

County of Tazewell, Virginia



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

COUNTY OF TAZEVELL, VIRGINIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

COUNTY OF TAZEVELL, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2022

TABLE OF CONTENTS

INTRODUCTORY SECTION

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

FINANCIAL SECTION

Independent Auditors' Report	2-5
------------------------------------	-----

	<u>Exhibit</u>	<u>Page</u>
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Position	1	6
Statement of Activities.....	2	7
Fund Financial Statements:		
Balance Sheet - Governmental Funds	3	8
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	4	9
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	5	10
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	6	11
Statement of Net Position - Proprietary Fund	7	12
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Fund	8	13
Statement of Cash Flows - Proprietary Fund.....	9	14
Statement of Fiduciary Net Position - Fiduciary Funds.....	10	15
Statement of Changes in Fiduciary Net Position - Fiduciary Funds.....	11	16
Notes to Financial Statements.....		17-80
Required Supplementary Information:		
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual:		
General Fund.....	12	81
Pension Plans:		
Schedule of Changes in Net Pension Liability and Related Ratios		
Primary Government	13	82
Other Component Units.....	14	83
Component Unit School Board (Nonprofessional).....	15	84
Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan	16	85
Schedule of Employer Contributions	17	86
Notes to Required Supplementary Information.....	18	87

COUNTY OF TAZEVELL, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2022

TABLE OF CONTENTS (CONTINUED)

FINANCIAL SECTION (Continued)

	<u>Exhibit</u>	<u>Page</u>
Required Supplementary Information: (Continued)		
Health Insurance Plans:		
Schedule of Changes Total OPEB Liability (Asset) and Related Ratios		
Primary Government	19	88
Other Component Units.....	20	89
Component Unit School Board	21	90
Notes to Required Supplementary Information	22	91
Group Life Insurance Plan:		
Schedule of County's Share of Net OPEB Liability	23	92
Schedule of Employer Contributions.....	24	93
Notes to Required Supplementary Information	25	94
Teacher Employee Health Insurance Credit (HIC) Plan:		
Schedule of County of Tazewell School Board's Share of Net OPEB Liability	26	95
Schedule of Employer Contributions.....	27	96
Notes to Required Supplementary Information	28	97
Health Insurance Credit (HIC) Plan:		
Schedule of Changes in Net OPEB Liability and Related Ratios	29	98
Schedule of Employer Contributions.....	30	99
Notes to Required Supplementary Information	31	100
Other Supplementary Information:		
Schedule of Revenues, Expenditures and Changes in Fund Balance -		
Budget and Actual:		
Major Capital Projects Fund - County CIP Fund	32	101
Combining Statement of Fiduciary Net Position-Fiduciary Funds	33	102
Combining Statement of Changes in Fiduciary Net Position-Fiduciary Funds	34	103
Balance Sheet Nonmajor Funds	35	104
Statement of Revenues, Expenditures, and Changes in		
Fund Balances - Nonmajor Funds	36	105
Combining Balance Sheet Nonmajor Special Revenue Funds.....	37	106
Combining Statement of Revenues, Expenditures, and Changes in		
Fund Balances - Nonmajor Special Revenue Funds	38	107
Combining Schedule of Revenues, Expenditures, and Changes in		
Fund Balances - Budget and Actual - Nonmajor Special Revenue Funds	39	108-110
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
Government-Wide - Other Component Units - Financial Statements:		
Combining Statement of Net Position	43	114
Combining Statement of Activities	44	115

COUNTY OF TAZEVELL, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2022

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	127-129
Schedule of Expenditures of Federal Awards	130-131
Schedule of Findings and Questioned Costs	132-133
Summary Schedule of Prior Audit Findings	134

INTRODUCTORY SECTION

COUNTY OF TAZEVELL, VIRGINIA

BOARD OF SUPERVISORS

Shanna Plaster Andy Hrovatic	Aaron Gillespie, Chairman	Maggie Abury Charles Stacy
---------------------------------	---------------------------	-------------------------------

COUNTY SCHOOL BOARD

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

SOCIAL SERVICES BOARD

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

EX-OFFICIO MEMBERS

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

OTHER OFFICIALS

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

FINANCIAL SECTION



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

Qualified and Unmodified 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, 2022, 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.

Qualified Opinion on the Discretely Presented Component Unit - Other Component Units

In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the Discretely Presented Component Units - Other Component Units as of June 30, 2022, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on the Governmental Activities, Business-type Activities, Discretely Presented Component Unit - School Board, Each Major Fund, and the Aggregate Remaining Fund Information

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 unit - School Board, each major fund, and the aggregate remaining fund information of the County of Tazewell, Virginia, as of and for the year ended June 30, 2022, 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 6.00 percent, 12.55 percent, and 2.73 percent, respectively, of the assets, net position, and revenues of the discretely presented component unit - School Board as of June 30, 2022, and the respective changes in financial position thereof for the year then ended. 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 Qualified and Unmodified 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 qualified and unmodified audit opinions.

Matter Giving Rise to the Qualified Opinion on the Discretely Presented Component Unit - Other Component Units

The opinion on the discretely component unit - other component units was qualified because the Industrial Development Authority's year was not closed timely in order for the audit to be performed prior to completion of the County's audit and, therefore, the information has been omitted from the report.

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, *Governmental 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, *Governmental Auditing Standards*, and the *Specifications for Audits of Counties, Cities, and Towns*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of County of Tazewell, Virginia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about County of Tazewell, Virginia's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, and schedules related to pension and OPEB funding as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise County of Tazewell, Virginia's basic financial statements. The other supplementary information and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, except for the effects on the supplementary information of the qualified opinion on the basic financial statements as explained in the "Basis for Qualified and Unmodified Opinions" section, 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 December 7, 2022, on our consideration of County of Tazewell, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of County of Tazewell, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Tazewell, Virginia's internal control over financial reporting and compliance.

Robinson Jarmon, Cox, Associates

Blacksburg, Virginia
December 7, 2022

Basic Financial Statements

County of Tazewell, Virginia
Statement of Net Position
June 30, 2022

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	School Board	Other Component Units
ASSETS					
Cash and Cash Equivalents	\$ 20,446,802	\$ -	\$ 20,446,802	\$ 15,946,430	\$ 133,748
Cash in Custody of Others	-	-	-	-	-
Investments	-	-	-	-	2,757,501
Receivables (Net of Allowance for Uncollectibles):					
Taxes	23,959,458	-	23,959,458	-	-
Accounts Receivable	2,468,708	150,691	2,619,399	53,397	1,017,646
Note Receivable	-	-	-	-	414,790
Due from Component Units	5,705,422	-	5,705,422	-	-
Due from Other Governmental Units	3,036,832	-	3,036,832	2,360,041	256,874
Internal Balances	(32,003)	32,003	-	-	-
Inventory	-	-	-	-	190,599
Prepaid Items	56,926	-	56,926	531,827	62,033
Restricted Assets:					
Cash and Cash Equivalents	-	3,214,826	3,214,826	-	201,040
Capital Assets:					
Land	2,840,590	287,598	3,128,188	1,908,716	960,533
Buildings and Improvements	12,852,745	4,060	12,856,805	10,010,547	723,769
Tenancy in Common	1,512,298	-	1,512,298	11,900,373	-
Machinery and Equipment	4,730,867	10,656	4,741,523	4,458,969	532,603
Improvements Other Than Buildings	-	6,117,932	6,117,932	-	2,444,176
Infrastructure	-	-	-	-	72,764,432
Construction in Progress	28,037	-	28,037	47,708	437,007
Total Assets	\$ 77,606,682	\$ 9,817,766	\$ 87,424,448	\$ 47,218,008	\$ 82,896,751
DEFERRED OUTFLOWS OF RESOURCES					
Pension related items	\$ 2,636,261	\$ -	\$ 2,636,261	\$ 9,235,691	\$ 399,389
OPEB related items	1,535,136	-	1,535,136	3,761,728	160,500
Deferred charge on refunding	116,174	-	116,174	-	-
Total Deferred Outflows of Resources	\$ 4,287,571	\$ -	\$ 4,287,571	\$ 12,997,419	\$ 559,889
LIABILITIES					
Accounts Payable	\$ 784,325	\$ 77,988	\$ 862,313	\$ 793,387	\$ 208,342
Accrued Liabilities	-	-	-	434,318	-
Accrued Wages	-	-	-	3,379,815	134,573
Customer Deposits	-	-	-	-	201,040
Accrued Interest Payable	66,880	13,046	79,926	9,695	62,465
Due to Primary Government	-	-	-	5,415,100	116,866
Due to Other Governments	-	-	-	-	-
Unearned Revenue	2,413,720	-	2,413,720	-	-
Long-term Liabilities:					
Due Within One Year	2,379,366	20,000	2,399,366	964,493	2,445,205
Due in More Than One Year	23,593,945	13,893,736	37,487,681	48,774,389	32,010,445
Total Liabilities	\$ 29,238,236	\$ 14,004,770	\$ 43,243,006	\$ 59,771,197	\$ 35,178,936
DEFERRED INFLOWS OF RESOURCES					
Deferred Revenue - Property Taxes	\$ 21,525,594	\$ -	\$ 21,525,594	\$ -	\$ -
Pension related items	6,192,234	-	6,192,234	21,645,695	1,005,771
OPEB related items	867,395	-	867,395	2,679,844	100,796
Total Deferred Inflows of Resources	\$ 28,585,223	\$ -	\$ 28,585,223	\$ 24,325,539	\$ 1,106,567
NET POSITION					
Net Investment in Capital Assets	\$ 7,961,040	\$ 6,360,072	\$ 14,321,112	\$ 27,782,032	\$ 45,189,087
Restricted	2,305,167	-	2,305,167	2,821,627	-
Unrestricted	13,804,587	(10,547,076)	3,257,511	(54,484,968)	1,982,050
Total Net Position	\$ 24,070,794	\$ (4,187,004)	\$ 19,883,790	\$ (23,881,309)	\$ 47,171,137

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, 2022

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Units	
					Governmental Activities	Business-type Activities	School Board	Other Component Units
PRIMARY GOVERNMENT:								
Governmental Activities:								
General Government Administration	\$ 6,451,189	\$ 16,771	\$ 426,408	\$ -	\$ (6,008,010)	\$ -	\$ -	\$ -
Judicial Administration	3,160,810	141,802	1,900,954	-	(1,118,054)	-	-	-
Public Safety	13,934,972	170,505	4,840,816	-	(8,923,651)	-	-	-
Public Works	2,857,235	8,947	168,513	-	(2,679,775)	-	-	-
Health and Welfare	12,794,696	-	9,635,617	-	(3,159,079)	-	-	-
Education	11,430,568	-	-	-	(11,430,568)	-	-	-
Parks, Recreation and Cultural	2,394,880	54,480	180,002	-	(2,160,398)	-	-	-
Community Development	1,491,048	4,380	1,536,524	-	49,856	-	-	-
Interest	426,577	-	-	-	(426,577)	-	-	-
Total Governmental Activities	\$ 54,941,975	\$ 396,885	\$ 18,688,834	\$ -	\$ (35,856,256)	\$ -	\$ -	\$ -
Business-type Activities								
Landfill	\$ 3,892,660	\$ 950,960	\$ -	\$ -	\$ (3,892,660)	\$ (2,941,700)	\$ -	\$ -
Total Primary Government	\$ 58,834,635	\$ 1,347,845	\$ 18,688,834	\$ -	\$ (35,856,256)	\$ (2,941,700)	\$ -	\$ -
Component Units:								
School Board	\$ 60,638,881	\$ 1,444,055	\$ 54,415,078	\$ -	\$ -	\$ -	\$ (4,779,748)	\$ -
Other component units	9,973,788	7,626,621	168,005	516,148	-	-	-	(1,663,014)
Total Component Units	\$ 70,612,669	\$ 9,070,676	\$ 54,583,083	\$ 516,148	\$ -	\$ -	\$ (4,779,748)	\$ (1,663,014)
General Revenues:								
General Property Taxes					\$ 33,619,972	\$ -	\$ -	\$ -
Other Local Taxes								
Local Sales and Use Taxes					5,751,693	-	-	-
Consumers' Utility Taxes					827,409	-	-	-
Franchise License Taxes					351,549	-	-	-
MOPED and ATV sales tax					24,566	-	-	-
Utility License Taxes					7,868	-	-	-
Bank Franchise Taxes					123,907	-	-	-
Taxes on Recordation and Wills					300,251	-	-	-
Coal Severance Taxes					2,050,323	-	-	-
Hotel and Motel Taxes					239,693	-	-	-
Gas Severance Tax					667,002	-	-	-
Unrestricted Revenues from Use of Money and Property					292,984	7,489	-	43,060
Miscellaneous					2,763,382	-	1,147,187	250,114
Payments from Primary Government/Component Units					-	-	11,130,568	1,221,080
Grants and Contributions not Restricted to Specific Programs					3,461,777	-	-	-
Transfers					(1,371,892)	1,371,892	-	-
Total General Revenues and transfers					\$ 49,110,484	\$ 1,379,381	\$ 12,277,755	\$ 1,514,254
Change in Net Position					\$ 13,254,228	\$ (1,562,319)	\$ 7,498,007	\$ (148,760)
Net Position - Beginning					10,816,566	(2,624,685)	(31,379,316)	47,319,897
Net Position - Ending					\$ 24,070,794	\$ (4,187,004)	\$ (23,881,309)	\$ 47,171,137

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

County of Tazewell, Virginia
Balance Sheet
Governmental Funds
June 30, 2022

	General Fund	County CIP Fund	Other Govern- mental Funds	Total
ASSETS				
Cash and Cash Equivalents	\$ 18,371,767	\$ 137,009	\$ 1,938,026	\$ 20,446,802
Receivables (Net of Allowance for Uncollectibles):				
Property Taxes	23,959,458	-	-	23,959,458
Other Receivables	2,285,745	-	182,963	2,468,708
Prepaid Items	56,926	-	-	56,926
Due from Other Funds	-	125,000	-	125,000
Due from Other Governmental Units	3,036,832	-	-	3,036,832
Due from Component Units	5,588,556	116,866	-	5,705,422
Total Assets	<u>\$ 53,299,284</u>	<u>\$ 378,875</u>	<u>\$ 2,120,989</u>	<u>\$ 55,799,148</u>
LIABILITIES				
Accounts Payable and Accrued Expenses	\$ 783,374	\$ -	\$ 951	\$ 784,325
Due to Other Funds	157,003	-	-	157,003
Unearned Revenue	2,413,720	-	-	2,413,720
Total Liabilities	<u>\$ 3,354,097</u>	<u>\$ -</u>	<u>\$ 951</u>	<u>\$ 3,355,048</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	\$ 24,693,560	\$ -	\$ -	\$ 24,693,560
Unavailable Revenue - Opioid Settlement	1,814,784	-	-	1,814,784
Total Deferred Inflows of Resources	<u>\$ 26,508,344</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,508,344</u>
FUND BALANCES				
Nonspendable	\$ 56,926	\$ -	\$ -	\$ 56,926
Restricted	490,383	-	-	490,383
Committed	73,891	378,875	2,120,038	2,572,804
Unassigned	22,815,643	-	-	22,815,643
Total Fund Balances	<u>\$ 23,436,843</u>	<u>\$ 378,875</u>	<u>\$ 2,120,038</u>	<u>\$ 25,935,756</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 53,299,284</u>	<u>\$ 378,875</u>	<u>\$ 2,120,989</u>	<u>\$ 55,799,148</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, 2022

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	25,935,756
--	----	------------

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.

Land	\$	2,840,590		
Buildings and improvements		12,852,745		
Tenancy in common		1,512,298		
Machinery and equipment		4,730,867		
Construction in progress		<u>28,037</u>		21,964,537

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

Unavailable revenue - property taxes	\$	3,167,966		
Unavailable revenue - opioid settlement		<u>1,814,784</u>		4,982,750

Deferred outflow of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.

Pension related items	\$	2,636,261		
OPEB related items		<u>1,535,136</u>		4,171,397

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	\$	(66,880)		
Compensated absences		(669,115)		
Net OPEB liabilities		(8,374,042)		
Net pension liability		(2,810,483)		
General obligation bonds, including bond premiums		(3,316,356)		
Revenue bonds, including bond premiums		(10,803,315)		
Deferred amount on refunding		<u>116,174</u>		(25,924,017)

Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.

Pension related items	\$	(6,192,234)		
OPEB related items		<u>(867,395)</u>		(7,059,629)

Net Position of Governmental Activities	\$	<u><u>24,070,794</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, 2022

	General Fund	County CIP Fund	Other Govern- mental Funds	Total
REVENUES				
General Property Taxes	\$ 33,291,477	\$ -	\$ -	\$ 33,291,477
Other Local Taxes	8,985,598	-	1,358,663	10,344,261
Permits, Privilege Fees and Regulatory Licenses	175,997	-	-	175,997
Fines and Forfeitures	44,935	-	-	44,935
Revenue from Use of Money and Property	292,984	-	-	292,984
Charges for Services	167,815	-	8,138	175,953
Miscellaneous	365,657	3,412	579,529	948,598
Recovered Costs	2,309,631	-	-	2,309,631
Intergovernmental	22,139,106	11,505	-	22,150,611
Total Revenues	\$ 67,773,200	\$ 14,917	\$ 1,946,330	\$ 69,734,447
EXPENDITURES:				
Current:				
General Government Administration	\$ 6,792,029	\$ -	\$ -	\$ 6,792,029
Judicial Administration	2,693,612	-	12,282	2,705,894
Public Safety	14,771,370	-	-	14,771,370
Public Works	1,153,047	900,000	754,753	2,807,800
Health and Welfare	13,484,808	-	-	13,484,808
Education	11,430,568	-	-	11,430,568
Parks, Recreation and Cultural	1,887,116	-	-	1,887,116
Community Development	1,414,009	11,589	-	1,425,598
Nondepartmental	512,910	-	-	512,910
Debt Service:				
Principal Retirement	1,712,039	-	-	1,712,039
Interest and Other Fiscal Charges	563,629	-	-	563,629
Total Expenditures	\$ 56,415,137	\$ 911,589	\$ 767,035	\$ 58,093,761
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 11,358,063	\$ (896,672)	\$ 1,179,295	\$ 11,640,686
Other Financing Sources (Uses)				
Transfers In	\$ 5,000	\$ 950,000	\$ -	\$ 955,000
Transfers Out	(2,041,892)	-	(285,000)	(2,326,892)
Total Other Financing Sources (Uses)	\$ (2,036,892)	\$ 950,000	\$ (285,000)	\$ (1,371,892)
Net Change in Fund Balance	\$ 9,321,171	\$ 53,328	\$ 894,295	\$ 10,268,794
Fund Balance - Beginning	14,115,672	325,547	1,225,743	15,666,962
Fund Balance - Ending	\$ 23,436,843	\$ 378,875	\$ 2,120,038	\$ 25,935,756

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

County of Tazewell, Virginia
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balance of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2022

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

Net changes in fund balance - total governmental funds	\$	10,268,794
--	----	------------

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	\$	961,150	
Tenancy in common transfer		(561,039)	
Depreciation expense		(1,743,505)	(1,343,394)

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

Loss on disposal of assets			(28,460)
----------------------------	--	--	----------

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	\$	328,495	
Change in unavailable revenue-opioid settlement		1,814,784	2,143,279

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the effect of these differences in the treatment of long-term debt and related items.

