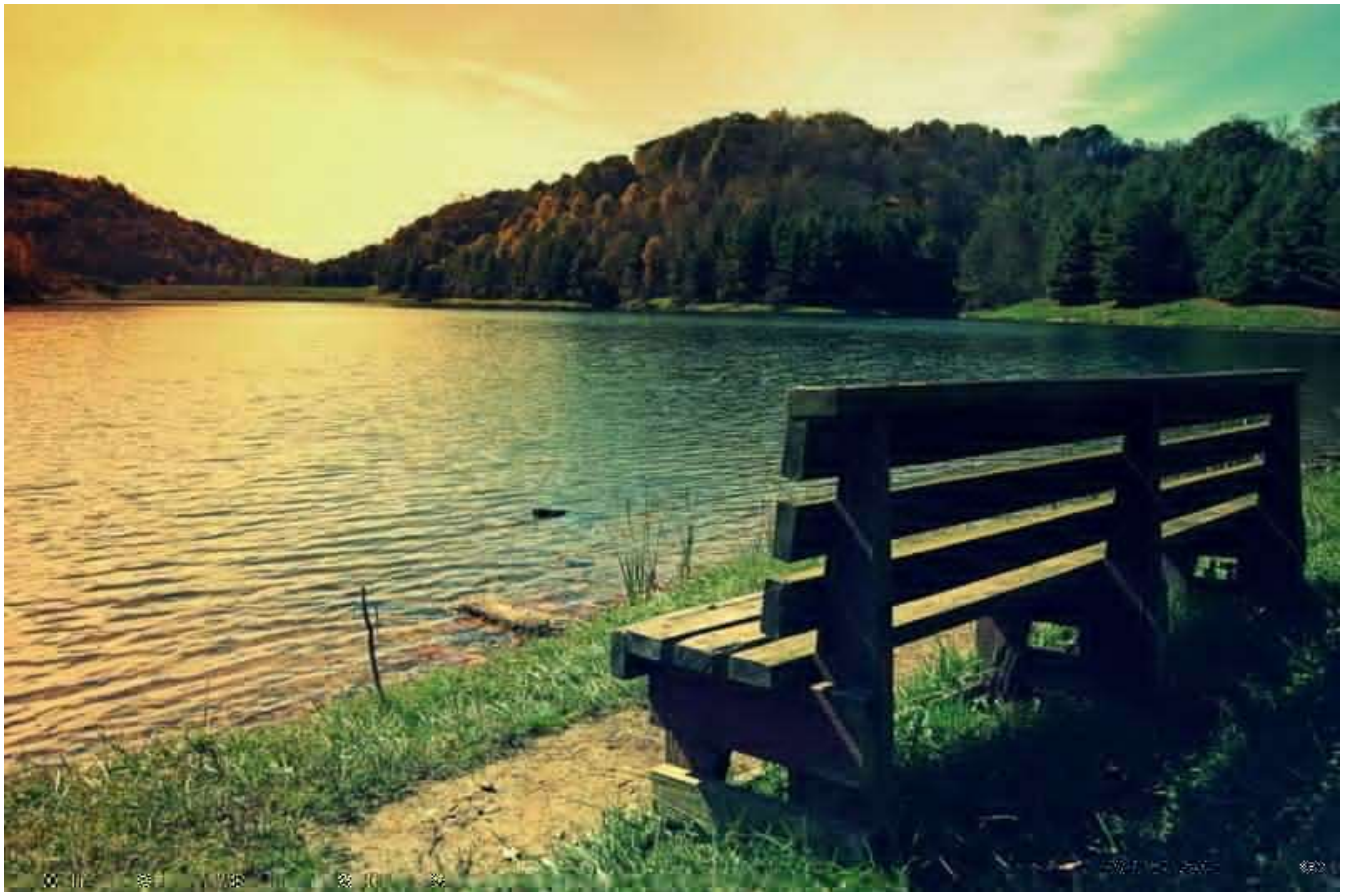


County of Tazewell, Virginia



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

COUNTY OF TAZEWELL, VIRGINIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

COUNTY OF TAZEVELL, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2024

TABLE OF CONTENTS

INTRODUCTORY SECTION

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

FINANCIAL SECTION

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

	<u>Exhibit</u>	<u>Page</u>
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Position	1	5
Statement of Activities	2	6
Fund Financial Statements:		
Balance Sheet - Governmental Funds	3	7
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	4	8
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	5	9
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	6	10
Statement of Net Position - Proprietary Fund	7	11
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Fund	8	12
Statement of Cash Flows - Proprietary Fund	9	13
Statement of Fiduciary Net Position - Fiduciary Funds	10	14
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	11	15
Notes to Financial Statements		16-79
Required Supplementary Information:		
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual:		
General Fund	12	80
Pension Plans:		
Schedule of Changes in Net Pension Liability and Related Ratios		
Primary Government	13	81
Other Component Units	14	82
Component Unit School Board (Nonprofessional)	15	83
Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan	16	84
Schedule of Employer Contributions	17	85
Notes to Required Supplementary Information	18	86

COUNTY OF TAZEVELL, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2024

TABLE OF CONTENTS (CONTINUED)

FINANCIAL SECTION (Continued)

	<u>Exhibit</u>	<u>Page</u>
Required Supplementary Information: (Continued)		
Health Insurance Plans:		
Schedule of Changes Total OPEB Liability and Related Ratios		
Primary Government	19	87
Other Component Units	20	88
Component Unit School Board	21	89
Notes to Required Supplementary Information	22	90
Group Life Insurance Plan:		
Schedule of County's Share of Net OPEB Liability	23	91
Schedule of Employer Contributions	24	92
Notes to Required Supplementary Information	25	93
Teacher Employee Health Insurance Credit (HIC) Plan:		
Schedule of County of Tazewell School Board's Share of Net OPEB Liability	26	94
Schedule of Employer Contributions	27	95
Notes to Required Supplementary Information	28	96
Health Insurance Credit (HIC) Plan:		
Schedule of Changes in Net OPEB Liability and Related Ratios	29	97
Schedule of Employer Contributions	30	98
Notes to Required Supplementary Information	31	99
Other Supplementary Information:		
Schedule of Revenues, Expenditures and Changes in Fund Balance -		
Budget and Actual:		
Major Capital Projects Fund - County CIP Fund	32	100
Balance Sheet Nonmajor Funds	33	101
Statement of Revenues, Expenditures, and Changes in		
Fund Balances - Nonmajor Funds	34	102
Nonmajor Special Revenue Funds:		
Combining Balance Sheet	35	103
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	36	104
Combining Schedule of Revenues, Expenditures, and Changes in		
Fund Balances - Budget and Actual	37	105-106
Combining Statement of Fiduciary Net Position-Fiduciary Funds	38	107
Combining Statement of Changes in Fiduciary Net Position-Fiduciary Funds	39	108
Discretely Presented Component Unit - School Board:		
Combining Balance Sheet	40	109
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	41	110
Schedule of Revenues, Expenditures, and Changes in Fund Balance -		
Budget and Actual	42	111
Other Component Units - Government-Wide - Financial Statements:		
Combining Statement of Net Position	43	112
Combining Statement of Activities	44	113

COUNTY OF TAZEWELL, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2024

TABLE OF CONTENTS (CONTINUED)

STATISTICAL INFORMATION

	<u>Table</u>	<u>Page</u>
Government-Wide Expenses by Function.....	1	114
Government-Wide Revenues	2	115
General Governmental Expenditures by Function	3	116
General Governmental Revenues by Source	4	117
Property Tax Levies and Collections	5	118
Assessed Value of Taxable Property	6	119
Property Tax Rates	7	120
Ratio of Net General Obligation Bonded Debt to Assessed Value And Net General Obligation Bonded Debt Per Capita	8	121
Ratio of Annual Debt Service Expenditures for General Bonded Debt To Total General Governmental Expenditures	9	122

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>	123-124
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required By the Uniform Guidance	125-126
Schedule of Expenditures of Federal Awards.....	127-128
Schedule of Findings and Questioned Costs	129-130
Summary Schedule of Prior Audit Findings	131

INTRODUCTORY SECTION

COUNTY OF TAZEVELL, VIRGINIA

BOARD OF SUPERVISORS

Aaron Gillespie	Andy Hrovatic, Chairman	Kyle Cruey
Chuck Presley		Shannon Plaser

COUNTY SCHOOL BOARD

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

SOCIAL SERVICES BOARD

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

EX-OFFICIO MEMBERS

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

OTHER OFFICIALS

Commonwealth's Attorney.....	Chris Plaster
Clerk of the Circuit Court.....	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

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, 2024, and the related notes to the financial statements, which collectively comprise the County of Tazewell, Virginia's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Tazewell, Virginia, as of and for the year ended June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Tazewell County, Virginia School Activity Funds, which represent 3.38 percent, 5.89 percent, and 2.61 percent, respectively, of the assets, fund balance, and revenues of the discretely presented component unit - School Board as of June 30, 2024. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Tazewell County, Virginia School Activity Fund, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of County of Tazewell, Virginia, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise County of Tazewell, Virginia's basic financial statements. The other supplementary information and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit and the report of other auditors, the other supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2024, on our consideration of County of Tazewell, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of County of Tazewell, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Tazewell, Virginia's internal control over financial reporting and compliance.

Robinson, Jarmer, Cox, Associates

Blacksburg, Virginia
December 19, 2024

Basic Financial Statements

County of Tazewell, Virginia
Statement of Net Position
June 30, 2024

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	School Board	Other Component Units
ASSETS					
Cash and Cash Equivalents	\$ 22,420,143	\$ 2,377,104	\$ 24,797,247	\$ 33,545,087	\$ 1,540,919
Investments	-	-	-	-	3,392,563
Receivables (Net of Allowance for Uncollectibles):					
Taxes	27,602,263	-	27,602,263	-	-
Accounts Receivable	2,947,722	220,564	3,168,286	404,115	1,025,379
Note Receivable	-	-	-	-	1,456,156
Rent Receivable	-	-	-	-	4,410
Leases recievable	-	-	-	-	1,035,310
Due from Primary Government	-	-	-	-	75,000
Assets Held for Resale	-	-	-	-	2,564,058
Due from Component Units	9,610,582	-	9,610,582	-	-
Due from Other Governmental Units	4,109,508	-	4,109,508	3,965,375	255,151
Internal Balances	(30,691)	30,691	-	-	-
Inventory	-	-	-	-	182,542
Prepaid Items	35,309	-	35,309	1,280,915	78,882
Restricted Assets:					
Cash and Cash Equivalents	-	2,978,522	2,978,522	-	197,373
Capital assets not being depreciated/amortized	3,822,024	3,169,563	6,991,587	22,023,945	19,784,096
Capital assets, net of accumulated deprecation/amortization	16,319,252	5,920,269	22,239,521	18,643,775	77,599,994
Total Assets	\$ 86,836,112	\$ 14,696,713	\$ 101,532,825	\$ 79,863,212	\$ 109,191,833
DEFERRED OUTFLOWS OF RESOURCES					
Pension related items	\$ 1,832,878	\$ -	\$ 1,832,878	\$ 10,443,322	\$ 259,427
OPEB related items	1,372,409	-	1,372,409	3,203,064	79,398
Deferred charge on refunding	81,447	-	81,447	-	-
Total Deferred Outflows of Resources	\$ 3,286,734	\$ -	\$ 3,286,734	\$ 13,646,386	\$ 338,825
LIABILITIES					
Accounts Payable	\$ 416,708	\$ 1,247,042	\$ 1,663,750	\$ 2,722,397	\$ 311,462
Accounts payable - construction projects	-	521,554	521,554	-	165,018
Accrued Liabilities	-	-	-	602,417	-
Accrued Wages	-	-	-	3,776,878	49,594
Customer Deposits	-	-	-	-	197,373
Accrued Interest Payable	57,497	48,614	106,111	-	87,590
Due to Primary Government	-	-	-	9,508,250	102,332
Unearned Revenue	-	-	-	1,549,457	535,878
Short-term loan payable	-	-	-	-	100,000
Long-term Liabilities:					
Due Within One Year	2,600,077	412,000	3,012,077	399,258	2,652,284
Due in More Than One Year	21,210,156	16,794,820	38,004,976	54,273,557	32,145,464
Total Liabilities	\$ 24,284,438	\$ 19,024,030	\$ 43,308,468	\$ 72,832,214	\$ 36,346,995
DEFERRED INFLOWS OF RESOURCES					
Deferred Revenue - Property Taxes	\$ 24,230,938	\$ -	\$ 24,230,938	\$ -	\$ -
Pension related items	1,123,260	-	1,123,260	4,189,270	232,208
OPEB related items	1,459,991	-	1,459,991	3,753,909	285,230
Lease related	-	-	-	-	990,663
Total Deferred Inflows of Resources	\$ 26,814,189	\$ -	\$ 26,814,189	\$ 7,943,179	\$ 1,508,101
NET POSITION					
Net Investment in Capital Assets	\$ 9,201,538	\$ 5,466,800	\$ 14,668,338	\$ 40,667,720	\$ 64,839,115
Restricted	3,735,617	-	3,735,617	6,940,719	-
Unrestricted (Deficit)	26,087,064	(9,794,117)	16,292,947	(34,874,234)	6,836,447
Total Net Position (Deficit)	\$ 39,024,219	\$ (4,327,317)	\$ 34,696,902	\$ 12,734,205	\$ 71,675,562

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, 2024

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			Other Component Units
					Governmental Activities	Business-type Activities	Total	
PRIMARY GOVERNMENT:								
Governmental Activities:								
General Government Administration	\$ 4,394,632	\$ 268,639	\$ 1,583,119	\$ -	\$ (2,542,874)	\$ -	\$ (2,542,874)	\$ -
Judicial Administration	3,420,912	107,718	1,727,460	-	(1,585,734)	-	(1,585,734)	-
Public Safety	16,620,981	206,582	6,432,800	-	(9,981,599)	-	(9,981,599)	-
Public Works	3,193,836	11,182	167,660	-	(3,014,994)	-	(3,014,994)	-
Health and Welfare	13,798,528	-	9,801,667	-	(3,996,861)	-	(3,996,861)	-
Education	10,174,433	-	-	-	(10,174,433)	-	(10,174,433)	-
Parks, Recreation and Cultural	2,277,165	50,734	374,631	-	(1,851,800)	-	(1,851,800)	-
Community Development	1,070,447	2,034	1,786,530	-	718,117	-	718,117	-
Interest	409,475	-	-	-	(409,475)	-	(409,475)	-
Total Governmental Activities	\$ 55,360,409	\$ 646,889	\$ 21,873,867	\$ -	\$ (32,839,653)	\$ -	\$ (32,839,653)	\$ -
Business-type Activities								
Landfill	\$ 3,107,096	\$ 1,179,136	\$ -	\$ -	-	\$ (1,927,960)	\$ (1,927,960)	\$ -
Total Primary Government	\$ 58,467,505	\$ 1,826,025	\$ 21,873,867	\$ -	\$ (32,839,653)	\$ (1,927,960)	\$ (34,767,613)	\$ -
Component Units:								
School Board	\$ 74,627,176	\$ 1,838,208	\$ 72,618,329	\$ -	\$ -	\$ -	\$ -	\$ (170,639)
Other component units	11,579,642	8,902,949	150,000	855,408	-	-	-	(1,671,285)
Total Component Units	\$ 86,206,818	\$ 10,741,157	\$ 72,768,329	\$ 855,408	\$ -	\$ -	\$ -	\$ (170,639)
General Revenues:								
General Property Taxes					\$ 28,328,493	\$ -	\$ 28,328,493	\$ -
Other Local Taxes								
Local Sales and Use Taxes					6,395,437	-	6,395,437	-
Consumers' Utility Taxes					810,456	-	810,456	-
Franchise License Taxes					374,062	-	374,062	-
MOPED and ATV sales tax					14,402	-	14,402	-
Utility License Taxes					20,902	-	20,902	-
Bank Franchise Taxes					131,280	-	131,280	-
Taxes on Recordation and Wills					324,730	-	324,730	-
Coal Severance Taxes					3,567,227	-	3,567,227	-
Hotel and Motel Taxes					302,359	-	302,359	-
Gas Severance Tax					266,139	-	266,139	-
Unrestricted Revenues from Use of Money					571,739	185,074	756,813	243,127
Miscellaneous					1,950,531	228	1,950,759	1,361,647
Payments from Primary Government/Component Units					-	-	-	9,936,141
Grants and Contributions not Restricted to Specific Programs					4,159,473	-	4,159,473	-
Transfers					(2,927,888)	2,927,888	-	-
Total General Revenues and Transfers					\$ 44,289,342	\$ 3,113,190	\$ 47,402,532	\$ 11,540,915
Change in Net Position					\$ 11,449,689	\$ 1,185,230	\$ 12,634,919	\$ 11,370,276
Net Position - Beginning					\$ 27,574,530	\$ (5,512,547)	\$ 22,061,983	\$ 1,363,929
Net Position - Ending					\$ 39,024,219	\$ (4,327,317)	\$ 34,696,902	\$ 12,734,205

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

County of Tazewell, Virginia
Balance Sheet
Governmental Funds
June 30, 2024

	General Fund	County CIP Fund	Other Govern- mental Funds	Total
ASSETS				
Cash and Cash Equivalents	\$ 18,724,918	\$ 761,149	\$ 2,934,076	\$ 22,420,143
Receivables (Net of Allowance for Uncollectibles):				
Taxes	27,452,653	-	149,610	27,602,263
Other Receivables	2,947,722	-	-	2,947,722
Prepaid Items	35,309	-	-	35,309
Due from Other Funds	-	125,000	-	125,000
Due from Other Governmental Units	4,109,508	-	-	4,109,508
Due from Component Units	9,508,250	102,332	-	9,610,582
Total Assets	<u>\$ 62,778,360</u>	<u>\$ 988,481</u>	<u>\$ 3,083,686</u>	<u>\$ 66,850,527</u>
LIABILITIES				
Accounts Payable and Accrued Expenses	\$ 381,352	\$ 35,356	\$ -	\$ 416,708
Due to Other Funds	155,691	-	-	155,691
Total Liabilities	<u>\$ 537,043</u>	<u>\$ 35,356</u>	<u>\$ -</u>	<u>\$ 572,399</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	\$ 28,033,000	\$ -	\$ -	\$ 28,033,000
Unavailable Revenue - Opioid Settlement	2,631,587	-	-	2,631,587
Total Deferred Inflows of Resources	<u>\$ 30,664,587</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,664,587</u>
FUND BALANCES				
Nonspendable	\$ 35,309	\$ -	\$ -	\$ 35,309
Restricted	1,104,030	-	-	1,104,030
Committed	38,299	953,125	3,083,686	4,075,110
Unassigned	30,399,092	-	-	30,399,092
Total Fund Balances	<u>\$ 31,576,730</u>	<u>\$ 953,125</u>	<u>\$ 3,083,686</u>	<u>\$ 35,613,541</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 62,778,360</u>	<u>\$ 988,481</u>	<u>\$ 3,083,686</u>	<u>\$ 66,850,527</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, 2024

