\$ 3,116,368	\$ 107,937	\$ 4,022,157	\$ 7,771,161	\$ 1,491,880	\$ 9,263,041
Net Position:									
Restricted:									
Public safety	n/a	n/a	n/a	n/a	n/a	\$ 109,646	n/a	n/a	\$ -
Health insurance	n/a	n/a	n/a	n/a	n/a	9,484	n/a	n/a	7,496,406
Opioid settlement	n/a	n/a	n/a	n/a	n/a	3,633,319	n/a	n/a	-
Amount held for others	n/a	n/a	n/a	n/a	n/a	-	n/a	n/a	118,399
Total restricted balances						\$ 3,752,449			\$ 7,614,805

Note 20 - Tax Abatements:

The County entered into an economic incentive tax abatement agreement with James C. Justice Companies, Inc. in September 2024. Terms of the agreement require the County to repay the Company \$58,000 per year for years July 1, 2020 and terminating June 30, 2030. The payment represents tax payments toward mineral taxes, penalties, and interest. The Company assisted with obtaining easements upon the real property of Poca Land. The agreement remains in effect so long as Poca Land has an active Deed of Easement for Recreational Trails with the Recreation and Parks Authority of Tazewell County, Virginia.

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 (Continued)

Note 21 - Adoption of Accounting Principles:

During the current year, the County and Component Unit School Board implemented GASB Statement No. 101, *Compensated Absences*. In addition to the value of unused vacation time owed to employees upon separation of employment, the County and Component Unit School Board now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences.

The change in accounting principle resulted in the following restatement of net position:

	Governmental Activities	Component Unit - School Board
Net position, as reported, June 30, 2024	\$ 39,024,219	\$ 12,734,205
Restatement for GASB 101 Implementation	(85,288)	(907,899)
Net position, as restated, June 30, 2024	\$ 38,938,931	\$ 11,826,306

Note 22 - Litigation:

As of June 30, 2025, there is a pending claim filed against the County related to an ejectment action. The plaintiffs are seeking \$440,000 in damages and lost business. The County plans to vigorously defend itself against the claim and do not foresee a liability for the County; therefore, nothing has been recorded as of the date of the financial statements. Additionally, there is a dispute of \$1.6M with a vendor related to damage to the landfill construction in process caused by Hurricane Helene that created additional costs and project delays. The County is currently negotiating a settlement related to the claim. As the amount is not probable or reasonably estimable, no liability has been recognized in the financial statements.

Note 23 - Upcoming Pronouncements:

Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

Statement No. 104, *Disclosure of Certain Capital Assets*, requires certain types of assets (lease assets, subscription assets, intangible right-to-use assets, and other intangible assets) to be disclosed separately in the capital asset note disclosures by major class of underlying asset. It also requires additional disclosures for capital assets held for sale. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

Implementation Guide No. 2025-1, *Implementation Guidance Update—2025*, effective for fiscal years beginning after June 15, 2025.

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, 2025

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Pos (Neg)</u>
REVENUES				
General Property Taxes	\$ 28,697,889	\$ 29,097,889	\$ 30,899,894	\$ 1,802,005
Other Local Taxes	10,259,000	10,259,000	10,287,174	28,174
Permits, Privilege Fees and Regulatory Licenses	174,125	174,125	230,056	55,931
Fines and Forfeitures	40,000	40,000	48,283	8,283
Revenue from Use of Money and Property	674,962	674,962	964,173	289,211
Charges for Services	107,750	107,750	159,562	51,812
Miscellaneous	1,794,120	1,672,081	660,417	(1,011,664)
Recovered Costs	1,844,134	2,553,045	3,365,226	812,181
Intergovernmental:				
Commonwealth	16,795,414	17,629,542	17,441,480	(188,062)
Federal Government	6,215,995	6,215,995	5,405,039	(810,956)
Total Revenues	\$ 66,603,389	\$ 68,424,389	\$ 69,461,304	\$ 1,036,915
EXPENDITURES:				
Current:				
General Government Administration	\$ 5,688,801	\$ 5,726,088	\$ 5,245,424	\$ 480,664
Judicial Administration	3,154,725	3,244,422	3,128,663	115,759
Public Safety	18,489,229	20,257,015	18,956,982	1,300,033
Public Works	2,121,491	2,137,259	1,626,074	511,185
Health and Welfare	16,253,049	16,250,655	13,463,453	2,787,202
Education	15,259,404	15,288,071	19,069,224	(3,781,153)
Parks, Recreation and Cultural	1,696,931	1,724,275	1,692,271	32,004
Community Development	1,729,471	1,797,841	1,173,422	624,419
Nondepartmental	1,820,000	554,460	360,903	193,557
Debt Service:				
Principal Retirement	2,225,711	2,225,711	2,014,783	210,928
Interest and Other Fiscal Charges	402,495	402,495	364,351	38,144
Total Expenditures	\$ 68,841,307	\$ 69,608,292	\$ 67,095,550	\$ 2,512,742
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (2,237,918)	\$ (1,183,903)	\$ 2,365,754	\$ 3,549,657
Other Financing Sources (Uses)				
Transfers In	\$ 46,452	\$ 46,452	\$ 46,452	\$ -
Transfers Out	(4,605,252)	(5,661,085)	(6,693,293)	(1,032,208)
Issuance of lease liabilities	-	-	258,707	258,707
Total Other Financing Sources (Uses)	\$ (4,558,800)	\$ (5,614,633)	\$ (6,388,134)	\$ (773,501)
Net Change in Fund Balance	\$ (6,796,718)	\$ (6,798,536)	\$ (4,022,380)	\$ 2,776,156
Fund Balance - Beginning	6,796,718	6,798,536	31,576,730	24,778,194
Fund Balance - Ending	\$ -	\$ -	\$ 27,554,350	\$ 27,554,350

