

COUNTY OF
GREENE, VIRGINIA



FINANCIAL REPORT
YEAR ENDED JUNE 30, 2020

County of Greene, Virginia

Financial Report

For the Year Ended June 30, 2020

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COUNTY OF GREENE, VIRGINIA

BOARD OF SUPERVISORS

William Bryan Martin, Chair
Marie Durrer, Vice-Chair
Steve Bowman
Davis Lamb
Dale R. Herring

COUNTY SCHOOL BOARD

Sharon Mack, Chair
Todd Sansom, Vice Chair
Jason Collier
Leah Paladino
Jason Tooley

COUNTY SOCIAL SERVICE BOARD

Larry Miller, Chairman
Joanne Burkholder, Vice-Chairman
Davis Lamb

OTHER OFFICIALS

| | |
|--|-----------------------|
| Judge of the Circuit Court..... | Claude V. Worrell Jr. |
| Clerk of the Circuit Court | Susan Birckhead |
| Judge of the General District Court | Andrew Sneathern |
| Judge of Juvenile & Domestic Relations District Court..... | David M. Barredo |
| Commonwealth's Attorney | Edwin Consolvo |
| Commissioner of the Revenue | Larry V. Snow |
| Treasurer..... | Stephanie A. Deal |
| Sheriff | Steve Smith |
| Superintendent of Schools..... | Andrea Whitmarsh |
| Director of Department of Social Services..... | James Howard |
| County Administrator | Mark B. Taylor |



Independent Auditors' Report

**To the Honorable Members of the Board of Supervisors
County of Greene, Virginia**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Greene, Virginia, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Greene, Virginia, as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules related to pension and OPEB funding on pages 4-9, 96-100, and 101-117 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Greene, Virginia's basic financial statements. The other supplementary information, and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, 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.

The statistical information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2020, on our consideration of the County of Greene, 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 Greene, 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 the County of Greene, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates
Charlottesville, Virginia
December 14, 2020

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the County of Greene, Virginia we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2020.

Financial Highlights

Government-wide Financial Statements

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$29,256,434 (net position).
- Our combined long-term obligations increased \$11,168,903 during the current fiscal year.

Fund Financial Statements

The Governmental Funds, on a current financial resource basis, reported expenditures in excess of revenues of \$19,702,393 (Exhibit 4), which includes contributions totaling \$14,925,347 to the School Board.

- As of the close of the current fiscal year, the County's funds reported ending fund balances of \$16,933,135, a decrease of \$5,938,807 in comparison with the prior year.

Overview of the Financial Statements

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

1. Government-wide financial statements,
2. Fund financial statements, and
3. Notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements - The Government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

Overview of the Financial Statements (Continued)

The statement of net position presents information on all of the County's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, courts, police protection, sanitation, social services, education, cultural events, and recreation.

The Government-wide financial statements include not only the County of Greene, Virginia itself (known as the primary government), but also a legally separate school district for which the County of Greene, Virginia is financially accountable. Financial information for this component unit is reported separately from the financial information present for the primary government itself.

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County of Greene, Virginia, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into two categories; governmental funds and fiduciary funds.

Governmental funds - *Governmental funds* are used to account for essentially the same functions or services reported as governmental activities in the government-wide financial statements. Whereas the government-wide financial statements are prepared on the accrual basis of accounting, the governmental fund financial statements are prepared on the modified accrual basis of accounting. The focus of modified accrual reporting is on near-term inflows and outflows of financial resources and the balance of financial resources available at the end of the fiscal year. Since the governmental funds focus is narrower than that of the government-wide financial statements a reconciliation between the two methods is provided at the bottom of the governmental fund balance sheet and in a separate exhibit following the governmental fund statement of revenues, expenditures and changes in fund balances. The County has three major governmental funds - the General Fund, the Debt Service Fund, and the School Capital Projects Fund.

Fiduciary funds - are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund statement can be found on page 15 of this report.

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Overview of the Financial Statements (Continued)

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information for budgetary comparison schedules and a schedule of pension funding progress and other supplementary information including the presentation of combining financial statements for the discretely presented component unit - School Board. The School Board does not issue separate financial statements.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a County's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$29,256,434 at the close of the most recent fiscal year.

County of Greene, Virginia's Net Position

| | <u>Governmental Activities</u> | |
|-----------------------------------|--------------------------------|-----------------------------|
| | <u>2020</u> | <u>2019</u> |
| Current and other assets | \$ 34,073,957 | \$ 41,198,613 |
| Capital assets | <u>80,370,159</u> | <u>70,369,836</u> |
| Total assets | <u>\$ 114,444,116</u> | <u>\$ 111,568,449</u> |
| Deferred outflows of resources | <u>\$ 2,332,880</u> | <u>\$ 1,880,328</u> |
| Long-term liabilities outstanding | \$ 66,393,465 | \$ 55,224,562 |
| Current liabilities | <u>8,483,009</u> | <u>21,700,958</u> |
| Total liabilities | <u>\$ 74,876,474</u> | <u>\$ 76,925,520</u> |
| Deferred inflows of resources | <u>\$ 12,644,088</u> | <u>\$ 12,698,526</u> |
| Net position: | | |
| Net investment in capital assets | \$ 16,949,505 | \$ 19,155,823 |
| Unrestricted | <u>12,306,929</u> | <u>4,668,908</u> |
| Total net position | <u><u>\$ 29,256,434</u></u> | <u><u>\$ 23,824,731</u></u> |

At the end of the current fiscal year, the County's net investment in capital assets is \$16,949,505.

The County's net position increased \$5,431,703 during the current fiscal year.

Government-wide Financial Analysis (Continued)

Governmental Activities - Governmental activities increased the County's net position by \$5,431,703. Key elements of this increase are as follows:

**County of Greene, Virginia's Changes in Net Position
For the Years Ended June 30, 2020 and 2019**

| | Governmental Activities | |
|--|--------------------------------|---------------|
| | 2020 | 2019 |
| Revenues: | | |
| Program revenues: | | |
| Charges for services | \$ 4,908,619 | \$ 4,414,795 |
| Operating grants and contributions | 4,964,986 | 4,443,099 |
| General revenues: | | |
| General property taxes | 22,932,315 | 21,349,097 |
| Other local taxes | 5,530,304 | 5,142,529 |
| Commonwealth of Virginia non-categorical aid | 2,798,156 | 2,856,941 |
| Other general revenues | 310,014 | 855,256 |
| Total revenues | \$ 41,444,394 | \$ 39,061,717 |
| Expenses: | | |
| General government administration | \$ 3,399,777 | \$ 3,371,994 |
| Judicial administration | 811,115 | 857,381 |
| Public safety | 8,732,431 | 8,095,205 |
| Public works | 2,396,380 | 2,296,909 |
| Health and welfare | 3,563,171 | 3,210,295 |
| Education | 11,806,074 | 13,950,905 |
| Parks, recreation, and cultural | 678,719 | 671,990 |
| Community development | 1,970,340 | 2,285,525 |
| Interest and other fiscal charges | 2,654,684 | 2,665,447 |
| Total expenses | \$ 36,012,691 | \$ 37,405,651 |
| Change in net position | \$ 5,431,703 | \$ 1,656,066 |
| Net position, July 1 | 23,824,731 | 22,168,665 |
| Net position, June 30 | \$ 29,256,434 | \$ 23,824,731 |

Government-wide Financial Analysis (Continued)

Charges for services increased by \$493,824 during the year, mostly due to an increase in landfill fees. General property taxes increased \$1,583,218 due to an increase in the real estate tax collections. Revenues from the use of money and property decreased \$421,089 due to the decrease of debt not spent by year end. All other revenues increased by a net of \$726,724. The County's contribution to the School Board totaled \$14,925,347 for the year compared to \$16,198,728 in the prior year, a decrease of \$1,273,381.

Public safety expenses increased \$637,226 and education expenses decreased \$2,144,831. All other expenses had a net increase of \$114,645.

Financial Analysis of the County's Funds

As noted earlier, the County used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of available resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a County's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported fund balances of \$16,933,135, a decrease of \$5,938,807 in comparison with the prior year.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget was \$13,396,831 and can be briefly summarized as follows:

- \$433,575 in increases for public safety
- \$445,044 in increases for public works
- \$328,853 in increases for community development
- \$510,862 in increases for capital projects
- \$11,550,045 in increases for debt service
- \$128,452 in other increases

Budgeted revenues of the general fund increased \$947,514, including increases of \$771,807 for intergovernmental revenues and \$175,707 of other increases.

Capital Asset and Debt Administration

- Capital assets - The County's investment in capital assets for its governmental operations as of June 30, 2020 totals \$80,370,159 (net of accumulated depreciation - Note 4). This investment in capital assets includes land, buildings and improvements, machinery and equipment and construction in progress.

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

Long-term obligations - At the end of the current fiscal year, the County had total long-term obligations outstanding of \$69,919,170. Of this amount \$62,175,789 comprises debt backed by the full faith and credit of the County. The County's total obligations decreased \$2,049,046 during the current fiscal year.

Additional information on the County of Greene, Virginia's long-term debt can be found in Note 5 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the County is currently 7.5 percent, which is 5.5 percent higher than the unemployment rate from a year ago. This compares favorably to the state's average unemployment rate of 8.2 percent and compares favorably to the national average rate of 11.2 percent.
- Residential growth continues to increase and broaden the demand for locally provided services such as schools, emergency service, social services, inspections, law enforcement, parks and recreation, solid waste, and libraries.
- Departments and agencies were held to level funding related to operational expenditures except in those circumstances where increases in expenditures were unavoidable.

All of these factors were considered in preparing the County's budget for the 2021 fiscal year.

The fiscal year 2021 budget decreased from \$75,666,578 to \$64,222,368, or \$11,444,210 (15%).

Requests for Information

This financial report is designed to provide a general overview of the County of Greene, Virginia's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Administrator, P.O. Box 358, Stanardsville, Virginia 22973.