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	35,613,541
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		
Capital assets, not being depreciated/amortized	\$	3,822,024
Capital assets, net of accumulated depreciation/amortization		20,141,276
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.		
Unavailable revenue - property taxes	\$	3,802,062
Unavailable revenue - opioid settlement		6,433,649
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.		
Pension related items	\$	1,832,878
OPEB related items		3,205,287
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	\$	(57,497)
Compensated absences		(766,095)
Lease Liabilities		(434,811)
Subscription Liabilities		(125,667)
Net OPEB liabilities		(6,393,609)
Net pension liability		(5,629,344)
General obligation bonds, including bond premiums		(2,224,446)
Revenue bonds, including bond premiums		(8,236,261)
Deferred amount on refunding		(23,786,283)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.		
Pension related items	\$	(1,123,260)
OPEB related items		(2,583,251)
Net Position of Governmental Activities	\$	39,024,219

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, 2024

	General Fund	County CIP Fund	Other Govern- mental Funds	Total
REVENUES				
General Property Taxes	\$ 28,050,665	\$ -	\$ -	\$ 28,050,665
Other Local Taxes	10,290,312	-	1,916,682	12,206,994
Permits, Privilege Fees and Regulatory Licenses	208,698	-	-	208,698
Fines and Forfeitures	9,835	-	-	9,835
Revenue from Use of Money and Property	808,420	-	-	808,420
Charges for Services	177,962	-	13,713	191,675
Miscellaneous	803,649	-	-	803,649
Recovered Costs	2,410,450	-	-	2,410,450
Intergovernmental	25,757,503	212,964	62,873	26,033,340
Total Revenues	\$ 68,517,494	\$ 212,964	\$ 1,993,268	\$ 70,723,726
EXPENDITURES:				
Current:				
General Government Administration	\$ 5,528,617	\$ 112,959	\$ -	\$ 5,641,576
Judicial Administration	2,954,348	-	46,265	3,000,613
Public Safety	17,752,985	-	-	17,752,985
Public Works	1,317,727	898,000	963,405	3,179,132
Health and Welfare	14,119,118	-	-	14,119,118
Education	10,174,433	-	-	10,174,433
Parks, Recreation and Cultural	1,819,522	-	-	1,819,522
Community Development	1,323,620	213,824	-	1,537,444
Nondepartmental	45,272	-	-	45,272
Debt Service:				
Principal Retirement	1,927,271	-	-	1,927,271
Interest and Other Fiscal Charges	442,945	-	-	442,945
Total Expenditures	\$ 57,405,858	\$ 1,224,783	\$ 1,009,670	\$ 59,640,311
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 11,111,636	\$ (1,011,819)	\$ 983,598	\$ 11,083,415
Other Financing Sources (Uses)				
Transfers In	\$ 5,000	\$ 1,244,945	\$ -	\$ 1,249,945
Transfers Out	(3,914,335)	-	(263,498)	(4,177,833)
Issuance of lease liabilities	106,269	-	-	106,269
Issuance of subscription liabilities	191,826	-	-	191,826
Total Other Financing Sources (Uses)	\$ (3,611,240)	\$ 1,244,945	\$ (263,498)	\$ (2,629,793)
Net Change in Fund Balance	\$ 7,500,396	\$ 233,126	\$ 720,100	\$ 8,453,622
Fund Balance - Beginning	24,076,334	719,999	2,363,586	27,159,919
Fund Balance - Ending	\$ 31,576,730	\$ 953,125	\$ 3,083,686	\$ 35,613,541

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

County of Tazewell, Virginia
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2024

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

Net changes in fund balance - total governmental funds \$ 8,453,622

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. These are the details of items supporting this adjustment:

Capital outlays	\$ 1,221,715	
Tenancy in common transfer	(497,959)	
Depreciation expense	<u>(1,723,148)</u>	(999,392)

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

Loss on disposal of assets		(19,957)
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Change in unavailable revenue-property taxes	\$ 277,828	
Change in unavailable revenue-opioid settlement	<u>1,146,882</u>	1,424,710

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

Debt issued or incurred:

Issuance of lease liabilities	\$ (106,269)	
Issuance of subscription liabilities	(191,826)	

Principal repayments:

General obligation bonds	497,959	
Lease liabilities	109,153	
Subscription liabilities	66,159	
Lease revenue bond	<u>1,254,000</u>	1,629,176

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	\$ (66,238)	
Change in accrued interest payable	(3,918)	
Change in bond premium amortization	54,585	
Change in deferred amount on refunding	(17,197)	
Change in pension related items	573,192	
Change in OPEB related items	<u>421,106</u>	<u>961,530</u>

Change in net position of governmental activities		\$ <u><u>11,449,689</u></u>
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The notes to the financial statements are an integral part of this statement.

County of Tazewell, Virginia
Statement of Net Position
Proprietary Fund
June 30, 2024

	Tazewell County Landfill Fund
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 2,377,104
Receivables (Net of Allowance for Uncollectibles)	220,564
Due from Other Funds	30,691
Total Current Assets	<u>\$ 2,628,359</u>
Noncurrent Assets:	
Capital assets not being depreciated	\$ 3,169,563
Capital assets, net of accumulated depreciation	5,920,269
Total Capital Assets	<u>\$ 9,089,832</u>
Other Assets:	
Restricted Cash - Unspent Bond Proceeds	<u>\$ 2,978,522</u>
Total Assets	<u>\$ 14,696,713</u>
LIABILITIES	
Current Liabilities:	
Accrued Interest Payable	\$ 48,614
Accounts Payable	1,247,042
Construction Payable	521,554
Notes Payable - Current Portion	412,000
Total Current Liabilities	<u>\$ 2,229,210</u>
Noncurrent Liabilities:	
Estimated Landfill Closure Liability	\$ 11,126,820
Notes Payable - Net of Current Portion	5,668,000
Total Noncurrent Liabilities	<u>\$ 16,794,820</u>
Total Liabilities	<u>\$ 19,024,030</u>
NET POSITION	
Net Investment in Capital Assets	\$ 5,466,800
Unrestricted (Deficit)	(9,794,117)
Total Net Position (Deficit)	<u>\$ (4,327,317)</u>

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

County of Tazewell, Virginia
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
For the Fiscal Year Ended June 30, 2024

	Tazewell County Landfill Fund
OPERATING REVENUES	
Charges for Services	\$ 1,179,136
OPERATING EXPENSES	
Contractual Services	\$ 3,479,363
Repairs and Maintenance	13,951
Closure Reserve Expense	(964,943)
Other Charges	52,304
Depreciation	196,687
Total Operating Expenses	\$ 2,777,362
Operating Income (Loss)	\$ (1,598,226)
NONOPERATING REVENUES (EXPENSES)	
Interest income	\$ 185,074
Miscellaneous Income	228
Interest Expense	(329,734)
Total Nonoperating Revenues (Expenses)	\$ (144,432)
Income (loss) before transfers	\$ (1,742,658)
TRANSFERS	
Transfers In	\$ 2,927,888
Change in Net Position	\$ 1,185,230
Net Position (Deficit) - Beginning	(5,512,547)
Net Position (Deficit) - Ending	\$ (4,327,317)

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, 2024

	Tazewell County Landfill Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers and Users	\$ 1,119,633
Payments for Operating Expenses	(3,216,930)
Total Cash Provided by (Used for) Operating Activities	<u>\$ (2,097,297)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from Other Funds	\$ 2,930,027
Interest income	185,074
Total Cash Provided by (Used for) Noncapital Financing Activities	<u>\$ 3,115,101</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of Capital Assets	\$ (1,453,352)
Principal Payments on Debt	(375,000)
Proceeds from Indebtedness	3,200,000
Interest Payments on Debt	(294,303)
Total Cash Provided by (Used for) Capital and Related Financing Activities	<u>\$ 1,077,345</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 2,095,149
Cash and Cash Equivalents - Beginning, including restricted cash of \$3,260,477	3,260,477
Cash and Cash Equivalents - Ending, including restricted cash of \$2,978,522	<u><u>\$ 5,355,626</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO	
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:	
Operating Income (Loss)	\$ (1,598,226)
Depreciation	196,687
Miscellaneous Income	228
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided by (used for) Operating Activities:	
(Increase) Decrease in Accounts Receivable	(59,731)
Increase (Decrease) in Accounts Payable	328,688
Increase (Decrease) in Estimated Landfill Closure Liability	(964,943)
Total Adjustments	<u>\$ (695,986)</u>
Net Cash Provided By (Used For) Operating Activities	<u><u>\$ (2,097,297)</u></u>
Noncash investing, capital and financing activities:	
Capital asset additions included in accounts payable at end of year	<u>\$ 521,554</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, 2024

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	\$ 131,806
Due from other governments	272,311
Total Assets	<u>\$ 404,117</u>
LIABILITIES	
Sales tax due to Towns	<u>\$ 272,311</u>
NET POSITION	
Restricted for:	
Social services clients	\$ 131,806
Total Net Position	<u><u>\$ 131,806</u></u>

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

County of Tazewell, Virginia
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2024

	<u>Custodial Funds</u>
ADDITIONS	
Contributions:	
Expenditure reimbursement	\$ 56,401
Sales tax collections for other governments	1,631,962
Total contributions	<u>\$ 1,688,363</u>
DEDUCTIONS:	
Special welfare payments	\$ 18,315
Payments of sales tax to other governments	1,631,962
Total deductions	<u>\$ 1,650,277</u>
 Net increase (decrease) in fiduciary net position	 \$ 38,086
 Net position, beginning	 <u>93,720</u>
Net position, ending	<u><u>\$ 131,806</u></u>

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

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 1 - Summary of Significant Accounting Policies:

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

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

Financial Statement Presentation

Government-wide and Fund Financial Statements

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

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

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

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

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

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

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

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (Continued)

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

A. Financial Reporting Entity

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

B. Individual Component Unit Disclosures

Blended Component Units: None

Discretely Presented Component Units:

Tazewell County School Board members are elected by the voters and are responsible for the operations of the County's School System. The School Board is fiscally dependent on the County. The County has the ability to approve its budget and any amendments. The primary funding is from the General Fund of the County. The School Board does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation in the County financial statements for the fiscal year ended June 30, 2024.

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

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

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

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

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

None

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (Continued)

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

B. Individual Component Unit Disclosures (Continued)

Jointly Governed Organizations

County of Tazewell and Counties of Buchanan and Russell participate in supporting the Cumberland Mountain Community Services Board. For the year ended June 30, 2024, the County contributed \$101,800.

County of Tazewell and Counties of Russell, Buchanan, Wise, Scott, Lee, Washington, Smyth and Dickenson and the Cities of Norton and Bristol participate in supporting the Appalachian Juvenile Commission. For the year ended June 30, 2024, the County contributed \$383,152.

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, 2024, the County contributed \$4,352,847.

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The government-wide statement of activities reflects both the gross and net cost per functional category (public safety, public works, health and welfare, etc.) which are otherwise being supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function (public safety, public works, health and welfare, etc.) or a business-type activity.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease and subscription liabilities, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions, including right to use lease and subscription assets, are reported as expenditures in the governmental funds. Issuances of long-term debt through leases and subscriptions are reported as other financing sources.

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (Continued)

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

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

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

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

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

The government reports the following major governmental funds:

General Fund:

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

Capital Projects Fund:

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

The School Board reports the following major fund types:

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

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

The government reports the following nonmajor governmental funds:

Special Revenue Funds:

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

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (Continued)

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

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

Additionally, Tazewell County reports the following fund types:

Proprietary Funds:

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

Fiduciary Funds (Trust and Custodial Funds):

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

D. Budget and Budgetary Accounting

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

1. Prior to March 30, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the departmental level. The appropriation for each department or category can be revised only by the Board of Supervisors. The Finance Director is authorized to transfer budgeted amounts within general government departments, with the exception of salary related amounts. However, the County Administrator is authorized to transfer budgeted amounts within a Fund, with the exception of salary related amounts. Additionally, the School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, School Operating Fund, and the Capital Projects Fund.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30, for all County units. Several supplemental appropriations were necessary during the year and at year-end.
8. All budgetary data presented in the accompanying financial statements is the original to the current comparison of the final budget and actual results.
9. As of June 30, 2024 expenditures did not exceed appropriations by department for the County.
10. At June 30, 2024, the Landfill Fund had a deficit net position balance.

E. Cash and Cash Equivalents

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

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (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 \$498,700 and \$16,414 at June 30, 2024 and is comprised of property taxes and unpaid landfill bills, respectively.

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

H. Capital Assets

Capital assets, which include property, plant and equipment, lease, subscription and infrastructure are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as land, buildings, road registered vehicles, and equipment with an estimated useful life in excess of one year and a cost of over \$20,000. Such assets are recorded at historical cost (except for intangible right-to-use lease and subscription assets) or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

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

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (Continued)

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

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure/expense) until then. The County has two items that qualify for reporting in this category. One item is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item is comprised of certain items related to pension and OPEB. For more detailed information on these items, reference the related notes.

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

J. Compensated Absences

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

K. Pensions

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

L. Other Postemployment Benefits (OPEB)

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

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (Continued)

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

M. Long-term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued and premiums on issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

N. Fund Balance

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

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

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

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

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

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (Continued)

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

O. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

P. Net Position

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

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

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

Q. Leases and Subscription-Based IT Arrangements

The County has various lease assets and subscription-based IT arrangements (SBITAs) requiring recognition. A lease is a contract that conveys control of the right to use another entity's nonfinancial asset. Lease recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases. A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

Lessee

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

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (Continued)

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

Q. Leases (continued)

Subscriptions

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

Key Estimates and Judgments

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

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

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

Note 2 - Deposits and Investments:

Deposits

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

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

Investments

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

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (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, 2024 were rated by Standard & Poor's and/or an equivalent national rating organization and the rating are presented below using the Standard & Poor's rating scale.

County's Rated Debt Investments' Values	
<u>Rated Debt Investments</u>	<u>Fair Quality Ratings</u>
	AAAm
VIP Stable NAV Liquidity Pool	\$ 14,828,389
SNAP	1,560,843
Totals	\$ 16,389,232

External Investment Pools

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

Interest Rate Risk

<u>Investment Type</u>	<u>Investment Maturities (in years)</u>	
	<u>Fair Value</u>	<u>Less than 1 Year</u>
VIP Stable NAV Liquidity Pool	\$ 14,828,389	\$ 14,828,389
SNAP	1,560,843	1,560,843
Totals	\$ 16,389,232	\$ 16,389,232

Redemption Restrictions

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

Fair Value Measurements

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

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (Continued)

Note 3 - Internal Balances and Transfers:

Internal balances consisted of the following as of June 30, 2024:

Fund	Due From	Due To
Primary Government:		
General	\$ -	\$ 155,691
County CIP Fund	125,000	-
Landfill	30,691	-
Totals	<u>\$ 155,691</u>	<u>\$ 155,691</u>

Interfund transfers for the year ended June 30, 2024, consisted of the following:

Fund	Transfers In	Transfers Out
General	\$ 5,000	\$ 3,914,335
County CIP	1,244,945	-
Law Library	-	5,000
Coal Road Improvement	-	258,498
Landfill	2,927,888	-
Totals	<u>\$ 4,177,833</u>	<u>\$ 4,177,833</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, 2024, 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	\$ 618,590	\$ -
Commonwealth of Virginia:		
State sales taxes	1,071,108	-
Local sales taxes	-	1,201,727
VPA	267,562	-
CSA	254,101	-
Shared expenses	457,752	-
Categorical aid	92,853	-
Noncategorical aid	916,970	-
Federal Government:		
VPA	379,729	-
Categorical aid	50,843	2,763,648
Total	<u>\$ 4,109,508</u>	<u>\$ 3,965,375</u>

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (Continued)

Note 5 - Capital Assets:

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2024:

Primary Government:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 2,840,590	\$ -	\$ -	\$ 2,840,590
Construction in progress	343,846	468,779	(268,823)	543,802
Tenancy in Common	935,591	-	(497,959)	437,632
Total capital assets not being depreciated	<u>\$ 4,120,027</u>	<u>\$ 468,779</u>	<u>\$ (766,782)</u>	<u>\$ 3,822,024</u>
Capital assets, being depreciated:				
Buildings	\$ 26,282,406	\$ 268,823	\$ -	\$ 26,551,229
Machinery and equipment	20,454,774	443,974	(106,185)	20,792,563
Right-to-use lease buildings	113,545	-	-	113,545
Right-to-use lease machinery and equipment	464,065	106,269	-	570,334
Right-to-use subscription asset	-	202,693	-	202,693
Total capital assets being depreciated	<u>\$ 47,314,790</u>	<u>\$ 1,021,759</u>	<u>\$ (106,185)</u>	<u>\$ 48,230,364</u>
Accumulated depreciation:				
Buildings	\$ (13,915,709)	\$ (644,311)	\$ -	\$ (14,560,020)
Machinery and equipment	(16,204,340)	(880,949)	86,228	(16,999,061)
Right-to-use lease buildings	(28,831)	(14,454)	-	(43,285)
Right-to-use lease machinery and equipment	(125,312)	(104,578)	-	(229,890)
Right-to-use subscription asset	-	(78,856)	-	(78,856)
Total accumulated depreciation	<u>\$ (30,274,192)</u>	<u>\$ (1,723,148)</u>	<u>\$ 86,228</u>	<u>\$ (31,911,112)</u>
Total capital assets being depreciated, net	<u>\$ 17,040,598</u>	<u>\$ (701,389)</u>	<u>\$ (19,957)</u>	<u>\$ 16,319,252</u>
Governmental activities capital	<u>\$ 21,160,625</u>	<u>\$ (232,610)</u>	<u>\$ (786,739)</u>	<u>\$ 20,141,276</u>

COUNTY OF TAZEWell, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (Continued)

Note 5 - Capital Assets: (Continued)

Primary Government: (Continued)

Tazewell County Landfill Fund:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 287,598	\$ -	\$ -	\$ 287,598
Construction in progress	907,059	1,974,906	-	2,881,965
Total capital assets not being depreciated	\$ 1,194,657	\$ 1,974,906	\$ -	\$ 3,169,563
Capital assets, being depreciated:				
Buildings and improvements	\$ 185,603	\$ -	\$ -	\$ 185,603
Land improvements	9,894,020	-	-	9,894,020
Machinery and equipment	13,715	-	-	13,715
Total capital assets being depreciated	\$ 10,093,338	\$ -	\$ -	\$ 10,093,338
Accumulated depreciation:				
Buildings and improvements	\$ (182,560)	\$ (1,016)	\$ -	\$ (183,576)
Land improvements	(3,788,337)	(193,244)	-	(3,981,581)
Machinery and equipment	(5,485)	(2,427)	-	(7,912)
Total accumulated depreciation	\$ (3,976,382)	\$ (196,687)	\$ -	\$ (4,173,069)
Total capital assets being depreciated, net	\$ 6,116,956	\$ (196,687)	\$ -	\$ 5,920,269
Business-type activities capital assets, net	\$ 7,311,613	\$ 1,778,219	\$ -	\$ 9,089,832