Principal repayments:

General obligation bonds	\$	561,039	
Lease revenue bond		1,151,000	1,712,039

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	\$	42,184	
Change in accrued interest payable		49,347	
Change in bond premium amortization		103,823	
Change in deferred amount on refunding		(16,118)	
Change in pension related items		803,439	
Change in OPEB related items		(480,705)	501,970

Change in net position of governmental activities	\$	<u>13,254,228</u>
---	----	-------------------

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

County of Tazewell, Virginia
Statement of Net Position
Proprietary Fund
June 30, 2022

	Tazewell County Landfill Fund
ASSETS	
Current Assets:	
Receivables (Net of Allowance for Uncollectibles)	\$ 150,691
Due from Other Funds	32,003
Total Current Assets	\$ 182,694
Noncurrent Assets:	
Capital Assets (Net of Accumulated Depreciation):	
Land	\$ 287,598
Buildings and Improvements	4,060
Land Improvements	6,117,932
Machinery and Equipment	10,656
Total Capital Assets	\$ 6,420,246
Other Assets:	
Restricted Cash - Unspent Bond Proceeds	\$ 3,214,826
Total Assets	\$ 9,817,766
LIABILITIES	
Current Liabilities:	
Accrued Interest Payable	\$ 13,046
Accounts Payable	77,988
Notes Payable - Current Portion	20,000
Total Current Liabilities	\$ 111,034
Noncurrent Liabilities:	
Estimated Landfill Closure Liability	\$ 10,638,736
Notes Payable - Net of Current Portion	3,255,000
Total Noncurrent Liabilities	\$ 13,893,736
Total Liabilities	\$ 14,004,770
NET POSITION	
Net Investment in Capital Assets	\$ 6,360,072
Unrestricted	(10,547,076)
Total Net Position	\$ (4,187,004)

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, 2022

	Tazewell County Landfill Fund
OPERATING REVENUES	
Charges for Services	\$ 950,960
OPERATING EXPENSES	
Contractual Services	\$ 2,522,725
Repairs and Maintenance	18,311
Closure Reserve Expense	1,058,974
Other Charges	48,986
Depreciation	190,764
Total Operating Expenses	\$ 3,839,760
Operating Income (Loss)	\$ (2,888,800)
NONOPERATING REVENUES (EXPENSES)	
Interest income	\$ 7,489
Interest Expense	(52,900)
Total Nonoperating Revenues (Expenses)	\$ (45,411)
Income (loss) before transfers	\$ (2,934,211)
TRANSFERS	
Transfers In	\$ 1,371,892
Change in Net Position	\$ (1,562,319)
Net Position - Beginning	(2,624,685)
Net Position - Ending	\$ (4,187,004)

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, 2022

	Tazewell County Landfill Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers and Users	\$ 896,418
Payments for Operating Expenses	(2,512,034)
Total Cash Provided by (Used for) Operating Activities	<u>\$ (1,615,616)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from Other Funds	\$ 1,374,717
Interest income	7,489
Total Cash Provided by (Used for) Noncapital Financing Activities	<u>\$ 1,382,206</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of Capital Assets	\$ (114,289)
Principal Payments on Debt	(20,000)
Other Income (Expense)	(48,024)
Total Cash Provided by (Used for) Capital and Related Financing Activities	<u>\$ (182,313)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (415,723)
Cash and Cash Equivalents - Beginning, including restricted cash of \$3,207,336	3,630,549
Cash and Cash Equivalents - Ending, including restricted cash of \$3,214,826	<u><u>\$ 3,214,826</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:	
Operating Income (Loss)	\$ (2,888,800)
Depreciation	190,764
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:	
(Increase) Decrease in Accounts Receivable	(54,542)
Increase (Decrease) in Accounts Payable	77,988
Increase (Decrease) in Estimated Landfill Closure Liability	1,058,974
Total Adjustments	<u>\$ 1,082,420</u>
Net Cash Provided By (Used For) Operating Activities	<u><u>\$ (1,615,616)</u></u>

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

County of Tazewell, Virginia
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2022

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	\$ 80,074
Due from other governments	239,138
Total Assets	\$ <u>319,212</u>
 LIABILITIES	
Sales tax due to Towns	\$ <u>239,138</u>
 NET POSITION	
Restricted for:	
Social services clients	\$ 80,074
Total Net Position	\$ <u>80,074</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, 2022

	<u>Custodial Funds</u>
ADDITIONS	
Contributions:	
Expenditure reimbursement	\$ 78,208
Sales tax collections for other governments	239,138
Total contributions	\$ <u>317,346</u>
DEDUCTIONS:	
Special welfare payments	\$ 61,001
Payments to sales tax to other governments	239,138
Total deductions	\$ <u>300,139</u>
 Net increase (decrease) in fiduciary net postion	 \$ 17,207
Net position, beginning	<u>62,867</u>
Net position, ending	<u><u>\$ 80,074</u></u>

COUNTY OF TAZEWell, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Note 1 - Summary of Significant Accounting Policies:

County of Tazewell, Virginia is governed by an elected five member Board of Supervisors. The Board of Supervisors is responsible for appointing the County Administrator. The County provides a full range of services for its citizens. These services include police and volunteer fire protection, sanitation services, recreational activities, cultural events, education and social services.

The financial statements of County of Tazewell, Virginia conform to generally accepted accounting principles (GAAP) applicable to governmental entities promulgated by the Governmental Accounting Standards Board (GASB) and have been prepared in conformity with the specifications promulgated by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia. The significant accounting policies are described below.

Financial Statement Presentation

Management's Discussion and Analysis - The financial statements are accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "Management's Discussion and Analysis" (MD&A).

Government-wide and Fund Financial Statements

Government-wide Financial Statements - The reporting model includes financial statements prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities but also capital assets and long-term liabilities (such as buildings and general obligation debt).

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

Statement of Net Position - The Statement of Net position is designed to display financial position of the primary government (governmental and business-type activities) and its discretely presented component units. Governments will report all capital assets in the government-wide Statement of Net position and will report depreciation expense - the cost of "using up" capital assets - in the Statement of Activities. The net position of a government will be broken down into three categories: 1) net investment in capital assets 2) restricted; and 3) unrestricted.

Statement of Activities - The government-wide Statement of Activities reports expenses and revenues in a format that focuses on the cost of each of the government's functions. The expense of individual functions is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).

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

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

COUNTY OF TAZEWell, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (Continued)

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

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

A. Financial Reporting Entity

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for basic financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization, or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity. These financial statements present the County of Tazewell, Virginia (the primary government) and its component units. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Therefore data from these units is combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize that it is legally separate from the government.

B. Individual Component Unit Disclosures

Blended Component Units: None

Discretely Presented Component Units:

Tazewell County School Board members are elected by the voters and are responsible for the operations of the County's School System. The School Board is fiscally dependent on the County. The County has the ability to approve its budget and any amendments. The primary funding is from the General Fund of the County. The School Board does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation in the County financial statements for the fiscal year ended June 30, 2022.

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

Tazewell County Airport Authority was created by County of Tazewell and Towns of Bluefield, Cedar Bluff, Pocahontas, Richlands and Tazewell to operate a regional airport. Tazewell County Board of Supervisors appoints a voting majority of the Airport Authority's Board of Directors. The County contributes a significant amount to the Authority's operation and there exists a financial benefit/burden relationship.

Tazewell County Public Service Authority was created by the Board of Supervisors of Tazewell County to acquire, finance, construct and operate water and sewer systems throughout the County. The Board of Directors of the Public Service Authority are appointed by the Tazewell County Board of Supervisors and there exists a financial benefit/burden relationship between the Public Service Authority and the County. In addition, a majority of the Directors of the Authority are also on the Board of Supervisors.

Complete financial statements of the Tazewell County Public Service Authority, Tazewell County Industrial Development Authority and the Tazewell County Airport Authority can be obtained from the business office of each component unit.

COUNTY OF TAZEWell, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (Continued)

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

B. Individual Component Unit Disclosures (Continued)

Other Related Organizations Included in the County's Annual Financial Report

None

Jointly Governed Organizations

County of Tazewell and Counties of Buchanan and Russell participate in supporting the Cumberland Mountain Community Services Board. For the year ended June 30, 2022, the County contributed \$70,000.

County of Tazewell and Counties of Russell, Buchanan, Wise, Scott, Lee, Washington, Smyth and Dickenson and the Cities of Norton and Bristol participate in supporting the Appalachian Juvenile Commission. For the year ended June 30, 2022, the County contributed \$146,040.

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, 2022, the County contributed \$3,680,276.

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 as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (Continued)

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

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

The County's proprietary funds utilize an economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. All assets and liabilities, whether current or noncurrent, associated with their activities are reported. Proprietary fund equity is classified as net position. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

In the fund financial statements, financial transactions and accounts of the County are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The government reports the following major governmental funds:

General Fund:

The General Fund is the primary operating fund of the County. This fund is used to account for and report all financial transactions and resources except those required to be accounted for and reported in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for service, and interest income.

Capital Projects Fund:

The County CIP Fund accounts for and reports all financial resources used for the acquisition or construction of major capital facilities and is reported as a major fund.

The School Board reports the following major fund types:

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

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

The government reports the following nonmajor governmental funds:

Special Revenue Funds:

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

COUNTY OF TAZEWell, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (Continued)

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

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

Additionally, Tazewell County reports the following fund types:

Proprietary Funds:

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

Fiduciary Funds (Trust and Custodial Funds):

Fiduciary, Trust and Custodial funds account for assets held by the County unit in a trustee capacity or as custodian for individuals, private organizations, other governmental units, or other funds. These funds include Custodial Funds and they utilize the accrual basis of accounting described in the Governmental Fund Presentation. Fiduciary funds are not included in the government-wide financial statements. The Special Welfare and Local Sales Tax Funds are reported as Custodial Funds.

D. Budget and Budgetary Accounting

The following procedures are used by the County in establishing the budgetary data reflected in the financial statements:

1. Prior to March 30, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the departmental level. The appropriation for each department or category can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments. However, the School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, School Operating Fund, and the Capital Projects Fund.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30, for all County units. Several supplemental appropriations were necessary during the year and at year-end.
8. All budgetary data presented in the accompanying financial statements is the original to the current comparison of the final budget and actual results.
9. Expenditures exceeded appropriations for departments in the Coal Road Improvement Fund, the Coal Road Economic Development Fund, and the General Fund.
10. At June 30, 2022, the Landfill Fund had a deficit net position balance.

E. Cash and Cash Equivalents

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

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (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 \$438,360 and \$17,189 at June 30, 2022 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, and infrastructure are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as land, buildings, road registered vehicles, and equipment with an estimated useful life in excess of one year and a cost of over \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, equipment, and infrastructure of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

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

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (Continued)

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

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net 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 will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has multiple items that qualify for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes and opioid settlement receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30, 2nd half installments levied during the fiscal year but due after June 30th, and amounts prepaid on the 2nd half installments and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, 2nd half installments levied during the fiscal year but due after June 30th and amounts prepaid on the 2nd half installments are reported as deferred inflows of resources. In addition, certain items related to pension and OPEB are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

J. Compensated Absences

Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as an expense in the Statement of Activities and a long-term obligation in the Statement of Net Position. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as “terminal leave” prior to retirement.

K. Pensions

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

L. Other Postemployment Benefits (OPEB)

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

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (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

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

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

The County's highest decision-making level is the Board of Supervisors. Action from the Board of Supervisors is required to commit or release funds from commitment.

The County's Board of Supervisors has authorized the County Administrator to assign fund balance to a specific purpose as approved within the County fund balance policy.

The County considers restricted fund balance to be spent when an expenditure is incurred for purposes for which restricted and unassigned, assigned, or committed fund balances are available, unless prohibited by legal documents or contracts. When an expenditure is incurred for purposes for which committed, assigned or unassigned amounts are available, the County considers committed fund balance to be spent first, then assigned fund balance, and lastly unassigned fund balance.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (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.

Note 2 - Deposits and Investments:

Deposits

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the "Act") Section 2.2-4400 et. seq. of the Code of Virginia. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board.

Financial Institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

Investments

Statutes authorize local governments and other public bodies to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper that has received at least two of the following ratings: P-1 by Moody's Investors Service, Inc.; A-1 by Standard and Poor's; or F1 by Fitch Ratings, Inc. (Section 2.2-4502), banker's acceptances, repurchase agreements, and the State Treasurer's Local Government Investment Pool (LGIP).

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (Continued)

Note 2 - Deposits and Investments: (Continued)

Custodial Credit Risk (Investments)

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Neither the County nor its discretely presented component units have an investment policy for custodial credit risk.

The County's rated debt investments as of June 30, 2022 were rated by Standard and Poor's and/or an equivalent national rating organization and the rating are presented below using the Standard and Poor's rating scale.

County's Rated Debt Investments' Values	
<u>Rated Debt Investments</u>	<u>Fair Quality Ratings</u>
	AAAm
VIP Stable NAV Liquidity Pool	\$ 596,131

Interest Rate Risk

Investment Maturities (in years)		
<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1 Year</u>
VIP Stable NAV Liquidity Pool	\$ 596,131	\$ 596,131

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).

Remainder of this page left blank intentionally

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (Continued)

Note 3 - Internal Balances and Transfers:

Internal balances consisted of the following as of June 30, 2022:

Fund/Component Unit	Due From	Due To
Primary Government:		
General	\$ -	\$ 157,003
County CIP Fund	125,000	-
Landfill	32,003	-
Totals	<u>\$ 157,003</u>	<u>\$ 157,003</u>

Interfund transfers for the year ended June 30, 2022, consisted of the following:

Fund	Transfers In	Transfers Out
General	\$ 5,000	\$ 2,041,892
County CIP	950,000	-
Law Library	-	5,000
Coal Road Improvement	-	280,000
Landfill	1,371,892	-
Totals	<u>\$ 2,326,892</u>	<u>\$ 2,326,892</u>

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

Note 4 - Due From Other Governmental Units:

At June 30, 2022, 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	\$ 508,981	\$ -
Russell County	-	98,007
Commonwealth of Virginia:		
State sales taxes	995,446	-
Local sales taxes	-	1,368,583
VPA	243,851	-
CSA	296,434	-
Shared expenses	423,043	-
Categorical aid	64,636	-
Noncategorical aid	135,285	-
Federal Government:		
VPA	369,156	-
Categorical aid	-	893,451
Total	<u>\$ 3,036,832</u>	<u>\$ 2,360,041</u>

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (Continued)

Note 5 - Capital Assets:

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2022:

Primary Government:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 2,840,590	\$ -	\$ -	\$ 2,840,590
Construction in progress	12,098	28,037	(12,098)	28,037
Tenancy in Common	2,073,337	-	(561,039)	1,512,298
Total capital assets not being depreciated	\$ 4,926,025	\$ 28,037	\$ (573,137)	\$ 4,380,925
Capital assets, being depreciated:				
Buildings	\$ 26,026,777	\$ 90,089	\$ -	\$ 26,116,866
Machinery and equipment	19,278,476	855,122	(185,190)	19,948,408
Total capital assets being depreciated	\$ 45,305,253	\$ 945,211	\$ (185,190)	\$ 46,065,274
Accumulated depreciation:				
Buildings	\$ (12,610,348)	\$ (653,773)	\$ -	\$ (13,264,121)
Machinery and equipment	(14,284,539)	(1,089,732)	156,730	(15,217,541)
Total accumulated depreciation	\$ (26,894,887)	\$ (1,743,505)	\$ 156,730	\$ (28,481,662)
Total capital assets being depreciated, net	\$ 18,410,366	\$ (798,294)	\$ (28,460)	\$ 17,583,612
Governmental activities capital assets, net	\$ 23,336,391	\$ (770,257)	\$ (601,597)	\$ 21,964,537

The remainder of this page left blank intentionally.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (Continued)

Note 5 - Capital Assets: (Continued)

Primary Government: (Continued)

Tazewell County Landfill Fund:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 287,598	\$ -	\$ -	\$ 287,598
Capital assets, being depreciated:				
Buildings and improvements	\$ 185,603	\$ -	\$ -	\$ 185,603
Land improvements	9,608,330	108,750	-	9,717,080
Machinery and equipment	8,176	5,539	-	13,715
Total capital assets being depreciated	\$ 9,802,109	\$ 114,289	\$ -	\$ 9,916,398
Accumulated depreciation:				
Buildings and improvements	\$ (180,527)	\$ (1,016)	\$ -	\$ (181,543)
Land Improvements	(3,411,233)	(187,915)	-	(3,599,148)
Machinery and equipment	(1,226)	(1,833)	-	(3,059)
Total accumulated depreciation	\$ (3,592,986)	\$ (190,764)	\$ -	\$ (3,783,750)
Total capital assets being depreciated, net	\$ 6,209,123	\$ (76,475)	\$ -	\$ 6,132,648
Business-type activities capital assets, net	\$ 6,496,721	\$ (76,475)	\$ -	\$ 6,420,246