Basic Financial Statements

Government-wide Financial Statements

Statement of Net Position
June 30, 2020

| | Primary Government | | |
|--|-------------------------|-----------------|-------------------|
| | Governmental Activities | School Board | Greene County EDA |
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 17,750,971 | \$ 13,251 | \$ 251,084 |
| Receivables (net of allowance for uncollectibles): | | | |
| Property taxes | 11,695,063 | - | - |
| Accounts receivable | 667,552 | - | - |
| Due from other governments | 2,568,514 | 794,379 | - |
| Due from primary government | - | 1,457,064 | 37,469 |
| Restricted assets: | | | |
| Cash and cash equivalents | 1,391,857 | - | - |
| Total current assets | \$ 34,073,957 | \$ 2,264,694 | \$ 288,553 |
| Noncurrent assets: | | | |
| Note receivable | \$ - | \$ - | \$ 44,058 |
| Capital assets: | | | |
| Land | 5,194,766 | 127,800 | - |
| Infrastructure, net of depreciation | 23,483,703 | - | - |
| Buildings and improvements, net of depreciation | 10,915,020 | 10,573,129 | - |
| Equipment, net of depreciation | 640,780 | 2,073,693 | - |
| Construction in progress | 40,135,890 | - | - |
| Total noncurrent assets | \$ 80,370,159 | \$ 12,774,622 | \$ 44,058 |
| Total assets | \$ 114,444,116 | \$ 15,039,316 | \$ 332,611 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred amount on refunding | \$ 602,738 | \$ - | \$ - |
| Pension related items | 940,961 | 5,913,696 | - |
| OPEB related items | 789,181 | 1,093,852 | - |
| Total deferred outflows of resources | \$ 2,332,880 | \$ 7,007,548 | \$ - |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable | \$ 1,428,735 | \$ 729,838 | \$ - |
| Accrued liabilities | - | 1,521,605 | - |
| Due to component units | 1,494,533 | - | - |
| Accrued interest payable | 854,822 | - | - |
| Unearned revenue | 1,179,214 | - | - |
| Current portion of long-term obligations | 3,525,705 | 357,271 | - |
| Total current liabilities | \$ 8,483,009 | \$ 2,608,714 | \$ - |
| Noncurrent liabilities: | | | |
| Noncurrent portion of long-term obligations | 66,393,465 | 35,793,524 | - |
| Total liabilities | \$ 74,876,474 | \$ 38,402,238 | \$ - |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred property tax revenue | \$ 12,027,248 | \$ - | \$ - |
| Pension related items | 424,968 | 3,336,664 | - |
| OPEB related items | 191,872 | 465,479 | - |
| Total deferred inflows of resources | \$ 12,644,088 | \$ 3,802,143 | \$ - |
| NET POSITION | | | |
| Net Investment in capital assets | \$ 16,949,505 | \$ 12,091,489 | \$ - |
| Unrestricted | 12,306,929 | (32,249,006) | 332,611 |
| Total net position | \$ 29,256,434 | \$ (20,157,517) | \$ 332,611 |

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

Statement of Activities
For the Year Ended June 30, 2020

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | |
|--|---------------|----------------------|------------------------------------|----------------------------------|---|-----------------|-------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | Component Units | |
| | | | | | Governmental Activities | School Board | Greene County EDA |
| PRIMARY GOVERNMENT: | | | | | | | |
| Governmental activities: | | | | | | | |
| General government administration | \$ 3,399,777 | \$ 540,896 | \$ 218,155 | \$ - | \$ (2,640,726) | \$ - | \$ - |
| Judicial administration | 811,115 | 115,641 | 446,256 | - | (249,218) | - | - |
| Public safety | 8,732,431 | 565,898 | 1,659,810 | - | (6,506,723) | - | - |
| Public works | 2,396,380 | 2,108,531 | - | - | (287,849) | - | - |
| Health and welfare | 3,563,171 | - | 1,913,119 | - | (1,650,052) | - | - |
| Education | 11,806,074 | - | - | - | (11,806,074) | - | - |
| Parks, recreation, and cultural | 678,719 | 34,960 | - | - | (643,759) | - | - |
| Community development | 1,970,340 | 1,542,693 | 727,646 | - | 299,999 | - | - |
| Interest on long-term obligations | 2,654,684 | - | - | - | (2,654,684) | - | - |
| Total governmental activities | \$ 36,012,691 | \$ 4,908,619 | \$ 4,964,986 | \$ - | \$ (26,139,086) | \$ - | \$ - |
| COMPONENT UNITS: | | | | | | | |
| School Board | \$ 35,827,788 | \$ 334,041 | \$ 22,093,057 | \$ - | \$ - | \$ (13,400,690) | \$ - |
| Greene County EDA | 232,622 | - | - | - | - | - | (232,622) |
| Total component units | \$ 36,060,410 | \$ 334,041 | \$ 22,093,057 | \$ - | \$ - | \$ (13,400,690) | \$ (232,622) |
| General revenues: | | | | | | | |
| General property taxes | | | | | \$ 22,932,315 | \$ - | \$ - |
| Local sales and use tax | | | | | 2,483,454 | - | - |
| Business license taxes | | | | | 664,658 | - | - |
| Consumer utility taxes | | | | | 435,985 | - | - |
| Motor vehicle licenses | | | | | 473,311 | - | - |
| Meals taxes | | | | | 736,245 | - | - |
| Taxes on recordation and wills | | | | | 338,729 | - | - |
| Other local taxes | | | | | 397,922 | - | - |
| Grants and contributions not restricted to specific programs | | | | | 2,798,156 | - | - |
| Unrestricted revenues from use of money and property | | | | | 225,190 | 26,105 | 1,700 |
| Miscellaneous | | | | | 84,824 | 192,749 | 2,847 |
| Payment from primary government | | | | | - | 12,767,082 | 193,710 |
| Total general revenues | | | | | \$ 31,570,789 | \$ 12,985,936 | \$ 198,257 |
| Change in net position | | | | | \$ 5,431,703 | \$ (414,754) | \$ (34,365) |
| Net position - beginning | | | | | 23,824,731 | (19,742,763) | 366,976 |
| Net position - ending | | | | | \$ 29,256,434 | \$ (20,157,517) | \$ 332,611 |

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

Fund Financial Statements

Balance Sheet - Governmental Funds
June 30, 2020

| | General Fund | Debt Service Fund | School Capital Projects Fund | Total |
|--|----------------------|-------------------------|------------------------------------|----------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 14,988,026 | \$ 2,762,945 | \$ - | \$ 17,750,971 |
| Receivables (net of allowance for uncollectibles): | | | | |
| Property taxes | 11,695,063 | - | - | 11,695,063 |
| Accounts receivable | 337,666 | 329,886 | - | 667,552 |
| Due from other governmental funds | - | - | 13,317 | 13,317 |
| Due from other governmental units | 2,568,514 | - | - | 2,568,514 |
| Restricted assets: | | | | |
| Cash and cash equivalents | 843,487 | - | 548,370 | 1,391,857 |
| Total assets | <u>\$ 30,432,756</u> | <u>\$ 3,092,831</u> | <u>\$ 561,687</u> | <u>\$ 34,087,274</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 1,374,470 | \$ - | \$ 54,265 | \$ 1,428,735 |
| Due to other governmental funds | 13,317 | - | - | 13,317 |
| Due to component unit | 1,494,533 | - | - | 1,494,533 |
| Unearned revenue | 1,179,214 | - | - | 1,179,214 |
| Total liabilities | <u>\$ 4,061,534</u> | <u>\$ -</u> | <u>\$ 54,265</u> | <u>\$ 4,115,799</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable property tax revenue | \$ 13,038,340 | \$ - | \$ - | \$ 13,038,340 |
| FUND BALANCES | | | | |
| Restricted: | | | | |
| Capital projects - school facilities upgrades | \$ - | \$ - | \$ 507,422 | \$ 507,422 |
| Capital projects - water system | 843,487 | - | - | 843,487 |
| Committed: | | | | |
| Debt service | - | 3,092,831 | - | 3,092,831 |
| Education - school board carryover | 6,383,130 | - | - | 6,383,130 |
| Unassigned | 6,106,265 | - | - | 6,106,265 |
| Total fund balances | <u>\$ 13,332,882</u> | <u>\$ 3,092,831</u> | <u>\$ 507,422</u> | <u>\$ 16,933,135</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 30,432,756</u> | <u>\$ 3,092,831</u> | <u>\$ 561,687</u> | <u>\$ 34,087,274</u> |
| Detailed explanation of adjustments from fund statements to government-wide statement of net position: | | | | |
| Total fund balances per above | | | | \$ 16,933,135 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | | | | |
| Land | | | \$ 5,194,766 | |
| Buildings and improvements | | | 23,483,703 | |
| Infrastructure | | | 10,915,020 | |
| Equipment | | | 640,780 | |
| Construction in progress | | | 40,135,890 | 80,370,159 |
| Interest on long-term obligations is not accrued in governmental funds, but rather is recognized as an expenditure when due. | | | | (854,822) |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds. | | | | |
| Unavailable property taxes | | | | 1,011,092 |
| Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds. | | | | |
| Pension related items | | | \$ 940,961 | |
| OPEB related items | | | 789,181 | |
| Deferred amount on refunding | | | 602,738 | 2,332,880 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. | | | | |
| Capital leases | | | \$ (849,166) | |
| Landfill closure and postclosure liability | | | (504,400) | |
| Compensated absences | | | (747,295) | |
| General obligation bonds | | | (29,963,230) | |
| Premiums on bonds | | | (2,391,645) | |
| State literary fund loans | | | (3,600,000) | |
| Revenue bonds | | | (15,531,667) | |
| Notes payable | | | (1,103,892) | |
| Net OPEB liabilities | | | (2,405,235) | |
| Net pension liability | | | (845,640) | |
| Bond anticipation note | | | (11,977,000) | (69,919,170) |
| Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds. | | | | |
| Pension related items | | | \$ (424,968) | |
| OPEB related items | | | (191,872) | (616,840) |
| Net position of General Government Activities | | | | <u>\$ 29,256,434</u> |