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

Governmental activities:	
General government administration	\$ 157,069
Judicial administration	547,061
Public safety	883,642
Public works	51,886
Health and welfare	33,688
Parks, recreation, and cultural	35,347
Community development	14,455
Total depreciation expense-governmental activities	\$ 1,723,148
Business-type activities:	
Landfill fund	\$ 196,687

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (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	2,773,766	6,857,212	(2,490,788)	7,140,190
Tenancy in common	13,412,671	-	-	13,412,671
Tenancy in common (1)	(935,591)	-	497,959	(437,632)
Total capital assets not being depreciated	<u>\$ 17,159,562</u>	<u>\$ 6,857,212</u>	<u>\$ (1,992,829)</u>	<u>\$ 22,023,945</u>
Capital assets, being depreciated:				
Buildings and improvements	\$ 40,859,524	\$ 4,284,034	\$ -	\$ 45,143,558
Machinery and equipment	23,024,319	2,107,637	(374,231)	24,757,725
Total capital assets being depreciated	<u>\$ 63,883,843</u>	<u>\$ 6,391,671</u>	<u>\$ (374,231)</u>	<u>\$ 69,901,283</u>
Accumulated depreciation:				
Buildings and improvements	\$ (31,660,364)	\$ (1,123,537)	\$ -	\$ (32,783,901)
Machinery and equipment	(17,688,676)	(1,159,162)	374,231	(18,473,607)
Total accumulated depreciation	<u>\$ (49,349,040)</u>	<u>\$ (2,282,699)</u>	<u>\$ 374,231</u>	<u>\$ (51,257,508)</u>
Total capital assets being depreciated, net	<u>\$ 14,534,803</u>	<u>\$ 4,108,972</u>	<u>\$ -</u>	<u>\$ 18,643,775</u>
Governmental activities capital assets, net	<u>\$ 31,694,365</u>	<u>\$ 10,966,184</u>	<u>\$ (1,992,829)</u>	<u>\$ 40,667,720</u>

(1) Legislation enacted during the year ended June 30, 2003, Section 15.2-1800.1 of the Code of Virginia, (1950), as amended, has changed the reporting of local school capital assets and related debt for financial statement purposes. Historically, debt incurred by local governments "on behalf" of school boards was reported in the school board's discrete column along with the related capital assets. Under the new law, local governments have a "tenancy in common" with the school board whenever the locality incurs any financial obligation for any school property which is payable over more than one fiscal year. For financial reporting purposes, the legislation permits the locality to report the portion of school property related to any outstanding financial obligation eliminating any potential deficit from capitalizing assets financed with debt. The effect on the County of Tazewell, Virginia for the year ended June 30, 2024, is that assets and debt in the amount of \$437,632 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, 2024 (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, 2024:

Governmental Activities:

	Beginning Balance	Increases / Issuances	Decreases / Retirements	Ending Balance
Direct Borrowings and Placements:				
General obligation bonds	\$ 2,670,363	\$ -	\$ (497,959)	\$ 2,172,404
Premium on GO bond	60,664	-	(8,622)	52,042
Lease revenue bond	9,468,000	-	(1,254,000)	8,214,000
Premium on lease revenue bond	68,224	-	(45,963)	22,261
Lease liabilities	437,695	106,269	(109,153)	434,811
Subscription liabilities	-	191,826	(66,159)	125,667
Net OPEB liabilities	6,877,846	830,694	(1,314,931)	6,393,609
Compensated absences	699,857	591,131	(524,893)	766,095
Net pension liability	5,358,651	5,810,677	(5,539,984)	5,629,344
Total	<u>\$ 25,641,300</u>	<u>\$ 7,530,597</u>	<u>\$ (9,361,664)</u>	<u>\$ 23,810,233</u>

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

Year Ending June 30	Direct Borrowings and Placements		Lease Liabilities		Subscription Liabilities	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 1,797,832	\$ 315,050	\$ 128,959	\$ 37,524	\$ 67,832	\$ 2,368
2026	1,158,842	250,873	114,581	25,445	57,835	665
2027	1,195,978	209,302	94,577	15,001	-	-
2028	1,227,752	166,294	65,741	5,576	-	-
2029	672,000	122,755	30,953	967	-	-
2030-2034	2,831,000	386,140	-	-	-	-
2035-2039	1,232,000	143,077	-	-	-	-
2040	271,000	4,297	-	-	-	-
	<u>\$ 10,386,404</u>	<u>\$ 1,597,788</u>	<u>\$ 434,811</u>	<u>\$ 84,513</u>	<u>\$ 125,667</u>	<u>\$ 3,033</u>

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (Continued)

Note 6 - Long-term Obligations: (Continued)

Primary Government: (Continued)

Governmental Activities: (Continued)

	Interest Rates	Issue Dates	Final Maturity Date	Amount of Original Issue	Balance Governmental Activities	Amount Due Within One Year
Direct Borrowings and Placements:						
General Obligation Bonds:						
GO Bond	4.10-5.10%	5/15/2008	2029	\$ 1,880,000	\$ 540,000	\$ 125,000
GO Bond	3.60-5.35%	12/11/2008	2029	6,698,941	1,632,404	389,832
Subtotal GO Bond					\$ 2,172,404	\$ 514,832
Premium on Bond	n/a	n/a	n/a	n/a	52,042	8,622
Total General Obligation Bonds					\$ 2,224,446	\$ 523,454
Lease Revenue Bonds: (1)						
2014C	3.025-5.125%	11/18/2014	2033	\$ 11,885,000	\$ 1,030,000	\$ 1,030,000
2019 (2)	3.171%	8/14/2019	2040	3,924,000	3,415,000	157,000
2021B (2)	1.930%	5/6/2021	2033	3,736,000	3,524,000	71,000
2021C (2)	1.930%	5/6/2021	2034	3,736,000	245,000	25,000
Subtotal Lease Revenue Bonds					\$ 8,214,000	\$ 1,283,000
Premium on Bond	n/a	n/a	n/a	n/a	22,261	22,261
					\$ 8,236,261	\$ 1,305,261
Lease liabilities:						
Enterprise Lease 1	6.94%	1/1/2021	2026	\$ 40,780	\$ 13,668	\$ 8,953
Enterprise Lease 2	6.88%	4/1/2021	2026	33,879	13,124	7,306
Enterprise Lease 3	6.76%	1/1/2021	2026	39,683	13,263	8,692
Enterprise Lease 4	6.87%	1/1/2021	2026	39,682	13,286	8,705
Enterprise Lease 5	7.19%	1/1/2021	2026	43,476	14,627	9,576
Enterprise Lease 6	7.19%	1/1/2021	2026	43,476	14,627	9,576
Enterprise Lease 7	12.25%	9/1/2022	2028	41,276	28,671	7,890
Enterprise Lease 8	12.37%	9/1/2022	2028	41,163	28,615	7,864
Enterprise Lease 9	12.15%	6/2/2023	2028	46,950	38,646	8,200
Enterprise Lease 10	12.61%	7/1/2022	2027	31,638	21,076	6,164
Enterprise Lease 11	13.82%	1/1/2023	2028	43,444	32,997	7,870
Enterprise Lease 12	14.19%	2/1/2023	2028	38,944	30,179	6,951
Virginia Cooperative Extension	1.88%	4/15/2029	2029	142,112	72,022	14,369
Enterprise Lease 13	12.48%	2/1/2029	2029	53,073	49,947	8,412
Enterprise Lease 14	12.48%	2/1/2029	2029	53,196	50,063	8,431
Total Lease liabilities					\$ 434,811	\$ 128,959
Subscription liabilities:						
Google Workspace	250.00%	4/1/2026	2026	\$ 202,693	\$ 125,667	\$ 67,832
Other Obligations:						
Net OPEB Liabilities	n/a	n/a	n/a	n/a	\$ 6,393,609	\$ -
Compensated Absences	n/a	n/a	n/a	n/a	766,095	574,571
Net Pension Liability	n/a	n/a	n/a	n/a	5,629,344	-
Total Other Obligations					\$ 12,789,048	\$ 574,571
Total Long-term Obligations					\$ 23,810,233	\$ 2,600,077

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

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

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

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (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	\$ 3,255,000	\$ 3,200,000	\$ (375,000)	\$ 6,080,000
Landfill closure/postclosure liability	12,091,763	-	(964,943)	11,126,820
Total	<u>\$ 15,346,763</u>	<u>\$ 3,200,000</u>	<u>\$ (1,339,943)</u>	<u>\$ 17,206,820</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
2025	\$ 412,000	\$ 194,358
2026	1,076,000	174,974
2027	1,107,000	142,287
2028	1,141,000	108,362
2029	1,175,000	73,126
2030-2031	1,169,000	55,814
Totals	<u>\$ 6,080,000</u>	<u>\$ 748,921</u>

Details of Long-Term Obligations:

	Interest Rates	Issue Dates	Final Maturity Date	Amount of Original Issue	Balance Business-type Activities	Amount Due Within One Year
Direct Borrowings and Placements:						
Revenue Bonds (1)	1.62%	5/6/2021	2029	\$ 3,295,000	\$ 2,880,000	\$ 412,000
Revenue Bonds (2)	4.72%	7/19/2023	2031	3,200,000	3,200,000	-
Total Direct Borrowings and Placements:					<u>\$ 6,080,000</u>	<u>\$ 412,000</u>
Other Obligations:						
Landfill Closure/ Postclosure Liability	n/a	n/a	n/a	n/a	\$ 11,126,820	\$ -
Total Long-term Obligations					<u>\$ 17,206,820</u>	<u>\$ 412,000</u>

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

(2) Debt is collateralized by underlying property.

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (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, 2024:

	Beginning Balance	Issuances/ Increases	Retirements/ Decreases	Ending Balance
Net pension liabilities	\$ 32,671,687	\$ 16,732,391	\$ (13,693,389)	\$ 35,710,689
Net OPEB liabilities	19,939,403	2,628,964	(4,138,585)	18,429,782
Compensated absences	558,882	392,624	(419,162)	532,344
Total	<u>\$ 53,169,972</u>	<u>\$ 19,753,979</u>	<u>\$ (18,251,136)</u>	<u>\$ 54,672,815</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
Other Obligations:						
Net Pension Liability	n/a	n/a	n/a	n/a	\$ 35,710,689	\$ -
Net OPEB Liabilities	n/a	n/a	n/a	n/a	18,429,782	-
Compensated Absences	n/a	n/a	n/a	n/a	532,344	399,258
Total Long-term Obligations					<u>\$ 54,672,815</u>	<u>\$ 399,258</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 \$766,095 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 \$532,344.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (Continued)

Note 8 - Pension Plans:

Plan Description

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

Benefit Structures

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

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

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (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, 2022 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	308	232
Inactive members:		
Vested inactive members	50	30
Non-vested inactive members	96	81
Inactive members active elsewhere in VRS	130	31
Total inactive members	276	142
Active members	306	154
Total covered employees	890	528

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (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, 2024 was 12.09% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$1,528,362 and \$1,410,751 for the years ended June 30, 2024 and June 30, 2023, respectively. Contributions to the pension plan from the Component Units were \$220,711 and \$204,865 for the years ended June 30, 2024 and June 30, 2023, respectively.

The Component Unit School Board's contractually required contribution rate for nonprofessional employees for the year ended June 30, 2024 was 16.19% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were \$676,918 and \$629,543 for the years ended June 30, 2024 and June 30, 2023, 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, 2023. The total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023.

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, 2022, 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, 2023.

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

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (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, 2022 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, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (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, 2022, 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, 2023.

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (Continued)

Note 8 - Pension Plans: (Continued)

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

The actuarial assumptions used in the June 30, 2022 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, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

All Others (Non 10 Largest) - Hazardous Duty:

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

COUNTY OF TAZEWell, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (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%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
		Inflation	2.50%
		Expected arithmetic nominal return**	8.25%

*The above allocation provides a one-year expected return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

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

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (Continued)

Note 8 - Pension Plans: (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the County and Component Unit School Board (nonprofessional) was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2022 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2023, the rate contributed by the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 112% of the actuarially determined contribution rate. From July 1, 2023 on, participating employers and school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2022	\$ 60,184,608	\$ 54,825,957	\$ 5,358,651
Changes for the year:			
Service cost	\$ 1,291,074	\$ -	\$ 1,291,074
Interest	4,048,538	-	4,048,538
Differences between expected and actual experience	413,900	-	413,900
Impact in change in proportion	202,476	184,448	18,028
Contributions - employer	-	1,410,320	(1,410,320)
Contributions - employee	-	603,328	(603,328)
Net investment income	-	3,526,336	(3,526,336)
Benefit payments, including refunds	(3,399,577)	(3,399,577)	-
Administrative expenses	-	(35,402)	35,402
Other changes	-	(3,735)	3,735
Net changes	\$ 2,556,411	\$ 2,285,718	\$ 270,693
Balances at June 30, 2023	\$ 62,741,019	\$ 57,111,675	\$ 5,629,344

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (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, 2022	\$ 8,971,692	\$ 8,172,879	\$ 798,813
Changes for the year:			
Service cost	\$ 187,486	\$ -	\$ 187,486
Interest	587,918	-	587,918
Differences between expected and actual experience	60,105	-	60,105
Impact in change in proportion	(202,475)	(184,448)	(18,027)
Contributions - employer	-	204,803	(204,803)
Contributions - employee	-	87,614	(87,614)
Net investment income	-	512,085	(512,085)
Benefit payments, including refunds	(493,677)	(493,677)	-
Administrative expenses	-	(5,141)	5,141
Other changes	-	(543)	543
Net changes	\$ 139,357	\$ 120,693	\$ 18,664
Balances at June 30, 2023	\$ 9,111,049	\$ 8,293,572	\$ 817,477

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (Continued)

Note 8 - Pension Plans: (Continued)

Changes in Net Pension Liability (Continued)

	Component Unit School Board - Nonprofessional		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at June 30, 2022	\$ 28,818,860	\$ 23,446,538	\$ 5,372,322
Changes for the year:			
Service cost	\$ 329,298	\$ -	\$ 329,298
Interest	1,898,388	-	1,898,388
Differences between expected and actual experience	732,306	-	732,306
Contributions - employer	-	629,516	(629,516)
Contributions - employee	-	184,722	(184,722)
Net investment income	-	1,469,593	(1,469,593)
Benefit payments, including refunds	(2,047,793)	(2,047,793)	-
Administrative expenses	-	(15,328)	15,328
Other changes	-	586	(586)
Net changes	\$ 912,199	\$ 221,296	\$ 690,903
Balances at June 30, 2023	\$ 29,731,059	\$ 23,667,834	\$ 6,063,225

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
County - Primary Government			
Net Pension Liability	\$ 13,733,032	\$ 5,629,344	\$ (1,072,419)
Other Component Units			
Net Pension Liability	\$ 1,994,273	\$ 817,477	\$ (155,733)
Component Unit School Board (Nonprofessional)			
Net Pension Liability	\$ 9,247,443	\$ 6,063,225	\$ 3,371,860

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (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, 2024, the County, Other Component Units, and Component Unit School Board (nonprofessional) recognized pension expense of \$954,740 \$107,734, and \$579,248, respectively. At June 30, 2024, 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	\$ 266,605	\$ 267,149	\$ 38,716	\$ 39,824	\$ 364,313	\$ 9,958
Net difference between projected and actual earnings on pension plan investments	-	856,111	-	154,474	-	407,567
Impact of change in proportion	37,911	-	-	37,910	-	-
Employer contributions subsequent to the measurement date	1,528,362	-	220,711	-	676,918	-
Total	\$ 1,832,878	\$ 1,123,260	\$ 259,427	\$ 232,208	\$ 1,041,231	\$ 417,525

\$1,528,362, \$220,711, and \$676,918 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, 2025. 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)
2025	\$ (719,123)	\$ (144,806)	\$ 73,095
2026	(918,493)	(165,365)	(480,923)
2027	791,117	112,646	340,434
2028	27,755	4,033	14,182

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2023-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, 2024 (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, 2024 was 16.62% of covered employee compensation. This was the Generally Assembly approved rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$4,959,886 and \$4,628,325 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$147.5 million to the VRS Teacher Retirement Plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by the Chapter 769 2023 Acts of Assembly Reconvened Session, and is classified as a non-employer contribution. The school division's proportionate share is reflected in the Operating Grants and Contributions in the Statement of Activities.

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

At June 30, 2024, the school division reported a liability of \$29,647,464 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2023 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. 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, 2023, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the school division's proportion was 0.29333% as compared to 0.28670% at June 30, 2022.

For the year ended June 30, 2024, the school division recognized pension expense of \$2,159,043. Since there was a change in proportionate share between the measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions. Beginning with the June 30, 2022 measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (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, 2024, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,546,742	1,156,971
Net difference between projected and actual earnings on pension plan investments	-	1,927,683
Change in assumptions	1,344,023	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	551,440	687,091
Employer contributions subsequent to the measurement date	4,959,886	-
Total	\$ <u>9,402,091</u>	\$ <u>3,771,745</u>

\$4,959,886 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, 2025. 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	
2025	\$ (881,852)
2026	(1,658,879)
2027	2,523,754
2028	687,437

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (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, 2022, 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, 2023.

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

Mortality rates:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement:

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

The actuarial assumptions used in the June 30, 2022 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, 2021. 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, 2024 (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, 2023, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

		Teacher Employee Retirement Plan
Total Pension Liability	\$	57,574,609
Plan Fiduciary Net Position		47,467,405
Employers' Net Pension Liability (Asset)	\$	<u>10,107,204</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		82.45%

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	\$ 52,554,379	\$ 29,647,464	\$ 10,816,095

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (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 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2023-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	\$ 1,832,878	\$ 1,123,260	\$ 5,629,344	\$ 954,740	\$ -	\$ -	\$ -	\$ -
Other Component Units	-	-	-	-	259,427	232,208	817,477	107,734
Totals	<u>\$ 1,832,878</u>	<u>\$ 1,123,260</u>	<u>\$ 5,629,344</u>	<u>\$ 954,740</u>	<u>\$ 259,427</u>	<u>\$ 232,208</u>	<u>\$ 817,477</u>	<u>\$ 107,734</u>

	Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net Pension Liabilities (Asset)	Pension Expense
VRS Pension Plans:				
School Board Nonprofessional	\$ 1,041,231	\$ 417,525	\$ 6,063,225	\$ 579,248
School Board Professional	9,402,091	3,771,745	29,647,464	2,159,043
Totals	<u>\$ 10,443,322</u>	<u>\$ 4,189,270</u>	<u>\$ 35,710,689</u>	<u>\$ 2,738,291</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, 2024 (Continued)

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

Plan Membership

At July 1, 2023 (measurement date), the following employees were covered by the benefit terms:

	Primary Government	Component Units Tazewell County	Component Unit School Board
Total active employees with coverage	256	50	691
Total retirees with coverage	25	-	64
Total	281	50	755

Contributions

The County does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the Board of Supervisors. The amounts paid by the County, Other Component Units, and Component Unit School Board, for OPEB as the benefits came due during the year ended June 30, 2023 were \$522,000, \$0, and \$863,000, respectively.

Total OPEB Liability

The County's total OPEB liability was measured as of July 1, 2023. The total OPEB liability was determined by an actuarial valuation as July 1, 2022.