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, 2015 through June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	\$ 1,443,247	\$ 1,291,074	\$ 1,182,055	\$ 1,116,259	\$ 1,065,150	\$ 1,004,039	\$ 1,015,173	\$ 1,090,137	\$ 1,095,549	\$ 1,086,879
Interest	4,222,975	4,048,538	3,956,419	3,613,198	3,482,375	3,386,517	3,310,997	3,202,401	3,043,467	2,899,146
Assumption changes	-	-	-	1,892,513	-	1,476,634	-	(156,883)	-	-
Differences between expected and actual experience	1,155,207	413,900	(823,710)	(207,767)	(20,986)	142,508	(305,314)	(7,195)	651,020	313,432
Impact in change in proportion	40,395	202,476	455,803	288,176	(45,957)	(328,076)	(40,854)	(209,616)	(111,024)	-
Benefit payments	(3,324,101)	(3,399,577)	(3,123,542)	(2,811,039)	(2,942,104)	(2,561,543)	(2,666,301)	(2,406,191)	(2,213,605)	(2,039,716)
Net change in total pension liability	\$ 3,537,723	\$ 2,556,411	\$ 1,647,025	\$ 3,891,340	\$ 1,538,478	\$ 3,120,079	\$ 1,313,701	\$ 1,512,653	\$ 2,465,407	\$ 2,259,741
Total pension liability - beginning	\$ 62,741,019	\$ 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)	\$ 66,278,742	\$ 62,741,019	\$ 60,184,608	\$ 58,537,583	\$ 54,646,243	\$ 53,107,765	\$ 49,987,686	\$ 48,673,985	\$ 47,161,332	\$ 44,695,925
Plan fiduciary net position										
Impact in change in proportion	\$ 36,771	\$ 184,448	\$ 433,919	\$ 234,385	\$ (38,989)	\$ (285,911)	\$ (35,018)	\$ (169,900)	\$ (95,046)	\$ -
Contributions - employer	1,528,364	1,410,320	1,313,810	1,213,082	1,045,597	1,015,055	1,010,986	1,018,151	1,110,489	1,127,068
Contributions - employee	629,476	603,328	555,331	523,307	491,857	494,738	497,210	491,028	527,074	515,377
Net investment income	5,514,714	3,526,336	(46,889)	12,150,619	864,750	2,860,605	3,064,187	4,593,798	657,018	1,688,554
Benefit payments	(3,324,101)	(3,399,577)	(3,123,542)	(2,811,039)	(2,942,104)	(2,561,543)	(2,666,301)	(2,406,191)	(2,213,605)	(2,039,716)
Administrator charges	(37,048)	(35,402)	(35,060)	(30,459)	(29,617)	(28,648)	(26,916)	(26,855)	(23,721)	(23,151)
Other	1,116	(3,735)	1,288	1,143	(1,005)	(1,799)	(2,704)	(4,077)	(280)	(356)
Net change in plan fiduciary net position	\$ 4,349,292	\$ 2,285,718	\$ (901,143)	\$ 11,281,038	\$ (609,511)	\$ 1,492,497	\$ 1,841,444	\$ 3,495,954	\$ (38,071)	\$ 1,267,776
Plan fiduciary net position - beginning	\$ 57,111,675	\$ 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
Plan fiduciary net position - ending (b)	\$ 61,460,967	\$ 57,111,675	\$ 54,825,957	\$ 55,727,100	\$ 44,446,062	\$ 45,055,573	\$ 43,563,076	\$ 41,721,632	\$ 38,225,678	\$ 38,263,749
County's net pension liability - ending (a) - (b)	\$ 4,817,775	\$ 5,629,344	\$ 5,358,651	\$ 2,810,483	\$ 10,200,181	\$ 8,052,192	\$ 6,424,610	\$ 6,952,353	\$ 8,935,654	\$ 6,432,176
Plan fiduciary net position as a percentage of the total pension liability	92.73%	91.03%	91.10%	95.20%	81.33%	84.84%	87.15%	85.72%	81.05%	85.61%
Covered payroll	\$ 13,396,738	\$ 12,307,375	\$ 11,292,489	\$ 10,391,181	\$ 10,098,852	\$ 9,731,606	\$ 9,910,529	\$ 9,859,374	\$ 9,964,213	\$ 10,048,316
County's net pension liability as a percentage of covered payroll	35.96%	45.74%	47.45%	27.05%	101.00%	82.74%	64.83%	70.52%	89.68%	64.01%

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, 2015 through June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	\$ 208,521	\$ 187,486	\$ 176,209	\$ 176,388	\$ 174,816	\$ 163,776	\$ 157,842	\$ 168,446	\$ 163,654	\$ 159,256
Interest	610,137	587,918	589,782	570,949	571,541	552,397	514,803	494,813	454,636	424,797
Assumption changes	-	-	-	299,050	-	240,864	-	(24,240)	-	-
Differences between expected and actual experience	166,904	60,105	(122,791)	(32,831)	(3,444)	23,246	(47,471)	(1,112)	97,250	45,926
Impact in change of proportion	(40,395)	(202,475)	(455,803)	(288,176)	45,957	328,076	40,855	209,616	111,024	-
Benefit payments	(480,267)	(493,677)	(465,626)	(444,193)	(482,870)	(417,830)	(414,564)	(371,788)	(330,671)	(298,872)
Net change in total pension liability	\$ 464,900	\$ 139,357	\$ (278,229)	\$ 281,187	\$ 306,000	\$ 890,529	\$ 251,465	\$ 475,735	\$ 495,893	\$ 331,107
Total pension liability - beginning	\$ 9,111,049	\$ 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
Total pension liability - ending (a)	\$ 9,575,949	\$ 9,111,049	\$ 8,971,692	\$ 9,249,921	\$ 8,968,734	\$ 8,662,734	\$ 7,772,205	\$ 7,520,740	\$ 7,045,005	\$ 6,549,112
Plan fiduciary net position										
Impact in change of proportion	\$ (36,771)	\$ (184,448)	\$ (433,920)	\$ (234,385)	\$ 38,990	\$ 285,911	\$ 35,018	\$ 169,900	\$ 95,046	\$ -
Contributions - employer	220,818	204,803	195,849	191,688	171,608	165,572	157,191	157,318	165,886	165,145
Contributions - employee	90,947	87,614	82,783	82,692	80,725	80,700	77,308	75,870	78,735	75,516
Net investment income	796,768	512,085	(6,990)	1,920,008	141,926	466,612	476,429	709,802	98,146	247,413
Benefit payments	(480,267)	(493,677)	(465,626)	(444,193)	(482,870)	(417,830)	(414,564)	(371,788)	(330,671)	(298,872)
Administrator charges	(5,353)	(5,141)	(5,227)	(4,813)	(4,861)	(4,673)	(4,185)	(4,149)	(3,543)	(3,393)
Other	161	(543)	192	181	(165)	(293)	(420)	(629)	(42)	(52)
Net change in plan fiduciary net position	\$ 586,303	\$ 120,693	\$ (632,939)	\$ 1,511,178	\$ (54,647)	\$ 575,999	\$ 326,777	\$ 736,324	\$ 103,557	\$ 185,757
Plan fiduciary net position - beginning	\$ 8,293,572	\$ 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
Plan fiduciary net position - ending (b)	\$ 8,879,875	\$ 8,293,572	\$ 8,172,879	\$ 8,805,818	\$ 7,294,640	\$ 7,349,287	\$ 6,773,288	\$ 6,446,511	\$ 5,710,187	\$ 5,606,630
Component Units' net pension liability - ending (a) - (b)	\$ 696,074	\$ 817,477	\$ 798,813	\$ 444,103	\$ 1,674,094	\$ 1,313,447	\$ 998,917	\$ 1,074,229	\$ 1,334,818	\$ 942,482
Plan fiduciary net position as a percentage of the total pension liability	92.73%	91.03%	91.10%	95.20%	81.33%	84.84%	87.15%	85.72%	81.05%	85.61%
Covered payroll	\$ 1,935,583	\$ 1,787,241	\$ 1,683,373	\$ 1,611,887	\$ 1,657,458	\$ 1,590,448	\$ 1,531,307	\$ 1,472,797	\$ 1,460,017	\$ 1,472,340
Component Units' net pension liability as a percentage of covered payroll	35.96%	45.74%	47.45%	27.55%	101.00%	82.58%	65.23%	72.94%	91.42%	64.01%