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

Statement of Revenues, Expenditures, and Changes in Fund Balances -
 Governmental Funds
 For the Year Ended June 30, 2020

| | General Fund | Debt Service Fund | School Capital Projects Fund | Total |
|--|------------------------|-------------------------|------------------------------------|------------------------|
| Revenues: | | | | |
| General property taxes | \$ 22,581,558 | \$ - | \$ - | \$ 22,581,558 |
| Other local taxes | 5,530,304 | - | - | 5,530,304 |
| Permits, privilege fees and regulatory licenses | 400,256 | 29,149 | - | 429,405 |
| Fines and forfeitures | 87,554 | - | - | 87,554 |
| Revenue from use of money and property | 173,517 | - | 51,673 | 225,190 |
| Charges for services | 2,961,250 | 1,430,410 | - | 4,391,660 |
| Miscellaneous | 84,824 | - | - | 84,824 |
| Recovered costs | 177,599 | - | - | 177,599 |
| Intergovernmental: | | | | |
| Commonwealth | 5,782,769 | - | - | 5,782,769 |
| Federal | 1,980,376 | - | - | 1,980,376 |
| Total revenues | \$ 39,760,007 | \$ 1,459,559 | \$ 51,673 | \$ 41,271,239 |
| Expenditures: | | | | |
| Current: | | | | |
| General government administration | \$ 2,577,032 | \$ - | \$ - | \$ 2,577,032 |
| Judicial administration | 794,887 | - | - | 794,887 |
| Public safety | 7,857,708 | - | - | 7,857,708 |
| Public works | 2,359,500 | - | - | 2,359,500 |
| Health and welfare | 3,555,926 | - | - | 3,555,926 |
| Education | 14,966,076 | - | - | 14,966,076 |
| Parks, recreation, and cultural | 601,726 | - | - | 601,726 |
| Community development | 2,057,775 | - | - | 2,057,775 |
| Nondepartmental | 64,404 | - | - | 64,404 |
| Capital outlays and projects | 7,431,106 | - | 3,982,121 | 11,413,227 |
| Debt service: | | | | |
| Principal retirement | 12,109,343 | 1,383,207 | - | 13,492,550 |
| Interest and other fiscal charges | 523,744 | 709,077 | - | 1,232,821 |
| Total expenditures | \$ 54,899,227 | \$ 2,092,284 | \$ 3,982,121 | \$ 60,973,632 |
| Excess (deficiency) of revenues over (under) expenditures | \$ (15,139,220) | \$ (632,725) | \$ (3,930,448) | \$ (19,702,393) |
| Other financing sources (uses): | | | | |
| Issuance of bonds | \$ 1,040,000 | \$ 1,131,667 | \$ - | \$ 2,171,667 |
| Issuance of bond anticipation note | 11,977,000 | - | - | 11,977,000 |
| Premium on refunding bonds issued | - | 159,681 | - | 159,681 |
| Issuance of capital leases | 727,819 | - | - | 727,819 |
| Payment to refunded bond agent | - | (1,272,581) | - | (1,272,581) |
| Transfers out | (1,714,977) | - | - | (1,714,977) |
| Transfers in | - | 1,714,977 | - | 1,714,977 |
| Total other financing sources (uses) | \$ 12,029,842 | \$ 1,733,744 | \$ - | \$ 13,763,586 |
| Change in fund balance | \$ (3,109,378) | \$ 1,101,019 | \$ (3,930,448) | \$ (5,938,807) |
| Fund balance at beginning of year | 16,442,260 | 1,991,812 | 4,437,870 | 22,871,942 |
| Fund balance at end of year | \$ 13,332,882 | \$ 3,092,831 | \$ 507,422 | \$ 16,933,135 |

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

Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities - Governmental Funds
For the Year Ended June 30, 2020

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

| | | |
|---|----|-------------|
| Net change in fund balance - total governmental funds | \$ | (5,938,807) |
|---|----|-------------|

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period. Details supporting this adjustment are as follows:

| | | |
|--|---------------|------------|
| Capital outlay | \$ 11,919,961 | |
| Depreciation expense | (1,337,763) | 10,582,198 |
| | | |
| Transfer of joint tenancy assets from Primary Government to the Component Unit | | (581,875) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | |
| Property taxes | | 350,758 |

The issuance of long-term obligations (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations 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. A summary of items supporting this adjustment is as follows:

| | | |
|---|--------------|-----------|
| Principal retired on capital leases | \$ 168,816 | |
| Principal retired on general obligation bonds | 980,710 | |
| Principal retired on revenue bonds and premiums | 1,377,654 | |
| Principal retired on water and sewer bonds (assumed from RSA) | 1,518,188 | |
| Principal retired on notes payable | 11,620,235 | |
| Principal retired on state literary fund loans | 450,000 | |
| Increase of landfill closure and postclosure liability | (8,431) | |
| Issuance of long-term obligations and premiums | (15,036,167) | 1,071,005 |
| | | |

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. The following is a summary of items supporting this adjustment:

| | | |
|---|-----------|------------------|
| Change in compensated absences | \$ 25,971 | |
| Change in pension related items | 26,475 | |
| Change in OPEB related items | (148,164) | |
| Change in accrued interest payable | 135,982 | |
| Change in deferred amount on refunding | (91,840) | (51,576) |
| | | |
| Change in net position of governmental activities | \$ | <u>5,431,703</u> |

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

Statement of Fiduciary Net Position - Fiduciary Funds
 June 30, 2020

| | <u>Agency Fund</u> |
|--|------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ <u>65,833</u> |
| LIABILITIES | |
| Amounts held for social services clients | \$ <u>65,833</u> |

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

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020

Note 1—Summary of Significant Accounting Policies:

The County of Greene, Virginia was formed in 1702 and it 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 the County of Greene, Virginia have been prepared in conformity with the accounting principles generally accepted in the United States as specified by the Governmental Accounting Standards Board and the specifications promulgated by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia. The more significant of the government's accounting policies are described below.

Financial Statement Presentation

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

Government-wide and Fund Financial Statements

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

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

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

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is 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.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

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

Separate financial statements are provided for governmental funds, proprietary 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 governments over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. Under the GASB 34 reporting model governments provide budgetary comparison information in their annual reports, including the requirement to report the government's original budget in addition to the comparison of final budget and actual results.

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 Greene, Virginia (the primary government) and its component units. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are 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 it is legally separate from the government.

B. Individual Component Unit Disclosures

Blended Component Units:

The County has no blended component units to be included for the fiscal year ended June 30, 2020.

Discretely Presented Component Units:

Greene County School Board

The Greene County School Board operates the elementary and secondary public schools in the County. School Board members are elected by the voters of the County for a term of four years. The School Board is fiscally dependent upon the County because the County approves all debt issuances of the School Board and provides significant funding to operate the public schools, since the School Board does not have separate taxing powers. The School Board does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation of the County financial statements for the fiscal year ended June 30, 2020.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

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

B. Individual Component Unit Disclosures: (Continued)

Discretely Presented Component Units: (Continued)

Greene County Economic Development Authority:

The Greene County Economic Development Authority was formed by the Greene County Board of Supervisors who appoint all Board members of the Authority. The Authority provides a source of financing for industries locating their facilities in the County. The Board of Supervisors cannot impose its will on the Authority, but since there is a potential financial benefit or burden in the relationship, as evidenced by the contributions from the County to the Authority, the Board of Supervisors is financially accountable for the Authority. Accordingly, the Authority is considered a component unit of the County and is included as a discrete presentation in the County's financial report. Financial statements for the Authority can be obtained from their Administrative Offices in Stanardsville, Virginia.

C. Other Related Organizations

Included in the County's Financial Report

None

D. 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 as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter 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 end 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 expenditures as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

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

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

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.

1. Governmental Funds

Governmental Funds are those through which most governmental functions typically are financed. The government reports the following major governmental funds:

A. General Fund

The General Fund accounts for and reports all financial resources not 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 services, and interest income. A significant part of the General Fund's revenues is used principally to finance the operations of the Component Unit School Board.

B. School Capital Projects Fund

A fund that accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for capital outlays, except for those financed by proprietary funds or for assets held in trust for individuals, private organizations, or other governments.

C. Debt Service Fund

A fund that accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt services funds should also be used to report financial resources being accumulated for future debt service. Specifically, this fund includes the debt service payments for VRA water and sewer bonds outstanding.

2. Fiduciary Funds (Trust and Agency Funds)

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

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

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

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

3. Component Unit - School Board

The Greene County School Board reports the following funds:

Governmental Funds:

School Operating Fund - This fund is the primary operating fund of the School Board and accounts for all revenues and expenditures applicable to the general operations of the public school system. Revenues are derived primarily from charges for services, appropriations from the County of Greene, and state and federal grants. The School Operating Fund is considered a major fund of the School Board for financial reporting purposes.

School Cafeteria Fund - This fund accounts for the operations of the School Board's food service program. Financing is provided primarily by food and beverage sales and state and federal grants. This fund is considered a nonmajor fund.

E. Budgets 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 department level or category level. The appropriation for each department or category can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for the General Fund and the Component Unit - School Board.
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.
8. All budgetary data presented in the accompanying financial statements is the original to the current comparison of the final budget and actual results.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

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

E. Budgets and Budgetary Accounting: (Continued)

For the fiscal year ended June 30, 2020, a budget was not legally adopted for the Debt Service Fund, the School Capital Projects Fund, and the School Cafeteria Fund and, therefore, expenditures exceed appropriations in these funds for the fiscal year.

F. Cash and Cash Equivalents

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

G. Investments

State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements.

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.

H. Receivables and payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" (i.e. the current portion of interfund loans). All other outstanding balances between funds are reported as "advances to/from other funds."

All trade and property tax receivables are shown net of an allowance for uncollectibles. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$64,771 at June 30, 2020 and is comprised of property taxes.

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 June 5th and December 5th. The County bills and collects its own property taxes.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

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

I. Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the County and Component Unit - School Board as land, buildings, road registered vehicles, and equipment with an initial individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

| <u>Assets</u> | <u>Years</u> |
|-------------------------------|--------------|
| Buildings | 40 |
| Building improvements | 20-40 |
| Vehicles | 5 |
| Police cars | 3 |
| Office and computer equipment | 5 |
| Buses | 12 |

J. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. 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. Long-term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities. 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.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

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

L. Fund Balance

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

- Nonspendable fund balance - amounts that are not in spendable form (such as inventory and prepaids) or are required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are only reported in the general fund.

When fund balance resources are available for a specific purpose in more than one classification, it is the County's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

The Board of Supervisors establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by Board of Supervisors through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

In the general fund, the County strives to maintain an unassigned fund balance to be used for unanticipated emergencies of approximately 20% of the actual GAAP basis expenditures and other financing sources and uses.