Actuarial Assumptions

The total OPEB liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Healthcare Cost Trend Rates	6.50% for fiscal year end 2024, decreasing 0.25% per year to an ultimate rate of 5.00%
Salary Increases	Service-graded
Discount Rate	3.86%

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 TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (Continued)

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

Discount Rate

The discount rate used when OPEB plan investments are insufficient to pay for future benefit payments is from a 20-Year tax exempt general obligation municipal bond with an average rating of AA/Aa or higher. Since the plan has no assets, the discount rate is equal to the Fidelity Index's "20-year Municipal GO AA Index" as of the measurement date. The final equivalent single discount rate used for this year's valuation is 3.86% 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, 2022	\$ 6,251,000	\$ 623,000	\$ 13,938,000
Changes for the year:			
Service cost	330,000	48,000	485,000
Interest	233,000	25,000	516,000
Difference between expected and actual experience	(73,000)	(8,000)	(143,000)
Changes in assumptions	(453,000)	(85,000)	(1,110,000)
Contributions - employer	(522,000)	-	(863,000)
Net changes	\$ (485,000)	\$ (20,000)	\$ (1,115,000)
Balances at June 30, 2023	\$ 5,766,000	\$ 603,000	\$ 12,823,000

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

The following amounts present the total OPEB liability of the County, Other Component Units, and Component Unit School Board, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.86%) or one percentage point higher (4.86%) than the current discount rate:

	Rate		
	1% Decrease 2.86%	Current Discount 3.86%	1% Increase 4.86%
Proportionate share of the healthcare total OPEB liability:			
County	\$ 6,209,000	\$ 5,766,000	\$ 5,365,000
Other Component Units	\$ 653,000	\$ 603,000	\$ 557,000
Component Unit School Board	\$ 13,683,000	\$ 12,823,000	\$ 12,015,000

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (Continued)

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

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

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

	Rate		
	1% Decrease	Healthcare Cost Trend	1% Increase
Proportionate share of the healthcare net OPEB liability:			
County	\$ 5,217,000	\$ 5,766,000	\$ 6,411,000
Other Component Units	\$ 535,000	\$ 603,000	\$ 684,000
Component Unit School Board	\$ 11,647,000	\$ 12,823,000	\$ 14,176,000

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

For the year ended June 30, 2024, the County, Other Component Units, and Component Unit School Board recognized OPEB expense in the amounts of \$420,000, \$(76,000), and \$233,000, respectively. At June 30, 2024, 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	\$ 114,000	\$ 644,000	\$ 5,000	\$ 173,000	\$ 242,000	\$ 1,488,000
Changes in assumptions	568,000	718,000	50,000	98,000	1,051,000	1,277,000
Employer contributions subsequent to the measurement date	522,000	-	-	-	863,000	-
Total	\$ 1,204,000	\$ 1,362,000	\$ 55,000	\$ 271,000	\$ 2,156,000	\$ 2,765,000

\$522,000, \$0, and \$863,000 was reported as deferred outflows of resources related to OPEB resulting from the County, Other Component Units, and Component Unit School Board, respectively, contributions subsequent to the measurement date will be recognized as a reduction of the Total OPEB liability in the fiscal year ending June 30, 2025. 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
2025	\$ (104,000)	\$ (73,000)	\$ (174,000)
2026	(185,000)	(70,000)	(275,000)
2027	(236,000)	(47,000)	(527,000)
2028	(104,000)	(18,000)	(213,000)
2029	(51,000)	(8,000)	(194,000)
Thereafter	-	-	(89,000)

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

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (Continued)

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

Plan Description

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

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

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

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

Eligible Employees

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

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$9,254 as of June 30, 2024.

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (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, 2024, was 0.54% of covered employee compensation. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability.

Contributions to the GLI Plan from the Primary Government were \$72,597 and \$66,565 for the years ended June 30, 2024 and June 30, 2023, respectively.

Contributions to the GLI Plan from the Other Component Units were \$10,489 and \$9,666 for the years ended June 30, 2024 and June 30, 2023, respectively.

Contributions to the GLI Plan from the Component Unit School Board (nonprofessional) were \$23,766 and \$22,397 for the years ended June 30, 2024 and June 30, 2023, respectively.

Contributions to the GLI Plan from the Component Unit School Board (professional) were \$168,342 and \$156,613 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$10.1 million to the Group Life Insurance Plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session and is classified as a special employer contribution. No amount was recognized in the financial statements for the special contribution.

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

Primary Government GLI Plan

At June 30, 2024, the entity reported a liability of \$627,609 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2023 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, 2022, and rolled forward to the measurement date of June 30, 2023. 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, 2023, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the participating employer's proportion was 0.05233% as compared to 0.05204% at June 30, 2022.

For the year ended June 30, 2024, the participating employer recognized GLI OPEB expense of \$22,369. 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, 2024 (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, 2024, the entity reported a liability of \$91,140 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2023 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, 2022, and rolled forward to the measurement date of June 30, 2023; 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, 2023, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the participating employer's proportion was 0.00760% as compared to 0.00776% at June 30, 2022.

For the year ended June 30, 2024, the participating employer recognized GLI OPEB expense of \$3,248. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

Component Unit School Board (nonprofessional) GLI Plan

At June 30, 2024, the entity reported a liability of \$211,199 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2023 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, 2022, and rolled forward to the measurement date of June 30, 2023. 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, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the participating employer's proportion was 0.01761% as compared to 0.01760% at June 30, 2022.

For the year ended June 30, 2024, the participating employer recognized GLI OPEB expense of \$(828). Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

Component Unit School Board (professional) GLI Plan

At June 30, 2024, the entity reported a liability of \$1,476,595 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2023 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, 2022, and rolled forward to the measurement date of June 30, 2023. 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, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the participating employer's proportion was 0.12312% as compared to 0.12160% at June 30, 2022.

For the year ended June 30, 2024, the participating employer recognized GLI OPEB expense of \$9,961. 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, 2024 (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, 2024, 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	\$ 62,682	\$ 19,051	\$ 9,103	\$ 2,767
Net difference between projected and actual earnings on GLI OPEB plan investments	-	25,221	-	3,662
Change in assumptions	13,416	43,483	1,948	6,315
Changes in proportionate share	19,714	10,236	2,863	1,486
Employer contributions subsequent to the measurement date	72,597	-	10,484	-
Total	<u>\$ 168,409</u>	<u>\$ 97,991</u>	<u>\$ 24,398</u>	<u>\$ 14,230</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	\$ 21,094	\$ 6,411	\$ 147,476	\$ 44,822
Net difference between projected and actual earnings on GLI OPEB plan investments	-	8,487	-	59,338
Change in assumptions	4,514	14,633	31,563	102,304
Changes in proportionate share	8,588	16,123	16,715	69,971
Employer contributions subsequent to the measurement date	23,766	-	168,342	-
Total	<u>\$ 57,962</u>	<u>\$ 45,654</u>	<u>\$ 364,096</u>	<u>\$ 276,435</u>

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (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)

\$72,597, \$10,484, \$23,766, and \$168,342 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, 2025. 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)
2025	\$ (6,037)	\$ (877)	\$ (8,630)	\$ (49,471)
2026	(23,057)	(3,348)	(11,370)	(76,892)
2027	15,690	2,278	3,868	22,674
2028	4,830	702	2,550	5,225
2029	6,395	929	2,124	17,783

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2022, 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, 2023. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS ACFR.

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

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (Continued)

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

Actuarial Assumptions (Continued)

Mortality Rates - Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

The actuarial assumptions used in the June 30, 2022 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, 2021. 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, 2024 (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, 2022 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, 2021. 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, 2024 (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, 2022 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, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

COUNTY OF TAZEWell, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (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, 2023, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

	GLI OPEB Plan
Total GLI OPEB Liability	\$ 3,907,052
Plan Fiduciary Net Position	2,707,739
GLI Net OPEB Liability (Asset)	\$ 1,199,313
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	69.30%

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%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
		Inflation	2.50%
		Expected arithmetic nominal return**	8.25%

*The above allocation provides a one-year return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (Continued)

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

Long-Term Expected Rate of Return (Continued)

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

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy and at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2023, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 113% of the actuarially determined contribution rate. From July 1, 2023 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	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
Proportional share of the GLI Plan Net OPEB Liability			
Primary Government	\$ 930,313	\$ 627,609	\$ 382,871
Other Component Units	\$ 135,097	\$ 91,140	\$ 55,600
Component Unit School Board (Nonprofessional)	\$ 313,063	\$ 211,199	\$ 128,841
Component Unit School Board (Professional)	\$ 2,188,775	\$ 1,476,595	\$ 900,793

GLI Plan Fiduciary Net Position

Detailed information about the GLI Plan's Fiduciary Net Position is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2023-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, 2024 (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, 2024 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Plan were \$375,669 and \$349,496 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$4 million to the VRS Teacher HIC Plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a special employer contribution. No amount was recognized in the financial statements for the special contribution.

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (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, 2024, the school division reported a liability of \$3,509,234 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, 2023 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, 2022 and rolled forward to the measurement date of June 30, 2023. 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, 2023, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the school division's proportion of the VRS Teacher Employee Health Insurance Credit Plan was 0.28970% as compared to 0.28311% at June 30, 2022.

For the year ended June 30, 2024, the school division recognized VRS Teacher Employee HIC OPEB expense of \$175,337. Since there was a change in proportionate share between measurement dates, a portion of the VRS Teacher Employee HIC Net OPEB expense was related to deferred amounts from changes in proportionate share and differences between actual and expected contributions.

At June 30, 2024, 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	\$ -	\$ 154,459
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	1,761	-
Change in assumptions	81,689	3,536
Change in proportionate share and differences between actual and expected contributions	71,186	237,626
Employer contributions subsequent to the measurement date	375,669	-
Total	\$ <u>530,305</u>	\$ <u>395,621</u>

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (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

\$375,669 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, 2025. 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	
2025	\$ (104,984)
2026	(79,761)
2027	(33,862)
2028	(17,377)
2029	(8,022)
Thereafter	3,021

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, 2022, 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, 2023.

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

Mortality Rates - Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (Continued)

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

Actuarial Assumptions: (Continued)

The actuarial assumptions used in the June 30, 2022 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, 2021. 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, 2023, 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	\$ 1,475,471
Plan Fiduciary Net Position	264,054
Teacher Employee Net HIC OPEB Liability (Asset)	\$ <u>1,211,417</u>
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability	17.90%

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, 2024 (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%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
		Inflation	2.50%
		Expected arithmetic nominal return**	8.25%

*The above allocation provides a one-year return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

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

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (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, 2023, 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, 2023 on, all agencies are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Teacher Employee HIC OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total Teacher Employee HIC OPEB liability.

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability	\$ 3,969,335	\$ 3,509,234	\$ 3,119,338

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 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2023-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, 2024 (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 TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (Continued)

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

Employees Covered by Benefit Terms

As of the June 30, 2022 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>76</u>
Inactive members:	
Vested inactive members	9
Inactive members active elsewhere in VRS	<u>31</u>
Total inactive members	<u>40</u>
Active members	<u>154</u>
Total covered employees	<u><u>270</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, 2024 was 1.95% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the Component Unit School Board to the HIC Plan were \$84,695 and \$79,447 for the years ended June 30, 2024 and June 30, 2023, respectively.

Net HIC OPEB Liability

The Component Unit School Board's net HIC OPEB liability was measured as of June 30, 2023. The total HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2022, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2022, 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, 2023.

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

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (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, 2022 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, 2021. 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, 2024 (Continued)

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

Long-Term Expected Rate of Return

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

<u>Asset Class (Strategy)</u>	<u>Long-Term Target Asset Allocation</u>	<u>Arithmetic Long-term Expected Rate of Return</u>	<u>Weighted Average Long-term Expected Rate of Return*</u>
Public Equity	34.00%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	<u>100.00%</u>		<u>5.75%</u>
		Inflation	<u>2.50%</u>
		Expected arithmetic nominal return**	<u>8.25%</u>

*The above allocation provides a one-year expected return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

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

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (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, 2023, 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, 2023 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, 2022	\$ 874,197	\$ 84,711	\$ 789,486
Changes for the year:			
Service cost	\$ 3,764	\$ -	\$ 3,764
Interest	57,823	-	57,823
Differences between expected and actual experience	(355,173)	-	(355,173)
Contributions - employer	-	79,448	(79,448)
Net investment income	-	6,882	(6,882)
Benefit payments	(42,650)	(42,650)	-
Administrative expenses	-	(186)	186
Other changes	-	2	(2)
Net changes	\$ (336,236)	\$ 43,496.00	\$ (379,732)
Balances at June 30, 2023	\$ 537,961	\$ 128,207	\$ 409,754

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	\$ 460,686	\$ 409,754	\$ 365,962

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (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, 2024, the Component Unit School Board recognized HIC Plan OPEB expense of \$(35,786). At June 30, 2024, the Component Unit School Board reported deferred outflows of resources and deferred inflows of resources related to the Component Unit School Board's HIC Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 271,199
Net difference between projected and actual earnings on HIC OPEB plan investments	1,096	-
Change in assumptions	8,910	-
Employer contributions subsequent to the measurement date	84,695	-
Total	\$ 94,701	\$ 271,199

\$84,695 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, 2025. 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	
2025	\$ (94,272)
2026	(94,749)
2027	(72,188)
2028	16

HIC Plan Data

Information about the VRS Political Subdivision HIC Plan is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2023-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 13 - Aggregate OPEB Information:

	Primary Government				Other Component Units			
	Deferred Outflows	Deferred Inflows	Net OPEB Liabilities	OPEB Expense	Deferred Outflows	Deferred Inflows	Net OPEB Liabilities	OPEB Expense
VRS OPEB Plans:								
Group Life Insurance Plan:								
County	\$ 168,409	\$ 97,991	\$ 627,609	\$ 22,369	\$ -	\$ -	\$ -	\$ -
Component Units	-	-	-	-	24,398	14,230	91,140	3,248
County Stand-Alone Plan	1,204,000	1,362,000	5,766,000	420,000	-	-	-	-
Component Units Stand-Alone Plan	-	-	-	-	55,000	271,000	603,000	(76,000)
Totals	\$ 1,372,409	\$ 1,459,991	\$ 6,393,609	\$ 442,369	\$ 79,398	\$ 285,230	\$ 694,140	\$ (72,752)

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (Continued)

Note 13 - Aggregate OPEB Information: (Continued)

	Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net OPEB Liabilities	OPEB Expense
VRS OPEB Plans:				
Group Life Insurance Plan:				
School Board Nonprofessional	\$ 57,962	\$ 45,654	\$ 211,199	\$ (828)
School Board Professional	364,096	276,435	1,476,595	9,961
Health Insurance Credit Plan:				
School Board Health Insurance Credit Plan	94,701	271,199	409,754	(35,786)
Teacher Health Insurance Credit Plan	530,305	395,621	3,509,234	175,337
School Stand-Alone Plan	2,156,000	2,765,000	12,823,000	233,000
Totals	<u>\$ 3,203,064</u>	<u>\$ 3,753,909</u>	<u>\$ 18,429,782</u>	<u>\$ 381,684</u>

Note 14 - Commitments and Contingencies:

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

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

Project	Contract Amount	Accounts Payable at June 30, 2024	Contract Amount Outstanding at June 30, 2024
County - Cell 5A Construction	\$ 4,975,286	\$ 521,554	\$ 3,513,773
School Board - Turf - THS	2,885,074	871,861	931,771
School Board - Turf - GHS	3,126,019	443,840	1,272,451
School Board - Turf - RHS	1,061,702	170,621	100,495

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (Continued)

Note 15 - Landfill Closure and Post-closure Care Cost:

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post closure care costs as an operating expense in each period based on landfill capacity used at each balance sheet date. Of the \$16,660,434 reported as landfill closure and post closure care liability at June 30, 2024, \$11,126,820 represents the cumulative amount reported to date based on use of 58.00 percent of the estimated capacity of the landfill.

The County will recognize the remaining estimated cost of closure and post-closure care of \$5,533,614 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 2024.

The County uses the Commonwealth of Virginia's financial assurance mechanism to meet the Department of Environmental Quality's assurance requirements for landfill closure and post-closure costs. The County has demonstrated financial assurance requirements for closure and post closure care and corrective action costs through the submission of a Local Government Financial Test to the Virginia Department of Environmental Quality in accordance with Section 9VAC20-70 of the Virginia Administrative Code.

Note 16 - Risk Management:

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

COUNTY OF TAZEWELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (Continued)

Note 17 - Deferred/Unavailable Revenue:

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

	Government-wide Statements Governmental Activities	Balance Sheet Governmental Funds
Primary Government		
Long-term portion of opioid settlement receivable that is not available for funding of current expenditures	\$ -	\$ 2,631,587
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)	-	3,802,062
Property taxes due in December 2024	23,276,318	23,276,318
Prepaid property taxes due in December 2024 but paid in advance by the taxpayers	954,620	954,620
Total deferred/unavailable revenue	<u>\$ 24,230,938</u>	<u>\$ 30,664,587</u>

The School Board reported unearned revenue of \$1,549,457 related to unspent grant funding as of June 30, 2024.

Note 18 - Surety Bonds:

	Amount
Commonwealth of America, Division of Risk Management	
Tammy Allison, Clerk of the Circuit Court	\$ 710,000
David T. Larimer, Treasurer	500,000
David R. Anderson, Commissioner of the Revenue	3,000
Brian L. Hieatt, Sheriff	30,000
The above constitutional officers' employees	
Blanket bond	50,000
Landfill employees	20,000
VACO Insurance Program:	
All School Board employees - blanket	250,000
Fidelity and Deposit Company of Maryland Surety:	
C. Eric Young, County Administrator	50,000
St. Paul Fire and Marine Insurance Company	
David Taylor, Director of Social Services	25,000
All Social Services employees - blanket	100,000

COUNTY OF TAZEVELL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 (Continued)

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

	Governmental Activities						Component Unit - School Board		
	General Fund	County CIP Fund	Law Library Fund	Coal Road Improvement Fund	Coal Road Economic Development Fund	Total	School Operating Fund	School Activity Fund	Total
Fund Balance:									
Nonspendable:									
Prepaid items	\$ 35,309	\$ -	\$ -	\$ -	\$ -	\$ 35,309	\$ 1,280,915	\$ -	\$ 1,280,915
Restricted:									
Public safety	\$ 106,373	\$ -	\$ -	\$ -	\$ -	\$ 106,373	\$ -	\$ -	\$ -
Health insurance	9,079	-	-	-	-	9,079	6,822,320	-	6,822,320
Amount held for others	-	-	-	-	-	-	118,399	-	118,399
Opioid settlement	988,578	-	-	-	-	988,578	-	-	-
Total restricted balances	\$ 1,104,030	\$ -	\$ -	\$ -	\$ -	\$ 1,104,030	\$ 6,940,719	\$ -	\$ 6,940,719
Committed funds:									
Wireless fund	\$ 12,636	\$ -	\$ -	\$ -	\$ -	\$ 12,636	\$ -	\$ -	\$ -
Recreation	25,663	-	-	-	-	25,663	-	-	-
Capital projects	-	953,125	-	-	-	953,125	-	-	-
Law library	-	-	2,597	-	-	2,597	-	-	-
Coal road improvements	-	-	-	2,983,483	-	2,983,483	-	-	-
Coal road economic development	-	-	-	-	97,606	97,606	-	-	-
School facilities fund	-	-	-	-	-	-	5,841,000	-	5,841,000
Education	-	-	-	-	-	-	5,734,600	1,238,859	6,973,459
Total committed balances	\$ 38,299	\$ 953,125	\$ 2,597	\$ 2,983,483	\$ 97,606	\$ 4,075,110	\$ 11,575,600	\$ 1,238,859	\$ 12,814,459
Net Position:									
Restricted:									
Public safety	n/a	n/a	n/a	n/a	n/a	\$ 106,373	n/a	n/a	\$ -
Health insurance	n/a	n/a	n/a	n/a	n/a	9,079	n/a	n/a	6,822,320
Opioid settlement	n/a	n/a	n/a	n/a	n/a	3,620,165	n/a	n/a	-
Amount held for others	n/a	n/a	n/a	n/a	n/a	-	n/a	n/a	118,399
Total restricted balances						\$ 3,735,617			\$ 6,940,719

Note 20 - Subsequent Events:

On September 27, 2024, the remnants of Hurricane Helene provided substantial rainfall which resulted in significant flooding in the region surrounding the County. As of release of these financial statements, the financial impact of the damages and resulting repairs has not been determined.