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

Governmental activities:	
General government administration	\$ 273,533
Judicial administration	550,823
Public safety	786,703
Public works	96,840
Health and welfare	14,010
Parks, recreation, and cultural	21,596
Total depreciation expense-governmental activities	\$ 1,743,505
Business-type activities:	
Landfill fund	\$ 190,764

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (Continued)

Note 5 - Capital Assets: (Continued)

Component Unit School Board:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 1,908,716	\$ -	\$ -	\$ 1,908,716
Construction in Progress	84,303	47,708	(84,303)	47,708
Tenancy in common	13,412,671	-	-	13,412,671
Tenancy in common (1)	(2,073,337)	-	561,039	(1,512,298)
Total capital assets not being depreciated	\$ 13,332,353	\$ 47,708	\$ 476,736	\$ 13,856,797
Capital assets, being depreciated:				
Buildings and improvements	\$ 37,473,564	\$ 3,155,564	\$ -	\$ 40,629,128
Machinery and equipment	21,147,470	939,268	-	22,086,738
Total capital assets being depreciated	\$ 58,621,034	\$ 4,094,832	\$ -	\$ 62,715,866
Accumulated depreciation:				
Buildings and improvements	\$ (29,633,796)	\$ (984,785)	\$ -	\$ (30,618,581)
Machinery and equipment	(16,734,699)	(893,070)	-	(17,627,769)
Total accumulated depreciation	\$ (46,368,495)	\$ (1,877,855)	\$ -	\$ (48,246,350)
Total capital assets being depreciated, net	\$ 12,252,539	\$ 2,216,977	\$ -	\$ 14,469,516
Governmental activities capital assets, net	\$ 25,584,892	\$ 2,264,685	\$ 476,736	\$ 28,326,313

(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, 2022, is that assets and debt in the amount of \$1,512,298 have been transferred to the Primary Government from the Component Unit School Board for financial reporting purposes.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (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, 2022:

Governmental Activities:

	Beginning Balance	Increases/ Issuances	Decreases/ Retirements	Ending Balance
Direct Borrowings and Placements:				
General obligation bonds	\$ 3,808,109	\$ -	\$ (561,039)	\$ 3,247,070
Premium on GO bond	77,948	-	(8,662)	69,286
Lease revenue bond	11,816,000	-	(1,151,000)	10,665,000
Premium on lease revenue bond	233,476	-	(95,161)	138,315
Net OPEB liabilities	7,362,436	1,718,495	(706,889)	8,374,042
Compensated absences	711,299	491,290	(533,474)	669,115
Net pension liability	10,200,181	6,706,220	(14,095,918)	2,810,483
Total	<u>\$ 34,209,449</u>	<u>\$ 8,916,005</u>	<u>\$ (17,152,143)</u>	<u>\$ 25,973,311</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
2023	\$ 1,773,707	\$ 487,612
2024	1,751,959	400,513
2025	1,797,832	315,050
2026	1,158,842	250,873
2027	1,195,978	209,302
2028-2032	4,008,752	562,984
2033-2037	1,438,000	221,605
2038-2040	787,000	37,974
	<u>\$ 13,912,070</u>	<u>\$ 2,485,913</u>

The remainder of this page left blank intentionally.

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (Continued)

Note 6 - Long-term Obligations: (Continued)

Primary Government: (Continued)

Governmental Activities: (Continued)

	Interest Rates	Issue Dates	Final Maturity Date	Amount of Original Issue	Balance Governmental Activities	Amount Due Within One Year
Direct Borrowings and Placements:						
General Obligation Bonds:						
GO Bond	3.10-5.10%	5/15/2002	7/15/2023	\$ 1,900,000	\$ 95,000	\$ 95,000
GO Bond	4.10-5.10%	5/15/2008	7/15/2028	1,880,000	775,000	115,000
GO Bond	3.60-5.35%	12/11/2008	1/15/2029	6,698,941	2,377,070	366,707
Subtotal GO Bond					\$ 3,247,070	\$ 576,707
Premium on Bond	n/a	n/a	n/a	n/a	69,286	8,662
Total General Obligation Bonds					\$ 3,316,356	\$ 585,369
Lease Revenue Bonds: (1)						
2014C	3.025-5.125%	11/18/2014	4/1/2033	\$ 11,885,000	\$ 3,030,000	\$ 975,000
2019 (2)	3.171%	8/14/2019	10/1/2039	3,924,000	3,680,000	130,000
2021B (2)	1.930%	5/6/2021	5/6/2033	3,736,000	3,662,000	68,000
2021C (2)	1.930%	5/6/2021	5/6/2034	3,736,000	293,000	24,000
Subtotal Lease Revenue Bonds					\$ 10,665,000	\$ 1,197,000
Premium on Bond	n/a	n/a	n/a	n/a	138,315	95,161
Total Lease Revenue Bonds					\$ 10,803,315	\$ 1,292,161
Other Obligations:						
Net OPEB Liabilities	n/a	n/a	n/a	n/a	\$ 8,374,042	\$ -
Compensated Absences	n/a	n/a	n/a	n/a	669,115	501,836
Net Pension Liability	n/a	n/a	n/a	n/a	2,810,483	-
Total Other Obligations					\$ 11,853,640	\$ 501,836
Total Long-term Obligations					\$ 25,973,311	\$ 2,379,366

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

(2) Debt is collateralized by the underlying property.

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

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (Continued)

Note 6 - Long-term Obligations: (Continued)

Primary Government: (Continued)

Business-type Activities:

Landfill Fund

	Beginning Balance	Increases/ Issuances	Decreases/ Retirements	Ending Balance
Direct Borrowings and Placements:				
Revenue bonds	\$ 3,295,000	\$ -	\$ (20,000)	\$ 3,275,000
Landfill closure/postclosure liability	9,579,762	1,058,974	-	10,638,736
Total	\$ 12,874,762	\$ 1,058,974	\$ (20,000)	\$ 13,913,736

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

Year Ending June 30,	Direct Borrowings and Placements	
	Principal	Interest
2023	\$ 20,000	\$ 52,893
2024	375,000	49,693
2025	412,000	43,318
2026	603,000	35,097
2027	612,000	25,255
2028-2032	1,253,000	20,371
Totals	\$ 3,275,000	\$ 226,627

Details of Long-Term Obligations:

	Interest Rates	Issue Dates	Final Maturity Date	Amount of Original Issue	Balance Business-type Activities	Amount Due Within One Year
Direct Borrowings and Placements:						
Revenue Bonds	1.62%	5/6/2021	5/6/2029	\$ 3,295,000	\$ 3,275,000	\$ 20,000
Other Obligations:						
Landfill Closure/ Postclosure Liability	n/a	n/a	n/a	n/a	\$ 10,638,736	\$ -
Total Long-term Obligations					\$ 13,913,736	\$ 20,000

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (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, 2022:

	Beginning Balance	Issuances/ Increases	Retirements/ Decreases	Ending Balance
Direct Borrowings and Placements:				
Loans payable	\$ 1,351,423	\$ -	\$ (807,142)	\$ 544,281
Net pension liability	49,432,862	12,400,201	(35,402,661)	26,430,402
Net OPEB liabilities	21,549,190	3,979,369	(3,324,642)	22,203,917
Compensated absences	609,959	407,792	(457,469)	560,282
Total	<u>\$ 72,943,434</u>	<u>\$ 16,787,362</u>	<u>\$ (39,991,914)</u>	<u>\$ 49,738,882</u>

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

Year Ending June 30,	Direct Borrowings and Placements	
	Principal	Interest
2023	<u>\$ 544,281</u>	<u>\$ 13,884</u>

Details of Long-Term Obligations:

	Interest Rates	Issue Dates	Final Maturity Date	Amount of Original Issue	Balance Governmental Activities	Amount Due Within One Year
Direct Borrowings and Placements:						
Loan Payable - PNC Equipment - AC Project	4.195%	10/5/2007	10/5/2022	\$ 4,792,700	\$ 144,007	\$ 144,007
Loan Payable - PNC Equipment - Energy Project	2.550%	3/10/2015	10/10/2022	3,118,167	400,274	400,274
Total Direct Borrowings and Placements					<u>\$ 544,281</u>	<u>\$ 544,281</u>
Other Obligations:						
Net Pension Liability	n/a	n/a	n/a	n/a	\$ 26,430,402	\$ -
Net OPEB Liabilities	n/a	n/a	n/a	n/a	22,203,917	-
Compensated Absences	n/a	n/a	n/a	n/a	560,282	420,212
Total Other Obligations					<u>\$ 49,194,601</u>	<u>\$ 420,212</u>
Total Long-term Obligations					<u>\$ 49,738,882</u>	<u>\$ 964,493</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 \$669,115 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 \$560,282.

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (Continued)

Note 8 - Pension Plans:

Plan Description

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

Benefit Structures

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

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

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (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, 2020 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	280	244
Inactive members:		
Vested inactive members	47	20
Non-vested inactive members	73	77
Inactive members active elsewhere in VRS	127	26
Total inactive members	247	123
Active members	300	173
Total covered employees	827	540

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (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, 2022 was 12.16% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$1,313,810 and \$1,216,175 for the years ended June 30, 2022 and June 30, 2021, respectively. Contributions to the pension plan from the Component Units were \$195,850 and \$191,688 for the years ended June 30, 2022 and June 30, 2021, respectively.

The Component Unit School Board's contractually required contribution rate for nonprofessional employees for the year ended June 30, 2022 was 15.28% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were \$554,929 and \$503,719 for the years ended June 30, 2022 and June 30, 2021, respectively.

Net Pension Liability

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net pension. The County's and Component Unit School Board's (nonprofessional) net pension liabilities were measured as of June 30, 2021. The total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation performed as of June 30, 2020, and rolled forward to the measurement date of June 30, 2021.

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, 2020, 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, 2021.

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

COUNTY OF TAZEWell, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (Continued)

Note 8 - Pension Plans: (Continued)

Actuarial Assumptions - General Employees (Continued)

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (Continued)

Note 8 - Pension Plans: (Continued)

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the County's Retirement Plan was based on an actuarial valuation as of June 30, 2020, 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, 2021.

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

Remainder of this page left blank intentionally

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (Continued)

Note 8 - Pension Plans: (Continued)

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

All Others (Non 10 Largest) - Hazardous Duty:

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

Remainder of this page left blank intentionally

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (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	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Mult-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
		Inflation	2.50%
		*Expected arithmetic nominal return	7.39%

*The above allocation provides a one-year expected return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%.

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

Remainder of this page left blank intentionally

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (Continued)

Note 8 - Pension Plans: (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the County and Component Unit School Board (nonprofessional) was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2021, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2021, the rate contributed by the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2021 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

	Pension Liability (a)	Fiduciary Net Position (b)	Pension Liability (a) - (b)
Balances at June 30, 2020	\$ 54,646,243	\$ 44,446,062	\$ 10,200,181
Changes for the year:			
Service cost	\$ 1,116,259	\$ -	\$ 1,116,259
Interest	3,613,199	-	3,613,199
Differences between expected and actual experience	(207,767)	-	(207,767)
Assumption changes	1,892,512	-	1,892,512
Impact in change in proportion	288,176	234,385	53,791
Contributions - employer	-	1,213,082	(1,213,082)
Contributions - employee	-	523,307	(523,307)
Net investment income	-	12,150,619	(12,150,619)
Benefit payments, including refunds	(2,811,039)	(2,811,039)	-
Administrative expenses	-	(30,459)	30,459
Other changes	-	1,143	(1,143)
Net changes	\$ 3,891,340	\$ 11,281,038	\$ (7,389,698)
Balances at June 30, 2021	\$ 58,537,583	\$ 55,727,100	\$ 2,810,483

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (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, 2020	\$ 8,968,734	\$ 7,294,640	\$ 1,674,094
Changes for the year:			
Service cost	\$ 176,388	\$ -	\$ 176,388
Interest	570,948	-	570,948
Differences between expected and actual experience	(32,831)	-	(32,831)
Assumption changes	299,051	-	299,051
Impact in change in proportion	(288,176)	(234,385)	(53,791)
Contributions - employer	-	191,688	(191,688)
Contributions - employee	-	82,692	(82,692)
Net investment income	-	1,920,008	(1,920,008)
Benefit payments, including refunds	(444,193)	(444,193)	-
Administrative expenses	-	(4,813)	4,813
Other changes	-	181	(181)
Net changes	\$ 281,187	\$ 1,511,178	\$ (1,229,991)
Balances at June 30, 2021	\$ 9,249,921	\$ 8,805,818	\$ 444,103

Remainder of this page left blank intentionally

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (Continued)

Note 8 - Pension Plans: (Continued)

Changes in Net Pension Liability (Continued)

	Component Unit School Board - Nonprofessional		
	Increase (Decrease)		
	Total	Plan	Net
	Pension Liability (a)	Fiduciary Net Position (b)	Pension Liability (a) - (b)
Balances at June 30, 2020	\$ 27,625,995	\$ 20,480,154	\$ 7,145,841
Changes for the year:			
Service cost	\$ 281,580	\$ -	\$ 281,580
Interest	1,799,889	-	1,799,889
Differences between expected and actual experience	80,585	-	80,585
Assumption changes	896,175	-	896,175
Contributions - employer	-	503,723	(503,723)
Contributions - employee	-	158,847	(158,847)
Net investment income	-	5,446,221	(5,446,221)
Benefit payments, including refunds	(1,921,932)	(1,921,932)	-
Administrative expenses	-	(14,390)	14,390
Other changes	-	501	(501)
Net changes	\$ 1,136,297	\$ 4,172,970	\$ (3,036,673)
Balances at June 30, 2021	\$ 28,762,292	\$ 24,653,124	\$ 4,109,168

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
County - Primary Government			
Net Pension Liability	\$ 10,205,119	\$ 2,810,483	\$ (3,297,305)
Other Component Units			
Net Pension Liability	\$ 1,612,585	\$ 444,103	\$ (521,031)
Component Unit School Board (Nonprofessional)			
Net Pension Liability	\$ 7,152,644	\$ 4,109,168	\$ 1,534,018

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (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, 2022, the County, Other Component Units, and Component Unit School Board (nonprofessional) recognized pension expense of \$516,974, \$88,218, and \$214,884, respectively. At June 30, 2022, 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	\$ 2,794	\$ 144,760	\$ 456	\$ 22,916	\$ 42,393	\$ 29,233
Change in assumptions	1,284,257	-	203,083	-	471,448	-
Net difference between projected and actual earnings on pension plan investments	-	6,047,474	-	947,455	-	2,674,302
Impact of change in proportion	35,400	-	-	35,400	-	-
Employer contributions subsequent to the measurement date	1,313,810	-	195,850	-	554,929	-
Total	<u>\$ 2,636,261</u>	<u>\$ 6,192,234</u>	<u>\$ 399,389</u>	<u>\$ 1,005,771</u>	<u>\$ 1,068,770</u>	<u>\$ 2,703,535</u>

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

\$1,313,810, \$195,850, and \$554,929 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, 2023. 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)
2023	\$ (818,359)	\$ (138,237)	\$ (190,809)
2024	(821,179)	(140,587)	(555,838)
2025	(1,395,857)	(233,546)	(621,692)
2026	(1,834,388)	(289,862)	(821,355)

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2021-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, 2022 (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, 2022 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$4,256,299 and \$4,067,701 for the years ended June 30, 2022 and June 30, 2021, respectively.

In June 2021, the Commonwealth made a special contribution of approximately \$61.3 million to the VRS Teacher Retirement Plan. This special payment was authorized by a budget amendment included in Chapter 552 of the 2021 Appropriation Act, and is classified as a non-employer contribution.

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

At June 30, 2022, the school division reported a liability of \$22,321,234 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2021 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2020, and rolled forward to the measurement date of June 30, 2020. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the school division's proportion was 0.28753% as compared to 0.29060% at June 30, 2020.

For the year ended June 30, 2022, the school division recognized pension expense of \$(1,179,522). 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.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (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, 2022, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,901,188
Net difference between projected and actual earnings on pension plan investments	3,910,622	14,066,244
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	2,974,728
Employer contributions subsequent to the measurement date	4,256,299	-
Total	<u>\$ 8,166,921</u>	<u>\$ 18,942,160</u>

\$4,256,299 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, 2023. 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	
2023	\$ (4,134,795)
2024	(3,501,377)
2025	(3,322,122)
2026	(4,076,264)
2027	3,020

COUNTY OF TAZEWell, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (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, 2020, 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, 2021.

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

Mortality rates:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement:

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (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, 2021, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

		Teacher Employee Retirement Plan
Total Pension Liability	\$	53,381,141
Plan Fiduciary Net Position		45,617,878
Employers' Net Pension Liability (Asset)	\$	<u>7,763,263</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		85.46%

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	\$ 43,078,773	\$ 22,321,234	\$ 5,245,386

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (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 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2021-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	\$ 2,636,261	\$ 6,192,234	\$ 2,810,483	\$ 593,132	\$ -	\$ -	\$ -	\$ -
Other Component Units	-	-	-	-	399,389	1,005,771	444,103	12,060
Totals	<u>\$ 2,636,261</u>	<u>\$ 6,192,234</u>	<u>\$ 2,810,483</u>	<u>\$ 593,132</u>	<u>\$ 399,389</u>	<u>\$ 1,005,771</u>	<u>\$ 444,103</u>	<u>\$ 12,060</u>

	Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
VRS Pension Plans:				
School Board Nonprofessional	\$ 1,068,770	\$ 2,703,535	\$ 4,109,168	\$ 214,884
School Board Professional	8,166,921	18,942,160	22,321,234	(1,179,522)
Totals	<u>\$ 9,235,691</u>	<u>\$ 21,645,695</u>	<u>\$ 26,430,402</u>	<u>\$ (964,638)</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, 2022 (Continued)

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

Plan Membership

At July 1, 2021 (measurement date), the following employees were covered by the benefit terms:

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

Contributions

The County does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the Board of Supervisors. The amounts paid by the County, Other Component Units, and Component Unit School Board, for OPEB as the benefits came due during the year ended June 30, 2022 were \$261,778, \$25,744, and \$542,478, respectively.