M. Use of Estimates

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

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

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

N. 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.

O. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has 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. Another item is comprised of certain items related to the measurement of the net pension and OPEB assets or liabilities. These include differences between expected and actual experience, change in assumptions, and the net difference between projected and actual earnings on pension and OPEB plan investments. Lastly, the County reports contributions to the pension and OPEB plans made during the current year and subsequent to the net pension and OPEB asset or liability measurement date, which will be recognized as a reduction of the net pension or OPEB asset or liability next fiscal year. For more detailed information on these items, reference the related notes.

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

O. Deferred Outflows/Inflows of Resources: (Continued)

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

P. 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 Plan and the additions to/deductions from the County's and School Board's Retirement Plan's net fiduciary 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.

Q. 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, Teacher HIC, and LODA Plans and the additions to/deductions from the VRS OPEB Plans' net fiduciary 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.

Health Insurance (Single-employer Defined Benefit Plan)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense have been determined on the same basis as they were reported by the plan actuary. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 2—Deposits and Investments:

Deposits

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the “Act”), Section 2.2-4400 et. seq. of the Code of Virginia. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial Institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

Investments

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

Credit Risk of Debt Securities

The County does not have a policy regarding credit risk of debt securities. The County’s rated debt investments as of June 30, 2020 were rated by Standard & Poor’s and the ratings are presented below using the Standard & Poor’s rating scale.

| <u>County’s Rate Debt Investment’s Values</u> | |
|---|-----------------------------|
| <u>Rated Debt Investments</u> | <u>Fair Quality Ratings</u> |
| | <u>AAAm</u> |
| State Non-Arbitrage Program (SNAP) | \$ <u>1,391,857</u> |
| Total | \$ <u><u>1,391,857</u></u> |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 2—Deposits and Investments: (Continued)

Interest Rate Risk

| <u>Investment Type</u> | <u>Investment Maturity*</u> | |
|------------------------------------|-----------------------------|--------------------|
| | <u>Fair Value</u> | <u>Less than 1</u> |
| State Non-Arbitrage Program (SNAP) | \$ 1,391,857 | \$ 1,391,857 |
| Total investments | \$ 1,391,857 | \$ 1,391,857 |

*Weighted average maturity in years

External Investment Pools:

The value of the positions in the external investment pool (State Non-Arbitrage Pool) 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. There are no withdrawal limitations or restrictions imposed on participants.

Note 3—Due From Other Governmental Units:

At June 30, 2020 the County has receivables from other governments as follows:

| | <u>Primary</u> | <u>Component</u> |
|--|-------------------|------------------|
| | <u>Government</u> | <u>Unit</u> |
| Commonwealth of Virginia: | | |
| Local and state sales taxes | \$ 504,353 | \$ 496,220 |
| Communication tax | 67,004 | - |
| Public assistance | 36,998 | - |
| Comprehensive services | 228,458 | - |
| Personal property tax relief act (PPTRA) | 1,352,596 | - |
| Shared expenses | 141,225 | - |
| Other state funding | 27,325 | - |
| Federal Government: | | |
| School funds | - | 298,159 |
| Section 18 transportation | 119,119 | - |
| Public safety grants | 20,928 | - |
| Public assistance | 70,508 | - |
| Total | \$ 2,568,514 | \$ 794,379 |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 4—Capital Assets:

The following is a summary of changes in primary government capital assets for the year ended June 30, 2020:

| | <u>Balance</u> <u>July 1, 2019</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>June 30, 2020</u> |
|--|---------------------------------------|-----------------------------|--------------------------|--|
| Primary Government | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 4,069,142 | \$ 1,125,624 | \$ - | \$ 5,194,766 |
| Construction in progress: | | | | |
| County | 5,941,471 | 5,285,911 | - | 11,227,382 |
| Jointly owned assets | 23,847,375 | 5,061,133 | - | 28,908,508 |
| Total capital assets not being depreciated | <u>\$ 33,857,988</u> | <u>\$ 11,472,668</u> | <u>\$ -</u> | <u>\$ 45,330,656</u> |
| Other capital assets being depreciated: | | | | |
| Buildings and improvements | \$ 19,237,682 | \$ 113,292 | \$ 760,000 | \$ 18,590,974 |
| Infrastructure | 27,741,216 | - | - | 27,741,216 |
| Equipment | 6,521,568 | 334,001 | - | 6,855,569 |
| Total other capital assets being depreciated | <u>\$ 53,500,466</u> | <u>\$ 447,293</u> | <u>\$ 760,000</u> | <u>\$ 53,187,759</u> |
| Accumulated depreciation: | | | | |
| Buildings and improvements | \$ 7,382,934 | \$ 471,145 | \$ 178,125 | \$ 7,675,954 |
| Infrastructure | 3,702,687 | 554,826 | - | 4,257,513 |
| Equipment | 5,902,997 | 311,792 | - | 6,214,789 |
| Total accumulated depreciation | <u>\$ 16,988,618</u> | <u>\$ 1,337,763</u> | <u>\$ 178,125</u> | <u>\$ 18,148,256</u> |
| Other capital assets, net | <u>\$ 36,511,848</u> | <u>\$ (890,470)</u> | <u>\$ 581,875</u> | <u>\$ 35,039,503</u> |
| Net capital assets | <u><u>\$ 70,369,836</u></u> | <u><u>\$ 10,582,198</u></u> | <u><u>\$ 581,875</u></u> | <u><u>\$ 80,370,159</u></u> |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 4—Capital Assets: (Continued)

The following is a summary of changes in component unit school board capital assets for the year ended June 30, 2020:

| | <u>Balance</u> <u>July 1, 2019</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>June 30, 2020</u> |
|--|---------------------------------------|----------------------------|----------------------------|--|
| Component Unit - School Board | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 127,800 | \$ - | \$ - | \$ 127,800 |
| Total capital assets not being depreciated | <u>\$ 127,800</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 127,800</u> |
| Other capital assets being depreciated: | | | | |
| Buildings and improvements | \$ 27,401,008 | \$ 760,000 | \$ - | \$ 28,161,008 |
| Equipment | 6,598,756 | 422,581 | - | 7,021,337 |
| Total other capital assets being depreciated | <u>\$ 33,999,764</u> | <u>\$ 1,182,581</u> | <u>\$ -</u> | <u>\$ 35,182,345</u> |
| Accumulated depreciation: | | | | |
| Buildings and improvements | \$ 16,814,223 | \$ 992,531 | \$ 218,875 | \$ 17,587,879 |
| Equipment | 4,526,370 | 421,274 | - | 4,947,644 |
| Total accumulated depreciation | <u>\$ 21,340,593</u> | <u>\$ 1,413,805</u> | <u>\$ 218,875</u> | <u>\$ 22,535,523</u> |
| Other capital assets, net | <u>\$ 12,659,171</u> | <u>\$ (231,224)</u> | <u>\$ (218,875)</u> | <u>\$ 12,646,822</u> |
| Net capital assets | <u><u>\$ 12,786,971</u></u> | <u><u>\$ (231,224)</u></u> | <u><u>\$ (218,875)</u></u> | <u><u>\$ 12,774,622</u></u> |

Depreciation expense was charged to functions/programs of the primary government and component unit - school board as follows:

Governmental activities:

| | |
|-----------------------------------|----------------------------|
| General government administration | \$ 656,641 |
| Judicial administration | 46,577 |
| Public safety | 204,186 |
| Public works | 32,995 |
| Health and welfare | 6,971 |
| Education | 218,875 |
| Parks, recreation and cultural | 76,277 |
| Community development | 95,241 |
| Total governmental activities | <u>\$ 1,337,763</u> |
| Component Unit School Board (1) | <u><u>\$ 1,235,680</u></u> |

(1) Depreciation expense is reported net of the transfer of annual depreciation of jointly owned assets from the County.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 5—Long-Term Obligations:

Primary Government

Changes in Long-Term Obligations:

The following is a summary of long-term obligation transactions for the year ended June 30, 2020:

| | <u>Balance at July 1, 2019</u> | <u>Issuances/ Increases</u> | <u>Retirements/ Decreases</u> | <u>Balance at June 30, 2020</u> | <u>Due Within One Year</u> |
|--|--|---------------------------------|-----------------------------------|---|------------------------------------|
| Governmental Activities Long-Term Obligations | | | | | |
| Direct borrowings and placements: | | | | | |
| General obligation bonds | \$ 30,943,940 | \$ - | \$ 980,710 | \$ 29,963,230 | \$ 1,018,592 |
| Premiums on bonds | 2,494,618 | 159,681 | 262,654 | 2,391,645 | 275,652 |
| State literary fund loans | 4,050,000 | - | 450,000 | 3,600,000 | 450,000 |
| Revenue bonds | 14,475,000 | 2,171,667 | 1,115,000 | 15,531,667 | 1,350,248 |
| Notes payable | 1,235,775 | - | 131,883 | 1,103,892 | 133,208 |
| Bond Anticipation Note | 11,488,352 | 11,977,000 | 11,488,352 | 11,977,000 | - |
| Water & Sewer bonds (assumed from RSA) | 1,518,188 | - | 1,518,188 | - | - |
| Other long-term obligations: | | | | | |
| Capital leases | 290,163 | 727,819 | 168,816 | 849,166 | 223,276 |
| Landfill closure and postclosure liability | 495,969 | 8,431 | - | 504,400 | - |
| Compensated absences | 773,266 | 128,682 | 154,653 | 747,295 | 74,729 |
| Net OPEB liabilities | 2,029,504 | 869,808 | 494,077 | 2,405,235 | - |
| Net pension liability | 292,845 | 2,265,332 | 1,712,537 | 845,640 | - |
| Total | \$ 70,087,620 | \$ 18,308,420 | \$ 18,476,870 | \$ 69,919,170 | \$ 3,525,705 |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 5—Long-Term Obligations: (Continued)