Note 21 - Upcoming Pronouncements:

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.

Statement No. 102, *Certain Risk Disclosures*, provides users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024.

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

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, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Pos (Neg)
REVENUES				
General Property Taxes	\$ 29,170,635	\$ 26,412,373	\$ 28,050,665	\$ 1,638,292
Other Local Taxes	10,019,550	10,019,550	10,290,312	270,762
Permits, Privilege Fees and Regulatory Licenses	161,125	161,125	208,698	47,573
Fines and Forfeitures	40,000	40,000	9,835	(30,165)
Revenue from Use of Money and Property	467,780	467,780	808,420	340,640
Charges for Services	118,250	118,250	177,962	59,712
Miscellaneous	702,500	530,880	803,649	272,769
Recovered Costs	1,491,500	1,599,494	2,410,450	810,956
Intergovernmental:				
Commonwealth	14,500,234	17,322,122	15,329,723	(1,992,399)
Federal Government	6,660,758	6,660,758	10,427,780	3,767,022
Total Revenues	\$ 63,332,332	\$ 63,332,332	\$ 68,517,494	\$ 5,185,162
EXPENDITURES:				
Current:				
General Government Administration	\$ 6,439,894	\$ 6,785,025	\$ 5,528,617	\$ 1,256,408
Judicial Administration	2,904,541	2,937,799	2,954,348	(16,549)
Public Safety	18,784,166	19,227,292	17,752,985	1,474,307
Public Works	1,812,537	1,809,519	1,317,727	491,792
Health and Welfare	16,368,759	16,490,126	14,119,118	2,371,008
Education	14,934,658	14,934,658	10,174,433	4,760,225
Parks, Recreation and Cultural	2,240,116	2,298,331	1,819,522	478,809
Community Development	1,586,072	1,595,814	1,323,620	272,194
Nondepartmental	1,330,000	322,178	45,272	276,906
Debt Service:				
Principal Retirement	1,750,682	1,750,682	1,927,271	(176,589)
Interest and Other Fiscal Charges	402,360	402,360	442,945	(40,585)
Total Expenditures	\$ 68,553,785	\$ 68,553,784	\$ 57,405,858	\$ 11,147,926
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (5,221,453)	\$ (5,221,452)	\$ 11,111,636	\$ 16,333,088
Other Financing Sources (Uses)				
Transfers In	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
Transfers Out	229,729	229,729	(3,914,335)	(4,144,064)
Issuance of lease liabilities	-	-	106,269	106,269
Issuance of subscription liabilities	-	-	191,826	191,826
Total Other Financing Sources (Uses)	\$ 234,729	\$ 234,729	\$ (3,611,240)	\$ (3,845,969)
Net Change in Fund Balance	\$ (4,986,724)	\$ (4,986,723)	\$ 7,500,396	\$ 12,487,119
Fund Balance - Beginning	4,986,724	4,986,723	24,076,334	19,089,611
Fund Balance - Ending	\$ -	\$ -	\$ 31,576,730	\$ 31,576,730

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, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service cost	\$ 1,291,074	\$ 1,182,055	\$ 1,116,259	\$ 1,065,150	\$ 1,004,039	\$ 1,015,173	\$ 1,090,137	\$ 1,095,549	\$ 1,086,879	\$ 1,078,495
Interest	4,048,538	3,956,419	3,613,198	3,482,375	3,386,517	3,310,997	3,202,401	3,043,467	2,899,146	2,767,693
Change of assumptions	-	-	1,892,513	-	1,476,634	-	(156,883)	-	-	-
Differences between expected and actual experience	413,900	(823,710)	(207,767)	(20,986)	142,508	(305,314)	(7,195)	651,020	313,432	-
Impact in change in proportion	202,476	455,803	288,176	(45,957)	(328,076)	(40,854)	(209,616)	(111,024)	-	-
Benefit payments	(3,399,577)	(3,123,542)	(2,811,039)	(2,942,104)	(2,561,543)	(2,666,301)	(2,406,191)	(2,213,605)	(2,039,716)	(1,896,954)
Net change in total pension liability	\$ 2,556,411	\$ 1,647,025	\$ 3,891,340	\$ 1,538,478	\$ 3,120,079	\$ 1,313,701	\$ 1,512,653	\$ 2,465,407	\$ 2,259,741	\$ 1,949,234
Total pension liability - beginning	\$ 60,184,608	\$ 58,537,583	\$ 54,646,243	\$ 53,107,765	\$ 49,987,686	\$ 48,673,985	\$ 47,161,332	\$ 44,695,925	\$ 42,436,184	\$ 40,486,950
Total pension liability - ending (a)	\$ 62,741,019	\$ 60,184,608	\$ 58,537,583	\$ 54,646,243	\$ 53,107,765	\$ 49,987,686	\$ 48,673,985	\$ 47,161,332	\$ 44,695,925	\$ 42,436,184
Plan fiduciary net position										
Impact in change in proportion	\$ 184,448	\$ 433,919	\$ 234,385	\$ (38,989)	\$ (285,911)	\$ (35,018)	\$ (169,900)	\$ (95,046)	\$ -	\$ -
Contributions - employer	1,410,320	1,313,810	1,213,082	1,045,597	1,015,055	1,010,986	1,018,151	1,110,489	1,127,068	1,109,531
Contributions - employee	603,328	555,331	523,307	491,857	494,738	497,210	491,028	527,074	515,377	495,039
Net investment income	3,526,336	(46,889)	12,150,619	864,750	2,860,605	3,064,187	4,593,798	657,018	1,688,554	5,070,273
Benefit payments	(3,399,577)	(3,123,542)	(2,811,039)	(2,942,104)	(2,561,543)	(2,666,301)	(2,406,191)	(2,213,605)	(2,039,716)	(1,896,954)
Administrator charges	(35,402)	(35,060)	(30,459)	(29,617)	(28,648)	(26,916)	(26,855)	(23,721)	(23,151)	(27,328)
Other	(3,735)	1,288	1,143	(1,005)	(1,799)	(2,704)	(4,077)	(280)	(356)	268
Net change in plan fiduciary net position	\$ 2,285,718	\$ (901,143)	\$ 11,281,038	\$ (609,511)	\$ 1,492,497	\$ 1,841,444	\$ 3,495,954	\$ (38,071)	\$ 1,267,776	\$ 4,750,829
Plan fiduciary net position - beginning	\$ 54,825,957	\$ 55,727,100	\$ 44,446,062	\$ 45,055,573	\$ 43,563,076	\$ 41,721,632	\$ 38,225,678	\$ 38,263,749	\$ 36,995,973	\$ 32,245,144
Plan fiduciary net position - ending (b)	\$ 57,111,675	\$ 54,825,957	\$ 55,727,100	\$ 44,446,062	\$ 45,055,573	\$ 43,563,076	\$ 41,721,632	\$ 38,225,678	\$ 38,263,749	\$ 36,995,973
County's net pension liability - ending (a) - (b)	\$ 5,629,344	\$ 5,358,651	\$ 2,810,483	\$ 10,200,181	\$ 8,052,192	\$ 6,424,610	\$ 6,952,353	\$ 8,935,654	\$ 6,432,176	\$ 5,440,211
Plan fiduciary net position as a percentage of the total pension liability	91.03%	91.10%	95.20%	81.33%	84.84%	87.15%	85.72%	81.05%	85.61%	87.18%
Covered payroll	\$ 12,307,375	\$ 11,292,489	\$ 10,391,181	\$ 10,098,852	\$ 9,731,606	\$ 9,910,529	\$ 9,859,374	\$ 9,964,213	\$ 10,048,316	\$ 9,720,135
County's net pension liability as a percentage of covered payroll	45.74%	47.45%	27.05%	101.00%	82.74%	64.83%	70.52%	89.68%	64.01%	55.97%

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

For the Measurement Dates of June 30, 2014 through June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service cost	\$ 187,486	\$ 176,209	\$ 176,388	\$ 174,816	\$ 163,776	\$ 157,842	\$ 168,446	\$ 163,654	\$ 159,256	\$ 158,027
Interest	587,918	589,782	570,949	571,541	552,397	514,803	494,813	454,636	424,797	405,539
Change of assumptions	-	-	299,050	-	240,864	-	(24,240)	-	-	-
Differences between expected and actual experience	60,105	(122,791)	(32,831)	(3,444)	23,246	(47,471)	(1,112)	97,250	45,926	-
Impact in change of proportion	(202,475)	(455,803)	(288,176)	45,957	328,076	40,855	209,616	111,024	-	-
Benefit payments	(493,677)	(465,626)	(444,193)	(482,870)	(417,830)	(414,564)	(371,788)	(330,671)	(298,872)	(277,953)
Net change in total pension liability	\$ 139,357	\$ (278,229)	\$ 281,187	\$ 306,000	\$ 890,529	\$ 251,465	\$ 475,735	\$ 495,893	\$ 331,107	\$ 285,613
Total pension liability - beginning	\$ 8,971,692	\$ 9,249,921	\$ 8,968,734	\$ 8,662,734	\$ 7,772,205	\$ 7,520,740	\$ 7,045,005	\$ 6,549,112	\$ 6,218,005	\$ 5,932,392
Total pension liability - ending (a)	\$ 9,111,049	\$ 8,971,692	\$ 9,249,921	\$ 8,968,734	\$ 8,662,734	\$ 7,772,205	\$ 7,520,740	\$ 7,045,005	\$ 6,549,112	\$ 6,218,005
Plan fiduciary net position										
Impact in change of proportion	\$ (184,448)	\$ (433,920)	\$ (234,385)	\$ 38,990	\$ 285,911	\$ 35,018	\$ 169,900	\$ 95,046	\$ -	\$ -
Contributions - employer	204,803	195,849	191,688	171,608	165,572	157,191	157,318	165,886	165,145	162,576
Contributions - employee	87,614	82,783	82,692	80,725	80,700	77,308	75,870	78,735	75,516	72,536
Net investment income	512,085	(6,990)	1,920,008	141,926	466,612	476,429	709,802	98,146	247,413	742,927
Benefit payments	(493,677)	(465,626)	(444,193)	(482,870)	(417,830)	(414,564)	(371,788)	(330,671)	(298,872)	(277,953)
Administrator charges	(5,141)	(5,227)	(4,813)	(4,861)	(4,673)	(4,185)	(4,149)	(3,543)	(3,393)	(4,004)
Other	(543)	192	181	(165)	(293)	(420)	(629)	(42)	(52)	38
Net change in plan fiduciary net position	\$ 120,693	\$ (632,939)	\$ 1,511,178	\$ (54,647)	\$ 575,999	\$ 326,777	\$ 736,324	\$ 103,557	\$ 185,757	\$ 696,120
Plan fiduciary net position - beginning	\$ 8,172,879	\$ 8,805,818	\$ 7,294,640	\$ 7,349,287	\$ 6,773,288	\$ 6,446,511	\$ 5,710,187	\$ 5,606,630	\$ 5,420,873	\$ 4,724,753
Plan fiduciary net position - ending (b)	\$ 8,293,572	\$ 8,172,879	\$ 8,805,818	\$ 7,294,640	\$ 7,349,287	\$ 6,773,288	\$ 6,446,511	\$ 5,710,187	\$ 5,606,630	\$ 5,420,873
Component Units' net pension liability - ending (a) - (b)	\$ 817,477	\$ 798,813	\$ 444,103	\$ 1,674,094	\$ 1,313,447	\$ 998,917	\$ 1,074,229	\$ 1,334,818	\$ 942,482	\$ 797,132
Plan fiduciary net position as a percentage of the total pension liability	91.03%	91.10%	95.20%	81.33%	84.84%	87.15%	85.72%	81.05%	85.61%	87.18%
Covered payroll	\$ 1,787,241	\$ 1,683,373	\$ 1,611,887	\$ 1,657,458	\$ 1,590,448	\$ 1,531,307	\$ 1,472,797	\$ 1,460,017	\$ 1,472,340	\$ 1,424,253
Component Units' net pension liability as a percentage of covered payroll	45.74%	47.45%	27.55%	101.00%	82.58%	65.23%	72.94%	91.42%	64.01%	55.97%

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, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service cost	\$ 329,298	\$ 265,252	\$ 281,580	\$ 302,641	\$ 312,522	\$ 325,917	\$ 353,607	\$ 359,182	\$ 375,904	\$ 389,969
Interest	1,898,388	1,894,813	1,799,889	1,805,274	1,797,737	1,784,614	1,770,523	1,752,811	1,729,888	1,688,775
Change of assumptions	-	-	896,175	-	655,655	-	(70,894)	-	-	-
Differences between expected and actual experience	732,306	(191,026)	80,585	(321,563)	69,476	(208,796)	(183,199)	(243,199)	(222,538)	-
Benefit payments	(2,047,793)	(1,912,471)	(1,921,932)	(1,810,307)	(1,734,801)	(1,693,716)	(1,643,775)	(1,587,749)	(1,523,814)	(1,459,018)
Net change in total pension liability	\$ 912,199	\$ 56,568	\$ 1,136,297	\$ (23,955)	\$ 1,100,589	\$ 208,019	\$ 226,262	\$ 281,045	\$ 359,440	\$ 619,726
Total pension liability - beginning	\$ 28,818,860	\$ 28,762,292	\$ 27,625,995	\$ 27,649,950	\$ 26,549,361	\$ 26,341,342	\$ 26,115,080	\$ 25,834,035	\$ 25,474,595	\$ 24,854,869
Total pension liability - ending (a)	\$ 29,731,059	\$ 28,818,860	\$ 28,762,292	\$ 27,625,995	\$ 27,649,950	\$ 26,549,361	\$ 26,341,342	\$ 26,115,080	\$ 25,834,035	\$ 25,474,595
Plan fiduciary net position										
Contributions - employer	\$ 629,516	\$ 554,933	\$ 503,723	\$ 446,165	\$ 450,672	\$ 496,279	\$ 511,878	\$ 637,931	\$ 629,864	\$ 589,541
Contributions - employee	184,722	173,641	158,847	165,344	167,179	179,643	185,775	191,556	190,601	190,618
Net investment income	1,469,593	(7,621)	5,446,221	398,165	1,360,432	1,494,878	2,292,108	328,681	875,280	2,714,251
Benefit payments	(2,047,793)	(1,912,471)	(1,921,932)	(1,810,307)	(1,734,801)	(1,693,716)	(1,643,775)	(1,587,749)	(1,523,814)	(1,459,018)
Administrator charges	(15,328)	(15,619)	(14,390)	(14,365)	(14,332)	(13,492)	(13,865)	(12,500)	(12,501)	(15,068)
Other	586	551	501	(462)	(850)	(1,308)	(2,014)	(142)	(185)	143
Net change in plan fiduciary net position	\$ 221,296	\$ (1,206,586)	\$ 4,172,970	\$ (815,460)	\$ 228,300	\$ 462,284	\$ 1,330,107	\$ (442,223)	\$ 159,245	\$ 2,020,467
Plan fiduciary net position - beginning	\$ 23,446,538	\$ 24,653,124	\$ 20,480,154	\$ 21,295,614	\$ 21,067,314	\$ 20,605,030	\$ 19,274,923	\$ 19,717,146	\$ 19,557,901	\$ 17,537,434
Plan fiduciary net position - ending (b)	\$ 23,667,834	\$ 23,446,538	\$ 24,653,124	\$ 20,480,154	\$ 21,295,614	\$ 21,067,314	\$ 20,605,030	\$ 19,274,923	\$ 19,717,146	\$ 19,557,901
School Board's net pension liability - ending (a) - (b)	\$ 6,063,225	\$ 5,372,322	\$ 4,109,168	\$ 7,145,841	\$ 6,354,336	\$ 5,482,047	\$ 5,736,312	\$ 6,840,157	\$ 6,116,889	\$ 5,916,694
Plan fiduciary net position as a percentage of the total pension liability	79.61%	81.36%	85.71%	74.13%	77.02%	79.35%	78.22%	73.81%	76.32%	76.77%
Covered payroll	\$ 4,074,182	\$ 3,779,290	\$ 3,428,413	\$ 3,526,992	\$ 3,530,389	\$ 3,778,109	\$ 3,877,669	\$ 3,958,254	\$ 3,891,558	\$ 3,824,515
School Board's net pension liability as a percentage of covered payroll	148.82%	142.15%	119.86%	202.60%	179.99%	145.10%	147.93%	172.81%	157.18%	154.70%

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, 2023

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)
2023	0.29333%	\$ 29,647,464	\$ 28,887,547	102.63%	82.45%
2022	0.28670%	27,299,365	26,387,899	103.45%	82.61%
2021	0.28753%	22,321,234	25,146,532	88.76%	85.46%
2020	0.29060%	42,287,021	25,224,367	167.64%	71.47%
2019	0.29862%	39,300,089	24,794,223	158.51%	73.51%
2018	0.32016%	37,651,000	25,740,658	146.27%	74.81%
2017	0.33673%	41,411,000	26,133,765	158.46%	72.92%
2016	0.34666%	48,581,000	26,431,418	183.80%	68.28%
2015	0.35749%	44,995,000	26,579,014	169.29%	70.68%
2014	0.36174%	43,715,000	26,452,530	165.26%	70.88%

County of Tazewell, Virginia
Schedule of Employer Contributions
Pension Plans
For the Fiscal Years Ended June 30, 2015 through June 30, 2024