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, 2015 through June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	\$ 352,755	\$ 329,298	\$ 265,252	\$ 281,580	\$ 302,641	\$ 312,522	\$ 325,917	\$ 353,607	\$ 359,182	\$ 375,904
Interest	1,961,122	1,898,388	1,894,813	1,799,889	1,805,274	1,797,737	1,784,614	1,770,523	1,752,811	1,729,888
Assumption changes	-	-	-	896,175	-	655,655	-	(70,894)	-	-
Differences between expected and actual experience	171,028	732,306	(191,026)	80,585	(321,563)	69,476	(208,796)	(183,199)	(243,199)	(222,538)
Benefit payments	(2,060,314)	(2,047,793)	(1,912,471)	(1,921,932)	(1,810,307)	(1,734,801)	(1,693,716)	(1,643,775)	(1,587,749)	(1,523,814)
Net change in total pension liability	\$ 424,591	\$ 912,199	\$ 56,568	\$ 1,136,297	\$ (23,955)	\$ 1,100,589	\$ 208,019	\$ 226,762	\$ 281,045	\$ 359,440
Total pension liability - beginning	\$ 29,731,059	\$ 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)	\$ 30,155,650	\$ 29,731,059	\$ 28,818,860	\$ 28,762,292	\$ 27,625,995	\$ 27,649,950	\$ 26,549,361	\$ 26,341,342	\$ 26,115,080	\$ 25,834,035
Plan fiduciary net position										
Contributions - employer	\$ 676,921	\$ 629,516	\$ 554,933	\$ 503,723	\$ 446,165	\$ 450,672	\$ 496,279	\$ 511,878	\$ 637,931	\$ 629,864
Contributions - employee	193,906	184,722	173,641	158,847	165,344	167,179	179,643	185,775	191,556	190,601
Net investment income	2,251,582	1,469,593	(7,621)	5,446,221	398,165	1,360,432	1,494,878	2,292,108	328,681	875,280
Benefit payments	(2,060,314)	(2,047,793)	(1,912,471)	(1,921,932)	(1,810,307)	(1,734,801)	(1,693,716)	(1,643,775)	(1,587,749)	(1,523,814)
Administrator charges	(15,737)	(15,328)	(15,619)	(14,390)	(14,365)	(14,332)	(13,492)	(13,865)	(12,500)	(12,501)
Other	437	586	551	501	(462)	(850)	(1,308)	(2,014)	(142)	(185)
Net change in plan fiduciary net position	\$ 1,046,795	\$ 221,296	\$ (1,206,586)	\$ 4,172,970	\$ (815,460)	\$ 228,300	\$ 462,284	\$ 1,330,107	\$ (442,223)	\$ 159,245
Plan fiduciary net position - beginning	\$ 23,667,834	\$ 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)	\$ 24,714,629	\$ 23,667,834	\$ 23,446,538	\$ 24,653,124	\$ 20,480,154	\$ 21,295,614	\$ 21,067,314	\$ 20,605,030	\$ 19,274,923	\$ 19,717,146
School Board's net pension liability - ending (a) - (b)	\$ 5,441,021	\$ 6,063,225	\$ 5,372,322	\$ 4,109,168	\$ 7,145,841	\$ 6,354,336	\$ 5,482,047	\$ 5,736,312	\$ 6,840,157	\$ 6,116,889
Plan fiduciary net position as a percentage of the total pension liability	81.96%	79.61%	81.36%	85.71%	74.13%	77.02%	79.35%	78.22%	73.81%	76.32%
Covered payroll	\$ 4,343,330	\$ 4,074,182	\$ 3,779,290	\$ 3,428,413	\$ 3,526,992	\$ 3,530,389	\$ 3,778,109	\$ 3,877,669	\$ 3,958,254	\$ 3,891,558
School Board's net pension liability as a percentage of covered payroll	125.27%	148.82%	142.15%	119.86%	202.60%	179.99%	145.10%	147.93%	172.81%	157.18%

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, 2015 through June 30, 2024

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)
2024	0.29407%	\$ 27,604,159	\$ 31,048,928	88.91%	84.52%
2023	0.29333%	29,647,464	28,887,547	102.63%	82.45%
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%

County of Tazewell, Virginia
Schedule of Employer Contributions
Pension Plans
For the Fiscal Years Ended June 30, 2016 through June 30, 2025

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					
2025	\$ 1,673,877	\$ 1,673,877	-	\$ 14,386,228	11.64%
2024	1,528,362	1,528,362	-	13,396,738	11.41%
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%
Component Units					
2025	\$ 229,154	\$ 229,154	-	\$ 1,969,472	11.64%
2024	220,711	220,711	-	1,935,583	11.40%
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%
Component Unit School Board (nonprofessional)					
2025	\$ 699,763	\$ 699,763	-	\$ 4,556,688	15.36%
2024	676,918	676,918	-	4,343,330	15.59%
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%
Component Unit School Board (professional)					
2025	\$ 4,643,080	\$ 4,643,080	-	\$ 32,275,828	14.39%
2024	4,959,886	4,959,886	-	31,048,928	15.97%
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%

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

County of Tazewell, Virginia
Notes to Required Supplementary Information
Pension Plans
For the Fiscal Year Ended June 30, 2025

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, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. 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 and Related Ratios - Health Insurance
 Primary Government

For the Fiscal Years Ended June 30, 2018 through June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability								
Service cost	\$ 309,000	\$ 330,000	\$ 421,000	\$ 332,000	\$ 217,661	\$ 193,536	\$ 299,000	\$ 283,000
Interest	226,000	233,000	150,000	165,000	190,416	215,422	207,000	198,000
Assumption changes	(152,000)	(73,000)	(1,092,000)	791,000	338,617	461,172	66,000	-
Differences between expected and actual experience	715,000	(453,000)	(262,000)	221,994	59,879	(214,484)	(430,000)	-
Contributions	-	-	(755,000)	(261,000)	(266,762)	(293,899)	(268,000)	-
Benefit payments	(456,000)	(522,000)	-	-	-	-	-	(257,000)
Changes in proportionate share	-	-	-	-	(265,804)	395,252	-	-
Net change in total OPEB liability	\$ 642,000	\$ (485,000)	\$ (1,538,000)	\$ 1,248,994	\$ 274,007	\$ 756,999	\$ (126,000)	\$ 224,000
Total OPEB liability - beginning	5,766,000	6,251,000	7,789,000	6,540,006	6,265,999	5,509,000	5,635,000	5,411,000
Total OPEB liability - ending	\$ 6,408,000	\$ 5,766,000	\$ 6,251,000	\$ 7,789,000	\$ 6,540,006	\$ 6,265,999	\$ 5,509,000	\$ 5,635,000
Covered-employee payroll	\$ 13,368,000	\$ 11,681,000	\$ 12,915,289	\$ 11,474,701	\$ 10,892,625	\$ 11,921,375	\$ 11,122,229	\$ 10,159,885
County's total OPEB liability as a percentage of covered-employee	47.94%	49.36%	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 and Related Ratios - Health Insurance
Other Component Units