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

| Year Ending June 30, | Direct Borrowings and Placements | | | | | | | |
|----------------------------|----------------------------------|--------------|--------------|------------|------------------------------|------------|------------------------------|------------|
| | Revenue Bonds | | | | State Literary Fund Loans | | Bond Anticipation Note | |
| | VRA Sewer Bond | | EDA Bond | | Principal | Interest | Principal | Interest |
| | Principal | Interest | Principal | Interest | | | | |
| 2021 | \$ 1,336,667 | \$ 645,814 | \$ 13,581 | \$ 31,420 | \$ 450,000 | \$ 98,000 | - | \$ 207,335 |
| 2022 | 1,405,000 | 579,028 | 13,781 | 31,220 | 450,000 | 94,500 | - | 245,529 |
| 2023 | 1,473,333 | 505,879 | 14,201 | 30,800 | 450,000 | 81,000 | 11,977,000 | 122,764 |
| 2024 | 1,553,333 | 428,941 | 14,633 | 30,368 | 450,000 | 67,500 | - | - |
| 2025 | 1,636,667 | 330,885 | 15,078 | 29,923 | 450,000 | 54,000 | - | - |
| 2026 | 1,726,667 | 267,098 | 15,536 | 29,465 | 450,000 | 40,500 | - | - |
| 2027 | 535,000 | 210,785 | 16,009 | 28,992 | 450,000 | 27,000 | - | - |
| 2028 | 560,000 | 187,029 | 16,496 | 28,505 | 450,000 | 13,500 | - | - |
| 2029 | 450,000 | 163,156 | 16,997 | 28,004 | - | - | - | - |
| 2030 | 485,000 | 137,719 | 17,514 | 27,487 | - | - | - | - |
| 2031 | 510,000 | 115,300 | 18,047 | 26,954 | - | - | - | - |
| 2032 | 525,000 | 96,372 | 18,596 | 26,405 | - | - | - | - |
| 2033 | 550,000 | 76,550 | 19,162 | 25,839 | - | - | - | - |
| 2034 | 560,000 | 55,894 | 19,745 | 25,256 | - | - | - | - |
| 2035 | 585,000 | 34,584 | 20,345 | 24,656 | - | - | - | - |
| 2036-2040 | 600,000 | 11,850 | 111,393 | 113,612 | - | - | - | - |
| 2041-2045 | - | - | 129,396 | 95,609 | - | - | - | - |
| 2046-2050 | - | - | 150,308 | 74,697 | - | - | - | - |
| 2051-2055 | - | - | 174,600 | 50,405 | - | - | - | - |
| 2056-2059 | - | - | 224,582 | 422 | - | - | - | - |
| Totals | \$ 14,491,667 | \$ 3,846,884 | \$ 1,040,000 | \$ 760,039 | \$ 3,600,000 | \$ 476,000 | \$ 11,977,000 | \$ 575,628 |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 5—Long-Term Obligations: (Continued)

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

| Year Ending June 30, | Direct Borrowings and Placements | | | | | |
|----------------------------|----------------------------------|------------------|------------------------------------|----------------------|---------------------|------------------|
| | Capital Leases | | General Obligation School Bonds | | Notes Payable | |
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2021 | \$ 223,276 | \$ 22,412 | \$ 1,018,592 | \$ 1,227,962 | \$ 133,208 | \$ 10,429 |
| 2022 | 171,668 | 18,470 | 1,066,600 | 1,183,670 | 134,546 | 9,091 |
| 2023 | 141,350 | 13,807 | 1,109,740 | 1,137,100 | 135,897 | 7,740 |
| 2024 | 74,569 | 9,993 | 1,163,016 | 1,088,121 | 137,263 | 6,374 |
| 2025 | 76,951 | 7,611 | 1,170,282 | 1,037,965 | 138,642 | 4,996 |
| 2026 | 79,408 | 5,154 | 1,175,000 | 989,108 | 140,034 | 3,603 |
| 2027 | 81,944 | 2,617 | 1,230,000 | 938,310 | 141,441 | 2,196 |
| 2028 | - | - | 1,130,000 | 753,676 | 142,861 | 775 |
| 2029 | - | - | 1,185,000 | 697,523 | - | - |
| 2030 | - | - | 1,245,000 | 638,412 | - | - |
| 2031 | - | - | 1,295,000 | 586,705 | - | - |
| 2032 | - | - | 1,340,000 | 543,271 | - | - |
| 2033 | - | - | 1,385,000 | 496,609 | - | - |
| 2034 | - | - | 1,435,000 | 447,979 | - | - |
| 2035 | - | - | 1,485,000 | 398,796 | - | - |
| 2036 | - | - | 1,535,000 | 347,663 | - | - |
| 2037 | - | - | 1,590,000 | 294,475 | - | - |
| 2038 | - | - | 1,295,000 | 247,548 | - | - |
| 2039 | - | - | 1,335,000 | 207,440 | - | - |
| 2040 | - | - | 1,375,000 | 165,253 | - | - |
| 2041 | - | - | 1,420,000 | 120,883 | - | - |
| 2042 | - | - | 1,465,000 | 74,168 | - | - |
| 2043 | - | - | 1,515,000 | 24,998 | - | - |
| Totals | \$ <u>849,166</u> | \$ <u>80,064</u> | \$ <u>29,963,230</u> | \$ <u>13,647,635</u> | \$ <u>1,103,892</u> | \$ <u>45,204</u> |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 5—Long-Term Obligations: (Continued)

Details of Long-term Obligations:

| | <u>Amount Outstanding</u> | <u>Amount Due Within One Year</u> |
|---|-------------------------------|---|
| Direct borrowings and placements: | | |
| General obligation bonds: | | |
| \$5,120,000 School Bonds series 2011A issued May 5, 2011 maturing in various annual installments through January 2037 interest payable semi-annually at rates from 2.05% to 5.05% | \$ 4,070,000 | \$ 160,000 |
| Premium on 2011A VPSA bonds | 110,918 | 6,932 |
| \$811,329 Lease Revenue Bonds issued December 20, 2010 maturing in monthly installments of \$6,798 through December 2024, interest at 4.30% | 333,230 | 68,592 |
| \$2,470,000 QSCB Bonds series 2010 issued July 8, 2010 maturing in annual installments of \$286,157 through June 2027, interest at 5.31% | 1,085,000 | 155,000 |
| Premium on 2017 VPSA bonds | 1,273,532 | 55,371 |
| \$25,440,000 School Bonds series 2017 issued November 7, 2017 maturing in various annual installments through January 2043 interest payable semi-annually at rates from 2.05% to 5.05% | <u>24,475,000</u> | <u>635,000</u> |
| Total General Obligation Bonds | <u>\$ 31,347,680</u> | <u>\$ 1,080,895</u> |
| Revenue bonds: | | |
| \$8,110,000, VRA Sewer System Revenue Bond, Series 2011B, issued November 16, 2011, maturing in amounts ranging from \$177,048 - \$1,033,019 annually from April 1, 2012 through April 1, 2026, interest payable semi-annually at 2.92% | \$ 5,310,000 | \$ 775,000 |
| Premium on Series 2011B VRA Bond | 307,119 | 89,619 |
| \$3,445,000, Refunding VRA Sewer System Revenue Bond, Series 2014B, issued August 13, 2014, maturing in amounts ranging from \$120,256 - \$472,528 annually from October 1, 2014 through April 1, 2036, interest payable semi-annually at 3.58% | 3,115,000 | 5,000 |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 5—Long-Term Obligations: (Continued)

Details of Long-term Obligations: (Continued)

| | <u>Amount Outstanding</u> | <u>Amount Due within One Year</u> |
|---|-------------------------------|---|
| Direct borrowings and placements: (continued) | | |
| Revenue bonds: (continued) | | |
| \$1,140,000, Refunding VRA Sewer System Revenue Bond, Series 2014B, issued August 13, 2014, maturing in amounts ranging from \$39,894 - 154,022 annually from October 1, 2014 through April 1, 2036, interest payable semi-annually at 3.72% | \$ 1,030,000 | \$ 5,000 |
| Premiums on 2014 VRA revenue bonds | 158,079 | 13,221 |
| | | |
| \$2,890,000 Water Revenue Refunding Bond, Series 2012, issued August 2, 2012, maturing in amounts ranging from \$30,000 - \$330,000, annually from October 1, 2012 through October 1, 2028, except for October 1, 2013 - October 1, 2016 whereby no payments are due. Interest is payable semi-annually at rates from 2.208% - 5.125% through October 1, 2028. The bonds were issued at a premium of \$590,973 to partially refund Series 2005 VRA Water System Revenue Bond. | 2,310,000 | 225,000 |
| | | |
| \$945,000 Sewer Revenue Refunding Bond, Series 2012, issued August 2, 2012, maturing in amounts ranging from \$10,000 - \$105,000, annually from October 1, 2012 through October 1, 2028, except for October 1, 2013 - October 1, 2016 whereby no payments are due. Interest is payable semi-annually at rates from 2.375% - 5.125% through October 1, 2028. The bonds were issued with a premium of \$193,935 to partially refund Series 2005 VRA Sewer System Revenue Bond. | 755,000 | 75,000 |
| Premium on 2012 VRA revenue bonds | 254,759 | 53,517 |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 5—Long-Term Obligations: (Continued)

Details of Long-term Obligations: (Continued)

| | <u>Amount Outstanding</u> | <u>Amount Due within One Year</u> |
|---|-------------------------------|---|
| Direct borrowings and placements: (continued) | | |
| Revenue bonds: (Continued) | | |
| \$920,000 VRA Refunding Revenue Bond, Series 2016C, issued November 2, 2016, maturing in amounts ranging from \$80,000 - \$120,000, annually from October 1, 2017 through October 1, 2028, except for October 1, 2017 - October 1, 2019 whereby no payments are due. Interest is payable semi-annually at 2.67% through October 1, 2028. The bonds were issued with a premium of \$217,686 to partially refund Sewer Revenue Refunding Bond, Series 2009. | \$ 840,000 | \$ 85,000 |
| Premium on 2016 VRA revenue bonds | 127,557 | 25,056 |
| \$1,131,667 VRA Refunding Revenue Bond, Series 2019B, issued July 24, 2019, maturing in amounts ranging from \$166,667 - \$211,667, annually from 2021 - 2025. Interest is payable semi-annually at a rate of 5.00% through 2025. The bonds were issued with a premium of \$159,681 to partially refund Water and Sewer Revenue Refunding Bond, Series 2009A. | 1,131,667 | 166,667 |
| Premium on 2019 VRA revenue bonds | 159,681 | 31,936 |
| \$1,040,000 USDA Lease Revenue Bond, issued October 31, 2019, maturing in amounts ranging from \$13,581 - \$64,794, annually from October 28, 2020 - October 28, 2059. Interest is payable annually at 3.00% through October 28, 2059. | <u>1,040,000</u> | <u>13,581</u> |
| Total Revenue Bonds | <u>\$ 16,538,862</u> | <u>\$ 1,563,597</u> |
| State Literary Fund loans: | | |
| \$9,000,000 issued July 15, 2007 due in principal annual installments of \$450,000 through July 2027, interest at 3.00% | <u>\$ 3,600,000</u> | <u>\$ 450,000</u> |
| Total State Literary Fund loans | <u>\$ 3,600,000</u> | <u>\$ 450,000</u> |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 5—Long-Term Obligations: (Continued)