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					
2024	\$ 1,528,362	\$ 1,528,362	\$ -	\$ 13,396,738	11.41%
2023	1,410,751	1,410,751	-	12,307,375	11.46%
2022	1,313,810	1,313,810	-	11,292,489	11.63%
2021	1,216,175	1,216,175	-	10,391,181	11.70%
2020	1,086,636	1,086,636	-	10,098,852	10.76%
2019	1,015,039	1,015,039	-	9,731,606	10.43%
2018	1,024,401	1,024,401	-	9,910,529	10.34%
2017	1,016,717	1,016,717	-	9,859,374	10.31%
2016	1,120,484	1,120,484	-	9,964,213	11.25%
2015	1,127,068	1,127,068	-	10,048,316	11.22%
Component Units					
2024	\$ 220,711	\$ 220,711	\$ -	\$ 1,935,583	11.40%
2023	204,865	204,865	-	1,787,241	11.46%
2022	195,850	195,850	-	1,683,373	11.63%
2021	191,688	191,688	-	1,611,887	11.89%
2020	178,343	178,343	-	1,657,458	10.76%
2019	165,570	165,570	-	1,590,448	10.41%
2018	159,510	159,510	-	1,531,307	10.42%
2017	157,456	157,456	-	1,472,797	10.69%
2016	167,379	167,379	-	1,460,017	11.46%
2015	165,145	165,145	-	1,472,340	11.22%
Component Unit School Board (nonprofessional)					
2024	\$ 676,918	\$ 676,918	\$ -	\$ 4,343,330	15.59%
2023	629,543	629,543	-	4,074,182	15.45%
2022	554,929	554,929	-	3,779,290	14.68%
2021	503,719	503,719	-	3,428,413	14.69%
2020	446,160	446,160	-	3,526,992	12.65%
2019	450,673	450,673	-	3,530,389	12.77%
2018	496,256	496,256	-	3,778,109	13.14%
2017	511,880	511,880	-	3,877,669	13.20%
2016	638,441	638,441	-	3,958,254	16.13%
2015	633,935	633,935	-	3,891,558	16.29%
Component Unit School Board (professional)					
2024	\$ 4,959,886	\$ 4,959,886	\$ -	\$ 31,048,928	15.97%
2023	4,628,325	4,628,325	-	28,887,547	16.02%
2022	4,256,299	4,256,299	-	26,387,899	16.13%
2021	4,067,701	4,067,701	-	25,146,532	16.18%
2020	3,860,904	3,860,904	-	25,224,367	15.31%
2019	3,824,277	3,824,277	-	24,794,223	15.42%
2018	4,140,042	4,140,042	-	25,740,658	16.08%
2017	3,831,210	3,831,210	-	26,133,765	14.66%
2016	3,695,626	3,695,626	-	26,431,418	13.98%
2015	4,249,445	4,249,445	-	26,579,014	15.99%

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

County of Tazewell, Virginia
Notes to Required Supplementary Information
Pension Plans
For the Fiscal Year Ended June 30, 2024

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, 2022 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, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

All Others (Non 10 Largest) - Hazardous Duty:

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

Component Unit School Board - Professional Employees

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

County of Tazewell, Virginia
Schedule of Changes in Total OPEB Liability and Related Ratios - Health Insurance
 Primary Government
 For the Fiscal Years Ended June 30, 2018 through June 30, 2024

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	\$ 330,000	\$ 421,000	\$ 332,000	\$ 217,661	\$ 193,536	\$ 299,000	\$ 283,000
Interest	233,000	150,000	165,000	190,416	215,422	207,000	198,000
Changes in assumptions	(73,000)	(1,092,000)	791,000	338,617	461,172	66,000	-
Differences between expected and actual experience	(453,000)	(262,000)	221,994	59,879	(214,484)	(430,000)	-
Contributions	-	(755,000)	(261,000)	(266,762)	(293,899)	(268,000)	-
Benefit payments	(522,000)	-	-	-	-	-	(257,000)
Changes in proportionate share	-	-	-	(265,804)	395,252	-	-
Net change in total OPEB liability	\$ (485,000)	\$ (1,538,000)	\$ 1,248,994	\$ 274,007	\$ 756,999	\$ (126,000)	\$ 224,000
Total OPEB liability - beginning	6,251,000	7,789,000	6,540,006	6,265,999	5,509,000	5,635,000	5,411,000
Total OPEB liability - ending	\$ 5,766,000	\$ 6,251,000	\$ 7,789,000	\$ 6,540,006	\$ 6,265,999	\$ 5,509,000	\$ 5,635,000
Covered-employee payroll	\$ 11,681,000	\$ 12,915,289	\$ 11,474,701	\$ 10,892,625	\$ 11,921,375	\$ 11,122,229	\$ 10,159,885
County's total OPEB liability as a percentage of covered-employee	49.36%	48.40%	67.88%	60.04%	52.56%	49.53%	55.46%

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

County of Tazewell, Virginia
Schedule of Changes in Total OPEB Liability and Related Ratios - Health Insurance
Other Component Units
For the Fiscal Years Ended June 30, 2018 through June 30, 2024

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	\$ 48,000	\$ 55,000	\$ 44,000	\$ 21,100	\$ 23,628	\$ 35,000	\$ 33,000
Interest	25,000	16,000	17,000	18,459	26,301	41,000	39,000
Changes in assumptions	(8,000)	(151,000)	65,000	32,826	56,304	(9,000)	-
Differences between expected and actual experience	(85,000)	(63,000)	6,000	5,805	(26,186)	(496,000)	-
Contributions	-	-	-	(25,860)	(35,882)	(29,000)	-
Benefit payments	-	-	-	-	-	-	(41,000)
Changes in proportionate share	-	-	-	(183,335)	59,840	-	-
Net change in total OPEB liability	\$ (20,000)	\$ (143,000)	\$ 132,000	\$ (131,005)	\$ 104,005	\$ (458,000)	\$ 31,000
Total OPEB liability - beginning	623,000	766,000	634,000	765,005	661,000	1,119,000	1,088,000
Total OPEB liability - ending	\$ 603,000	\$ 623,000	\$ 766,000	\$ 634,000	\$ 765,005	\$ 661,000	\$ 1,119,000
Covered-employee payroll	\$ 2,196,000	\$ 1,287,190	\$ 1,128,460	\$ 1,055,951	\$ 1,455,451	\$ 1,334,629	\$ 2,018,712
Other Component Units' total OPEB liability as a percentage of covered-employee	27.46%	48.40%	67.88%	60.04%	52.56%	49.53%	55.43%

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

County of Tazewell, Virginia
 Schedule of Changes in Total OPEB Liability and Related Ratios - Health Insurance
 Component Unit School Board
 For the Fiscal Years Ended June 30, 2018 through June 30, 2024

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	\$ 485,000	\$ 607,000	\$ 475,000	\$ 488,239	\$ 401,836	\$ 573,000	\$ 543,000
Interest	516,000	315,000	364,000	427,125	447,277	585,000	582,000
Changes in assumptions	(143,000)	(1,916,000)	1,461,000	759,557	957,524	(878,000)	-
Differences between expected and actual experience	(1,100,000)	(523,000)	(259,994)	134,316	(445,330)	(3,120,000)	-
Contributions	(863,000)	(686,000)	(569,000)	(598,378)	(610,219)	(683,000)	(1,371,000)
Benefit payments	-	-	-	-	-	-	-
Changes in proportionate share	-	-	-	449,139	(455,092)	-	-
Net change in total OPEB liability	\$ (1,105,000)	\$ (2,203,000)	\$ 1,471,006	\$ 1,659,998	\$ 295,996	\$ (3,523,000)	\$ (246,000)
Total OPEB liability - beginning	13,938,000	16,141,000	14,669,994	13,009,996	12,714,000	16,237,000	16,483,000
Total OPEB liability - ending	\$ 12,833,000	\$ 13,938,000	\$ 16,141,000	\$ 14,669,994	\$ 13,009,996	\$ 12,714,000	\$ 16,237,000
Covered-employee payroll	\$ 29,122,000	\$ 28,797,521	\$ 23,778,839	\$ 24,433,424	\$ 24,752,165	\$ 25,671,036	\$ 29,273,402
School Board's total OPEB liability as a percentage of covered-employee	44.07%	48.40%	67.88%	60.04%	52.56%	49.53%	55.47%

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

County of Tazewell, Virginia
Notes to Required Supplementary Information - Health Insurance
For the Fiscal Year Ended June 30, 2024

Valuation Date: 7/1/2022

Measurement Date: 7/1/2023

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age actuarial cost method
Discount Rate	3.86%
Inflation	2.50%
Healthcare Trend Rate	6.50% for fiscal year end 2024, 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, 2023

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:					
2023	0.05233%	\$ 627,609	\$ 12,326,763	5.09%	69.30%
2022	0.05204%	626,846	11,323,484	5.54%	67.21%
2021	0.05026%	585,042	10,374,477	5.64%	67.45%
2020	0.04931%	822,430	10,142,757	8.11%	52.64%
2019	0.04975%	809,494	9,750,829	8.30%	52.00%
2018	0.05207%	790,810	9,937,378	7.96%	51.22%
2017	0.05350%	804,781	9,867,602	8.16%	48.86%
Other Component Units:					
2023	0.00760%	\$ 91,140	\$ 1,790,055	5.09%	69.30%
2022	0.00776%	93,444	1,687,992	5.54%	67.21%
2021	0.00794%	92,447	1,638,961	5.64%	67.45%
2020	0.00809%	134,981	1,664,670	8.11%	52.64%
2019	0.00811%	132,042	1,590,522	8.30%	52.00%
2018	0.00805%	122,190	1,535,455	7.96%	51.22%
2017	0.00799%	120,219	1,474,039	8.16%	48.86%
Component Unit School Board-Nonprofessional:					
2023	0.01761%	\$ 211,199	\$ 4,147,656	5.09%	69.30%
2022	0.01760%	211,801	3,826,243	5.54%	67.21%
2021	0.01670%	194,434	3,448,202	5.64%	67.45%
2020	0.01730%	288,375	3,556,386	8.11%	52.64%
2019	0.01805%	293,722	3,537,467	8.30%	52.00%
2018	0.01993%	303,000	3,789,766	8.00%	51.22%
2017	0.02123%	320,000	3,915,089	8.17%	48.86%
Component Unit School Board-Professional:					
2023	0.12312%	\$ 1,476,595	\$ 29,002,351	5.09%	69.30%
2022	0.12160%	1,463,940	26,447,857	5.54%	67.21%
2021	0.12210%	1,421,925	25,216,444	5.64%	67.45%
2020	0.12310%	2,054,671	25,337,995	8.11%	52.64%
2019	0.12656%	2,059,468	24,814,371	8.30%	52.00%
2018	0.13578%	2,063,000	25,814,219	7.99%	51.22%
2017	0.14346%	2,159,000	26,462,433	8.16%	48.86%

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

County of Tazewell, Virginia
Schedule of Employer Contributions
Group Life Insurance (GLI) Plan
For the Fiscal Years Ended June 30, 2015 through June 30, 2024

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:					
2024	\$ 72,597	\$ 72,597	\$ -	\$ 13,443,894	0.54%
2023	66,565	66,565	-	12,326,763	0.54%
2022	61,147	61,147	-	11,323,484	0.54%
2021	56,021	56,021	-	10,374,477	0.54%
2020	52,744	52,744	-	10,142,757	0.52%
2019	50,703	50,703	-	9,750,829	0.52%
2018	51,673	51,673	-	9,937,378	0.52%
2017	51,312	51,312	-	9,867,602	0.52%
Other Component Units:					
2024	\$ 10,484	\$ 10,484	\$ -	\$ 1,942,396	0.54%
2023	9,666	9,666	-	1,790,055	0.54%
2022	9,115	9,115	-	1,687,992	0.54%
2021	8,852	8,852	-	1,638,961	0.54%
2020	8,657	8,657	-	1,664,670	0.52%
2019	8,270	8,270	-	1,590,522	0.52%
2018	7,984	7,984	-	1,535,455	0.52%
2017	7,665	7,665	-	1,474,039	0.52%
Component Unit School Board (nonprofessional):					
2024	\$ 23,766	\$ 23,766	\$ -	\$ 4,401,175	0.54%
2023	22,397	22,397	-	4,147,656	0.54%
2022	20,662	20,662	-	3,826,243	0.54%
2021	18,620	18,620	-	3,448,202	0.54%
2020	18,494	18,494	-	3,556,386	0.52%
2019	18,395	18,395	-	3,537,467	0.52%
2018	19,707	19,707	-	3,789,766	0.52%
2017	20,358	20,358	-	3,915,089	0.52%
2016	19,014	19,014	-	3,961,302	0.48%
2015	18,688	18,688	-	3,893,364	0.48%
Component Unit School Board (professional):					
2024	\$ 168,342	\$ 168,342	\$ -	\$ 31,174,391	0.54%
2023	156,613	156,613	-	29,002,351	0.54%
2022	142,818	142,818	-	26,447,857	0.54%
2021	136,169	136,169	-	25,216,444	0.54%
2020	131,763	131,763	-	25,337,995	0.52%
2019	129,038	129,038	-	24,814,371	0.52%
2018	134,238	134,238	-	25,814,219	0.52%
2017	137,605	137,605	-	26,462,433	0.52%
2016	127,248	127,248	-	26,510,012	0.48%
2015	127,864	127,864	-	26,638,341	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, 2024

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, 2022 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, 2021. 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, 2023

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)
2023	0.28970%	\$ 3,509,234	\$ 28,883,972	12.15%	17.90%
2022	0.28311%	3,536,176	26,386,475	13.40%	15.08%
2021	0.28434%	3,649,701	25,146,532	14.51%	13.15%
2020	0.28770%	3,753,485	25,224,367	14.88%	9.95%
2019	0.29555%	3,869,037	24,794,223	15.60%	8.97%
2018	0.31833%	4,042,000	25,740,658	15.70%	8.08%
2017	0.33488%	4,248,000	26,428,915	16.07%	7.04%

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

County of Tazewell, Virginia
Schedule of Employer Contributions
Teacher Employee Health Insurance Credit (HIC) Plan
For the Fiscal Years Ended June 30, 2015 through June 30, 2024

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)
2024	\$ 375,669	\$ 375,669	\$ -	\$ 31,047,034	1.21%
2023	349,496	349,496	-	28,883,972	1.21%
2022	319,276	319,276	-	26,386,475	1.21%
2021	304,224	304,224	-	25,146,532	1.21%
2020	302,696	302,696	-	25,224,367	1.20%
2019	297,533	297,533	-	24,794,223	1.20%
2018	316,611	316,611	-	25,740,658	1.23%
2017	293,361	293,361	-	26,428,915	1.11%
2016	280,173	280,173	-	26,431,418	1.06%
2015	281,738	281,738	-	26,579,014	1.06%

County of Tazewell, Virginia
Notes to Required Supplementary Information
Teacher Employee Health Insurance Credit (HIC) Plan
For the Fiscal Year Ended June 30, 2024

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, 2022 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, 2021. 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, 2023

	2023	2022	2021	2020
Total HIC OPEB Liability				
Service cost	\$ 3,764	\$ 4,852	\$ 5,537	\$ -
Interest	57,823	57,043	52,830	-
Differences between expected and actual experience	(355,173)	(25,007)	-	-
Changes in assumptions	-	17,140	19,263	-
Benefit payments	(42,650)	(40,126)	-	782,665
Net change in total pension liability	\$ (336,236)	\$ 13,902	\$ 77,630	\$ 782,665
Total HIC OPEB Liability - beginning	874,197	860,295	782,665	-
Total HIC OPEB Liability - ending (a)	\$ 537,961	\$ 874,197	\$ 860,295	\$ 782,665
Plan fiduciary net position				
Contributions - employer	\$ 79,448	\$ 61,981	\$ 56,225	\$ -
Net investment income	6,882	(430)	7,462	-
Benefit payments	(42,650)	(40,126)	-	-
Administrator charges	(186)	(152)	(249)	-
Other	2	-	-	-
Net change in plan fiduciary net position	\$ 43,496	\$ 21,273	\$ 63,438	\$ -
Plan fiduciary net position - beginning	84,711	63,438	-	-
Plan fiduciary net position - ending (b)	\$ 128,207	\$ 84,711	\$ 63,438	\$ -
Component Unit School Board's net HIC OPEB liability - ending (a) - (b)	\$ 409,754	\$ 789,486	\$ 796,857	\$ 782,665
Plan fiduciary net position as a percentage of the total HIC OPEB liability	23.83%	9.69%	7.37%	0.00%
Covered payroll	\$ 4,074,182	\$ 3,779,290	\$ 3,428,413	\$ -
Component Unit School Board's net HIC OPEB liability as a percentage of covered payroll	10.06%	20.89%	23.24%	0.00%

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

County of Tazewell, Virginia
Schedule of Employer Contributions
Health Insurance Credit (HIC) Plan
For the Fiscal Years Ended June 30, 2021 through June 30, 2024

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)
2024	\$ 84,695	\$ 84,695	\$ -	\$ 4,343,329	1.95%
2023	79,447	79,447	-	4,074,182	1.95%
2022	61,980	61,980	-	3,779,290	1.64%
2021	56,225	56,225	-	3,428,413	1.64%

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

County of Tazewell, Virginia
Notes to Required Supplementary Information
Health Insurance Credit (HIC) Plan
For the Fiscal Year Ended June 30, 2024

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, 2022 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, 2021. 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, 2024

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Pos (Neg)</u>
REVENUES				
Intergovernmental:				
Tazewell Industrial Development Authority	\$ 617,000	\$ 617,000	\$ -	\$ (617,000)
Commonwealth	332,505	332,505	212,964	(119,541)
Federal Government	1,000,000	1,000,000	-	(1,000,000)
Total Revenues	<u>\$ 1,949,505</u>	<u>\$ 1,949,505</u>	<u>\$ 212,964</u>	<u>\$ (1,736,541)</u>
EXPENDITURES:				
Current:				
General Government Administration	\$ 369,450	\$ 369,450	\$ 112,959	\$ 256,491
Public Works	898,000	898,000	898,000	-
Community Development	2,366,834	2,366,834	213,824	2,153,010
Total Expenditures	<u>\$ 3,634,284</u>	<u>\$ 3,634,284</u>	<u>\$ 1,224,783</u>	<u>\$ 2,409,501</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>\$ (1,684,779)</u>	<u>\$ (1,684,779)</u>	<u>\$ (1,011,819)</u>	<u>\$ 672,960</u>
Other Financing Sources (Uses)				
Transfers In	\$ 1,234,945	\$ 1,234,945	\$ 1,244,945	\$ 10,000
Total Other Financing Sources (Uses)	<u>\$ 1,234,945</u>	<u>\$ 1,234,945</u>	<u>\$ 1,244,945</u>	<u>\$ 10,000</u>
Net Change in Fund Balance				
Fund Balance - Beginning	449,834	449,834	719,999	270,165
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 953,125</u>	<u>\$ 953,125</u>

County of Tazewell, Virginia
Nonmajor Funds
Balance Sheet
June 30, 2024

		Special Revenue Funds
ASSETS		
Cash and Cash Equivalents	\$	2,934,076
Receivables (Net of Allowance for Uncollectibles):		
Taxes		149,610
Total Assets	\$	<u>3,083,686</u>
FUND BALANCES		
Committed	\$	3,083,686
Total Liabilities and Fund Balances	\$	<u>3,083,686</u>

County of Tazewell, Virginia
Nonmajor Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2024