For the Fiscal Years Ended June 30, 2018 through June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability								
Service cost	\$ 45,000	\$ 48,000	\$ 55,000	\$ 44,000	\$ 21,100	\$ 23,628	\$ 35,000	\$ 33,000
Interest	25,000	25,000	16,000	17,000	18,459	26,301	41,000	39,000
Assumption changes	(1,000)	(8,000)	(151,000)	65,000	32,826	56,304	(9,000)	-
Differences between expected and actual experience	(277,000)	(85,000)	(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	\$ (208,000)	\$ (20,000)	\$ (143,000)	\$ 132,000	\$ (131,005)	\$ 104,005	\$ (458,000)	\$ 31,000
Total OPEB liability - beginning	603,000	623,000	766,000	634,000	765,005	661,000	1,119,000	1,088,000
Total OPEB liability - ending	\$ 395,000	\$ 603,000	\$ 623,000	\$ 766,000	\$ 634,000	\$ 765,005	\$ 661,000	\$ 1,119,000
Covered-employee payroll	\$ 1,898,000	\$ 2,196,000	\$ 1,287,190	\$ 1,128,460	\$ 1,055,951	\$ 1,455,451	\$ 1,334,629	\$ 2,018,712
Other Component Units' total OPEB liability as a percentage of covered-employee	20.81%	27.46%	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 and Related Ratios - Health Insurance
 Component Unit School Board
 For the Fiscal Years Ended June 30, 2018 through June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability								
Service cost	\$ 466,000	\$ 485,000	\$ 607,000	\$ 475,000	\$ 488,239	\$ 401,836	\$ 573,000	\$ 543,000
Interest	496,000	516,000	315,000	364,000	427,125	447,277	585,000	582,000
Assumption changes	102,000	(143,000)	(1,916,000)	1,461,000	759,557	957,524	(878,000)	-
Differences between expected and actual experience	(138,000)	(1,110,000)	(523,000)	(259,994)	134,316	(445,330)	(3,120,000)	-
Contributions	-	(863,000)	(686,000)	(569,000)	(598,378)	(610,219)	(683,000)	-
Benefit payments	(894,000)	-	-	-	-	-	-	(1,371,000)
Changes in proportionate share	-	-	-	-	449,139	(455,092)	-	-
Net change in total OPEB liability	\$ 32,000	\$ (1,115,000)	\$ (2,203,000)	\$ 1,471,006	\$ 1,659,998	\$ 295,996	\$ (3,523,000)	\$ (246,000)
Total OPEB liability - beginning	12,823,000	13,938,000	16,141,000	14,669,994	13,009,996	12,714,000	16,237,000	16,483,000
Total OPEB liability - ending	\$ 12,855,000	\$ 12,823,000	\$ 13,938,000	\$ 16,141,000	\$ 14,669,994	\$ 13,009,996	\$ 12,714,000	\$ 16,237,000
Covered-employee payroll	\$ 25,263,000	\$ 29,122,000	\$ 28,797,521	\$ 23,778,839	\$ 24,433,424	\$ 24,752,165	\$ 25,671,036	\$ 29,273,402
School Board's total OPEB liability as a percentage of covered-employee	50.88%	44.03%	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, 2025

Valuation Date: 7/1/2024
Measurement Date: 7/1/2024

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	4.09%
Inflation	2.50%
Healthcare Trend Rate	6.25% for fiscal year end 2025, 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	PUB-2010 Amount-Weighted General Mortality Table - Employees with MP-2021 Projected Scale Fully Generational

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, 2024

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:					
2024	0.05236%	\$ 584,247	\$ 13,443,894	4.35%	73.41%
2023	0.05233%	627,609	12,326,763	5.09%	69.30%
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:					
2024	0.00756%	\$ 84,414	\$ 1,942,396	4.35%	73.41%
2023	0.00760%	91,140	1,790,055	5.09%	69.30%
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:					
2024	0.01714%	\$ 191,269	\$ 4,401,175	4.35%	73.41%
2023	0.01761%	211,199	4,147,656	5.09%	69.30%
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:					
2024	0.12141%	\$ 1,354,841	\$ 31,174,391	4.35%	73.41%
2023	0.12312%	1,476,595	29,002,351	5.09%	69.30%
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, 2016 through June 30, 2025

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:					
2025	\$ 67,846	\$ 67,846	\$ -	\$ 14,435,359	0.47%
2024	72,597	72,597	-	13,443,894	0.54%
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:					
2025	\$ 9,288	\$ 9,288	\$ -	\$ 1,976,198	0.47%
2024	10,484	10,484	-	1,942,396	0.54%
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):					
2025	\$ 21,763	\$ 21,763	\$ -	\$ 4,630,462	0.47%
2024	23,766	23,766	-	4,401,175	0.54%
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%
Component Unit School Board (professional):					
2025	\$ 151,941	\$ 151,941	\$ -	\$ 32,327,920	0.47%
2024	168,342	168,342	-	31,174,391	0.54%
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%

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, 2025

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, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. 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, 2024

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)
2024	0.28978%	\$ 3,348,837	\$ 31,047,034	10.79%	21.82%
2023	0.28968%	3,509,234	28,883,972	12.15%	17.90%
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, 2016 through June 30, 2025

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)
2025	\$ 390,609	\$ 390,609	\$ -	\$ 32,281,705	1.21%
2024	375,669	375,669	-	31,047,034	1.21%
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%

County of Tazewell, Virginia
Notes to Required Supplementary Information
Teacher Employee Health Insurance Credit (HIC) Plan
For the Fiscal Year Ended June 30, 2025

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, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. 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, 2024

	2024	2023	2022	2021	2020
Total HIC OPEB Liability					
Service cost	\$ 3,656	\$ 3,764	\$ 4,852	\$ 5,537	\$ -
Interest	35,164	57,823	57,043	52,830	-
Differences between expected and actual experience	(4,510)	(355,173)	(25,007)	-	-
Changes in assumptions	-	-	17,140	19,263	-
Benefit payments	(41,340)	(42,650)	(40,126)	-	782,665
Net change in total pension liability	\$ (7,030)	\$ (336,236)	\$ 13,902	\$ 77,630	\$ 782,665
Total HIC OPEB Liability - beginning	537,961	874,197	860,295	782,665	-
Total HIC OPEB Liability - ending (a)	\$ 530,931	\$ 537,961	\$ 874,197	\$ 860,295	\$ 782,665
Plan fiduciary net position					
Contributions - employer	\$ 84,694	\$ 79,448	\$ 61,981	\$ 56,225	\$ -
Net investment income	14,773	6,882	(430)	7,462	-
Benefit payments	(41,340)	(42,650)	(40,126)	-	-
Administrator charges	(220)	(186)	(152)	(249)	-
Other	1	2	-	-	-
Net change in plan fiduciary net position	\$ 57,908	\$ 43,496	\$ 21,273	\$ 63,438	\$ -
Plan fiduciary net position - beginning	128,207	84,711	63,438	-	-
Plan fiduciary net position - ending (b)	\$ 186,115	\$ 128,207	\$ 84,711	\$ 63,438	\$ -
Component Unit School Board's net HIC OPEB liability - ending (a) - (b)	\$ 344,816	\$ 409,754	\$ 789,486	\$ 796,857	\$ 782,665
Plan fiduciary net position as a percentage of the total HIC OPEB liability	35.05%	23.83%	9.69%	7.37%	0.00%
Covered payroll	\$ 4,343,329	\$ 4,074,182	\$ 3,779,290	\$ 3,428,413	\$ -
Component Unit School Board's net HIC OPEB liability as a percentage of covered payroll	7.94%	10.06%	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, 2025

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)
2025	\$ 88,855	\$ 88,855	-	\$ 4,556,688	1.95%
2024	84,695	84,695	-	4,343,329	1.95%
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, 2025

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, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. 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, 2025

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Pos (Neg)</u>
REVENUES				
Intergovernmental:				
Commonwealth	\$ 4,417,000	\$ 4,417,000	\$ 49,536	\$ (4,367,464)
Total Revenues	\$ 4,417,000	\$ 4,417,000	\$ 49,536	\$ (4,367,464)
EXPENDITURES:				
Current:				
General Government Administration	\$ -	\$ -	\$ 3,000	\$ (3,000)
Public Works	898,000	898,000	898,000	-
Community Development	5,220,675	5,220,675	283,184	4,937,491
Total Expenditures	\$ 6,118,675	\$ 6,118,675	\$ 1,184,184	\$ 4,934,491
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (1,701,675)	\$ (1,701,675)	\$ (1,134,648)	\$ 567,027
Other Financing Sources (Uses)				
Transfers In	\$ 941,350	\$ 941,350	\$ 941,350	\$ -
Total Other Financing Sources (Uses)	\$ 941,350	\$ 941,350	\$ 941,350	\$ -
Net Change in Fund Balance	\$ (760,325)	\$ (760,325)	\$ (193,298)	\$ 567,027
Fund Balance - Beginning	760,325	760,325	953,125	192,800
Fund Balance - Ending	\$ -	\$ -	\$ 759,827	\$ 759,827