Total OPEB Liability

The County's total OPEB liability was measured as of July 1, 2021. The total OPEB liability was determined by an actuarial valuation as July 1, 2020.

Actuarial Assumptions

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

Healthcare Cost Trend Rates	8.09% for Public Schools, 8.46% for DSS and 10.00% for the County and PSA for fiscal year end 2021 (to reflect actual experience), then 7.00% for fiscal year end 2022, decreasing 0.25% per year to an ultimate rate of 5.00%
Salary Increases	Service-graded
Discount Rate	1.92%

The mortality rates were calculated using the RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2021.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (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 1.92% 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, 2020	\$ 6,540,006	\$ 634,000	\$ 14,669,994
Changes for the year:			
Service cost	332,000	44,000	475,000
Interest	165,000	17,000	364,000
Difference between expected and actual experience	221,994	6,000	(259,994)
Changes in assumptions	791,000	65,000	1,461,000
Contributions - employer	(261,000)	-	(569,000)
Net changes	\$ 1,248,994	\$ 132,000	\$ 1,471,006
Balances at June 30, 2021	\$ 7,789,000	\$ 766,000	\$ 16,141,000

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 (0.92%) or one percentage point higher (2.92%) than the current discount rate:

	Rate		
	1% Decrease 0.92%	Current Discount 1.92%	1% Increase 2.92%
Proportionate share of the healthcare total OPEB liability:			
County	\$ 8,411,585	\$ 7,789,000	\$ 7,208,037
Other Component Units	\$ 827,223	\$ 766,000	\$ 708,863
Component Unit School Board	\$ 17,431,192	\$ 16,141,000	\$ 14,937,100

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (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	\$ 6,932,066	\$ 7,789,000	\$ 9,367,231
Other Component Units	\$ 681,723	\$ 766,000	\$ 921,205
Component Unit School Board	\$ 14,365,211	\$ 16,141,000	\$ 19,411,564

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

For the year ended June 30, 2022, the County, Other Component Units, and Component Unit School Board recognized OPEB expense in the amounts of \$709,000, (\$35,000), and \$670,000, respectively. At June 30, 2022, 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	\$ 41,001	\$ 524,187	\$ 4,033	\$ 51,550	\$ 84,966	\$ 1,086,263
Changes in assumptions	1,063,512	83,580	104,589	8,220	2,203,899	173,200
Employer contributions subsequent to the measurement date	261,778	-	25,744	-	542,478	-
Total	\$ 1,366,291	\$ 607,767	\$ 134,366	\$ 59,770	\$ 2,831,343	\$ 1,259,463

\$261,778, \$25,744, and \$542,478 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, 2023. 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
2023	\$ (18,924)	\$ (1,861)	\$ (39,215)
2024	9,147	899	18,954
2025	236,861	23,294	490,845
2026	178,198	17,525	369,277
2027	91,464	8,995	189,541

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 TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (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 \$8,722 as of June 30, 2022.

Remainder of this page left blank intentionally

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (Continued)

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

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2022 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability.

Contributions to the GLI Plan from the Primary Government were \$61,147 and \$56,021 for the years ended June 30, 2022 and June 30, 2021, respectively.

Contributions to the GLI Plan from the Other Component Units were \$9,115 and \$8,852 for the years ended June 30, 2022 and June 30, 2021, respectively.

Contributions to the GLI Plan from the Component Unit School Board (nonprofessional) were \$20,662 and \$18,620 for the years ended June 30, 2022 and June 30, 2021, respectively.

Contributions to the GLI Plan from the Component Unit School Board (professional) were \$142,818 and \$136,169 for the years ended June 30, 2022 and June 30, 2021, 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, 2022, the entity reported a liability of \$585,042 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2021 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, 2020, and rolled forward to the measurement date of June 30, 2021. 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, 2021, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the participating employer's proportion was 0.05026% as compared to 0.04931% at June 30, 2020.

For the year ended June 30, 2022, the participating employer recognized GLI OPEB expense of \$11,211. 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, 2022 (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, 2022, the entity reported a liability of \$92,447 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2021 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, 2020, and rolled forward to the measurement date of June 30, 2021. 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, 2021, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the participating employer's proportion was 0.00794% as compared to 0.00809% at June 30, 2020.

For the year ended June 30, 2022, the participating employer recognized GLI OPEB expense of \$1,772. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

Component Unit School Board (nonprofessional) GLI Program

At June 30, 2022, the entity reported a liability of \$194,434 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2021 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, 2020, and rolled forward to the measurement date of June 30, 2021. 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, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the participating employer's proportion was 0.01670% as compared to 0.01730% at June 30, 2020.

For the year ended June 30, 2022, the participating employer recognized GLI OPEB expense of \$(5,928). Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

Component Unit School Board (professional) GLI Program

At June 30, 2022, the entity reported a liability of \$1,421,925 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2021 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, 2020, and rolled forward to the measurement date of June 30, 2021. 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, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the participating employer's proportion was 0.12210% as compared to 0.12310% at June 30, 2020.

For the year ended June 30, 2022, the participating employer recognized GLI OPEB expense of \$(7,651). 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, 2022 (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, 2022, 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	\$ 66,726	\$ 4,458	\$ 10,544	\$ 704
Net difference between projected and actual earnings on GLI OPEB plan investments	-	139,637	-	22,065
Change in assumptions	32,253	80,046	5,097	12,649
Changes in proportionate share	8,719	35,487	1,378	5,608
Employer contributions subsequent to the measurement date	61,147	-	9,115	-
Total	<u>\$ 168,845</u>	<u>\$ 259,628</u>	<u>\$ 26,134</u>	<u>\$ 41,026</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	\$ 22,176	\$ 1,481	\$ 162,176	\$ 10,834
Net difference between projected and actual earnings on GLI OPEB plan investments	-	46,407	-	339,383
Change in assumptions	10,719	26,603	78,390	194,550
Changes in proportionate share	-	42,419	-	188,725
Employer contributions subsequent to the measurement date	20,662	-	142,818	-
Total	<u>\$ 53,557</u>	<u>\$ 116,910</u>	<u>\$ 383,384</u>	<u>\$ 733,492</u>

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (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)

\$61,147, \$9,115, \$20,662, and \$142,818 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, 2023. 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)
2023	\$ (41,578)	\$ (6,570)	\$ (23,472)	\$ (135,954)
2024	(32,205)	(5,089)	(20,079)	(114,119)
2025	(27,665)	(4,371)	(16,779)	(95,901)
2026	(43,878)	(6,934)	(19,146)	(122,915)
2027	(6,604)	(1,043)	(4,539)	(24,037)

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2020, 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, 2021. 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, 2022 (Continued)

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

Mortality Rates - Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (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, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

COUNTY OF TAZEWell, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (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, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (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, 2021, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

	GLI OPEB Plan
Total GLI OPEB Liability	\$ 3,577,346
Plan Fiduciary Net Position	2,413,074
GLI Net OPEB Liability (Asset)	\$ 1,164,272
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	67.45%

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

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
		Inflation	2.50%
		*Expected arithmetic nominal return	7.39%

*The above allocation provides a one-year return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%.

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (Continued)

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

Long-Term Expected Rate of Return (Continued)

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

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy and at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2021, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2021 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	\$ 854,768	\$ 585,042	\$ 367,227
Other Component Units	\$ 135,068	\$ 92,447	\$ 58,028
Component Unit School Board (Nonprofessional)	\$ 284,074	\$ 194,434	\$ 122,045
Component Unit School Board (Professional)	\$ 2,077,484	\$ 1,421,925	\$ 892,531

GLI Plan Fiduciary Net Position

Detailed information about the GLI Plan's Fiduciary Net Position is available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2021-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, 2022 (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, 2022 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Plan were \$319,276 and \$304,224 for the years ended June 30, 2022 and June 30, 2021, respectively.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (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, 2022, the school division reported a liability of \$3,649,701 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, 2021 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, 2020 and rolled forward to the measurement date of June 30, 2021. 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, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the school division's proportion of the VRS Teacher Employee Health Insurance Credit Plan was 0.28434% as compared to 0.28770% at June 30, 2020.

For the year ended June 30, 2022, the school division recognized VRS Teacher Employee HIC OPEB expense of \$186,386. Since there was a change in proportionate share between measurement dates, a portion of the VRS Teacher Employee HIC Net OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2022, 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	\$ -	\$ 63,687
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	48,078
Change in assumptions	98,658	14,668
Change in proportionate share	-	439,088
Employer contributions subsequent to the measurement date	319,276	-
Total	\$ <u>417,934</u>	\$ <u>565,521</u>

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (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

\$319,276 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, 2023. 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	
2023	\$ (115,319)
2024	(115,865)
2025	(106,831)
2026	(81,623)
2027	(35,926)
Thereafter	(11,299)

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, 2020, 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, 2021.

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

Mortality Rates - Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (Continued)

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

Actuarial Assumptions: (Continued)

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Net Teacher Employee HIC OPEB Liability

The net OPEB liability (NOL) for the Teacher Employee HIC Plan represents the plan's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2021, 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	\$ 1,477,874
Plan Fiduciary Net Position	194,305
Teacher Employee Net HIC OPEB Liability (Asset)	<u>\$ 1,283,569</u>
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability	13.15%

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, 2022 (Continued)

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

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
		Inflation	2.50%
		*Expected arithmetic nominal return	7.39%

*The above allocation provides a one-year return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%.

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

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (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, 2021, 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, 2021 on, all agencies are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Teacher Employee HIC OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total Teacher Employee HIC OPEB liability.

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability	\$ 4,108,552	\$ 3,649,701	\$ 3,261,404

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 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2021-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Remainder of this page left blank intentionally

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (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, 2022 (Continued)

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

Employees Covered by Benefit Terms

As of the June 30, 2020 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan:

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	<u>159</u>
Inactive members:	
Vested inactive members	1
Active members	<u>173</u>
Total covered employees	<u><u>333</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, 2022 was 1.64% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2020. 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 \$61,980 and \$56,225 for the years ended June 30, 2022 and June 30, 2021, respectively.

During the 2020 session, House Bill 1513 was enacted. This bill required the addition of Health Insurance Credit benefits for non-teacher employees effective July 1, 2021. While benefit payments became effective July 1, 2021, employees were required to pre-fund the benefits beginning July 1, 2020. The bill impacted 95 employers and resulted in approximately \$2.5 million of additional employer contributions in FY 2021.

Net HIC OPEB Liability

The Component Unit School Board's net HIC OPEB liability was measured as of June 30, 2021. The total HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2020, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2020, 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, 2021.

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 TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (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, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (Continued)

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

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
		Inflation	2.50%
		*Expected arithmetic nominal return	7.39%

*The above allocation provides a one-year return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%.

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

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (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, 2021, 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, 2021 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, 2020	\$ 782,665	\$ -	\$ 782,665
Changes for the year:			
Service cost	\$ 5,537	\$ -	\$ 5,537
Interest	52,830	-	52,830
Assumption changes	19,263	-	19,263
Contributions - employer	-	56,225	(56,225)
Net investment income	-	7,462	(7,462)
Administrative expenses	-	(249)	249
Net changes	\$ 77,630	\$ 63,438.00	\$ 14,192
Balances at June 30, 2021	\$ 860,295	\$ 63,438	\$ 796,857

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	\$ 872,522	\$ 796,857	\$ 731,369

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (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, 2022, the Component Unit School Board recognized HIC Plan OPEB expense of 61,345. At June 30, 2022, 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
Net difference between projected and actual earnings on HIC OPEB plan investments	\$ -	\$ 4,458
Change in assumptions	13,530	-
Employer contributions subsequent to the measurement date	61,980	-
Total	<u>\$ 75,510</u>	<u>\$ 4,458</u>

\$61,980 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, 2023. 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	
2023	\$ 4,618
2024	4,618
2025	949
2026	(1,113)

HIC Plan Data

Information about the VRS Political Subdivision HIC Plan is available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2021-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 13 - Aggregate OPEB Information:

	Primary Government				Other Component Units			
	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
VRS OPEB Plans:								
Group Life Insurance Plan:								
County	\$ 168,845	\$ 259,628	\$ 585,042	\$ 11,211	\$ -	\$ -	\$ -	\$ -
Component Units	-	-	-	-	26,134	41,026	92,447	1,772
Health Insurance Credit Plan:								
County Stand-Alone Plan	1,366,291	607,767	7,789,000	709,000	-	-	-	-
Component Units Stand-Alone Plan	-	-	-	-	134,366	59,770	766,000	(35,000)
Totals	<u>\$ 1,535,136</u>	<u>\$ 867,395</u>	<u>\$ 8,374,042</u>	<u>\$ 720,211</u>	<u>\$ 160,500</u>	<u>\$ 100,796</u>	<u>\$ 858,447</u>	<u>\$ (33,228)</u>

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (Continued)

Note 13 - Aggregate OPEB Information: (Continued)

	Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
VRS OPEB Plans:				
Group Life Insurance Plan:				
School Board Nonprofessional	\$ 53,557	\$ 116,910	\$ 194,434	\$ (5,928)
School Board Professional	383,384	733,492	1,421,925	(7,651)
Health Insurance Credit Plan:				
School Board Health Insurance Credit Plan	75,510	4,458	796,857	61,345
Teacher Health Insurance Credit Plan	417,934	565,521	3,649,701	186,386
School Stand-Alone Plan	2,831,343	1,259,463	16,141,000	670,000
Totals	<u>\$ 3,761,728</u>	<u>\$ 2,679,844</u>	<u>\$ 22,203,917</u>	<u>\$ 904,152</u>

Note 14 - Contingent Liabilities:

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

Note 15 - Landfill Closure and 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 \$17,796,737 reported as landfill closure and post closure care liability at June 30, 2022, \$10,638,736 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 \$7,158,001 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 2022.

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.

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (Continued)

Note 16 - Risk Management:

The County and its component unit - School Board is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The County and its component unit - School Board participate with other localities in a public entity risk pool for their coverage of general liability and auto insurance with the Virginia Municipal Liability Pool. Each member of this risk pool jointly and severally agrees to assume, pay and discharge any liability. The County and its component unit - School Board pay the Virginia Municipal Group contributions and assessments based upon classification and rates into a designated cash reserve fund out of which expenses of the pool, claims and awards are to be paid. In the event of a loss deficit and depletion of all available excess insurance, the pool may assess all members in the proportion in which the premium of each bears to the total premiums of all members in the year in which such deficit occurs. The County and its component unit - School Board continue to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 17 - Deferred/Unavailable Revenue:

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

	Government-wide Statements Governmental Activities	Balance Sheet Governmental Funds
Primary Government		
Long-term portion of opioid settlement receivable that is not available for funding of current expenditures	\$ -	\$ 1,814,784
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)	-	3,167,966
Property taxes due in December 2022	20,493,463	20,493,463
Prepaid property taxes due in December 2022 but paid in advance by the taxpayers	1,032,131	1,032,131
Total deferred/unavailable revenue	<u>\$ 21,525,594</u>	<u>\$ 26,508,344</u>

Remainder of this page left blank intentionally

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (Continued)

Note 18 - Surety Bonds:

	Amount
Commonwealth of America, Division of Risk Management	
Tammy Allison, Clerk of the Circuit Court	\$ 710,000
David Larimer, Treasurer	500,000
David Anderson, Commissioner of the Revenue	3,000
Brian Hieatt, Sheriff	30,000
The above constitutional officers' employees	
Blanket bond	50,000
Landfill employees	20,000
VACO Insurance Program:	
All School Board employees - blanket	250,000
Fidelity and Deposit Company of Maryland Surety:	
C. Eric Young, County Administrator	50,000
St. Paul Fire and Marine Insurance Company	
David Taylor, Interim Director of Social Services	25,000
All Social Services employees - blanket	100,000

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

	Governmental Activities							Component Unit - School Board		
	General Fund	County CIP Fund	Law Library Fund	Coal Road Improvement Fund	Coal Road Economic Development Fund	Damage Stamp Fund	Total	School Operating Fund	School Activity Fund	Total
Fund Balance:										
Nonspendable:										
Prepaid items	\$ 56,926	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,926	\$ 531,827	\$ -	\$ 531,827
Restricted:										
Public safety	\$ 85,463	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 85,463	\$ -	\$ -	\$ -
Health insurance	339,614	-	-	-	-	-	339,614	2,821,627	-	2,821,627
Opioid settlement	65,306	-	-	-	-	-	65,306	-	-	-
Total restricted balances	\$ 490,383	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 425,077	\$ 2,821,627	\$ -	\$ 2,821,627
Committed funds:										
Wireless fund	\$ 35,834	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,834	\$ -	\$ -	\$ -
Recreation	38,057	-	-	-	-	-	38,057	-	-	-
Capital projects	-	378,875	-	-	-	-	378,875	-	-	-
Law library	-	-	48,793	-	-	-	48,793	-	-	-
Coal road improvements	-	-	-	1,910,184	-	-	1,910,184	-	-	-
Coal road economic development	-	-	-	-	161,019	-	161,019	-	-	-
Damage stamp	-	-	-	-	-	42	42	-	-	-
Education	-	-	-	-	-	-	-	4,402,973	1,112,648	5,515,621
Total committed balances	\$ 73,891	\$ 378,875	\$ 48,793	\$ 1,910,184	\$ 161,019	\$ 42	\$ 2,572,804	\$ 4,402,973	\$ 1,112,648	\$ 5,515,621
Net Position:										
Restricted:										
Public safety	n/a	n/a	n/a	n/a	n/a	n/a	\$ 85,463	n/a	n/a	\$ -
Health insurance	n/a	n/a	n/a	n/a	n/a	n/a	339,614	n/a	n/a	2,821,627
Opioid settlement	n/a	n/a	n/a	n/a	n/a	n/a	1,880,090	n/a	n/a	-
Total restricted balances							\$ 2,305,167			\$ 2,821,627

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (Continued)

Note 20 - COVID-19 Pandemic:

The COVID-19 pandemic and its impact on operations continues to evolve. Specific to the County, COVID-19 impacted various parts of its 2021 operations and financial results including, but not limited to, costs for emergency preparedness and shortages of personnel. Federal relief has been received through various programs. Management believes the County is taking appropriate actions to mitigate the negative impact. The extent to which COVID-19 may impact operations in subsequent years remains uncertain, and management is unable to estimate the effects on future results of operations, financial condition, or liquidity for fiscal year 2023.