	<u>Special Revenue Funds</u>
REVENUES	
Other Local Taxes	\$ 1,916,682
Charges for Services	13,713
Intergovernmental:	
Commonwealth	62,873
Total Revenues	\$ <u>1,993,268</u>
EXPENDITURES:	
Current:	
Judicial Administration	\$ 46,265
Public Works	963,405
Total Expenditures	\$ <u>1,009,670</u>
Excess (Deficiency) of Revenues Over (Under)	
Expenditures	\$ <u>983,598</u>
Other Financing Sources (Uses)	
Transfers Out	\$ <u>(263,498)</u>
Net Change in Fund Balance	\$ 720,100
Fund Balance - Beginning	2,363,586
Fund Balance - Ending	\$ <u><u>3,083,686</u></u>

County of Tazewell, Virginia
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2024

		<u>Law Library</u>	<u>Coal Road</u>	<u>Coal Road</u>	<u>Total</u>
		<u>Fund</u>	<u>Improvement</u>	<u>Economic</u>	
			<u>Fund</u>	<u>Development</u>	
				<u>Fund</u>	
ASSETS					
Cash and Cash Equivalents	\$	2,597	\$	54,160	\$
Receivables (Net of Allowance for Uncollectibles):					
Taxes		-	106,164	43,446	149,610
Total Assets	\$	2,597	\$	97,606	\$
FUND BALANCES					
Committed	\$	2,597	\$	97,606	\$
Total Fund Balances	\$	2,597	\$	97,606	\$
Total Liabilities and Fund Balances	\$	2,597	\$	97,606	\$

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, 2024

	<u>Law Library</u>	<u>Coal Road</u>	<u>Coal Road</u>	<u>Total</u>
	<u>Fund</u>	<u>Improvement</u>	<u>Economic</u>	
	<u>Fund</u>	<u>Fund</u>	<u>Development</u>	<u>Fund</u>
REVENUES				
Other Local Taxes	\$ -	\$ 1,368,998	\$ 547,684	\$ 1,916,682
Charges for Services	13,713	-	-	13,713
Intergovernmental:				
Commonwealth	-	62,873	-	62,873
Total Revenues	\$ 13,713	\$ 1,431,871	\$ 547,684	\$ 1,993,268
EXPENDITURES				
Current:				
Judicial Administration	\$ 46,265	\$ -	\$ -	\$ 46,265
Public Works	-	445,355	518,050	963,405
Total Expenditures	\$ 46,265	\$ 445,355	\$ 518,050	\$ 1,009,670
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	\$ (32,552)	\$ 986,516	\$ 29,634	\$ 983,598
Other Financing Sources (Uses)				
Transfers Out	\$ (5,000)	\$ (258,498)	\$ -	\$ (263,498)
Net Change in Fund Balance	\$ (37,552)	\$ 728,018	\$ 29,634	\$ 720,100
Fund Balance - Beginning	40,149	2,255,465	67,972	2,363,586
Fund Balance - Ending	\$ 2,597	\$ 2,983,483	\$ 97,606	\$ 3,083,686

Exhibit 37

County of Tazewell, Virginia
Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2024

	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	\$ -	\$ -	\$ -	\$ -	\$ 1,247,020	\$ 1,247,020	\$ 1,368,998	\$ 121,978
Charges for Services	8,415	8,415	13,713	5,298	-	-	-	-
Intergovernmental:								
Commonwealth	-	-	-	-	-	-	62,873	62,873
Total Revenues	\$ 8,415	\$ 8,415	\$ 13,713	\$ 5,298	\$ 1,247,020	\$ 1,247,020	\$ 1,431,871	\$ 184,851
EXPENDITURES:								
Current:								
Judicial Administration	\$ 15,000	\$ 15,000	\$ 46,265	\$ (31,265)	\$ -	\$ -	\$ -	\$ -
Public Works	-	-	-	-	1,066,315	1,066,315	445,355	620,960
Total Expenditures	\$ 15,000	\$ 15,000	\$ 46,265	\$ (31,265)	\$ 1,066,315	\$ 1,066,315	\$ 445,355	\$ 620,960
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (6,585)	\$ (6,585)	\$ (32,552)	\$ (25,967)	\$ 180,705	\$ 180,705	\$ 986,516	\$ 805,811
Other Financing Sources (Uses)								
Transfers Out	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ -	\$ (258,498)	\$ (258,498)	\$ (258,498)	\$ -
Net Change in Fund Balance	\$ (11,585)	\$ (11,585)	\$ (37,552)	\$ (25,967)	\$ (77,793)	\$ (77,793)	\$ 728,018	\$ 805,811
Fund Balance - Beginning	11,585	11,585	40,149	28,564	77,793	77,793	2,255,465	2,177,672
Fund Balance - Ending	\$ -	\$ -	\$ 2,597	\$ 2,597	\$ -	\$ -	\$ 2,983,483	\$ 2,983,483

Exhibit 37

County of Tazewell, Virginia
Nonmajor Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2024

	Coal Road Economic Development Fund						Total
	Budget Amounts		Actual Amounts		Variance with Final Budget Pos (Neg)		
	Original	Final	Original	Final	Original	Final	
REVENUES							
Other Local Taxes	\$ 675,000	\$ 675,000	\$ 547,684	\$ (127,316)	\$ 1,922,020	\$ 1,916,682	\$ (5,338)
Charges for Services	-	-	-	-	8,415	13,713	5,298
Intergovernmental:							
Commonwealth	-	-	-	-	-	62,873	62,873
Total Revenues	\$ 675,000	\$ 675,000	\$ 547,684	\$ (127,316)	\$ 1,930,435	\$ 1,993,268	\$ 62,833
EXPENDITURES:							
Current:							
Judicial Administration	\$ -	\$ -	\$ -	\$ -	\$ 15,000	\$ 46,265	\$ (31,265)
Public Works	638,724	638,724	518,050	120,674	1,705,039	963,405	741,634
Total Expenditures	\$ 638,724	\$ 638,724	\$ 518,050	\$ 120,674	\$ 1,720,039	\$ 1,009,670	\$ 710,369
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 36,276	\$ 36,276	\$ 29,634	\$ (6,642)	\$ 210,396	\$ 983,598	\$ 773,202
Other Financing Sources (Uses)							
Transfers Out	\$ -	\$ -	\$ -	\$ -	\$ (263,498)	\$ (263,498)	\$ -
Net Change in Fund Balance	\$ 36,276	\$ 36,276	\$ 29,634	\$ (6,642)	\$ (53,102)	\$ 720,100	\$ 773,202
Fund Balance - Beginning	(36,276)	(36,276)	67,972	104,248	53,102	2,363,586	2,310,484
Fund Balance - Ending	\$ -	\$ -	\$ 97,606	\$ 97,606	\$ -	\$ 3,083,686	\$ 3,083,686

County of Tazewell, Virginia
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024

	Custodial Funds		
	Special Welfare Funds	Local Sales Tax Fund	Total
ASSETS			
Cash and cash equivalents	\$ 131,806	\$ -	\$ 131,806
Due from other governments	-	272,311	272,311
Total Assets	\$ <u>131,806</u>	\$ <u>272,311</u>	\$ <u>404,117</u>
LIABILITIES			
Sales tax due to Towns	\$ -	\$ 272,311	\$ 272,311
NET POSITION			
Restricted for:			
Social services clients	\$ 131,806	\$ -	\$ 131,806
Total Net Position	\$ <u><u>131,806</u></u>	\$ <u><u>-</u></u>	\$ <u><u>131,806</u></u>

County of Tazewell, Virginia
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2024

	Custodial Funds		
	Special Welfare Funds	Local Sales Tax Fund	Total
ADDITIONS			
Contributions:			
Expenditure reimbursement	\$ 56,401	\$ -	\$ 56,401
Sales tax collections for other governments	-	1,631,962	1,631,962
Total contributions	\$ 56,401	\$ 1,631,962	\$ 1,688,363
DEDUCTIONS:			
Special welfare payments	\$ 18,315	\$ -	\$ 18,315
Payments of sales tax to other governments		1,631,962	1,631,962
Total deductions	\$ 18,315	\$ 1,631,962	\$ 1,650,277
Net increase (decrease) in fiduciary net position	\$ 38,086	\$ -	\$ 38,086
Net position, beginning	93,720	-	93,720
Net position, ending	\$ 131,806	\$ -	\$ 131,806

County of Tazewell, Virginia
Discretely Presented Component Unit - School Board
Combining Balance Sheet
June 30, 2024

	School Operating Fund	School Activity Fund	Total
ASSETS			
Cash and Cash Equivalents	\$ 32,221,582	\$ 1,323,505	\$ 33,545,087
Accounts Receivable	402,952	1,163	404,115
Due from Other Governmental Units	3,965,375	-	3,965,375
Prepaid items	1,280,915	-	1,280,915
Total Assets	\$ 37,870,824	\$ 1,324,668	\$ 39,195,492
LIABILITIES			
Accounts Payable	\$ 2,636,588	\$ 85,809	\$ 2,722,397
Accrued Wages Payable	3,776,878	-	3,776,878
Accrued Health Claims	602,417	-	602,417
Due to Primary Government	9,508,250	-	9,508,250
Unearned Revenue	1,549,457	-	1,549,457
Total Liabilities	\$ 18,073,590	\$ 85,809	\$ 18,159,399
FUND BALANCE			
Nonspendable	\$ 1,280,915	-	\$ 1,280,915
Restricted	6,940,719	-	6,940,719
Committed	11,575,600	1,238,859	12,814,459
Total Fund Balances	\$ 19,797,234	\$ 1,238,859	\$ 21,036,093
Total Liabilities and Fund Balances	\$ 37,870,824	\$ 1,324,668	\$ 39,195,492

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

Total fund balances - per above	\$	21,036,093
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets, not being depreciated/amortized	\$	22,023,945
Capital assets, net of accumulated depreciation/amortization	<u>18,643,775</u>	40,667,720
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.		
Pension related items	\$	10,443,322
OPEB related items	<u>3,203,064</u>	13,646,386
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.		
Net OPEB liabilities	\$	(18,429,782)
Compensated absences	(532,344)	
Net pension liabilities	<u>(35,710,689)</u>	(54,672,815)
Deferred inflows of resources are not due and payable in the current period, and, therefore, are not reported in the funds.		
Pension related items	\$	(4,189,270)
OPEB related items	<u>(3,753,909)</u>	(7,943,179)
Net Position of governmental activities - component unit school board	\$	<u>12,734,205</u>

County of Tazewell, Virginia
Discretely Presented Component Unit-School Board
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2024

	School Operating Fund	School Activity Fund	Total
REVENUES			
Revenue from Use of Money and Property	\$ 243,127	\$ -	243,127
Charges for Services	880,780	957,428	1,838,208
Miscellaneous	93,478	1,268,169	1,361,647
Recovered Costs	421,314	-	421,314
Intergovernmental:			
Local Government	9,936,141	-	9,936,141
Commonwealth	52,347,977	-	52,347,977
Federal Government	19,001,897	-	19,001,897
Total Revenues	\$ 82,924,714	\$ 2,225,597	\$ 85,150,311
EXPENDITURES:			
Current:			
Education	\$ 85,113,985	\$ 2,125,726	87,239,711
Total Expenditures	\$ 85,113,985	\$ 2,125,726	\$ 87,239,711
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (2,189,271)	\$ 99,871	\$ (2,089,400)
Net Change in Fund Balance	\$ (2,189,271)	\$ 99,871	\$ (2,089,400)
Fund Balance - Beginning	21,986,505	1,138,988	23,125,493
Fund Balance - Ending	\$ 19,797,234	\$ 1,238,859	\$ 21,036,093
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			\$ (2,089,400)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. These are the details of items supporting this adjustment:			
Capital outlays	\$ 10,758,095		
Tenancy in common	497,959		
Depreciation expense	(2,282,699)		8,973,355
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
State non-employer contribution to the pension plan			\$ 1,268,455
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore are not reported as expenditure in governmental funds.			
Change in compensated absences	\$ 26,538		
Change in OPEB related items	1,126,748		
Change in pension related items	2,064,580		3,217,866
Change in net position of governmental funds - component unit school board			\$ 11,370,276

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, 2024

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Pos (Neg)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Revenue from Use of Money and Property	\$ 1,000	\$ 1,000	\$ 243,127	\$ 242,127
Charges for Services	659,953	659,953	880,780	220,827
Miscellaneous	5,445,000	5,445,000	93,478	(5,351,522)
Recovered Costs	389,600	389,600	421,314	31,714
Intergovernmental:				
Local Government	14,674,658	14,674,658	9,936,141	(4,738,517)
Commonwealth	51,998,492	51,998,492	52,347,977	349,485
Federal Government	11,631,006	11,631,006	19,001,897	7,370,891
Total Revenues	<u>\$ 84,799,709</u>	<u>\$ 84,799,709</u>	<u>\$ 82,924,714</u>	<u>\$ (1,874,995)</u>
EXPENDITURES				
Current:				
Education	\$ 92,966,878	\$ 92,966,878	\$ 85,113,985	\$ 7,852,893
Total Expenditures	<u>\$ 92,966,878</u>	<u>\$ 92,966,878</u>	<u>\$ 85,113,985</u>	<u>\$ 7,852,893</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (8,167,169)</u>	<u>\$ (8,167,169)</u>	<u>\$ (2,189,271)</u>	<u>\$ 5,977,898</u>
Net Change in Fund Balance	<u>\$ (8,167,169)</u>	<u>\$ (8,167,169)</u>	<u>\$ (2,189,271)</u>	<u>\$ 5,977,898</u>
Fund Balance - Beginning	8,167,169	8,167,169	21,986,505	13,819,336
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,797,234</u>	<u>\$ 19,797,234</u>

County of Tazewell, Virginia
Combining Statement of Net Position
Other Component Units
June 30, 2024

	Public Service Authority	Industrial Develop- ment Authority	Airport Authority	Total
ASSETS				
Cash and cash equivalents	\$ 784,907	\$ 714,436	\$ 41,576	\$ 1,540,919
Investments	3,392,563	-	-	3,392,563
Receivables (net of allowance for uncollectibles):				
Accounts receivable	1,021,289	-	4,090	1,025,379
Notes receivable	383,056	1,073,100	-	1,456,156
Leases recievable	-	1,035,310	-	1,035,310
Rent receivable	-	4,410	-	4,410
Due from primary government	-	75,000	-	75,000
Assets held for sale	-	2,564,058	-	2,564,058
Due from other governmental units	238,738	-	16,413	255,151
Inventory	161,384	-	21,158	182,542
Prepaid items	53,532	11,931	13,419	78,882
Restricted assets:				
Cash and cash equivalents	197,373	-	-	197,373
Capital assets not being depreciated/amortized	1,741,081	16,673,464	1,369,551	19,784,096
Capital assets, net of accumulated deprecation/amortization	67,781,508	6,488,125	3,330,361	77,599,994
Total assets	\$ 75,755,431	\$ 28,639,834	\$ 4,796,568	\$ 109,191,833
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	\$ 254,479	\$ -	\$ 4,948	\$ 259,427
OPEB related items	78,858	-	540	79,398
Total deferred outflows of resources	\$ 333,337	\$ -	\$ 5,488	\$ 338,825
LIABILITIES				
Accounts payable	\$ 206,739	\$ 77,213	\$ 27,510	\$ 311,462
Accounts payable - construction projects	165,018	-	-	165,018
Accrued wages	47,766	-	1,828	49,594
Customers' deposits	197,373	-	-	197,373
Accrued interest payable	87,122	-	468	87,590
Due to primary government	102,332	-	-	102,332
Unearned Revenue	528,770	7,108	-	535,878
Short-term loan payable	-	-	100,000	100,000
Long-term liabilities:				-
Due within one year	2,533,439	107,001	11,844	2,652,284
Due in more than one year	27,797,681	4,158,385	189,398	32,145,464
Total liabilities	\$ 31,666,240	\$ 4,349,707	\$ 331,048	\$ 36,346,995
DEFERRED INFLOWS OF RESOURCES				
Pension related items	\$ 225,327	\$ -	\$ 6,881	\$ 232,208
OPEB related items	284,872	-	358	285,230
Lease related	-	990,663	-	990,663
Total deferred inflows of resources	\$ 510,199	\$ 990,663	\$ 7,239	\$ 1,508,101
NET POSITION				
Net investment in capital assets	\$ 41,201,084	\$ 19,116,441	\$ 4,521,590	\$ 64,839,115
Unrestricted (deficit)	2,711,245	4,183,023	(57,821)	6,836,447
Total Net Position	\$ 43,912,329	\$ 23,299,464	\$ 4,463,769	\$ 71,675,562

County of Tazewell, Virginia
Combining Statement of Activities
Other Component Units
For the Fiscal Year Ended June 30, 2024

Functions/Programs	Program Revenues				Component Unit					
	Expenses	Charges for Services	Operating		Capital Grants and Contributions	Public				
			Grants and Contributions			Service Authority	Industrial Development Authority	Airport Authority	Total	
OTHER COMPONENT UNITS:										
Public Service Authority	\$ 10,142,824	\$ 8,463,992	\$ -	\$ 771,823	\$ -	(907,009)	\$ -	\$ -	\$ -	(907,009)
Industrial Development Authority	919,669	383,544	150,000	-	-	-	(386,125)	-	-	(386,125)
Airport Authority	517,149	55,413	-	83,585	-	-	-	(378,151)	(378,151)	(378,151)
Total other component units	\$ 11,579,642	\$ 8,902,949	\$ 150,000	\$ 855,408	\$ -	(907,009)	\$ (386,125)	\$ (378,151)	\$ (1,671,285)	
General revenues:										
Unrestricted revenues from use of money					\$ -	183,256	\$ 42,686	\$ -	\$ -	225,942
Miscellaneous						208,229	95,734	424		304,387
Payments from Tazewell County						1,000,170	235,000	143,288		1,378,458
Total general revenues					\$ -	1,391,655	\$ 373,420	\$ 143,712	\$ -	1,908,787
Change in net position					\$ -	484,646	\$ (12,705)	\$ (234,439)	\$ -	237,502
Net position - beginning						43,427,683	23,312,169	4,698,208		71,438,060
Net position - ending					\$ -	43,912,329	\$ 23,299,464	\$ 4,463,769	\$ -	71,675,562

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
2014-15	\$ 5,341,134	\$ 3,313,678	\$ 15,278,730	\$ 7,195,353	\$ 7,914,541	\$ 13,914,784	\$ 1,507,870	\$ 1,067,600	\$ 314,193	\$ 1,770,276	\$ 57,618,159
2015-16	5,951,692	3,173,371	13,873,649	4,493,410	8,152,624	13,353,326	1,165,905	1,099,152	320,679	1,926,065	53,509,873
2016-17	5,426,841	3,190,221	14,237,930	3,686,198	8,470,019	13,273,962	1,336,454	1,139,934	654,959	2,000,193	53,416,711
2017-18	3,796,817	2,874,446	15,144,377	2,963,089	8,731,480	12,056,621	2,145,145	1,322,293	627,138	2,315,958	51,977,364
2018-19	3,205,172	2,907,411	15,812,040	3,044,245	9,367,370	10,620,057	1,852,831	1,007,607	565,080	2,522,917	50,904,730
2019-20	3,328,911	2,082,005	11,806,175	3,349,392	11,376,114	12,542,961	3,266,404	1,359,609	773,150	2,768,180	52,652,901
2020-21	2,880,516	3,064,793	13,421,241	3,018,966	16,152,768	12,798,276	1,950,726	3,210,361	678,188	3,757,368	60,933,203
2021-22	6,451,189	3,160,810	13,934,972	2,857,235	12,794,696	11,430,568	2,394,880	1,491,048	426,577	3,892,660	58,834,635
2022-23	4,170,908	3,314,581	15,712,788	3,659,106	12,711,013	13,483,163	2,725,520	649,378	432,099	4,916,955	61,775,511
2023-24	4,394,632	3,420,912	16,620,981	3,193,836	13,798,528	10,174,433	2,277,165	1,070,447	409,475	3,107,096	58,467,505