Details of Long-term Obligations: (Continued)

| | <u>Amount Outstanding</u> | <u>Amount Due within One Year</u> |
|---|-------------------------------|---|
| Direct borrowings and placements: (continued) | | |
| Notes payable: | | |
| \$2,000,000 note payable issued June 13, 2013, monthly payments of \$11,970 due through June 13, 2028, interest at 1.00% | \$ 1,103,892 | \$ 133,208 |
| Bond anticipation notes: | | |
| \$11,977,000 bond anticipation note payable issued July 15, 2020, semi-annual interest payments of \$122,764.25 due through July 15, 2022 at which time principal is due, interest at 2.05% | \$ 11,977,000 | \$ - |
| Other long-term obligations: | | |
| Capital leases: | | |
| \$158,804 (\$369,168 total lease - 43.02% County and 56.98% School Board) Capital lease obligation for the lease/purchase of vehicles, payable in annual installments of \$55,549 through November 20, 2020, interest at 2.45%. The cost of the County vehicles is \$158,804 and accumulated depreciation amounted to \$158,804 at June 30, 2020. | \$ 54,221 | \$ 54,221 |
| \$100,421 (\$506,470 total lease - 19.83% County and 80.17% School Board) Capital lease obligation for the lease/purchase of vehicles, payable in annual installments of \$34,981 through July 5, 2021, interest at 2.76%. The cost of the County vehicles is \$98,835 and accumulated depreciation amounted to \$39,534 at June 30, 2020. | 67,126 | 33,097 |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 5—Long-Term Obligations: (Continued)

Details of Long-term Obligations: (Continued)

| | <u>Amount Outstanding</u> | <u>Amount Due within One Year</u> |
|--|-------------------------------|---|
| Other long-term obligations: (Continued) | | |
| Capital leases: (Continued) | | |
| \$204,810 (\$544,696 total lease - 37.60% County and 62.40% School Board) Capital lease obligation for the lease/purchase of vehicles, payable in annual installments of \$70,597 through July 10, 2022, interest at 2.18%. The cost of the County vehicles is \$204,810 and accumulated depreciation amounted to \$40,962 at June 30, 2020. | \$ 204,810 | \$ 68,102 |
| \$523,009 Capital lease obligation for the lease/purchase of SCBA equipment, payable in annual installments of \$84,561 through December 20, 2026, interest at 3.19%. | <u>523,009</u> | <u>67,856</u> |
| Total Capital Leases | \$ <u>849,166</u> | \$ <u>223,276</u> |
| Landfill closure and postclosure liability | \$ <u>504,400</u> | \$ <u>-</u> |
| Net pension liability | \$ <u>845,640</u> | \$ <u>-</u> |
| Net OPEB liabilities | \$ <u>2,405,235</u> | \$ <u>-</u> |
| Compensated absences | \$ <u>747,295</u> | \$ <u>74,729</u> |
| Total governmental activities long-term obligations | \$ <u><u>69,919,170</u></u> | \$ <u><u>3,525,705</u></u> |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 5—Long-Term Obligations: (Continued)

Component Unit—School Board:

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

| Year Ending June 30, | Capital Leases | |
|-------------------------|-------------------|------------------|
| | Principal | Interest |
| 2021 | \$ 318,671 | \$ 13,517 |
| 2022 | 249,807 | 8,796 |
| 2023 | 114,655 | 2,500 |
| Totals | \$ <u>683,133</u> | \$ <u>24,813</u> |

The following is a summary of long-term obligation transactions of the Component Unit-School Board for the year ended June 30, 2020:

| | Balance at July 1, 2019 | Issuances/ Increases | Retirements/ Decreases | Balance at June 30, 2020 | Due Within One Year |
|-----------------------------|-------------------------------|-------------------------|---------------------------|--------------------------------|---------------------------|
| Capital Leases | \$ 663,430 | \$ 339,886 | \$ 320,183 | \$ 683,133 | \$ 318,671 |
| Compensated absences | 389,664 | 77,933 | 81,595 | 386,002 | 38,600 |
| Net pension liability | 25,259,000 | 9,783,291 | 7,357,950 | 27,684,341 | - |
| Net OPEB liabilities | 6,924,422 | 1,255,410 | 782,513 | 7,397,319 | - |
| Total long-term obligations | \$ <u>33,236,516</u> | \$ <u>11,456,520</u> | \$ <u>8,542,241</u> | \$ <u>36,150,795</u> | \$ <u>357,271</u> |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 5—Long-Term Obligations: (Continued)

Details of Long-term Obligations:

| | <u>Amount Outstanding</u> | <u>Amount Due Within One Year</u> |
|--|-------------------------------|---|
| Capital leases: | | |
| \$210,364 capital lease obligation dated November 20, 2017 for the lease purchase of vehicles, payable in annual installments of \$73,585 through November 2020, interest at 2.45%. The cost of the vehicles is \$210,364 and accumulated depreciation amounted to \$68,513 at June 30, 2020. | \$ 71,825 | \$ 71,825 |
| \$406,049 (\$506,470 total lease - 19.83% County and 80.17% School Board) Capital lease obligation for the lease/purchase of vehicles, payable in annual installments of \$141,444 through July 5, 2021, interest at 2.76%. The cost of the vehicles is \$399,635 and accumulated depreciation amounted to \$83,419 at June 30, 2020. | 271,422 | 133,828 |
| \$339,886 (\$544,696 total lease - 37.60% County and 62.40% School Board) Capital lease obligation for the lease/purchase of vehicles, payable in annual installments of \$117,159 through July 10, 2022, interest at 2.18%. The cost of the vehicles is \$339,886 and accumulated depreciation amounted to \$28,324 at June 30, 2020. | <u>339,886</u> | <u>113,018</u> |
| Total capital leases | \$ <u>683,133</u> | \$ <u>318,671</u> |
| Compensated absences | \$ <u>386,002</u> | \$ <u>38,600</u> |
| Net pension liability | \$ <u>27,684,341</u> | \$ - |
| Net OPEB liabilities | \$ <u>7,397,319</u> | \$ - |
| Total Long-Term Obligations Component-Unit School Board | <u>\$ 36,150,795</u> | <u>\$ 357,271</u> |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 6—Commitments and Contingencies:

Federal programs in which the County and its component unit participate were audited in accordance with the provisions of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Pursuant to the provisions of this circular, all major programs and certain other programs were tested for compliance with applicable grant requirements. While no matters of noncompliance were disclosed by audit, the Federal Government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, future disallowances of current grant program expenditures, if any, would be immaterial.

Note 7—Risk Management:

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County carries commercial insurance for all of these risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 8—Litigation:

At June 30, 2020, there were no matters of litigation involving the County or which would materially affect the County's financial position should any court decisions on pending matters not be favorable to such entities.

Note 9—Surety Bonds:

| | <u>Amount</u> |
|--|---------------|
| Traveler's Casualty and Surety Company of America - Surety | |
| Susan Birckhead, Clerk of the Circuit Court | \$ 25,000 |
| Stephanie A. Deal, Treasurer | 400,000 |
| Larry V. Snow, Commissioner of the Revenue | 3,000 |
| Steve Smith, Sheriff | 30,000 |
| Above constitutional officers' employees - blanket bond | 50,000 |
| Virginia Association of Counties Group Self-Insurance Risk Pool - Surety | |
| All School Board Employees | 5,000 |
| Fidelity and Deposit Company of Maryland | |
| James Howard, Director of Social Services | 100,000 |
| Western Surety Company - Surety | |
| William Bryan Martin | 5,000 |
| Marie Durrer | 5,000 |
| Steve Bowman | 5,000 |
| Dale R. Herring | 5,000 |
| Davis Lamb | 5,000 |
| Mark B. Taylor, County Administrator | 10,000 |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 10—Pension Plans:

Plan Description

All full-time, salaried permanent employees of the County and (nonprofessional) employees of public school divisions are automatically covered by a 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 hired 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 hired on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of 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 hired 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 GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 10—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, 2018 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

| | <u>Primary Government</u> | <u>Component Unit School Board (nonprofessional)</u> |
|--|-------------------------------|--|
| Inactive members or their beneficiaries currently receiving benefits | 77 | 56 |
| Inactive members: | | |
| Vested inactive members | 17 | 18 |
| Non-vested inactive members | 28 | 37 |
| Inactive members active elsewhere in VRS | 44 | 26 |
| Total inactive members | <u>89</u> | <u>81</u> |
| Active members | <u>116</u> | <u>82</u> |
| Total covered employees | <u><u>282</u></u> | <u><u>219</u></u> |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 10—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 contractually required employer contribution rate for the year ended June 30, 2020 was 7.99% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017.

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 \$444,781 and \$433,401 for the years ended June 30, 2020 and June 30, 2019, respectively.

The Component Unit School Board's contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2020 was 5.98% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017.

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 \$101,094 and \$99,907 for the years ended June 30, 2020 and June 30, 2019, 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 position. The County's and Component Unit School Board's (nonprofessional) net pension liability (asset) was measured as of June 30, 2019. The total pension liabilities used to calculate the net pension liability (asset) were determined by an actuarial valuation performed as of June 30, 2018, and rolled forward to the measurement date of June 30, 2019.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 10—Pension Plans: (Continued)

Actuarial Assumptions - General Employees

The total pension liability for General Employees in the County's and Component Unit School Board's (nonprofessional) Retirement Plan was based on an actuarial valuation as of June 30, 2018, 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, 2019.