County of Tazewell, Virginia
Nonmajor Funds
Balance Sheet
June 30, 2025

	Special Revenue Funds
ASSETS	
Cash and Cash Equivalents	\$ 3,098,942
Due from Other Funds	30,254
Receivables (Net of Allowance for Uncollectibles):	
Taxes	98,793
Total Assets	<u>\$ 3,227,989</u>
 FUND BALANCES	
Committed	\$ 3,227,989
Total Liabilities and Fund Balances	<u>\$ 3,227,989</u>

County of Tazewell, Virginia
Nonmajor Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2025

	<u>Special Revenue Funds</u>
REVENUES	
Other Local Taxes	\$ 1,964,699
Charges for Services	9,662
Total Revenues	<u>\$ 1,974,361</u>
EXPENDITURES:	
Current:	
Judicial Administration	\$ 13,575
Public Works	1,516,533
Total Expenditures	<u>\$ 1,530,108</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 444,253</u>
Other Financing Sources (Uses)	
Transfers In	\$ 5,000
Transfers Out	(304,950)
Total Other Financing Sources (Uses)	<u>\$ (299,950)</u>
Net Change in Fund Balance	\$ 144,303
Fund Balance - Beginning	3,083,686
Fund Balance - Ending	<u><u>\$ 3,227,989</u></u>

County of Tazewell, Virginia
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2025

	<u>Law Library</u>	<u>Coal Road</u>	<u>Coal Road</u>	<u>Total</u>
	<u>Fund</u>	<u>Improvement</u>	<u>Economic</u>	
		<u>Fund</u>	<u>Development</u>	<u>Fund</u>
ASSETS				
Cash and Cash Equivalents	\$ 3,684	\$ 3,017,964	\$ 77,294	\$ 3,098,942
Due from Other Funds	-	30,254	-	30,254
Receivables (Net of Allowance for Uncollectibles):				
Taxes	-	68,150	30,643	98,793
Total Assets	\$ 3,684	\$ 3,116,368	\$ 107,937	\$ 3,227,989
FUND BALANCES				
Committed	\$ 3,684	\$ 3,116,368	\$ 107,937	\$ 3,227,989
Total Fund Balances	\$ 3,684	\$ 3,116,368	\$ 107,937	\$ 3,227,989
Total Liabilities and Fund Balances	\$ 3,684	\$ 3,116,368	\$ 107,937	\$ 3,227,989

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, 2025

	<u>Law Library Fund</u>	<u>Coal Road Improvement Fund</u>	<u>Coal Road Economic Development Fund</u>	<u>Total</u>
REVENUES				
Other Local Taxes	\$ -	\$ 1,402,204	\$ 562,495	\$ 1,964,699
Charges for Services	9,662	-	-	9,662
Total Revenues	<u>\$ 9,662</u>	<u>\$ 1,402,204</u>	<u>\$ 562,495</u>	<u>\$ 1,974,361</u>
EXPENDITURES				
Current:				
Judicial Administration	\$ 13,575	\$ -	\$ -	\$ 13,575
Public Works	-	964,369	552,164	1,516,533
Total Expenditures	<u>\$ 13,575</u>	<u>\$ 964,369</u>	<u>\$ 552,164</u>	<u>\$ 1,530,108</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (3,913)	\$ 437,835	\$ 10,331	\$ 444,253
Other Financing Sources (Uses)				
Transfers In	\$ 5,000	\$ -	\$ -	\$ 5,000
Transfers Out	-	(304,950)	-	(304,950)
Total Other Financing Sources (Uses)	<u>\$ 5,000</u>	<u>\$ (304,950)</u>	<u>\$ -</u>	<u>\$ (299,950)</u>
Net Change in Fund Balance	\$ 1,087	\$ 132,885	\$ 10,331	\$ 144,303
Fund Balance - Beginning	2,597	2,983,483	97,606	3,083,686
Fund Balance - Ending	<u>\$ 3,684</u>	<u>\$ 3,116,368</u>	<u>\$ 107,937</u>	<u>\$ 3,227,989</u>

Exhibit 37

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, 2025

	Law Library Fund				Coal Road Improvement Fund			
	Actual		Variance with		Actual		Variance with	
	Original	Final	Amounts	Final Budget Pos (Neg)	Original	Final	Amounts	Final Budget Pos (Neg)
REVENUES								
Other Local Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,140,000	\$ 1,140,000	\$ 1,402,204	\$ 262,204
Charges for Services	8,500	8,500	9,662	1,162	-	-	-	-
Total Revenues	\$ 8,500	\$ 8,500	\$ 9,662	\$ 1,162	\$ 1,140,000	\$ 1,140,000	\$ 1,402,204	\$ 262,204
EXPENDITURES:								
Current:								
Judicial Administration	\$ 8,500	\$ 13,575	\$ 13,575	\$ -	\$ -	\$ -	\$ -	\$ -
Public Works	-	-	-	-	890,873	1,060,373	964,369	96,004
Total Expenditures	\$ 8,500	\$ 13,575	\$ 13,575	\$ -	\$ 890,873	\$ 1,060,373	\$ 964,369	\$ 96,004
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ (5,075)	\$ (3,913)	\$ 1,162	\$ 249,127	\$ 79,627	\$ 437,835	\$ 358,208
Other Financing Sources (Uses)								
Transfers In	\$ -	\$ 5,075	\$ 5,000	\$ (75)	\$ -	\$ -	\$ -	\$ -
Transfers Out	-	-	-	-	(304,950)	(304,950)	(304,950)	-
Total Other Financing Sources (Uses)	\$ -	\$ 5,075	\$ 5,000	\$ (75)	\$ (304,950)	\$ (304,950)	\$ (304,950)	\$ -
Net Change in Fund Balance	\$ -	\$ -	\$ 1,087	\$ 1,087	\$ (55,823)	\$ (225,323)	\$ 132,885	\$ 358,208
Fund Balance - Beginning	-	-	2,597	2,597	55,823	225,323	2,983,483	2,758,160
Fund Balance - Ending	\$ -	\$ -	\$ 3,684	\$ 3,684	\$ -	\$ -	\$ 3,116,368	\$ 3,116,368

Exhibit 37

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, 2025

	Coal Road Economic Development Fund						Total	
				Variance with				
	Original	Final	Actual	Final Budget	Pos (Neg)	Actual	Variance with	Final Budget
			Amounts			Amounts	Pos (Neg)	
REVENUES								
Other Local Taxes	\$ 500,000	\$ 500,000	\$ 562,495	\$ 62,495	\$ -	\$ 1,640,000	\$ 1,964,699	\$ 324,699
Charges for Services	-	-	-	-	-	8,500	9,662	1,162
Total Revenues	\$ 500,000	\$ 500,000	\$ 562,495	\$ 62,495	\$ -	\$ 1,648,500	\$ 1,974,361	\$ 325,861
EXPENDITURES:								
Current:								
Judicial Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,500	\$ 13,575	\$ -
Public Works	507,000	552,165	552,164	1	1,397,873	1,612,538	1,516,533	96,005
Total Expenditures	\$ 507,000	\$ 552,165	\$ 552,164	\$ 1	\$ 1,406,373	\$ 1,626,113	\$ 1,530,108	\$ 96,005
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (7,000)	\$ (52,165)	\$ 10,331	\$ 62,496	\$ -	\$ 242,127	\$ 444,253	\$ 421,866
Other Financing Sources (Uses)								
Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,075	\$ (75)
Transfers Out	-	-	-	-	-	(304,950)	(304,950)	-
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (304,950)	\$ (299,875)	\$ (75)
Net Change in Fund Balance	\$ (7,000)	\$ (52,165)	\$ 10,331	\$ 62,496	\$ -	\$ (62,823)	\$ (277,488)	\$ 144,303
Fund Balance - Beginning	7,000	52,165	97,606	45,441	-	62,823	277,488	3,083,686
Fund Balance - Ending	\$ -	\$ -	\$ 107,937	\$ 107,937	\$ -	\$ -	\$ 3,227,989	\$ 3,227,989