ARPA Funding

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

On June 22, 2021, the County received its share of the first half of the CSLFRF funds. The second half of funding was received on July 11, 2022, shortly after year end. As a condition of receiving CSLFRF funds, any funds unobligated by December 31, 2024, and unexpended by December 31, 2026, will be returned to the federal government. Unspent funds in the amount of \$2,413,720 from the initial allocation are reported as unearned revenue as of June 30.

ESF Funding

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

Note 23 - Upcoming Pronouncements:

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

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

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

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

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 (Continued)

Note 23 - Upcoming Pronouncements: (Continued)

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

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

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, 2022

	Budget Amounts				Variance with
	Original	Final	Actual		Final Budget
			Amounts		Pos (Neg)
REVENUES					
General Property Taxes	\$ 33,228,982	\$ 33,228,982	\$ 33,291,477	\$	62,495
Other Local Taxes	7,749,812	7,749,812	8,985,598		1,235,786
Permits, Privilege Fees and Regulatory Licenses	141,125	141,125	175,997		34,872
Fines and Forfeitures	40,000	40,000	44,935		4,935
Revenue from Use of Money and Property	289,294	289,294	292,984		3,690
Charges for Services	138,250	138,250	167,815		29,565
Miscellaneous	427,500	427,500	365,657		(61,843)
Recovered Costs	1,924,346	1,924,346	2,309,631		385,285
Intergovernmental:					
Commonwealth	14,127,454	14,127,454	13,764,647		(362,807)
Federal Government	22,372,074	22,372,074	8,374,459		(13,997,615)
Total Revenues	\$ 80,438,837	\$ 80,438,837	\$ 67,773,200	\$	(12,665,637)
EXPENDITURES:					
Current:					
General Government Administration	\$ 14,798,540	\$ 14,798,540	\$ 6,792,029	\$	8,006,511
Judicial Administration	2,556,554	2,556,554	2,693,612		(137,058)
Public Safety	15,320,692	15,320,692	14,771,370		549,322
Public Works	1,309,782	1,309,782	1,153,047		156,735
Health and Welfare	13,411,885	13,411,885	13,484,808		(72,923)
Education	12,373,979	12,373,979	11,430,568		943,411
Parks, Recreation and Cultural	1,665,293	1,665,293	1,887,116		(221,823)
Community Development	9,109,880	9,109,880	1,414,009		7,695,871
Non-Departmental	8,784,766	8,784,766	512,910		8,271,856
Debt Service:					
Principal Retirement	2,177,391	2,177,391	1,712,039		465,352
Interest and Other Fiscal Charges	716,830	716,830	563,629		153,201
Total Expenditures	\$ 82,225,592	\$ 82,225,592	\$ 56,415,137	\$	25,810,455
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (1,786,755)	\$ (1,786,755)	\$ 11,358,063	\$	13,144,818
Other Financing Sources (Uses)					
Transfers In	\$ 5,000	\$ 5,000	\$ 5,000	\$	-
Transfers Out	(1,022,750)	(1,022,750)	(2,041,892)		(1,019,142)
Total Other Financing Sources (Uses)	\$ (1,017,750)	\$ (1,017,750)	\$ (2,036,892)	\$	(1,019,142)
Net Change in Fund Balance	\$ (2,804,505)	\$ (2,804,505)	\$ 9,321,171	\$	12,125,676
Fund Balance - Beginning	2,804,505	2,804,505	14,115,672		11,311,167
Fund Balance - Ending	\$ -	\$ -	\$ 23,436,843	\$	23,436,843

County of Tazewell, Virginia
Schedule of Changes in Net Pension Liability and Related Ratios
Primary Government
Pension Plans

For the Measurement Dates of June 30, 2014 through June 30, 2021

	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability								
Service cost	\$ 1,116,259	\$ 1,065,150	\$ 1,004,039	\$ 1,015,173	\$ 1,090,137	\$ 1,095,549	\$ 1,086,879	\$ 1,078,495
Interest	3,613,198	3,482,375	3,386,517	3,310,997	3,202,401	3,043,467	2,899,146	2,767,693
Change of assumptions	1,892,513	-	1,476,634	-	(156,883)	-	-	-
Differences between expected and actual experience	(207,767)	(20,986)	142,508	(305,314)	(7,195)	651,020	313,432	-
Impact in change in proportion	288,176	(45,957)	(328,076)	(40,854)	(209,616)	(111,024)	-	-
Benefit payments	(2,811,039)	(2,942,104)	(2,561,543)	(2,666,301)	(2,406,191)	(2,213,605)	(2,039,716)	(1,896,954)
Net change in total pension liability	\$ 3,891,340	\$ 1,538,478	\$ 3,120,079	\$ 1,313,701	\$ 1,512,653	\$ 2,465,407	\$ 2,259,741	\$ 1,949,234
Total pension liability - beginning	\$ 54,646,243	\$ 53,107,765	\$ 49,987,686	\$ 48,673,985	\$ 47,161,332	\$ 44,695,925	\$ 42,436,184	\$ 40,486,950
Total pension liability - ending (a)	\$ 58,537,583	\$ 54,646,243	\$ 53,107,765	\$ 49,987,686	\$ 48,673,985	\$ 47,161,332	\$ 44,695,925	\$ 42,436,184
Plan fiduciary net position								
Impact in change in proportion	\$ 234,385	\$ (38,989)	\$ (285,911)	\$ (35,018)	\$ (169,900)	\$ (95,046)	\$ -	\$ -
Contributions - employer	1,213,082	1,045,597	1,015,055	1,010,986	1,018,151	1,110,489	1,127,068	1,109,531
Contributions - employee	523,307	491,857	494,738	497,210	491,028	527,074	515,377	495,039
Net investment income	12,150,619	864,750	2,860,605	3,064,187	4,593,798	657,018	1,688,554	5,070,273
Benefit payments	(2,811,039)	(2,942,104)	(2,561,543)	(2,666,301)	(2,406,191)	(2,213,605)	(2,039,716)	(1,896,954)
Administrator charges	(30,459)	(29,617)	(28,648)	(26,916)	(26,855)	(23,721)	(23,151)	(27,328)
Other	1,143	(1,005)	(1,799)	(2,704)	(4,077)	(280)	(356)	268
Net change in plan fiduciary net position	\$ 11,281,038	\$ (609,511)	\$ 1,492,497	\$ 1,841,444	\$ 3,495,954	\$ (38,071)	\$ 1,267,776	\$ 4,750,829
Plan fiduciary net position - beginning	\$ 44,446,062	\$ 45,055,573	\$ 43,563,076	\$ 41,721,632	\$ 38,225,678	\$ 38,263,749	\$ 36,995,973	\$ 32,245,144
Plan fiduciary net position - ending (b)	\$ 55,727,100	\$ 44,446,062	\$ 45,055,573	\$ 43,563,076	\$ 41,721,632	\$ 38,225,678	\$ 38,263,749	\$ 36,995,973
County's net pension liability - ending (a) - (b)	\$ 2,810,483	\$ 10,200,181	\$ 8,052,192	\$ 6,424,610	\$ 6,952,353	\$ 8,935,654	\$ 6,432,176	\$ 5,440,211
Plan fiduciary net position as a percentage of the total pension liability	95.20%	81.33%	84.84%	87.15%	85.72%	81.05%	85.61%	87.18%
Covered payroll	\$ 10,391,181	\$ 10,098,852	\$ 9,731,606	\$ 9,910,529	\$ 9,859,374	\$ 9,964,213	\$ 10,048,316	\$ 9,720,135
County's net pension liability as a percentage of covered payroll	27.05%	101.00%	82.74%	64.83%	70.52%	89.68%	64.01%	55.97%

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

County of Tazewell, Virginia
Schedule of Changes in Net Pension Liability and Related Ratios
Other Component Units

For the Measurement Dates of June 30, 2014 through June 30, 2021									
	2021	2020	2019	2018	2017	2016	2015	2014	
Total pension liability									
Service cost	\$ 176,388	\$ 174,816	\$ 163,776	\$ 157,842	\$ 168,446	\$ 163,654	\$ 159,256	\$ 158,027	
Interest	570,949	571,541	552,397	514,803	494,813	454,636	424,797	405,539	
Change of assumptions	299,050	-	240,864	-	(24,240)	-	-	-	
Differences between expected and actual experience	(32,831)	(3,444)	23,246	(47,471)	(1,112)	97,250	45,926	-	
Impact in change of proportion	(288,176)	45,957	328,076	40,855	209,616	111,024	-	-	
Benefit payments	(444,193)	(482,870)	(417,830)	(414,564)	(371,788)	(330,671)	(298,872)	(277,953)	
Net change in total pension liability	\$ 281,187	\$ 306,000	\$ 890,529	\$ 251,465	\$ 475,735	\$ 495,893	\$ 331,107	\$ 285,613	
Total pension liability - beginning	8,968,734	8,662,734	7,772,205	7,520,740	7,045,005	6,549,112	6,218,005	5,932,392	
Total pension liability - ending (a)	<u>\$ 9,249,921</u>	<u>\$ 8,968,734</u>	<u>\$ 8,662,734</u>	<u>\$ 7,772,205</u>	<u>\$ 7,520,740</u>	<u>\$ 7,045,005</u>	<u>\$ 6,549,112</u>	<u>\$ 6,218,005</u>	
Plan fiduciary net position									
Impact in change of proportion	\$ (234,385)	\$ 38,990	\$ 285,911	\$ 35,018	\$ 169,900	\$ 95,046	\$ -	\$ -	
Contributions - employer	191,688	171,608	165,572	157,191	157,318	165,886	165,145	162,576	
Contributions - employee	82,692	80,725	80,700	77,308	75,870	78,735	75,516	72,536	
Net investment income	1,920,008	141,926	466,612	476,429	709,802	98,146	247,413	742,927	
Benefit payments	(444,193)	(482,870)	(417,830)	(414,564)	(371,788)	(330,671)	(298,872)	(277,953)	
Administrator charges	(4,813)	(4,861)	(4,673)	(4,185)	(4,149)	(3,543)	(3,393)	(4,004)	
Other	181	(165)	(293)	(420)	(629)	(42)	(52)	38	
Net change in plan fiduciary net position	\$ 1,511,178	\$ (54,647)	\$ 575,999	\$ 326,777	\$ 736,324	\$ 103,557	\$ 185,757	\$ 696,120	
Plan fiduciary net position - beginning	7,294,640	7,349,287	6,773,288	6,446,511	5,710,187	5,606,630	5,420,873	4,724,753	
Plan fiduciary net position - ending (b)	<u>\$ 8,805,818</u>	<u>\$ 7,294,640</u>	<u>\$ 7,349,287</u>	<u>\$ 6,773,288</u>	<u>\$ 6,446,511</u>	<u>\$ 5,710,187</u>	<u>\$ 5,606,630</u>	<u>\$ 5,420,873</u>	
Component Units' net pension liability - ending (a) - (b)	\$ 444,103	\$ 1,674,094	\$ 1,313,447	\$ 998,917	\$ 1,074,229	\$ 1,334,818	\$ 942,482	\$ 797,132	
Plan fiduciary net position as a percentage of the total pension liability	95.20%	81.33%	84.84%	87.15%	85.72%	81.05%	85.61%	87.18%	
Covered payroll	\$ 1,611,887	\$ 1,657,458	\$ 1,590,448	\$ 1,531,307	\$ 1,472,797	\$ 1,460,017	\$ 1,472,340	\$ 1,424,253	
Component Units' net pension liability as a percentage of covered payroll	27.55%	101.00%	82.58%	65.23%	72.94%	91.42%	64.01%	55.97%	

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

County of Tazewell, Virginia
Schedule of Changes in Net Pension Liability and Related Ratios
Component Unit School Board (Nonprofessional)

Pension Plans

For the Measurement Dates of June 30, 2014 through June 30, 2021

	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability								
Service cost	\$ 281,580	\$ 302,641	\$ 312,522	\$ 325,917	\$ 353,607	\$ 359,182	\$ 375,904	\$ 389,969
Interest	1,799,889	1,805,274	1,797,737	1,784,614	1,770,523	1,752,811	1,729,888	1,688,775
Change of assumptions	896,175	-	655,655	-	(70,894)	-	-	-
Differences between expected and actual experience	80,585	(321,563)	69,476	(208,796)	(183,199)	(243,199)	(222,538)	-
Benefit payments	(1,921,932)	(1,810,307)	(1,734,801)	(1,693,716)	(1,643,775)	(1,587,749)	(1,523,814)	(1,459,018)
Net change in total pension liability	\$ 1,136,297	\$ (23,955)	\$ 1,100,589	\$ 208,019	\$ 226,262	\$ 281,045	\$ 359,440	\$ 619,726
Total pension liability - beginning	27,625,995	27,649,950	26,549,361	26,341,342	26,115,080	25,834,035	25,474,595	24,854,869
Total pension liability - ending (a)	\$ 28,762,292	\$ 27,625,995	\$ 27,649,950	\$ 26,549,361	\$ 26,341,342	\$ 26,115,080	\$ 25,834,035	\$ 25,474,595
Plan fiduciary net position								
Contributions - employer	\$ 503,723	\$ 446,165	\$ 450,672	\$ 496,279	\$ 511,878	\$ 637,931	\$ 629,864	\$ 589,541
Contributions - employee	158,847	165,344	167,179	179,643	185,775	191,556	190,601	190,618
Net investment income	5,446,221	398,165	1,360,432	1,494,878	2,292,108	328,681	875,280	2,714,251
Benefit payments	(1,921,932)	(1,810,307)	(1,734,801)	(1,693,716)	(1,643,775)	(1,587,749)	(1,523,814)	(1,459,018)
Administrator charges	(14,390)	(14,365)	(14,332)	(13,492)	(13,865)	(12,500)	(12,501)	(15,068)
Other	501	(462)	(850)	(1,308)	(2,014)	(142)	(185)	143
Net change in plan fiduciary net position	\$ 4,172,970	\$ (815,460)	\$ 228,300	\$ 462,284	\$ 1,330,107	\$ (442,223)	\$ 159,245	\$ 2,020,467
Plan fiduciary net position - beginning	20,480,154	21,295,614	21,067,314	20,605,030	19,274,923	19,717,146	19,557,901	17,537,434
Plan fiduciary net position - ending (b)	\$ 24,653,124	\$ 20,480,154	\$ 21,295,614	\$ 21,067,314	\$ 20,605,030	\$ 19,274,923	\$ 19,717,146	\$ 19,557,901
School Board's net pension liability - ending (a) - (b)	\$ 4,109,168	\$ 7,145,841	\$ 6,354,336	\$ 5,482,047	\$ 5,736,312	\$ 6,840,157	\$ 6,116,889	\$ 5,916,694
Plan fiduciary net position as a percentage of the total pension liability	85.71%	74.13%	77.02%	79.35%	78.22%	73.81%	76.32%	76.77%
Covered payroll	\$ 3,428,413	\$ 3,526,992	\$ 3,530,389	\$ 3,778,109	\$ 3,877,669	\$ 3,958,254	\$ 3,891,558	\$ 3,824,515
School Board's net pension liability as a percentage of covered payroll	119.86%	202.60%	179.99%	145.10%	147.93%	172.81%	157.18%	154.70%

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

County of Tazewell, Virginia
Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan
Pension Plans
For the Measurement Dates of June 30, 2014 through June 30, 2021

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)
2021	0.28753%	\$ 22,321,234	\$ 25,146,532	88.76%	85.46%
2020	0.29060%	42,287,021	25,224,367	167.64%	71.47%
2019	0.29862%	39,300,089	24,794,223	158.51%	73.51%
2018	0.32016%	37,651,000	25,740,658	146.27%	74.81%
2017	0.33673%	41,411,000	26,133,765	158.46%	72.92%
2016	0.34666%	48,581,000	26,431,418	183.80%	68.28%
2015	0.35749%	44,995,000	26,579,014	169.29%	70.68%
2014	0.36174%	43,715,000	26,452,530	165.26%	70.88%

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

County of Tazewell, Virginia
Schedule of Employer Contributions
Pension Plans
For the Fiscal Years Ended June 30, 2013 through June 30, 2022

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					
2022	\$ 1,313,810	\$ 1,313,810	\$ -	\$ 11,292,489	11.63%
2021	1,216,175	1,216,175	-	10,391,181	11.70%
2020	1,086,636	1,086,636	-	10,098,852	10.76%
2019	1,015,039	1,015,039	-	9,731,606	10.43%
2018	1,024,401	1,024,401	-	9,910,529	10.34%
2017	1,016,717	1,016,717	-	9,859,374	10.31%
2016	1,120,484	1,120,484	-	9,964,213	11.25%
2015	1,127,068	1,127,068	-	10,048,316	11.22%
Component Units					
2022	\$ 195,850	\$ 195,850	\$ -	\$ 1,683,373	11.63%
2021	191,688	191,688	-	1,611,887	11.89%
2020	178,343	178,343	-	1,657,458	10.76%
2019	165,570	165,570	-	1,590,448	10.41%
2018	159,510	159,510	-	1,531,307	10.42%
2017	157,456	157,456	-	1,472,797	10.69%
2016	167,379	167,379	-	1,460,017	11.46%
2015	165,145	165,145	-	1,472,340	11.22%
Component Unit School Board (nonprofessional)					
2022	\$ 554,929	\$ 554,929	\$ -	\$ 3,779,290	14.68%
2021	503,719	503,719	-	3,428,413	14.69%
2020	446,160	446,160	-	3,526,992	12.65%
2019	450,673	450,673	-	3,530,389	12.77%
2018	496,256	496,256	-	3,778,109	13.14%
2017	511,880	511,880	-	3,877,669	13.20%
2016	638,441	638,441	-	3,958,254	16.13%
2015	633,935	633,935	-	3,891,558	16.29%
2014	585,916	585,916	-	3,824,515	15.32%
2013	585,126	585,126	-	3,819,361	15.32%
Component Unit School Board (professional)					
2022	\$ 4,256,299	\$ 4,256,299	\$ -	\$ 26,387,899	16.13%
2021	4,067,701	4,067,701	-	25,146,532	16.18%
2020	3,860,904	3,860,904	-	25,224,367	15.31%
2019	3,824,277	3,824,277	-	24,794,223	15.42%
2018	4,140,042	4,140,042	-	25,740,658	16.08%
2017	3,831,210	3,831,210	-	26,133,765	14.66%
2016	3,695,626	3,695,626	-	26,431,418	13.98%
2015	4,249,445	4,249,445	-	26,579,014	15.99%
2014	3,084,365	3,084,365	-	26,452,530	11.66%
2013	3,115,911	3,115,911	-	26,723,079	11.66%