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

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 10—Pension Plans: (Continued)

Actuarial Assumptions - General Employees

Mortality rates: (Continued)

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the County's Retirement Plan was based on an actuarial valuation as of June 30, 2018, 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, 2019.

| | |
|---------------------------------------|--|
| 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* |

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

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 10—Pension Plans: (Continued)

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

Mortality rates: (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 10—Pension Plans: (Continued)

Long-Term Expected Rate of Return

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

| <u>Asset Class (Strategy)</u> | <u>Target Allocation</u> | <u>Arithmetic Long-term Expected Rate of Return</u> | <u>Weighted Average Long-term Expected Rate of Return</u> |
|--------------------------------------|--------------------------|---|---|
| Public Equity | 34.00% | 5.61% | 1.91% |
| Fixed Income | 15.00% | 0.88% | 0.13% |
| Credit Strategies | 14.00% | 5.13% | 0.72% |
| Real Assets | 14.00% | 5.27% | 0.74% |
| Private Equity | 14.00% | 8.77% | 1.23% |
| MAPS - Multi-Asset Public Strategies | 6.00% | 3.52% | 0.21% |
| PIP - Private Investment Partnership | 3.00% | 6.29% | 0.19% |
| Total | <u>100.00%</u> | | <u>5.13%</u> |
| | | Inflation | <u>2.50%</u> |
| | | *Expected arithmetic nominal return | <u>7.63%</u> |

* The above allocation provides a one-year return of 7.63%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. The VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 10—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, 2019, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2019, the rate contributed by the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2019 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 (Asset) (a) - (b) |
| Balances at June 30, 2018 | \$ 20,974,211 | \$ 20,681,366 | \$ 292,845 |
| Changes for the year: | | | |
| Service cost | \$ 613,296 | \$ - | \$ 613,296 |
| Interest | 1,433,534 | - | 1,433,534 |
| Differences between expected and actual experience | (57,217) | - | (57,217) |
| Changes of assumptions | 656,950 | - | 656,950 |
| Contributions - employer | - | 450,129 | (450,129) |
| Contributions - employee | - | 276,236 | (276,236) |
| Net investment income | - | 1,381,874 | (1,381,874) |
| Benefit payments, including refunds | (990,299) | (990,299) | - |
| Administrative expenses | - | (13,601) | 13,601 |
| Other changes | - | (870) | 870 |
| Net changes | \$ 1,656,264 | \$ 1,103,469 | \$ 552,795 |
| Balances at June 30, 2019 | \$ 22,630,475 | \$ 21,784,835 | \$ 845,640 |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 10—Pension Plans: (Continued)

Changes in Net Pension Liability

| | Component School Board (nonprofessional) | | |
|---|--|---------------------------------------|---|
| | Increase (Decrease) | | |
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (Asset) (a) - (b) |
| Balances at June 30, 2018 | \$ 8,932,315 | \$ 8,932,595 | \$ (280) |
| Changes for the year: | | | |
| Service cost | \$ 168,547 | \$ - | \$ 168,547 |
| Interest | 607,214 | - | 607,214 |
| Differences between expected and actual experience | (136,122) | - | (136,122) |
| Changes of assumptions | 236,861 | - | 236,861 |
| Contributions - employer | - | 99,908 | (99,908) |
| Contributions - employee | - | 83,779 | (83,779) |
| Net investment income | - | 583,273 | (583,273) |
| Benefit payments, including refunds | (515,660) | (515,660) | - |
| Administrative expenses | - | (5,957) | 5,957 |
| Other changes | - | (366) | 366 |
| Net changes | \$ 360,840 | \$ 244,977 | \$ 115,863 |
| Balances at June 30, 2019 | \$ 9,293,155 | \$ 9,177,572 | \$ 115,583 |

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

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

| | Rate | | |
|---|--------------|------------------|----------------|
| | 1% Decrease | Current Discount | 1% Increase |
| | (5.75%) | (6.75%) | (7.75%) |
| County | | | |
| Net Pension Liability (Asset) | \$ 3,787,821 | \$ 845,640 | \$ (1,493,841) |
| Component Unit School Board (nonprofessional) | | | |
| Net Pension Liability (Asset) | \$ 1,163,171 | \$ 115,583 | \$ (730,984) |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 10—Pension Plans: (Continued)

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

For the year ended June 30, 2020, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$435,038 and \$147,532, respectively. At June 30, 2020, the County 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 Unit School Board (nonprofessional) | |
|--|--------------------------------|-------------------------------|---|-------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ 38,911 | \$ 176,768 | \$ 4,517 | \$ 71,914 |
| Changes of assumptions | 457,269 | 58,006 | 125,134 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 190,194 | - | 77,486 |
| Employer contributions subsequent to the measurement date | 444,781 | - | 101,094 | - |
| Total | \$ 940,961 | \$ 424,968 | \$ 230,745 | \$ 149,400 |

\$444,781 and \$101,094 reported as deferred outflows of resources related to pensions resulting from the County's 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 fiscal year ending June 30, 2021. 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 | Component Unit School Board (nonprofessional) |
|--------------------|--------------------|---|
| 2021 | \$ 4,835 | \$ 51,338 |
| 2022 | 7,606 | (76,098) |
| 2023 | 47,557 | (1,022) |
| 2024 | 11,214 | 6,033 |
| 2025 | - | - |
| Thereafter | - | - |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 10—Pension Plans: (Continued)

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2019-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

Component Unit School Board (professional)

Plan Description

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

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division's contractually required employer contribution rate for the year ended June 30, 2020 was 15.68% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. 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 \$2,696,332 and \$2,577,175 for the years ended June 30, 2020 and June 30, 2019, respectively.

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

At June 30, 2020, the school division reported a liability of \$27,568,758 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2019 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2018 and rolled forward to the measurement date of June 30, 2019. 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, 2019 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2019, the school division's proportion was 0.20948% as compared to 0.21479% at June 30, 2018.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 10—Pension Plans: (Continued)

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

For the year ended June 30, 2020, the school division recognized pension expense of \$2,995,415. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

At June 30, 2020, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Differences between expected and actual experience | \$ - | \$ 1,765,343 |
| Changes of assumptions | 2,729,953 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 605,345 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 256,666 | 816,576 |
| Employer contributions subsequent to the measurement date | <u>2,696,332</u> | <u>-</u> |
| Total | <u>\$ 5,682,951</u> | <u>\$ 3,187,264</u> |

\$2,696,332 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 fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

| <u>Year Ended June 30</u> | |
|---------------------------|-----------|
| 2021 | \$ 3,619 |
| 2022 | (711,851) |
| 2023 | 39,008 |
| 2024 | 303,980 |
| 2025 | 164,599 |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 10—Pension Plans: (Continued)

Actuarial Assumptions

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2018, 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, 2019.

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

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

Mortality rates:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 10—Pension Plans: (Continued)

Actuarial Assumptions: (Continued)

Mortality rates: (Continued)

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Net 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, 2019, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

| | | Teacher Employee Retirement Plan |
|---|----|---|
| Total Pension Liability | \$ | 49,683,336 |
| Plan Fiduciary Net Position | | 36,522,769 |
| Employers' Net Pension Liability (Asset) | \$ | <u>13,160,567</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | | 73.51% |

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.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 10—Pension Plans: (Continued)

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

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

| | Rate | | |
|---|------------------------|-----------------------------|------------------------|
| | 1% Decrease (5.75%) | Current Discount (6.75%) | 1% Increase (7.75%) |
| School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability (Asset) | \$ 41,502,958 | \$ 27,568,758 | \$ 16,047,756 |

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan’s Fiduciary Net Position is available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2019-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Primary Government and Component Unit School Board

Aggregate Pension Information

| VRS Pension Plans | Deferred Outflows | Deferred Inflows | Net Pension Liability (Asset) | Pension Expense |
|------------------------------------|----------------------|---------------------|-------------------------------------|---------------------|
| Primary Government | \$ 940,961 | \$ 424,968 | \$ 845,640 | \$ 435,038 |
| Component Unit School Board | | | | |
| Nonprofessional | \$ 230,745 | \$ 149,400 | \$ 115,583 | \$ 147,532 |
| Professional | 5,682,951 | 3,187,264 | 27,568,758 | 2,995,415 |
| Totals | \$ 5,913,696 | \$ 3,336,664 | \$ 27,684,341 | \$ 3,142,947 |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 11—Interfund Balances and Transfers:

Interfund transfers for the year ended June 30, 2020 consisted of the following:

| <u>Fund</u> | <u>Transfers In</u> | <u>Transfers Out</u> |
|-----------------------------------|---------------------|----------------------|
| County: | | |
| General fund | \$ - | \$ 1,714,977 |
| Debt Service fund | 1,714,977 | - |
| | <u>1,714,977</u> | <u>-</u> |
| Total County | <u>\$ 1,714,977</u> | <u>\$ 1,714,977</u> |
| Component Unit School Board: | | |
| School Operating Fund | \$ - | \$ 897,076 |
| School Cafeteria Fund | 897,076 | - |
| | <u>897,076</u> | <u>-</u> |
| Total Component Unit School Board | <u>\$ 897,076</u> | <u>\$ 897,076</u> |

Transfers are used: to (1) move revenues from the fund that statute or budget requires collecting 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 12—Deferred/Unavailable Revenue:

Deferred revenue/unavailable revenue represent 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.

| | <u>Government- wide Statements Governmental Activities</u> | <u>Balance Sheet Governmental Funds</u> |
|--|--|---|
| Unavailable property tax revenue: | | |
| Unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures | \$ - | \$ 1,011,092 |
| 2nd half assessments due in December 2020 | 10,408,297 | 10,408,297 |
| Prepaid property taxes due in December 2020, but paid in advance by the taxpayers | 1,618,951 | 1,618,951 |
| Total deferred/unavailable revenue | <u>\$ 12,027,248</u> | <u>\$ 13,038,340</u> |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 13—Due to/From Primary Government/Component Units:

| <u>Fund</u> | <u>Receivable</u> | <u>Payable</u> |
|---|---------------------|---------------------|
| Primary Government - General Fund | \$ - | \$ 1,494,533 |
| Component Unit - Economic Development Authority | 37,469 | - |
| Component Unit - School Board | 1,457,064 | - |
| Total | <u>\$ 1,494,533</u> | <u>\$ 1,494,533</u> |

The purpose of the obligation between the County and School Board is to report the balance of local appropriations unspent at year-end due back to the respective funds.