County of Tazewell, Virginia
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2025

	Special Welfare Funds	Local Sales Tax Fund	Total
ASSETS			
Cash and cash equivalents	\$ 179,304	\$ -	\$ 179,304
Due from other governments	-	286,814	286,814
Total Assets	<u>\$ 179,304</u>	<u>\$ 286,814</u>	<u>\$ 466,118</u>
LIABILITIES			
Sales tax due to Towns	\$ -	\$ 286,814	\$ 286,814
NET POSITION			
Restricted for:			
Social services clients	\$ 179,304	\$ -	\$ 179,304
Total Net Position	<u>\$ 179,304</u>	<u>\$ -</u>	<u>\$ 179,304</u>

County of Tazewell, Virginia
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2025

	Custodial Funds		
	Special Welfare Funds	Local Sales Tax Fund	Total
ADDITIONS			
Contributions:			
Expenditure reimbursement	\$ 59,250	\$ -	\$ 59,250
Sales tax collections for other governments	-	1,637,086	1,637,086
Interest	11	-	11
Total contributions	\$ 59,261	\$ 1,637,086	\$ 1,696,347
DEDUCTIONS:			
Special welfare payments	\$ 11,763	\$ -	\$ 11,763
Payments of sales tax to other governments		1,637,086	1,637,086
Total deductions	\$ 11,763	\$ 1,637,086	\$ 1,648,849
 Net increase (decrease) in fiduciary net position	 \$ 47,498	 \$ -	 \$ 47,498
Net position, beginning	131,806	-	131,806
Net position, ending	\$ 179,304	\$ -	\$ 179,304

County of Tazewell, Virginia
Discretely Presented Component Unit - School Board
Combining Balance Sheet
June 30, 2025

	School Operating Fund	School Activity Fund	Total
ASSETS			
Cash and Cash Equivalents	\$ 24,971,540	\$ 1,468,716	\$ 26,440,256
Accounts Receivable	301,217	12,251	313,468
Due from Primary Government	-	29,616	29,616
Due from Other Governmental Units	2,796,998	-	2,796,998
Prepaid items	1,042,834	-	1,042,834
Total Assets	<u>\$ 29,112,589</u>	<u>\$ 1,510,583</u>	<u>\$ 30,623,172</u>
LIABILITIES			
Accounts Payable	\$ 1,035,441	\$ 18,703	\$ 1,054,144
Accrued Wages Payable	3,872,079	-	3,872,079
Accrued Health Claims	769,154	-	769,154
Due to Primary Government	6,111,703	-	6,111,703
Unearned Revenue	895,412	-	895,412
Total Liabilities	<u>\$ 12,683,789</u>	<u>\$ 18,703</u>	<u>\$ 12,702,492</u>
FUND BALANCE			
Nonspendable	\$ 1,042,834	-	\$ 1,042,834
Restricted	7,614,805	-	7,614,805
Committed	7,771,161	1,491,880	9,263,041
Total Fund Balances	<u>\$ 16,428,800</u>	<u>\$ 1,491,880</u>	<u>\$ 17,920,680</u>
Total Liabilities and Fund Balances	<u>\$ 29,112,589</u>	<u>\$ 1,510,583</u>	<u>\$ 30,623,172</u>

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

Total fund balances - per above	\$ 17,920,680
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets, not being depreciated/amortized	\$ 16,354,257
Capital assets, net of accumulated depreciation/amortization	<u>31,199,678</u>
	47,553,935
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	
Pension related items	\$ 11,177,481
OPEB related items	<u>2,654,059</u>
	13,831,540
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	\$ (18,094,763)
Compensated absences	(1,593,535)
Net pension liabilities	<u>(33,045,180)</u>
	(52,733,478)
Deferred inflows of resources are not due and payable in the current period, and, therefore, are not reported in the funds.	
Pension related items	\$ (5,249,014)
OPEB related items	<u>(2,829,139)</u>
	(8,078,153)
Net Position of governmental activities - component unit school board	<u>\$ 18,494,524</u>

County of Tazewell, Virginia
Discretely Presented Component Unit-School Board
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2025

	School Operating Fund	School Activity Fund	Total
REVENUES			
Revenue from Use of Money and Property	\$ 248,098	\$ -	\$ 248,098
Charges for Services	611,005	1,092,129	1,703,134
Miscellaneous	403,547	1,097,229	1,500,776
Recovered Costs	429,469	-	429,469
Intergovernmental:			
Local Government	18,937,742	-	18,937,742
Commonwealth	59,250,177	-	59,250,177
Federal Government	9,096,666	-	9,096,666
Total Revenues	<u>\$ 88,976,704</u>	<u>\$ 2,189,358</u>	<u>\$ 91,166,062</u>
EXPENDITURES:			
Current:			
Education	\$ 92,345,138	\$ 1,936,337	\$ 94,281,475
Total Expenditures	<u>\$ 92,345,138</u>	<u>\$ 1,936,337</u>	<u>\$ 94,281,475</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (3,368,434)</u>	<u>\$ 253,021</u>	<u>\$ (3,115,413)</u>
Net Change in Fund Balance	\$ (3,368,434)	\$ 253,021	\$ (3,115,413)
Fund Balance - Beginning	19,797,234	1,238,859	21,036,093
Fund Balance - Ending	<u>\$ 16,428,800</u>	<u>\$ 1,491,880</u>	<u>\$ 17,920,680</u>
Amounts reported for governmental activities in the Statement of Activities (Exhibit 2) are different because:			
Net change in fund balance - total governmental funds - per above			\$ (3,115,413)
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		\$ 9,570,048	
Depreciation expense		<u>(2,683,833)</u>	6,886,215
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.			
Change in compensated absences		\$ (153,292)	
Change in OPEB related items		2,339,924	
Change in pension related items		<u>710,784</u>	2,897,416
Change in net position of governmental funds - component unit school board			<u>\$ 6,668,218</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, 2025

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Pos (Neg)
Revenue from Use of Money and Property	\$ 248,000	\$ 248,000	\$ 248,098	\$ 98
Charges for Services	704,337	704,337	611,005	(93,332)
Miscellaneous	404,009	404,009	403,547	(462)
Recovered Costs	322,500	322,500	429,469	106,969
Intergovernmental:				
Local Government	16,788,402	16,788,402	18,937,742	2,149,340
Commonwealth	58,747,544	58,747,544	59,250,177	502,633
Federal Government	9,055,580	9,055,580	9,096,666	41,086
Total Revenues	\$ 86,270,372	\$ 86,270,372	\$ 88,976,704	\$ 2,706,332
EXPENDITURES				
Current:				
Education	\$ 107,120,844	\$ 107,120,844	\$ 92,345,138	\$ 14,775,706
Total Expenditures	\$ 107,120,844	\$ 107,120,844	\$ 92,345,138	\$ 14,775,706
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (20,850,472)	\$ (20,850,472)	\$ (3,368,434)	\$ 17,482,038
Other Financing Sources (Uses)				
Transfers In	\$ (1,050,000)	\$ (1,050,000)	\$ -	\$ 1,050,000
Net Change in Fund Balance	\$ (21,900,472)	\$ (21,900,472)	\$ (3,368,434)	\$ 18,532,038
Fund Balance - Beginning	21,900,472	21,900,472	19,797,234	(2,103,238)
Fund Balance - Ending	\$ -	\$ -	\$ 16,428,800	\$ 16,428,800