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

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

County of Tazewell, Virginia
Notes to Required Supplementary Information
Pension Plans
For the Fiscal Year Ended June 30, 2022

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, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

All Others (Non 10 Largest) - Hazardous Duty:

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

Component Unit School Board - Professional Employees

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

County of Tazewell, Virginia
Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios - Health Insurance
Primary Government
For the Fiscal Years Ended June 30, 2018 through June 30, 2022

	2022	2021	2020	2019	2018
Total OPEB liability					
Service cost	\$ 332,000	\$ 217,661	\$ 193,536	\$ 299,000	\$ 283,000
Interest	165,000	190,416	215,422	207,000	198,000
Changes in assumptions	791,000	338,617	461,172	66,000	-
Differences between expected and actual experience	221,994	59,879	(214,484)	(430,000)	-
Contributions	(261,000)	(266,762)	(293,899)	(268,000)	-
Benefit payments	-	-	-	-	(257,000)
Changes in proportionate share	-	(265,804)	395,252	-	-
Net change in total OPEB liability	\$ 1,248,994	\$ 274,007	\$ 756,999	\$ (126,000)	\$ 224,000
Total OPEB liability - beginning	6,540,006	6,265,999	5,509,000	5,635,000	5,411,000
Total OPEB liability - ending	\$ 7,789,000	\$ 6,540,006	\$ 6,265,999	\$ 5,509,000	\$ 5,635,000
 Covered-employee payroll	 \$ 11,474,701	 \$ 10,892,625	 \$ 11,921,375	 \$ 11,122,229	 \$ 10,159,885
 County's total OPEB liability (asset) as a percentage of covered-employee	 67.88%	 60.04%	 52.56%	 49.53%	 55.46%

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

County of Tazewell, Virginia
Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios - Health Insurance
Other Component Units
For the Fiscal Years Ended June 30, 2018 through June 30, 2022

	2022	2021	2020	2019	2018
Total OPEB liability					
Service cost	\$ 44,000	\$ 21,100	\$ 23,628	\$ 35,000	\$ 33,000
Interest	17,000	18,459	26,301	41,000	39,000
Changes in assumptions	65,000	32,826	56,304	(9,000)	-
Differences between expected and actual experience	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	\$ 132,000	\$ (131,005)	\$ 104,005	\$ (458,000)	\$ 31,000
Total OPEB liability - beginning	634,000	765,005	661,000	1,119,000	1,088,000
Total OPEB liability - ending	\$ 766,000	\$ 634,000	\$ 765,005	\$ 661,000	\$ 1,119,000
 Covered-employee payroll	 \$ 1,128,460	 \$ 1,055,951	 \$ 1,455,451	 \$ 1,334,629	 \$ 2,018,712
 Other Component Unit's total OPEB liability (asset) as a percentage of covered-employee	 67.88%	 60.04%	 52.56%	 49.53%	 55.43%

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

County of Tazewell, Virginia
Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios - Health Insurance
Component Unit School Board
For the Fiscal Years Ended June 30, 2018 through June 30, 2022

	2022	2021	2020	2019	2018
Total OPEB liability					
Service cost	\$ 475,000	\$ 488,239	\$ 401,836	\$ 573,000	\$ 543,000
Interest	364,000	427,125	447,277	585,000	582,000
Changes in assumptions	1,461,000	759,557	957,524	(878,000)	-
Differences between expected and actual experience	(259,994)	134,316	(445,330)	(3,120,000)	-
Contributions	(569,000)	(598,378)	(610,219)	(683,000)	-
Benefit payments	-	-	-	-	(1,371,000)
Changes in proportionate share	-	449,139	(455,092)	-	-
Net change in total OPEB liability	\$ 1,471,006	\$ 1,659,998	\$ 295,996	\$ (3,523,000)	\$ (246,000)
Total OPEB liability - beginning	14,669,994	13,009,996	12,714,000	16,237,000	16,483,000
Total OPEB liability - ending	\$ 16,141,000	\$ 14,669,994	\$ 13,009,996	\$ 12,714,000	\$ 16,237,000
 Covered-employee payroll	 \$ 23,778,839	 \$ 24,433,424	 \$ 24,752,165	 \$ 25,671,036	 \$ 29,273,402
 School Board's total OPEB liability (asset) as a percentage of covered-employee	 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, 2022

Valuation Date: 7/1/2020
Measurement Date: 7/1/2021

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	1.92%
Inflation	2.50%
Healthcare Trend Rate	8.09% for Public Schools, 8.46% for DSS and 10.00% for the County and PSA for fiscal year end 2021 (to reflect actual experience), then 7.00% for fiscal year end 2022, decreasing 0.25% per year to an ultimate rate of 5.00%
Salary Increase Rates	Service-graded
Retirement Age	The average age at retirement is 62
Mortality Rates	RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2021

County of Tazewell, Virginia
Schedule of County's Share of Net OPEB Liability
Group Life Insurance (GLI) Plan
For the Measurement Dates of June 30, 2017 through June 30, 2021

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:					
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:					
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:					
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:					
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, 2013 through June 30, 2022

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:					
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:					
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):					
2022	\$ 20,662	\$ 20,662	\$ -	\$ 3,826,243	0.54%
2021	18,620	18,620	-	3,448,202	0.54%
2020	18,494	18,494	-	3,556,386	0.52%
2019	18,395	18,395	-	3,537,467	0.52%
2018	19,707	19,707	-	3,789,766	0.52%
2017	20,358	20,358	-	3,915,089	0.52%
2016	19,014	19,014	-	3,961,302	0.48%
2015	18,688	18,688	-	3,893,364	0.48%
2014	18,446	18,446	-	3,842,931	0.48%
2013	18,492	18,492	-	3,852,398	0.48%
Component Unit School Board (professional):					
2022	\$ 142,818	\$ 142,818	\$ -	\$ 26,447,857	0.54%
2021	136,169	136,169	-	25,216,444	0.54%
2020	131,763	131,763	-	25,337,995	0.52%
2019	129,038	129,038	-	24,814,371	0.52%
2018	134,238	134,238	-	25,814,219	0.52%
2017	137,605	137,605	-	26,462,433	0.52%
2016	127,248	127,248	-	26,510,012	0.48%
2015	127,864	127,864	-	26,638,341	0.48%
2014	127,308	127,308	-	26,522,546	0.48%
2013	128,717	128,717	-	26,816,024	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, 2022

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, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Teachers

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

Non-Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

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

County of Tazewell, Virginia
 Schedule of County of Tazewell School Board's Share of Net OPEB Liability
 Teacher Employee Health Insurance Credit (HIC) Plan
 For the Measurement Dates of June 30, 2017 through June 30, 2021

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)
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, 2013 through June 30, 2022

		Contributions in Relation to			Contributions
	Contractually	Contractually	Contribution	Employer's	as a % of
	Required	Required	Deficiency	Covered	Covered
	Contribution	Contribution	(Excess)	Payroll	Payroll
Date	(1)	(2)	(3)	(4)	(5)
2022	\$ 319,276	\$ 319,276	\$ -	\$ 26,386,475	1.21%
2021	304,224	304,224	-	25,146,532	1.21%
2020	302,696	302,696	-	25,224,367	1.20%
2019	297,533	297,533	-	24,794,223	1.20%
2018	316,611	316,611	-	25,740,658	1.23%
2017	293,361	293,361	-	26,428,915	1.11%
2016	280,173	280,173	-	26,431,418	1.06%
2015	281,738	281,738	-	26,579,014	1.06%
2014	293,637	293,637	-	26,453,792	1.11%
2013	296,626	296,626	-	26,723,055	1.11%

County of Tazewell, Virginia
Notes to Required Supplementary Information
Teacher Employee Health Insurance Credit (HIC) Plan
For the Fiscal Year Ended June 30, 2022

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, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

County of Tazewell, Virginia
Schedule of Changes in Net OPEB Liability and Related Ratios
Health Insurance Credit (HIC) Plan
For the Measurement Dates of June 30, 2020 through June 30, 2021

	2021	2020
Total HIC OPEB Liability		
Service cost	\$ 5,537	\$ -
Interest	52,830	-
Changes in assumptions	19,263	-
Benefit payments	-	782,665
Net change in total pension liability	\$ 77,630	\$ 782,665
Total HIC OPEB Liability - beginning	782,665	-
Total HIC OPEB Liability - ending (a)	\$ 860,295	\$ 782,665
 Plan fiduciary net position		
Contributions - employer	\$ 56,225	\$ -
Net investment income	7,462	-
Administrator charges	(249)	-
Net change in plan fiduciary net position	\$ 63,438	\$ -
Plan fiduciary net position - beginning	-	-
Plan fiduciary net position - ending (b)	\$ 63,438	\$ -
 Component Unit School Board's net HIC OPEB liability - ending (a) - (b)	\$ 796,857	\$ 782,665
 Plan fiduciary net position as a percentage of the total HIC OPEB liability	7.37%	0.00%
 Covered payroll	\$ 3,428,413	\$ -
 Component Unit School Board's net HIC OPEB liability as a percentage of covered payroll	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, 2022

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)
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, 2022

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, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Non-Largest Ten Locality Employers - General Employees

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

Other Supplementary Information

County of Tazewell, Virginia
Major Capital Projects Fund-County CIP Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2022

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Pos (Neg)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 3,412	\$ 3,412
Intergovernmental:				
Federal Government	14,505	14,505	11,505	(3,000)
Total Revenues	<u>\$ 14,505</u>	<u>\$ 14,505</u>	<u>\$ 14,917</u>	<u>\$ 412</u>
EXPENDITURES:				
Current:				
Public Works	\$ 900,000	\$ 900,000	\$ 900,000	\$ -
Community Development	143,527	143,527	11,589	131,938
Total Expenditures	<u>\$ 1,043,527</u>	<u>\$ 1,043,527</u>	<u>\$ 911,589</u>	<u>\$ 131,938</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	\$ (1,029,022)	\$ (1,029,022)	\$ (896,672)	\$ 132,350
Other Financing Sources (Uses)				
Transfers In	\$ 950,000	\$ 950,000	\$ 950,000	\$ -
Total Other Financing Sources (Uses)	<u>\$ 950,000</u>	<u>\$ 950,000</u>	<u>\$ 950,000</u>	<u>\$ -</u>
Net Change in Fund Balance	\$ (79,022)	\$ (79,022)	\$ 53,328	\$ 132,350
Fund Balance - Beginning	79,022	79,022	325,547	246,525
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 378,875</u>	<u>\$ 378,875</u>

County of Tazewell, Virginia
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2022

	Custodial Funds		
	Special Welfare Funds	Local Sales Tax Fund	Total
ASSETS			
Cash and cash equivalents	\$ 80,074	\$ -	\$ 80,074
Due from other governments	-	239,138	239,138
Total Assets	\$ 80,074	\$ 239,138	\$ 319,212
LIABILITIES			
Sales tax due to Towns	\$ -	\$ 239,138	\$ 239,138
NET POSITION			
Restricted for:			
Social services clients	\$ 80,074	\$ -	\$ 80,074
Total Net Postion	\$ 80,074	\$ -	\$ 80,074

County of Tazewell, Virginia
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2022

	Custodial Funds		
	Special Welfare Funds	Local Sales Tax Fund	Total
ADDITIONS			
Contributions:			
Expenditure reimbursement	\$ 78,208	\$ -	\$ 78,208
Sales tax collections for other governments	-	239,138	239,138
Total contributions	\$ 78,208	\$ 239,138	\$ 317,346
DEDUCTIONS:			
Special welfare payments	\$ 61,001	\$ -	\$ 61,001
Payments to sales tax to other governments		239,138	239,138
Total deductions	\$ 61,001	\$ 239,138	\$ 300,139
 Net increase (decrease) in fiduciary net position	 \$ 17,207	 \$ -	 \$ 17,207
Net position, beginning	62,867	-	62,867
Net position, ending	\$ 80,074	\$ -	\$ 80,074

County of Tazewell, Virginia
Nonmajor Funds
Balance Sheet
June 30, 2022

	<u>Special Revenue Funds</u>
ASSETS	
Cash and Cash Equivalents	\$ 1,938,026
Receivables (Net of Allowance for Uncollectibles):	
Taxes	<u>182,963</u>
Total Assets	<u><u>\$ 2,120,989</u></u>
LIABILITIES	
Accounts Payable	\$ 951
Total Liabilities	<u>\$ 951</u>
FUND BALANCES	
Committed	\$ 2,120,038
Total Liabilities and Fund Balances	<u><u>\$ 2,120,989</u></u>

County of Tazewell, Virginia
Nonmajor Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2022

	<u>Special Revenue Funds</u>
REVENUES	
Other Local Taxes	\$ 1,358,663
Charges for Services	8,138
Miscellaneous	579,529
Total Revenues	\$ <u>1,946,330</u>
EXPENDITURES:	
Current:	
Judicial Administration	\$ 12,282
Public Works	754,753
Total Expenditures	\$ <u>767,035</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ <u>1,179,295</u>
Other Financing Sources (Uses)	
Transfers Out	\$ <u>(285,000)</u>
Net Change in Fund Balance	\$ 894,295
Fund Balance - Beginning	1,225,743
Fund Balance - Ending	\$ <u><u>2,120,038</u></u>

County of Tazewell, Virginia
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2022

	<u>Law Library</u> <u>Fund</u>	<u>Coal Road</u> <u>Improvement</u> <u>Fund</u>	<u>Coal Road</u> <u>Economic</u> <u>Development</u> <u>Fund</u>	<u>Damage Stamp</u> <u>Fund</u>	<u>Total</u>
ASSETS					
Cash and Cash Equivalents	\$ 49,744 \$	1,796,789 \$	91,451 \$	42 \$	1,938,026
Receivables (Net of Allowance for Uncollectibles):					
Taxes	-	113,395	69,568	-	182,963
Total Assets	\$ 49,744 \$	1,910,184 \$	161,019 \$	42 \$	2,120,989
LIABILITIES					
Accounts Payable	\$ 951 \$	- \$	- \$	- \$	951
FUND BALANCES					
Committed	\$ 48,793 \$	1,910,184 \$	161,019 \$	42 \$	2,120,038
Total Fund Balances	\$ 48,793 \$	1,910,184 \$	161,019 \$	42 \$	2,120,038
Total Liabilities and Fund Balances	\$ 49,744 \$	1,910,184 \$	161,019 \$	42 \$	2,120,989

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, 2022

	<u>Law Library</u>	<u>Coal Road</u>	<u>Coal Road</u>	<u>Damage</u>	<u>Total</u>
	<u>Fund</u>	<u>Improvement</u>	<u>Economic</u>	<u>Stamp Fund</u>	
		<u>Fund</u>	<u>Development</u>		
REVENUES					
Other Local Taxes	\$ -	\$ 828,475	\$ 530,188	\$ -	\$ 1,358,663
Charges for Services	8,138	-	-	-	8,138
Miscellaneous	-	579,529	-	-	579,529
Total Revenues	\$ 8,138	\$ 1,408,004	\$ 530,188	\$ -	\$ 1,946,330
EXPENDITURES					
Current:					
Judicial Administration	\$ 12,282	\$ -	\$ -	\$ -	\$ 12,282
Public Works	-	357,988	396,765	-	754,753
Total Expenditures	\$ 12,282	\$ 357,988	\$ 396,765	\$ -	\$ 767,035
Excess (Deficiency) of Revenues Over (Under)					
Expenditures	\$ (4,144)	\$ 1,050,016	\$ 133,423	\$ -	\$ 1,179,295
Other Financing Sources (Uses)					
Transfers Out	\$ (5,000)	\$ (280,000)	\$ -	\$ -	\$ (285,000)
Net Change in Fund Balance	\$ (9,144)	\$ 770,016	\$ 133,423	\$ -	\$ 894,295
Fund Balance - Beginning	57,937	1,140,168	27,596	42	1,225,743
Fund Balance - Ending	\$ 48,793	\$ 1,910,184	\$ 161,019	\$ 42	\$ 2,120,038

Exhibit 39

County of Tazewell, Virginia
 Nonmajor Special Revenue Funds
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2022

	Law Library Fund				Coal Road Improvement Fund			
	Budget Amounts		Actual Amounts	Variance with Final Budget Pos (Neg)	Budget Amounts		Actual Amounts	Variance with Final Budget Pos (Neg)
	Original	Final			Original	Final		
REVENUES								
Other Local Taxes	\$ -	\$ -	\$ -	-	\$ 475,000	\$ 475,000	\$ 828,475	\$ 353,475
Charges for Services	11,200	11,200	8,138	(3,062)	-	-	-	-
Miscellaneous	-	-	-	-	-	-	579,529	579,529
Total Revenues	\$ 11,200	\$ 11,200	\$ 8,138	(3,062)	\$ 475,000	\$ 475,000	\$ 1,408,004	\$ 933,004
EXPENDITURES:								
Current:								
Judicial Administration	\$ 15,000	\$ 15,000	\$ 12,282	2,718	\$ -	\$ -	\$ -	\$ -
Public Works	-	-	-	-	650,000	650,000	357,988	292,012
Total Expenditures	\$ 15,000	\$ 15,000	\$ 12,282	2,718	\$ 650,000	\$ 650,000	\$ 357,988	\$ 292,012
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (3,800)	\$ (3,800)	\$ (4,144)	(344)	\$ (175,000)	\$ (175,000)	\$ 1,050,016	\$ 1,225,016
Other Financing Sources (Uses)								
Transfers Out	\$ (5,000)	\$ (5,000)	\$ (5,000)	-	\$ (280,000)	\$ (280,000)	\$ (280,000)	\$ -
Net Change in Fund Balance	\$ (8,800)	\$ (8,800)	\$ (9,144)	(344)	\$ (455,000)	\$ (455,000)	\$ 770,016	\$ 1,225,016
Fund Balance - Beginning	8,800	8,800	57,937	49,137	455,000	455,000	1,140,168	685,168
Fund Balance - Ending	\$ -	\$ -	\$ 48,793	48,793	\$ -	\$ -	\$ 1,910,184	\$ 1,910,184