Table 2

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

Fiscal Year	Program Revenues			General Revenues					Total
	Charges for Services	Operating Grants and Contributions	General Property Taxes	Other Local Taxes	Unrestricted Revenues from Use of Money	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs		
2014-15	\$ 1,437,334	\$ 12,655,943	\$ 24,806,128	\$ 7,991,869	\$ 332,444	\$ 1,100,181	\$ 3,757,650	\$ 52,081,549	
2015-16	1,071,528	13,190,909	26,226,424	6,901,746	329,816	447,548	3,728,032	51,896,003	
2016-17	891,969	13,149,277	24,906,174	7,605,273	329,599	591,915	3,659,505	51,133,712	
2017-18	1,416,491	12,506,228	23,661,693	7,701,876	337,777	98,340	3,498,665	49,221,070	
2018-19	1,760,458	13,526,882	24,922,845	7,754,175	341,361	97,593	3,514,228	51,917,542	
2019-20	1,321,084	14,241,460	24,445,200	8,520,826	371,999	126,469	3,542,497	52,569,535	
2020-21	1,625,009	21,661,030	25,528,918	8,483,320	283,867	202,675	3,433,026	61,217,845	
2021-22	1,347,845	18,688,834	33,619,972	10,344,261	300,473	2,763,382	3,461,777	70,526,544	
2022-23	1,886,281	18,614,578	26,583,248	12,038,847	327,668	489,669	4,013,396	63,953,687	
2023-24	1,826,025	21,873,867	28,328,493	12,206,994	756,813	1,950,759	4,159,473	71,102,424	

Table 3

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

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (2)	Parks, Recreation, and Cultural	Community Development	Non-Departmental	Debt Service	Total
2014-15	\$ 5,772,315	\$ 3,402,648	\$ 15,341,044	\$ 7,153,041	\$ 7,955,651	\$ 62,685,113	\$ 1,552,509	\$ 956,162	\$ 497,324	\$ 1,055,604	\$ 106,371,411
2015-16	6,183,097	3,218,821	14,228,870	5,127,796	8,317,691	60,723,862	1,420,994	980,731	619,775	2,139,823	102,961,460
2016-17	5,640,127	3,132,105	14,778,822	3,314,163	8,362,506	57,145,016	1,342,090	973,789	338,815	4,164,434	99,191,867
2017-18	4,457,149	2,340,575	15,504,643	2,628,755	8,715,225	56,961,881	1,388,303	1,297,301	12,409	3,565,698	96,871,939
2018-19	3,581,451	2,324,839	16,016,826	3,272,940	9,300,544	56,311,615	1,326,288	975,468	96,178	3,649,331	96,855,480
2019-20	3,676,369	2,207,052	12,976,007	3,192,500	11,255,391	57,436,854	2,684,526	1,341,710	142,518	3,257,185	98,170,112
2020-21	3,776,948	3,392,609	15,067,491	2,918,140	16,270,756	62,169,830	1,411,144	3,466,051	65,871	3,182,684	111,721,524
2021-22	6,792,029	2,705,894	14,771,370	2,807,800	13,484,808	70,393,255	1,887,116	1,425,598	512,910	3,117,546	117,898,326
2022-23	5,057,725	2,962,858	17,068,195	3,627,634	13,103,478	77,874,689	2,157,737	1,490,840	192,490	2,922,399	126,458,045
2023-24	5,641,576	3,000,613	17,752,985	3,179,132	14,119,118	87,478,003	1,819,522	1,537,444	45,272	2,370,216	136,943,881

(1) Includes general, special revenue funds, and capital project funds of the primary government and its discretely presented component unit - school board

(2) Excludes contributions from Primary Government to Discretely Presented Component Unit - School Board

Table 4

County of Tazewell, Virginia
General Governmental Revenues by Source (1)
Last Ten Fiscal Years

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter- governmental	Total
2014-15	\$ 24,738,746	\$ 8,060,659	\$ 378,410	\$ 71,963	\$ 341,579	\$ 1,162,471	\$ 1,226,111	\$ 1,611,264	\$ 59,555,518	\$ 97,146,721
2015-16	24,474,804	6,901,746	331,782	52,080	354,381	1,004,989	522,481	1,204,894	60,599,417	95,446,574
2016-17	24,605,026	7,605,273	175,550	63,875	337,299	1,521,353	302,798	2,158,735	62,406,844	99,176,753
2017-18	24,501,490	7,701,876	229,706	52,808	342,874	2,070,380	127,059	1,736,386	60,305,021	97,067,600
2018-19	24,666,410	7,754,175	168,725	45,217	346,067	2,187,402	108,410	2,459,595	62,477,730	100,213,731
2019-20	24,236,934	8,520,826	161,334	31,217	374,924	1,330,668	133,220	2,271,139	64,470,584	101,530,846
2020-21	25,600,311	8,483,320	194,352	39,202	282,333	1,179,623	950,485	2,680,155	76,989,144	116,398,925
2021-22	33,291,477	10,344,261	175,997	44,935	292,984	1,620,008	2,095,785	2,882,172	76,389,306	127,136,925
2022-23	26,226,980	12,038,864	212,492	55,739	625,130	2,003,856	2,190,734	2,320,561	89,721,628	135,395,984
2023-24	28,050,665	12,206,994	208,698	9,835	1,051,547	2,029,883	2,165,296	2,831,764	97,383,214	145,937,896

(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
2014-15	\$ 25,540,970	\$ 23,004,731	90.07%	\$ 941,423	\$ 23,946,154	93.76%	\$ 1,233,192	4.83%
2015-16	26,633,971	25,583,198	96.05%	1,049,309	26,632,507	99.99%	2,065,848	7.76%
2016-17	26,083,174	25,791,783	98.88%	951,614	26,743,397	102.53%	2,258,280	8.66%
2017-18	25,775,840	25,419,900	98.62%	1,161,594	26,581,494	103.13%	2,345,758	9.10%
2018-19	26,598,519	25,503,905	95.88%	818,948	26,322,853	98.96%	2,609,632	9.81%
2019-20	26,631,158	24,963,150	93.74%	1,004,003	25,967,153	97.51%	3,081,946	11.57%
2020-21	27,415,987	26,296,611	95.92%	1,033,808	27,330,419	99.69%	3,014,810	11.00%
2021-22 (3)	35,790,333	33,762,216	94.33%	1,184,854	34,947,070	97.64%	3,465,995	9.68%
2022-23	28,953,216	26,704,401	92.23%	1,297,240	28,001,641	96.71%	3,823,339	13.21%
2023-24	30,419,281	28,315,607	93.08%	1,482,839	29,798,446	97.96%	4,176,335	13.73%

(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	Machinery and Tools	Merchants' Capital	Public Service (2)	Total
		Home				
2014-15	\$ 2,788,112,400	\$ 442,628,944	\$ 115,749,000	\$ 24,289,700	\$ 176,684,724	\$ 3,547,464,768
2015-16	2,663,296,800	433,577,251	109,308,261	23,703,017	182,456,119	3,412,341,448
2016-17	2,653,393,750	434,951,196	85,434,736	22,026,809	186,984,542	3,382,791,033
2017-18	2,652,574,550	426,879,741	75,498,859	20,728,800	210,192,345	3,385,874,295
2018-19	2,626,363,975	430,906,347	70,123,200	20,868,400	231,089,717	3,379,351,639
2019-20	2,608,139,775	437,842,645	59,864,000	21,279,980	265,251,375	3,392,377,775
2020-21	2,621,130,200	446,169,285	70,396,500	25,289,540	276,925,696	3,439,911,221
2021-22 (3)	3,929,963,350	474,443,155	62,167,300	19,358,050	414,963,436	4,900,895,291
2022-23	2,607,150,600	553,114,772	65,151,700	21,458,000	264,370,069	3,511,245,141
2023-24	2,900,909,287	535,852,090	57,940,500	29,077,950	247,508,853	3,771,288,680

(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
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
2022-23	0.58	2.00	2.00	4.30	0.58	2.00
2023-24	0.58	2.00	2.00	4.30	0.58	2.00

(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
2014-15	45,078	\$ 3,547,464,768	\$ 7,782,189	0.22%	\$ 173
2015-16	45,078	3,412,341,448	7,237,855	0.21%	161
2016-17	45,078	3,382,791,033	6,276,668	0.19%	139
2017-18	45,078	3,385,874,295	5,537,635	0.16%	123
2018-19	45,078	3,379,351,639	5,025,378	0.15%	111
2019-20	45,078	3,392,377,775	4,349,036	0.13%	96
2020-21	40,429	3,439,911,221	3,808,109	0.11%	94
2021-22 (3)	39,925	4,900,895,291	3,247,070	0.07%	81
2022-23	39,925	3,511,245,141	2,670,363	0.08%	67
2023-24	39,925	3,771,288,680	2,172,404	0.06%	54

(1) Bureau of the Census.

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

Excludes revenue bonds, leases, subscriptions and compensated absences.

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

Table 9

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

Fiscal Year	Principal	Interest	Total Debt Service (1)	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
2014-15	\$ 295,798	\$ 321,897	\$ 617,695	\$ 106,371,411	0.58%
2015-16	544,334	364,102	908,436	102,961,460	0.88%
2016-17	1,691,187	1,004,878	2,696,065	99,191,867	2.72%
2017-18	1,499,033	844,279	2,343,312	96,871,939	2.42%
2018-19	1,312,257	734,164	2,046,421	96,855,480	2.11%
2019-20	1,516,342	748,157	2,264,499	98,170,112	2.31%
2020-21	1,546,927	718,895	2,265,822	111,721,524	2.03%
2021-22	1,712,039	563,629	2,275,668	117,898,326	1.93%
2022-23	1,857,185	506,583	2,363,768	126,458,045	1.87%
2023-24	1,927,271	442,945	2,370,216	136,943,881	1.73%

(1) Includes General Fund of the Primary Government

COMPLIANCE SECTION



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the discretely presented component units (School Board and Other Component Units), each major fund, and the aggregate remaining fund information of the County of Tazewell, Virginia as of and for the year ended June 30, 2024, 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 19, 2024. Our report includes a reference to other auditors who audited the financial statements of Tazewell County School Activity Funds, as described in our report on the County of Tazewell, Virginia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2024-002 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.



Blacksburg, Virginia
December 19, 2024



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, 2024. County of Tazewell, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, County of Tazewell, Virginia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

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, Jarrett, Cox, Associates
Blacksburg, Virginia
December 19, 2024

County of Tazewell, Virginia
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2024

Federal Grantor/State Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
Department of Health and Human Services:			
Pass-through Payments:			
Virginia Department of Education:			
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	TAZSST610-GY23	\$ 139,088
Virginia Department of Social Services:			
Temporary Assistance for Needy Families (TANF)	93.558	0400123/0400124	558,454
MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950122/0950123	44,208
Refugee and Entrant Assistance State /Replacement Designee Administered Programs	93.566	0500123/0500124	2,571
Low-Income Home Energy Assistance	93.568	0600423/0600424	130,832
CCDF Cluster:			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760123/0760124	119,619
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900122/0900123	462
Foster Care Title IV-E	93.658	1100124/1100123	488,054
Adoption Assistance	93.659	1120123/1120124	1,284,806
Social Services Block Grant	93.667	1000123/1000124	564,920
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150122/9150123	9,752
Children's Health Insurance Program	93.767	0540123/0540124	8,710
Medicaid Cluster:			
Medical Assistance Program	93.778	1200123/1200124	751,456
Guardianship Assistance	93.090	1110123/1110124	4,144
Title IV-E Prevention Program	93.472	1140123/1140124	10,213
Elder Abuse Prevention Interventions Program	93.747	8000221/8000321	19,323
Total Department of Health and Human Services			<u>\$ 4,136,612</u>
Department of Agriculture:			
Pass-through Payments:			
Child Nutrition Cluster:			
Virginia Department of Education:			
School Breakfast Program	10.553	402530000	\$ 979,826
National School Lunch Program	10.555	402540000/411080000	\$ 2,376,046
Virginia Department of Agriculture:			
National School Lunch Program (Food Commodities)	10.555	Unknown	323,752
Summer Food Service Program for Children	10.559	60302/60303	76
			<u>\$ 3,679,700</u>
Virginia Department of Education:			
Forest Service Schools and Roads Cluster:			
Schools and Roads - Grants to States	10.665	438410000	12,477
Pandemic EBT Administrative Costs Grant	10.649	865560000	6,180
Virginia Department of Social Services:			
SNAP Cluster:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0010123/ 0010124/0030123/0030124 0040123/0040124/0050123/0050124	956,625
Virginia Department of Education:			
Child and Adult Care Food Program (CACFP)	10.558	700270000; 700280000	4,859
Total Department of Agriculture			<u>\$ 4,659,841</u>
Department of Labor:			
Direct Payments:			
WIOA Dislocated Worker National Reserve Demonstration Grants	17.280	Not applicable	\$ 332,801
Department of Justice:			
Pass-through Payments:			
Virginia Department of Criminal Justice Services:			
Crime Victim Assistance	16.575	2020V2GX0048/15POVC21GG00602AS SI/15POVC22GG00681ASSI	\$ 97,841
Violence Against Women Formula Grants	16.588	15JOVW22GG004555STOP/ 15JOVW23GG00606055STOP	34,480
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA23GG03038MUMU/15PBJA22G G00616MUMU	4,068
Total Department of Justice			<u>\$ 136,389</u>
Department of Transportation:			
Pass-through Payments:			
Virginia Department of Motor Vehicles:			
Alcohol Open Container Requirements	20.607	ENF_AL-2023-53316-23316 /ENF_AL- 2024-54163-24163	\$ 10,341
Highway Safety Cluster:			
State and Community Highway Safety	20.600	BOP-2023-53315-23315 / BOP-2024- 54164-24164	21,414
Virginia Department of Conservation and Recreation:			
Recreational Trails Program	20.219	Unknown	146,393
Total Department of Transportation			<u>\$ 178,148</u>

County of Tazewell, Virginia
Schedule of Expenditures of Federal Awards (continued)
For the Fiscal Year Ended June 30, 2024

Federal Grantor/State Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
Department of Treasury:			
Direct Payments:			
COVID-19 - Coronavirus State and Local Recovery Funds	21.027	Not Applicable	\$ 3,948,845
Pass-through Payments:			
Virginia Department of Criminal Justice Services:			
COVID-19 - Coronavirus State and Local Recovery Funds	21.027	Unknown	725,546
Virginia Department of Education:			
COVID-19 - Coronavirus State and Local Recovery Funds	21.027	60054	341,457
Virginia Department of Social Services:			
COVID-19 - Coronavirus State and Local Recovery Funds	21.027	9122222	66,093
Direct Payments			\$ 5,081,941
Local Assistance and Tribal Consistency Fund	21.032	Not Applicable	50,000
Total Department of the Treasury			<u>\$ 5,131,941</u>
Department of Education:			
Pass-through Payments:			
Virginia Department of Education:			
Title I Grants to Local Educational Agencies	84.010	429010000	\$ 3,839,685
Special Education Cluster:			
Special Education Grants to States	84.027	402870000; 430710000	\$ 1,552,602
Special Education Preschool Grants	84.173	625210000/402860000	53,210
Career and Technical Education - Basic Grants to States	84.048	600310000/600311005	186,960
Rural Education	84.358	434810000	235,418
Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)	84.367	614800000	543,873
Student Support and Academic Enrichment Program	84.424	602810000	672,571
Education Stabilization Fund:			
COVID-19: Elementary and Secondary School Emergency Relief Fund	84.425D	40298/60042/60173/60177	\$ 551,640
COVID-19: American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	50193/86834/86891	7,156,444
COVID-19: American Rescue Plan - Education for Homeless Children and Youth	84.425W	Unknown	25,733
Total Department of Education			<u>\$ 14,818,136</u>
Total Expenditures of Federal Awards			<u>\$ 29,393,868</u>
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, 2024. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County of Tazewell, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County of Tazewell, Virginia.			
Note 2 -- Summary of Significant Accounting Policies			
(1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.			
(2) Pass-through entity identifying numbers are presented where available.			
(3) The County did not elect to use the 10 percent de minimis indirect cost rate allowed under Uniform Guidance.			
Note 3 -- Food Distribution			
Nonmonetary assistance is reported in the schedule at the fair market value of commodities received and disbursed.			
Note 4 -- Outstanding Balance of Federal Loans			
The County did not have any loans or loan guarantees which are subject to reporting requirements for the current year.			
Note 5 -- Relationship to the Financial Statements:			
Federal expenditures, revenues and capital contributions are reported in the County's basic financial statements as follows:			
Intergovernmental revenues per the basic financial statements:			
Primary Government:			
General Fund			\$ 25,757,503
Less: Revenue from the Commonwealth			(15,329,723)
Less: Payment in lieu of taxes			(35,809)
Total Primary Government			<u>\$ 10,391,971</u>
Component Unit School Board:			
School Operating Fund			<u>\$ 19,001,897</u>
Total expenditures of federal awards per basic financial statements			<u>\$ 29,393,868</u>

County of Tazewell, Virginia

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024

Section I - Summary of Auditors' Results

Financial Statements

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

Federal Awards

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

Federal Assistance Listing #	Name of Federal Program or Cluster
84.425	Education Stabilization Fund
93.778	Medical Assistance Program
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs:	\$	881,816
Auditee qualified as low-risk auditee?	No	

Section II - Financial Statement Findings

2024-001 (Material Weakness)

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

County of Tazewell, Virginia

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024

Section II - Financial Statement Findings (Continued)

2024-002 (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 in an effort to gain efficiencies 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 is unable to implement the above recommendation due to the current staffing situation.

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, 2024

2023-001

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 2023-001 was repeated in the current year as 2024-001.

2023-002

Condition:	The School Board is not submitting reimbursement requests for federal grant programs in a timely manner.
Recommendation:	The School Board should review its processes in an effort to gain efficiencies with the current staff to ensure that reimbursement requests are filed timely.
Current Status:	Finding 2023-002 was repeated in the current year as 2024-002.

2023-003

Condition:	Specific project codes were established for expenditures related to the program in the general ledger; however, amounts requested for reimbursement were not reconciled to the ledger totals for those project codes.
Recommendation:	Management should reconcile amounts requested for reimbursement to the general ledger and/or trial balance routinely throughout the year to ensure that amounts are appropriately requested for reimbursement.
Current Status:	Finding 2023-003 was resolved in the current year.