County of Tazewell, Virginia
Combining Statement of Net Position
Other Component Units
June 30, 2025

	Public Service Authority	Industrial Develop- ment Authority	Airport Authority	Total
ASSETS				
Cash and cash equivalents	\$ 4,641,256	\$ 536,551	\$ 94,120	\$ 5,271,927
Receivables (net of allowance for uncollectibles):				
Accounts receivable	1,082,810	-	884	1,083,694
Notes receivable	367,189	958,780	-	1,325,969
Leases receivable	-	1,543,157	-	1,543,157
Rent receivable	-	8,436	-	8,436
Assets held for sale	-	2,564,058	-	2,564,058
Due from other governmental units	125,900	-	960	126,860
Inventory	142,628	-	23,360	165,988
Prepaid items	50,960	-	8,507	59,467
Restricted assets:				
Cash and cash equivalents	203,150	-	-	203,150
Capital assets not being depreciated/amortized	2,166,749	16,939,097	1,417,203	20,523,049
Capital assets, net of accumulated depreciation/amortization	64,817,981	6,462,518	2,955,943	74,236,442
Total assets	\$ 73,598,623	\$ 29,012,597	\$ 4,500,977	\$ 107,112,197
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	\$ 338,471	\$ -	\$ 2,355	\$ 340,826
OPEB related items	54,875	-	286	55,161
Total deferred outflows of resources	\$ 393,346	\$ -	\$ 2,641	\$ 395,987
LIABILITIES				
Accounts payable	\$ 201,306	\$ 208,422	\$ 10,623	\$ 420,351
Accounts payable - construction projects	46,652	-	-	46,652
Accrued wages	68,582	-	940	69,522
Customers' deposits	203,150	-	-	203,150
Accrued interest payable	82,592	-	422	83,014
Due to primary government	99,332	-	-	99,332
Unearned Revenue	446,204	-	-	446,204
Short-term loan payable	-	-	100,000	100,000
Long-term liabilities:				
Due within one year	2,486,534	107,842	12,220	2,606,596
Due in more than one year	25,339,829	4,051,087	168,293	29,559,209
Total liabilities	\$ 28,974,181	\$ 4,367,351	\$ 292,498	\$ 33,634,030
DEFERRED INFLOWS OF RESOURCES				
Pension related items	\$ 254,329	\$ -	\$ 10,638	\$ 264,967
OPEB related items	404,607	-	249	404,856
Lease related	-	1,469,155	-	1,469,155
Total deferred inflows of resources	\$ 658,936	\$ 1,469,155	\$ 10,887	\$ 2,138,978
NET POSITION				
Net investment in capital assets	\$ 40,926,096	\$ 19,260,380	\$ 4,206,668	\$ 64,393,144
Unrestricted (deficit)	3,432,756	3,915,711	(6,435)	7,342,032
Total Net Position	\$ 44,358,852	\$ 23,176,091	\$ 4,200,233	\$ 71,735,176

County of Tazewell, Virginia
Combining Statement of Activities
Other Component Units
For the Fiscal Year Ended June 30, 2025

Functions/Programs	Program Revenues				Component Unit			
	Expenses	Charges for Services	Operating		Public Service Authority	Industrial Development Authority		Total
			Grants and Contributions	Capital Grants and Contributions		Authority	Authority	
OTHER COMPONENT UNITS:								
Public Service Authority	\$ 10,349,812	\$ 8,948,899	\$ -	\$ 279,981	\$ (1,120,932)	\$ -	\$ -	\$ (1,120,932)
Industrial Development Authority	1,041,295	429,427	101,875	-	-	(509,993)	-	(509,993)
Airport Authority	595,210	39,902	158,650	127,964	-	-	(268,694)	(268,694)
Total other component units	\$ 11,986,317	\$ 9,418,228	\$ 260,525	\$ 407,945	\$ (1,120,932)	\$ (509,993)	\$ (268,694)	\$ (1,899,619)
General revenues:								
Unrestricted revenues from use of money					\$ 176,021	\$ 30,756	\$ -	\$ 206,777
Miscellaneous					391,263	51,279	5,158	447,700
Payments from Tazewell County					1,000,171	304,585	-	1,304,756
Total general revenues					\$ 1,567,455	\$ 386,620	\$ 5,158	\$ 1,959,233
Change in net position					\$ 446,523	\$ (123,373)	\$ (263,536)	\$ 59,614
Net position - beginning					43,912,329	23,299,464	4,463,769	71,675,562
Net position - ending					\$ 44,358,852	\$ 23,176,091	\$ 4,200,233	\$ 71,735,176

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
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
2023-24	4,394,632	3,420,912	16,620,981	3,193,836	13,798,528	10,174,433	2,277,165	1,070,447	409,475	3,107,096	58,467,505
2024-25	3,866,884	3,637,711	17,294,047	4,079,995	12,943,756	19,069,224	2,172,856	1,460,314	335,663	6,091,737	70,952,187

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	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs		
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	
2023-24	1,826,025	21,873,867	28,328,493	12,206,994	756,813	1,950,759	4,159,473	71,102,424	
2024-25	1,579,784	18,418,833	31,094,008	12,251,873	729,531	499,497	4,477,222	69,050,748	

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	Debt Service	Total
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
2023-24	5,641,576	3,000,613	17,752,985	3,179,132	14,119,118	87,478,003	1,819,522	1,537,444	45,272	2,370,216	136,943,881
2024-25	5,248,424	3,142,238	18,956,982	4,040,607	13,463,453	94,412,957	1,692,271	1,456,606	360,903	2,379,134	145,153,575

(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

Table 4

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
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
2023-24	28,050,665	12,206,994	208,698	9,835	1,051,547	2,029,883	2,165,296	2,831,764	97,383,214	145,937,896
2024-25	30,899,894	12,251,873	230,056	48,283	1,212,271	1,872,358	2,161,193	3,794,695	91,242,898	143,713,521

(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
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%
2023-24	30,419,281	28,315,607	93.08%	1,482,839	29,798,446	97.96%	4,176,335	13.73%
2024-25	33,920,730	30,703,044	90.51%	1,856,854	32,559,898	95.99%	4,391,620	12.95%

(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
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
2023-24	2,900,909,287	535,852,090	57,940,500	29,077,950	247,508,853	3,771,288,680
2024-25	3,190,450,788	594,226,210	79,433,600	21,048,500	276,572,819	4,161,731,917

(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 Real Estate	Public Service Personal Property
2015-16	\$ 0.55	\$ 2.00	\$ 2.00	\$ 3.80	\$ 0.55	\$ 2.00
2016-17	0.55	2.00	2.00	3.80	0.55	2.00
2017-18	0.55	2.00	2.00	3.80	0.55	2.00
2018-19	0.58	2.00	2.00	3.80	0.58	2.00
2019-20	0.58	2.00	2.00	3.80	0.58	2.00
2020-21	0.58	2.00	2.00	4.30	0.58	2.00
2021-22	0.58	2.00	2.00	4.30	0.58	2.00
2022-23	0.58	2.00	2.00	4.30	0.58	2.00
2023-24	0.58	2.00	2.00	4.30	0.58	2.00
2024-25	0.58	2.00	2.00	4.30	0.58	2.00

(1) Per \$100 of assessed value.