Exhibit 39

County of Tazewell, Virginia
Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2022

	Coal Road Economic Development Fund				Damage Stamp Fund			
	Budget Amounts		Actual	Variance with Final Budget Pos (Neg)	Budget Amounts		Actual	Variance with Final Budget Pos (Neg)
	Original	Final	Amounts		Original	Final	Amounts	
REVENUES								
Other Local Taxes	\$ 310,000	\$ 310,000	\$ 530,188	\$ 220,188	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	\$ 310,000	\$ 310,000	\$ 530,188	\$ 220,188	\$ -	\$ -	\$ -	\$ -
EXPENDITURES:								
Current:								
Judicial Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Works	307,152	307,152	396,765	(89,613)	-	-	-	-
Total Expenditures	\$ 307,152	\$ 307,152	\$ 396,765	\$ (89,613)	\$ -	\$ -	\$ -	\$ -
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 2,848	\$ 2,848	\$ 133,423	\$ 130,575	\$ -	\$ -	\$ -	\$ -
Other Financing Sources (Uses)								
Transfers Out	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Change in Fund Balance	\$ 2,848	\$ 2,848	\$ 133,423	\$ 130,575	\$ -	\$ -	\$ -	\$ -
Fund Balance - Beginning	(2,848)	(2,848)	27,596	30,444	-	-	42	42
Fund Balance - Ending	\$ -	\$ -	\$ 161,019	\$ 161,019	\$ -	\$ -	\$ 42	\$ 42

Exhibit 39

County of Tazewell, Virginia
Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2022

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Pos (Neg)
REVENUES				
Other Local Taxes	\$ 785,000	\$ 785,000	\$ 1,358,663	\$ 573,663
Charges for Services	11,200	11,200	8,138	(3,062)
Miscellaneous	-	-	579,529	579,529
Total Revenues	\$ 796,200	\$ 796,200	\$ 1,946,330	\$ 1,150,130
EXPENDITURES:				
Current:				
Judicial Administration	\$ 15,000	\$ 15,000	\$ 12,282	\$ 2,718
Public Works	957,152	957,152	754,753	202,399
Total Expenditures	\$ 972,152	\$ 972,152	\$ 767,035	\$ 205,117
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	\$ (175,952)	\$ (175,952)	\$ 1,179,295	\$ 1,355,247
Other Financing Sources (Uses)				
Transfers Out	\$ (285,000)	\$ (285,000)	\$ (285,000)	\$ -
Net Change in Fund Balance				
Fund Balance - Beginning	\$ (460,952)	\$ (460,952)	\$ 894,295	\$ 1,355,247
Fund Balance - Ending	\$ 460,952	\$ 460,952	\$ 1,225,743	\$ 764,791
	\$ -	\$ -	\$ 2,120,038	\$ 2,120,038

County of Tazewell, Virginia
Discretely Presented Component Unit - School Board
Combining Balance Sheet
June 30, 2022

	School Operating Fund	School Activity Fund	Total
ASSETS			
Cash and Cash Equivalents	\$ 14,857,751	\$ 1,088,679	\$ 15,946,430
Accounts Receivable	8,911	44,486	53,397
Due from Other Governmental Units	2,360,041	-	2,360,041
Prepaid items	531,827	-	531,827
Total Assets	<u>\$ 17,758,530</u>	<u>\$ 1,133,165</u>	<u>\$ 18,891,695</u>
LIABILITIES			
Accounts Payable	\$ 772,870	\$ 20,517	\$ 793,387
Accrued Wages Payable	3,379,815	-	3,379,815
Accrued Health Claims	434,318	-	434,318
Due to Primary Government	5,415,100	-	5,415,100
Total Liabilities	<u>\$ 10,002,103</u>	<u>\$ 20,517</u>	<u>\$ 10,022,620</u>
FUND BALANCE			
Nonspendable	\$ 531,827	\$ -	\$ 531,827
Restricted	2,821,627	-	2,821,627
Committed	4,402,973	1,112,648	5,515,621
Total Fund Balances	<u>\$ 7,756,427</u>	<u>\$ 1,112,648</u>	<u>\$ 8,869,075</u>
Total Liabilities and Fund Balances	<u>\$ 17,758,530</u>	<u>\$ 1,133,165</u>	<u>\$ 18,891,695</u>

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

Total fund balances - per above \$ 8,869,075

Capital assets used in governmental activities are not financial resources and, therefore,
are not reported in the funds.

Land	\$	1,908,716	
Buildings and Improvements		10,010,547	
Tenancy in common		11,900,373	
Machinery and equipment		4,458,969	
Construction in progress		<u>47,708</u>	28,326,313

Deferred outflows of resources are not available to pay for current-period expenditures
and, therefore, are not reported in the funds.

Pension related items	\$	9,235,691	
OPEB related items		<u>3,761,728</u>	12,997,419

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	\$	(9,695)	
Net OPEB liabilities		(22,203,917)	
Compensated absences		(560,282)	
Net pension liability		(26,430,402)	
Loan payable		<u>(544,281)</u>	(49,748,577)

Deferred inflows of resources are not due and payable in the current period, and,
therefore, are not reported in the funds.

Pension related items	\$	(21,645,695)	
OPEB related items		<u>(2,679,844)</u>	(24,325,539)

Net Position of governmental activities - component unit school board \$ (23,881,309)

County of Tazewell, Virginia
Discretely Presented Component Unit-School Board
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2022

	School Operating <u>Fund</u>	School Activity <u>Fund</u>	<u>Total</u>
REVENUES			
Revenue from Use of Money and Property	\$ -	\$ -	-
Charges for Services	656,513	787,542	1,444,055
Miscellaneous	61,998	1,085,189	1,147,187
Recovered Costs	572,541	-	572,541
Intergovernmental:			
Local Government	11,130,568	-	11,130,568
Commonwealth	45,616,726	-	45,616,726
Federal Government	8,621,969	-	8,621,969
Total Revenues	<u>\$ 66,660,315</u>	<u>\$ 1,872,731</u>	<u>\$ 68,533,046</u>
EXPENDITURES:			
Current:			
Education	\$ 68,332,089	\$ 1,761,166	70,093,255
Debt Service:			
Principal Retirement	807,142	-	807,142
Interest and Other Fiscal Charges	34,736	-	34,736
Total Expenditures	<u>\$ 69,173,967</u>	<u>\$ 1,761,166</u>	<u>\$ 70,935,133</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (2,513,652)</u>	<u>\$ 111,565</u>	<u>\$ (2,402,087)</u>
Net Change in Fund Balance	\$ (2,513,652)	\$ 111,565	\$ (2,402,087)
Fund Balance - Beginning	10,270,079	1,001,083	11,271,162
Fund Balance - Ending	<u>\$ 7,756,427</u>	<u>\$ 1,112,648</u>	<u>\$ 8,869,075</u>

Amounts reported for governmental activities in the Statement of Activities (Exhibit 2)
are different because:

Net change in fund balance - total governmental funds - per above \$ (2,402,087)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	\$ 4,058,237	
Tenancy in common	561,039	
Depreciation expense	<u>(1,877,855)</u>	2,741,421

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the effect of these differences in the treatment of long-term debt and related items.

Principal repayments:		
Loan payable		807,142

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore are not reported as expenditure in governmental funds.

Decrease (increase) in accrued interest payable	\$ 14,369	
Change in compensated absences	49,677	
Change in OPEB related items	331,122	
Change in pension related items	<u>5,956,363</u>	<u>6,351,531</u>

Change in net position of governmental funds - component unit school board \$ 7,498,007

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, 2022

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Pos (Neg)
REVENUES				
Revenue from Use of Money and Property	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
Charges for Services	614,342	614,342	656,513	42,171
Miscellaneous	6,000	6,000	61,998	55,998
Recovered Costs	434,615	434,615	572,541	137,926
Intergovernmental:				
Local Government	12,831,283	12,831,283	11,130,568	(1,700,715)
Commonwealth	44,649,088	44,649,088	45,616,726	967,638
Federal Government	8,206,713	8,206,713	8,621,969	415,256
Total Revenues	\$ 66,743,041	\$ 66,743,041	\$ 66,660,315	\$ (82,726)
EXPENDITURES				
Current:				
Education	\$ 73,347,882	\$ 73,347,882	\$ 68,332,089	\$ 5,015,793
Debt Service:				
Principal Retirement	890,084	890,084	807,142	82,942
Interest and Other Fiscal Charges	38,305	38,305	34,736	3,569
Total Expenditures	\$ 74,276,271	\$ 74,276,271	\$ 69,173,967	\$ 5,102,304
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	\$ (7,533,230)	\$ (7,533,230)	\$ (2,513,652)	\$ 5,019,578
Net Change in Fund Balance	\$ (7,533,230)	\$ (7,533,230)	\$ (2,513,652)	\$ 5,019,578
Fund Balance - Beginning	7,533,230	7,533,230	10,270,079	2,736,849
Fund Balance - Ending	\$ -	\$ -	\$ 7,756,427	\$ 7,756,427

County of Tazewell, Virginia
Combining Statement of Net Position
Other Component Units
June 30, 2022

	Public Service <u>Authority</u>	<u>Airport Authority</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 89,092	\$ 44,656	\$ 133,748
Investments	2,757,501	-	2,757,501
Receivables (net of allowance for uncollectibles):			
Accounts receivable	1,012,111	5,535	1,017,646
Notes receivable	414,790	-	414,790
Due from other governmental units	248,628	8,246	256,874
Inventories	143,432	47,167	190,599
Prepaid items	49,117	12,916	62,033
Restricted assets:			
Cash and cash equivalents	201,040	-	201,040
Capital assets (net of accumulated depreciation):			
Land	330,662	629,871	960,533
Buildings and improvements	94,806	628,963	723,769
Improvements other than buildings	-	2,444,176	2,444,176
Machinery and equipment	347,581	185,022	532,603
Infrastructure	72,764,432	-	72,764,432
Construction in progress	309,908	127,099	437,007
Total assets	<u>\$ 78,763,100</u>	<u>\$ 4,133,651</u>	<u>\$ 82,896,751</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	\$ 388,627	\$ 10,762	\$ 399,389
OPEB related items	159,791	709	160,500
Total deferred outflows of resources	<u>\$ 548,418</u>	<u>\$ 11,471</u>	<u>\$ 559,889</u>
LIABILITIES			
Accounts payable	\$ 201,962	\$ 6,380	\$ 208,342
Accrued wages	131,149	3,424	134,573
Customers' deposits	201,040	-	201,040
Accrued interest payable	61,938	527	62,465
Due to primary government	116,866	-	116,866
Long-term liabilities:			
Due within one year	2,429,451	15,754	2,445,205
Due in more than one year	31,804,411	206,034	32,010,445
Total liabilities	<u>\$ 34,946,817</u>	<u>\$ 232,119</u>	<u>\$ 35,178,936</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related items	\$ 977,220	\$ 28,551	\$ 1,005,771
OPEB related items	99,673	1,123	100,796
Total deferred inflows of resources	<u>\$ 1,076,893</u>	<u>\$ 29,674</u>	<u>\$ 1,106,567</u>
NET POSITION			
Net investment in capital assets	\$ 41,374,885	\$ 3,814,202	\$ 45,189,087
Unrestricted	1,912,923	69,127	1,982,050
Total Net Position	<u>\$ 43,287,808</u>	<u>\$ 3,883,329</u>	<u>\$ 47,171,137</u>

County of Tazewell, Virginia
Combining Statement of Activities
Other Component Units
For the Fiscal Year Ended June 30, 2022

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Public Service Authority</u>	<u>Airport Authority</u>
						<u>Total</u>
OTHER COMPONENT UNITS:						
Public Service Authority	\$ 9,422,009	\$ 7,600,520	\$ 33,005	\$ 380,895	\$ (1,407,589)	\$ -
Airport Authority	551,779	26,101	135,000	135,253	-	(255,425)
Total other component units	<u>\$ 9,973,788</u>	<u>\$ 7,626,621</u>	<u>\$ 168,005</u>	<u>\$ 516,148</u>	<u>\$ (1,407,589)</u>	<u>\$ (255,425)</u>
						<u>\$ (1,663,014)</u>
General revenues:						
Unrestricted revenues from use of money and property					\$ 7,180	\$ 35,880
Miscellaneous					248,740	1,374
Payments from Tazewell County					1,221,080	-
Total general revenues					<u>\$ 1,477,000</u>	<u>\$ 37,254</u>
Change in net position					\$ 69,411	\$ (218,171)
Net position - beginning					43,218,397	4,101,500
Net position - ending					<u>\$ 43,287,808</u>	<u>\$ 3,883,329</u>
						<u>\$ 47,171,137</u>

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
2012-13	\$ 4,722,345	\$ 2,402,694	\$ 12,141,514	\$ 5,840,389	\$ 7,792,968	\$ 12,789,766	\$ 2,107,259	\$ 928,051	\$ 420,155	\$ 1,729,821	\$ 50,874,962
2013-14	5,033,042	2,455,018	13,249,481	6,343,517	8,134,269	15,816,718	1,369,916	1,853,237	399,721	1,573,233	56,228,152
2014-15	5,341,134	3,313,678	15,278,730	7,195,353	7,914,541	13,914,784	1,507,870	1,067,600	314,193	1,770,276	57,618,159
2015-16	5,951,692	3,173,371	13,873,649	4,493,410	8,152,624	13,353,326	1,165,905	1,099,152	320,679	1,926,065	53,509,873
2016-17	5,426,841	3,190,221	14,237,930	3,686,198	8,470,019	13,273,962	1,336,454	1,139,934	654,959	2,000,193	53,416,711
2017-18	3,796,817	2,874,446	15,144,377	2,963,089	8,731,480	12,056,621	2,145,145	1,322,293	627,138	2,315,958	51,977,364
2018-19	3,205,172	2,907,411	15,812,040	3,044,245	9,367,370	10,620,057	1,852,831	1,007,607	565,080	2,522,917	50,904,730
2019-20	3,328,911	2,082,005	11,806,175	3,349,392	11,376,114	12,542,961	3,266,404	1,359,609	773,150	2,768,180	52,652,901
2020-21	2,880,516	3,064,793	13,421,241	3,018,966	16,152,768	12,798,276	1,950,726	3,210,361	678,188	3,757,368	60,933,203
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

Table 2

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

Fiscal Year	Program Revenues			General Revenues						Total
	Charges for Services	Operating Grants and Contributions		General Property Taxes	Other Local Taxes	Unrestricted Revenues from Use of Money and Property			Grants and Contributions Not Restricted to Specific Programs	
2012-13	\$ 1,419,806	\$ 12,342,470	\$	\$ 25,063,467	\$ 9,384,120	\$	\$ 503,608	\$ 302,813	\$ 3,911,447	\$ 52,927,731
2013-14	1,447,313	12,062,171		27,509,639	9,285,513		425,796	485,712	3,759,152	54,975,296
2014-15	1,437,334	12,655,943		24,806,128	7,991,869		332,444	1,100,181	3,757,650	52,081,549
2015-16	1,071,528	13,190,909		26,226,424	6,901,746		329,816	447,548	3,728,032	51,896,003
2016-17	891,969	13,149,277		24,906,174	7,605,273		329,599	591,915	3,659,505	51,133,712
2017-18	1,416,491	12,506,228		23,661,693	7,701,876		337,777	98,340	3,498,665	49,221,070
2018-19	1,760,458	13,526,882		24,922,845	7,754,175		341,361	97,593	3,514,228	51,917,542
2019-20	1,321,084	14,241,460		24,445,200	8,520,826		371,999	126,469	3,542,497	52,569,535
2020-21	1,625,009	21,661,030		25,528,918	8,483,320		283,867	202,675	3,433,026	61,217,845
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

Table 3

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

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (2)	Parks, Recreation, and Cultural	Community Development	Non-Departmental	Capital Projects	Debt Service	Total
2012-13	\$ 5,368,601	\$ 2,377,683	\$ 13,044,332	\$ 5,848,948	\$ 7,824,599	\$ 58,437,244	\$ 2,184,724	\$ 822,526	\$ 365,434	\$ -	\$ 1,518,912	\$ 97,793,003
2013-14	5,489,790	2,455,503	13,245,158	6,471,548	8,183,291	56,714,966	1,360,475	1,737,768	364,528	-	1,797,362	97,820,389
2014-15	5,772,315	3,402,648	15,341,044	7,153,041	7,955,651	62,685,113	1,552,509	956,162	497,324	-	1,055,604	106,371,411
2015-16	6,183,097	3,218,821	14,228,870	5,127,796	8,317,691	60,723,862	1,420,994	980,731	619,775	-	2,139,823	102,961,460
2016-17	5,640,127	3,132,105	14,778,822	3,314,163	8,362,506	57,145,016	1,342,090	973,789	338,815	-	4,164,434	99,191,867
2017-18	4,457,149	2,340,575	15,504,643	2,628,755	8,715,225	56,961,881	1,388,303	1,297,301	12,409	-	3,565,698	96,871,939
2018-19	3,581,451	2,324,839	16,016,826	3,272,940	9,300,544	56,311,615	1,326,288	975,468	96,178	-	3,649,331	96,855,480
2019-20	3,676,369	2,207,052	12,976,007	3,192,500	11,255,391	57,436,854	2,684,526	1,341,710	142,518	-	3,257,185	98,170,112
2020-21	3,776,948	3,392,609	15,067,491	2,918,140	16,270,756	62,169,830	1,411,144	3,466,051	65,871	-	3,182,684	111,721,524
2021-22	6,792,029	2,705,894	14,771,370	2,807,800	13,484,808	70,393,255	1,887,116	1,425,598	512,910	-	3,117,546	117,898,326

(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	(2)	Total
2012-13	\$ 25,302,730	\$ 10,094,133	\$ 354,257	\$ 42,935	\$ 519,624	\$ 1,306,595	\$ 856,992	\$ 2,093,588	\$ 59,382,794	\$	\$ 99,953,648
2013-14	27,346,925	9,335,959	312,004	42,505	433,645	1,302,116	1,791,617	1,261,012	58,038,884		99,864,667
2014-15	24,738,746	8,060,659	378,410	71,963	341,579	1,162,471	1,226,111	1,611,264	59,555,518		97,146,721
2015-16	24,474,804	6,901,746	331,782	52,080	354,381	1,004,989	522,481	1,204,894	60,599,417		95,446,574
2016-17	24,605,026	7,605,273	175,550	63,875	337,299	1,521,353	302,798	2,158,735	62,406,844		99,176,753
2017-18	24,501,490	7,701,876	229,706	52,808	342,874	2,070,380	127,059	1,736,386	60,305,021		97,067,600
2018-19	24,666,410	7,754,175	168,725	45,217	346,067	2,187,402	108,410	2,459,595	62,477,730		100,213,731
2019-20	24,236,934	8,520,826	161,334	31,217	374,924	1,330,668	133,220	2,271,139	64,470,584		101,530,846
2020-21	25,600,311	8,483,320	194,352	39,202	282,333	1,179,623	950,485	2,680,155	76,989,144		116,398,925
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

(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
2012-13	\$ 25,766,294	\$ 23,684,505	91.92%	\$ 1,020,716	\$ 24,705,221	95.88%	\$ 1,164,736	4.52%
2013-14	26,632,825	25,646,617	96.30%	929,615	26,576,232	99.79%	1,455,372	5.46%
2014-15	25,540,970	23,004,731	90.07%	941,423	23,946,154	93.76%	1,233,192	4.83%
2015-16	26,633,971	25,583,198	96.05%	1,049,309	26,632,507	99.99%	2,065,848	7.76%
2016-17	26,083,174	25,791,783	98.88%	951,614	26,743,397	102.53%	2,258,280	8.66%
2017-18	25,775,840	25,419,900	98.62%	1,161,594	26,581,494	103.13%	2,345,758	9.10%
2018-19	26,598,519	25,503,905	95.88%	818,948	26,322,853	98.96%	2,609,632	9.81%
2019-20	26,631,158	24,963,150	93.74%	1,004,003	25,967,153	97.51%	3,081,946	11.57%
2020-21	27,415,987	26,296,611	95.92%	1,033,808	27,330,419	99.69%	3,014,810	11.00%
2021-22 (3)	35,790,333	33,762,216	94.33%	1,184,854	34,947,070	97.64%	3,465,995	9.68%

(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
2012-13	\$ 2,840,597,700	\$ 431,193,109	\$ 85,826,200	\$ 25,299,900	\$ 173,166,368	\$ 3,556,083,277
2013-14	2,751,921,200	439,183,000	150,614,300	25,187,000	177,691,147	3,544,596,647
2014-15	2,788,112,400	442,628,944	115,749,000	24,289,700	176,684,724	3,547,464,768
2015-16	2,663,296,800	433,577,251	109,308,261	23,703,017	182,456,119	3,412,341,448
2016-17	2,653,393,750	434,951,196	85,434,736	22,026,809	186,984,542	3,382,791,033
2017-18	2,652,574,550	426,879,741	75,498,859	20,728,800	210,192,345	3,385,874,295
2018-19	2,626,363,975	430,906,347	70,123,200	20,868,400	231,089,717	3,379,351,639
2019-20	2,608,139,775	437,842,645	59,864,000	21,279,980	265,251,375	3,392,377,775
2020-21	2,621,130,200	446,169,285	70,396,500	25,289,540	276,925,696	3,439,911,221
2021-22 (3)	3,929,963,350	474,443,155	62,167,300	19,358,050	414,963,436	4,900,895,291

(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
2012-13	\$ 0.57	\$ 2.00	\$ 2.00	\$ 4.30	\$ 0.58	\$ 2.00
2013-14	0.57	2.00	2.00	3.80	0.57	2.00
2014-15	0.55	2.00	2.00	3.80	0.55	2.00
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

(1) Per \$100 of assessed value.

Table 8

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

Fiscal Year	Population (1)	Assessed Value	Gross Bonded Debt (2)	Ratio of Net General Obligation Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2012-13	45,078	\$ 3,556,083,277	\$ 8,860,394	0.25%	\$ 197
2013-14	45,078	3,544,596,647	8,077,987	0.23%	179
2014-15	45,078	3,547,464,768	7,782,189	0.22%	173
2015-16	45,078	3,412,341,448	7,237,855	0.21%	161
2016-17	45,078	3,382,791,033	6,276,668	0.19%	139
2017-18	45,078	3,385,874,295	5,537,635	0.16%	123
2018-19	45,078	3,379,351,639	5,025,378	0.15%	111
2019-20	45,078	3,392,377,775	4,349,036	0.13%	96
2020-21	40,429	3,439,911,221	3,808,109	0.11%	94
2021-22 (3)	39,925	4,900,895,291	3,247,070	0.07%	81

(1) Bureau of the Census.

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

Excludes revenue bonds, leases and compensated absences.

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

Table 9

County of Tazewell, Virginia
Ratio of Annual Debt Service Expenditures for General Bonded
Debt to Total General Governmental Expenditures
Last Ten Fiscal Years

Fiscal Year	Principal	Interest	Total Debt Service (1)	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
2012-13	\$ 534,862	\$ 439,067	\$ 973,929	\$ 97,793,003	1.00%
2013-14	782,407	467,741	1,250,148	97,820,389	1.28%
2014-15	295,798	321,897	617,695	106,371,411	0.58%
2015-16	544,334	364,102	908,436	102,961,460	0.88%
2016-17	1,691,187	1,004,878	2,696,065	99,191,867	2.72%
2017-18	1,499,033	844,279	2,343,312	96,871,939	2.42%
2018-19	1,312,257	734,164	2,046,421	96,855,480	2.11%
2019-20	1,516,342	748,157	2,264,499	98,170,112	2.31%
2020-21	1,546,927	718,895	2,265,822	111,721,524	2.03%
2021-22	1,712,039	563,629	2,275,668	117,898,326	1.93%

(1) Includes General Fund of the Primary Government

COMPLIANCE SECTION



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the discretely presented component units (School Board and Other Component Units), each major fund, and the aggregate remaining fund information of the County of Tazewell, Virginia as of and for the year ended County of Tazewell, Virginia June 30, 2022, 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 December 7, 2022, modified due to the exclusion of the Industrial Development Authority (IDA), a discretely presented component unit of the County as part of the other component units. Our report includes a reference to other auditors who audited the financial statements of Tazewell County School Activity Funds, as described in our report on the County of Tazewell, Virginia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Tazewell, Virginia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

County of Tazewell, Virginia's Response to Findings

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

Purpose of This Report

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

Robinson, Jarmon, Cox, Associates

Blacksburg, Virginia
December 7, 2022



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

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, 2022. County of Tazewell, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

County of Tazewell, Virginia's basic financial statements include the operations of the Public Service Authority (the Authority) which expended \$964,914 in federal awards which is not included in the County of Tazewell, Virginia's schedule of expenditures of federal awards during the year ended June 30, 2022. Our audit, described below, did not include the operations of the Authority because the Authority issues a separate report which encompasses an audit in accordance with the Uniform Guidance.

In our opinion, County of Tazewell, Virginia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

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.

Robinson, Farmer, Cox, Associates

Blacksburg, Virginia
November 7, 2022

County of Tazewell, Virginia
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2022

Federal Grantor/State Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
Department of Health and Human Services:				
Pass-through Payments:				
Virginia Department of Social Services:				
Temporary Assistance for Needy Families (TANF)	93.558	91111, 93109, 93110, 93111 93112, 93127, 92109, 92110 92111, 92112, 92127, 91109 91110, 91111, 91112, 91127 90365, 90366, 90367, 90377 90390	\$ 534,278	
MaryLee Allen Promoting Safe and Stable Families Program	93.556	93129, 92129, 91129, 90359 90360, 90361, 93152, 93153 93154	43,709	
Refugee and Entrant Assistance State /Replacement Designee Administered Programs	93.566	93113, 92113, 91113	2,453	
Low-Income Home Energy Assistance	93.568	93114, 92114, 91114	94,599	
CCDF Cluster:				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	92116, 93116, 93117, 93118, 92116, 92117, 92118, 91116 91117, 91118	116,405	
Chafee Education and Training Vouchers Program (ETV)	93.599	90353, 90273	11,494	
Stephanie Tubbs Jones Child Welfare Services Program	93.645	93131, 92131, 91131	1,281	
Foster Care Title IV-E	93.658	90636, 90637, 90639, 90657 90658, 90638, 90640, 90635 93105, 93106, 93107, 93133 93138, 93147, 92105, 92106 92107, 92133, 92138, 92147 91105, 91106, 91107, 91133 91138, 91147, 91405, 91406 91407, 91433, 91438, 91447 90680, 90656, 90209	606,852	
Adoption Assistance	93.659	90606, 90627, 90607, 93108 92108, 91108, 91408, 90214	1,134,981	
Social Services Block Grant	93.667	90648, 90340, 93120, 93122 93123, 93124, 93125, 93126 93142, 92120, 92122, 92123 92124, 92125, 92126, 92142 92125, 92126, 92142, 91120 91122, 91123, 91124, 91125 91126, 91142, 90379, 92157 91157, 90351	622,503	
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	92134, 91134, 90356, 92134 90270	60,832	
Children's Health Insurance Program	93.767	93102, 92102, 91102, 91402	5,157	
Medicaid Cluster:				
Medical Assistance Program	93.778	93101, 93146, 93150, 92101 92146, 92150, 91101, 91146 91150, 91401, 91446, 91450 90213	511,801	
Guardianship Assistance	93.090	93128, 92128, 91128, 91428	525	
Title IV-E Prevention Program	93.472	93151, 92151, 91151, 91451	6,978	
Elder Abuse Prevention Interventions Program	93.747	90381, 90382	4,986	
Total Department of Health and Human Services			\$ 3,758,834	
Department of Agriculture:				
Pass-through Payments:				
Child Nutrition Cluster:				
Virginia Department of Education:				
School Breakfast Program	10.553	40253, 41110	\$ 888,255	
National School Lunch Program	10.555	40254, 41106	2,338,016	
COVID-19 - National School Lunch Program	10.555	41108	86,564	
Virginia Department of Agriculture:				
National School Lunch Program (Food Commodities)	10.555	Unknown	226,311	2,650,891
Summer Food Service Program for Children	10.559	60302, 60303	\$ 27,767	
Summer Food Service Program for Children (SFSPC) (Food Commodities)	10.559	Unknown	2,658	30,425
Virginia Department of Education:				
Forest Service Schools and Roads Cluster:				
Schools and Roads - Grants to States	10.665	43841		13,522
Pandemic EBT Administrative Costs	10.649	86556		3,063
Department of Social Services:				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	90212, 93103, 92103, 91103, 91403, 90304, 93104, 92104, 91104, 91404, 90303	987,290	
Total Department of Agriculture			\$ 4,573,446	
Department of Justice:				
Pass-through Payments:				
Virginia Department of Criminal Justice Services:				
Crime Victim Assistance	16.575	18V2GX0011	\$ 76,560	
Violence Against Women Formula Grants	16.588	18WFA0056	23,317	
COVID-19 - Coronavirus Emergency Supplemental Funding Program	16.034	20VDBX0141	47,645	
Total Department of Justice			\$ 147,522	

County of Tazewell, Virginia
Schedule of Expenditures of Federal Awards (continued)
For the Fiscal Year Ended June 30, 2022

Federal Grantor/State Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
Department of Homeland Security: Pass-through Payments: Virginia Department of Emergency Management: Emergency Management Performance Grants	98.042	EMP-2021-EP-0004	\$ 7,500	
Department of Housing and Urban Development: Pass-through Payments: Virginia Office of Community Planning and Development Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii	14.228	Unknown	\$ 1,396,366	\$ 1,396,366
Department of Transportation: Pass-through Payments: Virginia Department of Motor Vehicles: Highway Safety Cluster: State and Community Highway Safety	20.600	86844	\$ 26,673	
Department of Treasury: Direct Payments: COVID-19 - Coronavirus State and Local Recovery Funds	21.027	Unknown	\$ 1,528,832	
Pass-through Payments: Virginia Department of Criminal Justice Services: COVID-19 - Coronavirus State and Local Recovery Funds	21.027	Unknown	11,250	
Virginia Compensation Board: COVID-19 - Coronavirus State and Local Recovery Funds	21.027	Unknown	119,492	
Virginia Department of Health and Community Development: COVID-19 - Coronavirus State and Local Recovery Funds	21.027	Unknown	10,532	\$ 10,532
Pass-through Payments: Department of Accounts: COVID-19: Coronavirus Relief Fund	21.019	SLT0022	\$ 355,292	
Total Department of Treasury			\$ 2,025,398	
Institute of Museum and Library Services, National Foundation on the Arts and the Humanities: Pass-through Payments: The Library of Virginia: COVID-19 - Grants to States	45.310	Unknown	\$ 4,924	
Department of Education: Pass-through Payments: Virginia Department of Education: Title I Grants to Local Educational Agencies Special Education Cluster: Special Education Grants to States COVID-19 - Special Education Grants to States Special Education Preschool Grants COVID-19 - Special Education Preschool Grants Career and Technical Education - Basic Grants to States Rural Education Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants) Student Support and Academic Enrichment Program Education Stabilization Fund: COVID-19: Elementary and Secondary School Emergency Relief Fund	84.010 84.027 84.027 84.173 84.173 84.048 84.358 84.367 84.424 84.425D	42901 43071 40287 62521 40286 60031 43481 61480 60281 60041,60170,60171,60173,60177, 86537	\$ 2,303,815 \$ 1,656,238 67,875 \$ 103,376 3,338 106,714 1,830,827 178,896 53,300 235,055 295,008 138,912	
Total Department of Education			\$ 5,035,813	
Total Expenditures of Federal Awards			\$ 16,976,476	\$ 1,396,366
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, 2022. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County of Tazewell, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County of Tazewell, Virginia.				
Note 2 -- Summary of Significant Accounting Policies				
(1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.				
(2) Pass-through entity identifying numbers are presented where available.				
(3) The County did not elect to use the 10 percent de minimis indirect cost rate allowed under Uniform Guidance.				
Note 3 -- Food Distribution				
Nonmonetary assistance is reported in the schedule at the fair market value of commodities received and disbursed.				
Note 4 -- Outstanding Balance of Federal Loans				
The County did not have any loans or loan guarantees which are subject to reporting requirements for the current year.				
Note 5 -- Relationship to the Financial Statements:				
Federal expenditures, revenues and capital contributions are reported in the County's basic financial statements as follows:				
Intergovernmental federal revenues per the basic financial statements:				
Primary Government:				
General Fund			\$ 8,374,459	
County CIP Fund			11,505	
Less: Payment in lieu of taxes			(31,457)	
Total Primary Government			\$ 8,354,507	
Component Unit School Board:				
School Operating Fund			\$ 8,621,969	
Total expenditures of federal awards per basic financial statements			\$ 16,976,476	
Total expenditures of federal awards per the Schedule of Expenditures of Federal Awards			\$ 16,976,476	

County of Tazewell, Virginia

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:

Unmodified: Governmental activities, business-type activities, discretely presented component unit - School Board, each major fund and aggregate remaining fund information.

Modified: Discretely presented component unit - Other Component Units

Internal control over financial reporting:

Material weakness(es) identified? Yes

Significant deficiency(ies) identified? No

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

Material weaknesses identified? No

Significant deficiency(ies) identified? No

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
21.019	COVID-19 Coronavirus Relief Fund
93.658	Foster Care-Title IV-E
10.553/10.555/10.559	Child Nutrition Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds

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

Auditee qualified as low-risk auditee? No

Section II - Financial Statement Findings

2022-001 (Material Weakness)

Criteria: An auditee should have sufficient controls in place to produce financial statements in accordance with applicable standards.

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

Effect: There is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected by the County's internal controls over financial reporting.

Cause: The County does not have proper controls in place to detect and correct adjustments in closing their year end financial statements.

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

Management's Response: The County will review the auditors' proposed audit adjustments for the fiscal year and will develop a plan of action to ensure that all adjusting entries are made prior to final audit fieldwork next year.

County of Tazewell, Virginia

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022

Section II - Financial Statement Findings (Continued)

2022-002 (Material Weakness)

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

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, 2022

2021-001

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 2021-001 was repeated in the current year as 2022-001.

2021-002

Condition: The School Board is not submitting reimbursement requests for federal grant programs in a timely manner.

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

Current Status: Finding 2021-002 was previously reported as a significant deficiency and is shown as finding 2022-002 as a material weakness in the current year.

2021-003

Condition: The amount reported in the quarterly reports to the Commonwealth totaled \$7,424,202 while expenditure reports from the County's system show a total of \$6,918,557 expended, with a difference of \$505,645.

Recommendation: Management should establish a reconciliation process and reports should be reviewed by someone other than the preparer prior to submission to ensure accuracy of same.

Current Status: Finding 2021-003 was not repeated in the current year.

2021-004

Condition: Documentation provided by subrecipients was not complete nor did it agree to the schedule of expenditures that was provided to the County regarding the use of funds.

Recommendation: Management should consider distributing funds on a reimbursement basis after documentation has been reviewed or should implement a review process wherein subrecipient expenditures are monitored on a routine basis to ensure allowability under the program and completeness.

Current Status: Finding 2021-004 was not repeated in the current year.

2021-005

Condition: Documentation provided for testing did not provide sufficient detail to determine that Comprehensive Services Act (CSA) expenditures and salaries, other than public safety and public health, met the allowability criteria. Additionally, CSA is reimbursed in part by State funds and guidance related to the program does not specify that funds can be used to meet local match requirements for other awards.

Recommendation: Management should implement a process to ensure that documentation maintained is adequate to ensure that allowability and allowable cost requirements for the program have been met.

Current Status: Finding 2021-005 was not repeated in the current year.