Table 8

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

Fiscal Year	Population (1)	Assessed Value	Gross Bonded Debt (2)	Ratio of Net General Obligation Bonded Debt to Assessed Value	Net Bonded Debt per Capita
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
2023-24	39,925	3,771,288,680	2,172,404	0.06%	54
2024-25	38,875	4,161,731,917	1,657,572	0.04%	43

(1) Bureau of the Census.

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

Excludes revenue bonds, leases, subscriptions 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
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%
2023-24	1,927,271	442,945	2,370,216	136,943,881	1.73%
2024-25	2,014,783	364,351	2,379,134	145,153,575	1.64%

(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, each major fund, and the aggregate remaining fund information of the County of Tazewell, Virginia as of and for the year ended June 30, 2025, 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 March 31, 2026. 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 item 2025-001 that we consider to be a material weakness.

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
March 31, 2026



**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

Opinion on Each Major Federal Program

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, 2025. 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.

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 major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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 opinion 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.

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.

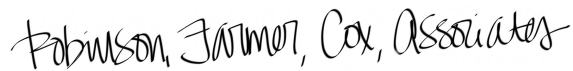
Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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.


Blacksburg, Virginia
March 31, 2026

County of Tazewell, Virginia
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2025

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:			
Virginia Department of Social Services:			
Temporary Assistance for Needy Families (TANF)	93.558	0400124/0400125	\$ 594,875
MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950123/0950124/0980120	53,024
Refugee and Entrant Assistance State / Replacement Designee Administered Programs	93.566	0500125	1,728
Low-Income Home Energy Assistance	93.568	0600424/0600425	118,780
CCDF Cluster:			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760124/0760125	117,055
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900123/0900124	2,027
Foster Care Title IV-E	93.658	1100124/1100125	416,808
Adoption Assistance	93.659	1120124/1120125	1,280,534
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150123/9150124	5,529
Children's Health Insurance Program	93.767	0540124/0540125	10,730
Medicaid Cluster:			
Medical Assistance Program	93.778	1200124/1200125	840,474
Guardianship Assistance	93.090	1110124/1110125	32,655
Title IV-E Prevention Program	93.472	1140124/1140125	17,020
Social Services Block Grant	93.667	1000124/1000125	\$ 540,184
Virginia Office of Children's Services:			
Social Services Block Grant	93.667	unknown	30,065
Total Department of Health and Human Services			\$ 4,061,488
Department of Agriculture:			
Pass-through Payments:			
Child Nutrition Cluster:			
Virginia Department of Education:			
School Breakfast Program	10.553	APE402530000	\$ 773,044
National School Lunch Program	10.555	APE402540000	\$ 2,308,271
Virginia Department of Agriculture:			
National School Lunch Program (Food Commodities)	10.555	Unknown	359,297
Summer Food Service Program for Children	10.559	APE603020000/APE603030000	2,667,568
Summer Food Service Program for Children (SFSPC) (Food Commodities)	10.559	Unknown	17,221
			800
Virginia Department of Education:			
Forest Service Schools and Roads Cluster:			
Schools and Roads - Grants to States	10.665	APE438410000	1,786
Virginia Department of Social Services:			
SNAP Cluster:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0010124/0010125/0030124/0030125/0040124/0040125/0050124/0050125	994,960
Virginia Department of Education:			
Child and Adult Care Food Program (CACFP)	10.558	APE700270000/APE700280000	1,301
Total Department of Agriculture			\$ 4,456,680
Department of Labor:			
Direct Payments:			
WIOA Dislocated Worker National Reserve Demonstration Grants	17.280	Not applicable	\$ 181,525
Department of Justice:			
Pass-through Payments:			
Virginia Department of Criminal Justice Services:			
Crime Victim Assistance	16.575	15POVC22GG00681ASSI	\$ 93,275
Violence Against Women Formula Grants	16.588	15JOVW23GG00605STOP/15JOVW24GG00546STOP	27,584
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019MUBX0026	67,530
Total Department of Justice			\$ 188,389
Department of Transportation:			
Pass-through Payments:			
Virginia Department of Motor Vehicles:			
Alcohol Open Container Requirements	20.607	ENF_AL-2024-54163-24163/ENF_AL-2025-55313-25313	\$ 13,054
Highway Safety Cluster:			
State and Community Highway Safety	20.600	BOP-2024-54164-24164/BSC-2024-54166-24166/BPT-2025-55311-25311	19,842
Virginia Department of Conservation and Recreation:			
Recreational Trails Program	20.219	NRT-21FY(001)	1,386
Total Department of Transportation			\$ 34,282
Department of Treasury:			
Pass-through Payments:			
Virginia Department of Education:			
COVID-19 - Coronavirus State and Local Recovery Funds	21.027	APE452900000	\$ 29,512

County of Tazewell, Virginia
Schedule of Expenditures of Federal Awards (continued)
For the Fiscal Year Ended June 30, 2025

Federal Grantor/State Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
Department of Education:			
Pass-through Payments:			
Virginia Department of Education:			
Title I Grants to Local Educational Agencies	84.010	APE429010000	\$ 2,669,562
Special Education Cluster:			
Special Education Grants to States	84.027	APE430710000	\$ 1,603,760
Special Education Preschool Grants	84.173	APE625210000	57,539
Rural Education	84.358	APE434810000	1,661,299
Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)	84.367	APE614800000	262,760
Student Support and Academic Enrichment Program	84.424	APE602810000/APE601550000	419,072
Education Stabilization Fund:			230,114
COVID-19: American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	APE501930000/APE411120000/APE501830000	\$ 247,374
COVID-19: American Rescue Plan - Education for Homeless Children and Youth	84.425W	Unknown	21,625
English Language Acquisition State Grants; Title III, Part A	84.365A	Unknown	879
Total Department of Education			\$ 5,512,685
Total Expenditures of Federal Awards			\$ 14,464,561

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, 2025. 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 15 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 -- Subrecipients

No awards were passed through to subrecipients.

Notes to Schedule of Expenditures of Federal Awards (continued)

Note 5 -- 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 6 -- 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

Less: Revenue from the Commonwealth

Less: Payment in lieu of taxes

Total Primary Government

Component Unit School Board:

School Operating Fund

\$ 22,846,519

(17,441,480)

(37,144)

\$ 5,367,895

\$ 9,096,666

Total expenditures of federal awards per basic financial statements

\$ 14,464,561

County of Tazewell, Virginia

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2025

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?	No
Significant deficiency(ies) identified?	None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	No

Identification of major programs:

Federal Assistance Listing #	Name of Federal Program or Cluster
84.010	Title I Grants to Local Educational Agencies
93.558	Temporary Assistance for Needy Families
10.553/10.555/10.559	Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	\$	750,000
Auditee qualified as low-risk auditee?	No	

Section II - Financial Statement Findings

2025-001 (Material Weakness)

Criteria:	An auditee should have sufficient controls in place to produce financial statements in accordance with applicable standards.
Condition:	The financial statements as presented for audit, did not contain all necessary adjustments to comply with generally accepted accounting principles (GAAP). As such, there were proposed adjustments that were material to the financial statements.
Effect:	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 III - Federal Award Findings and Questioned Costs

There are no federal award findings and questioned costs to report.

County of Tazewell, Virginia

Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2025

2024-001

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 2024-001 was repeated in the current year as 2025-001.

2024-002

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 in an effort to gain efficiencies with the current staff to ensure that reimbursement requests are filed timely.
Current Status:	Finding 2024-002 was resolved in the current year.