Note 14—Landfill Closure and Postclosure Care Costs:

The County operates a solid waste landfill in such a manner as to comply with laws and regulations administered by the United States Environmental Protection Agency and Virginia Department of Waste Management. The \$504,400 reported as landfill closure and post closure liability at June 30, 2020, represents \$464,400 for closure and post closure care liability and \$40,000 for underground tank coverage. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County will also demonstrate financial assurance of an additional one million dollars as a result of the statistically significant exceedance of groundwater Protection Standards. The County intends to fund future costs from funds accumulated for this purpose in the General Fund.

The County has demonstrated financial assurance requirements for closure, 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 15—Other Postemployment Benefits

Group Life Insurance:

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.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

Group Life Insurance: (Continued)

Plan Description: (Continued)

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 OPEB, including eligibility, coverage and benefits is described below:

Eligible Employees

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

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, safety belt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$8,463 as of June 30, 2020.

Contributions

The contribution requirements for the Group Life Insurance 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 Group Life Insurance Plan was 1.31% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.79% (1.31% x 60%) and the employer component was 0.52% (1.31% 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, 2020 was 0.52% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

Group Life Insurance: (Continued)

Contributions: (Continued)

as of June 30, 2017. 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 Group Life Insurance Plan from the County were \$30,595 and \$29,757 for the years ended June 30, 2020 and June 30, 2019, respectively, \$9,253 and \$9,030 from School Board nonprofessional, and \$93,337 and \$92,161 from School Board professional.

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

At June 30, 2020, the County reported a liability of \$474,999, the School Board nonprofessional \$144,176, and School Board professional \$1,471,212 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2019 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, 2018, and rolled forward to the measurement date of June 30, 2019. 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, 2019 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2019, the participating employer's proportion for the County was .02919% as compared to .02865% at June 30, 2018. At June 30, 2019, the participating employer's proportion for the School Board nonprofessional was .00886% as compared to .00907% at June 30, 2018. At June 30, 2019, the participating employer's proportion for the School Board professional was .09041% as compared to .09191% at June 30, 2018.

For the year ended June 30, 2020, the County, School Board nonprofessional and School Board professional recognized GLI OPEB expense of \$12,211, \$1,325 and \$28,310. 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.

At June 30, 2020, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

| <u>County</u> | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences between expected and actual experience | \$ 31,590 | \$ 6,161 |
| Net difference between projected and actual earnings on GLI OPEB program investments | - | 9,757 |
| Change in assumptions | 29,989 | 14,323 |
| Changes in proportion | 11,856 | 6,513 |
| Employer contributions subsequent to the measurement date | 30,595 | - |
| Total | <u>\$ 104,030</u> | <u>\$ 36,754</u> |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

Group Life Insurance: (Continued)

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

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| School Board nonprofessional | | |
| Differences between expected and actual experience | \$ 9,589 | \$ 1,870 |
| Net difference between projected and actual earnings on GLI OPEB program investments | - | 2,961 |
| Change in assumptions | 9,102 | 4,348 |
| Changes in proportion | - | 9,314 |
| Employer contributions subsequent to the measurement date | 9,253 | - |
| Total | <u>\$ 27,944</u> | <u>\$ 18,493</u> |
| School Board professional | | |
| Differences between expected and actual experience | \$ 97,844 | \$ 19,083 |
| Net difference between projected and actual earnings on GLI OPEB program investments | - | 30,220 |
| Change in assumptions | 92,884 | 44,363 |
| Changes in proportion | 4,652 | 34,665 |
| Employer contributions subsequent to the measurement date | 93,337 | - |
| Total | <u>\$ 288,717</u> | <u>\$ 128,331</u> |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

Group Life Insurance: (Continued)

\$30,595, \$9,253 and \$93,337 (County, School Board nonprofessional and School Board professional) reported as deferred outflows of resources related to the GLI OPEB resulting from the employer’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, 2021. 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:

| <u>Year Ended June 30</u> | <u>County</u> | <u>School Board nonprofessional</u> | <u>School Board professional</u> |
|---------------------------|---------------|---|--------------------------------------|
| 2021 | \$ 2,915 | \$ (1,496) | \$ (482) |
| 2022 | 2,915 | (1,496) | (481) |
| 2023 | 7,047 | (242) | 12,318 |
| 2024 | 10,079 | 903 | 23,259 |
| 2025 | 10,561 | 1,876 | 25,246 |
| Thereafter | 3,164 | 653 | 7,189 |

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2018, 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, 2019. The assumptions include several employer groups as noted below. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS CAFR.

| | |
|--|--|
| 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* |

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

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

Mortality Rates - Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

Group Life Insurance: (Continued)

Mortality Rates - Teachers: (Continued)

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

Group Life Insurance: (Continued)

Mortality Rates - Non-Largest Ten Locality Employers - General Employees: (Continued)

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

Group Life Insurance: (Continued)

Mortality Rates - Non-Largest Ten Locality Employers - Hazardous Duty Employees: (Continued)

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

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 June 30, 2019, NOL amounts for the GLI Plan is as follows (amounts expressed in thousands):

| | | |
|--|----|--|
| | | Group Life Insurance OPEB Program |
| | | <hr/> |
| Total GLI OPEB Liability | \$ | 3,390,238 |
| Plan Fiduciary Net Position | | 1,762,972 |
| Employers' Net GLI OPEB Liability (Asset) | \$ | <hr/> <u>1,627,266</u> |
| Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability | | 52.00% |

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.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

Group Life Insurance: (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>Target Allocation</u> | <u>Arithmetic Long-term Expected Rate of Return</u> | <u>Weighted Average Long-term Expected Rate of Return</u> |
|--------------------------------------|--------------------------|---|---|
| Public Equity | 34.00% | 5.61% | 1.91% |
| Fixed Income | 15.00% | 0.88% | 0.13% |
| Credit Strategies | 14.00% | 5.13% | 0.72% |
| Real Assets | 14.00% | 5.27% | 0.74% |
| Private Equity | 14.00% | 8.77% | 1.23% |
| MAPS - Multi-Asset Public Strategies | 6.00% | 3.52% | 0.21% |
| PIP - Private Investment Partnership | 3.00% | 6.29% | 0.19% |
| Total | <u>100.00%</u> | | <u>5.13%</u> |
| | | Inflation | 2.50% |
| | | *Expected arithmetic nominal return | <u>7.63%</u> |

*The above allocation provides a one-year return of 7.63%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. The VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

Group Life Insurance: (Continued)

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2019, 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. From July 1, 2019 on, employers are assumed 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 follow 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 | | |
|---|--------------------------------------|---|--------------------------------------|
| | <u>1% Decrease</u> <u>(5.75%)</u> | <u>Current Discount</u> <u>(6.75%)</u> | <u>1% Increase</u> <u>(7.75%)</u> |
| County's proportionate share of the Group Life Net OPEB Liability | \$ 624,017 | \$ 474,999 | \$ 354,149 |
| School Board nonprofessional's proportionate share of the Group Life Insurance Program Net OPEB Liability | \$ 189,407 | \$ 144,176 | \$ 107,495 |
| School Board professional's proportionate share of the Group Life Insurance Program Net OPEB Liability | \$ 1,932,765 | \$ 1,471,212 | \$ 1,096,905 |

GLI Plan Fiduciary Net Position

Detailed information about the Group Life Insurance Program's Fiduciary Net Position is available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2019-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

Health Insurance Credit (HIC) Plan - County:

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 GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

Health Insurance Credit (HIC) Plan - County: (Continued)

Employees Covered by Benefit Terms

As of the June 30, 2018 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan:

| | <u>County</u> |
|--|------------------|
| Inactive members or their beneficiaries currently receiving benefits | <u>13</u> |
| Total inactive members | <u>13</u> |
| Active members | <u>46</u> |
| Total covered employees | <u><u>59</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 County's contractually required employer contribution rate for the year ended June 30, 2020 was .19% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. 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 County to the HIC Plan were \$4,119 and \$3,980 for the years ended June 30, 2019 and June 30, 2018, respectively.

Net HIC OPEB Liability

The County's net Health Insurance Credit OPEB liability was measured as of June 30, 2019. The total Health Insurance Credit OPEB liability was determined by an actuarial valuation performed as of June 30, 2018, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

Health Insurance Credit (HIC) Plan - County: (Continued)

Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2018, 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, 2019.

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

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

Health Insurance Credit (HIC) Plan - County: (Continued)

Mortality Rates - Non-Largest Ten Locality Employers - General Employees: (Continued)

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

Health Insurance Credit (HIC) Plan - County: (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>Target Allocation</u> | <u>Arithmetic Long-term Expected Rate of Return</u> | <u>Weighted Average Long-term Expected Rate of Return</u> |
|--------------------------------------|--------------------------|---|---|
| Public Equity | 34.00% | 5.61% | 1.91% |
| Fixed Income | 15.00% | 0.88% | 0.13% |
| Credit Strategies | 14.00% | 5.13% | 0.72% |
| Real Assets | 14.00% | 5.27% | 0.74% |
| Private Equity | 14.00% | 8.77% | 1.23% |
| MAPS - Multi-Asset Public Strategies | 6.00% | 3.52% | 0.21% |
| PIP - Private Investment Partnership | 3.00% | 6.29% | 0.19% |
| Total | <u>100.00%</u> | | <u>5.13%</u> |
| | | Inflation | <u>2.50%</u> |
| | | *Expected arithmetic nominal return | <u>7.63%</u> |

*The above allocation provides a one-year return of 7.63%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. The VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation.

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 ending June 30, 2019, 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. From July 1, 2019 on, employers are assumed 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.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

Health Insurance Credit (HIC) Plan - County: (Continued)

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, 2018 | \$ 108,232 | \$ 89,083 | \$ 19,149 |
| Changes for the year: | | | |
| Service cost | \$ 2,218 | \$ - | \$ 2,218 |
| Interest | 7,314 | - | 7,314 |
| Differences between expected and actual experience | (17,478) | - | (17,478) |
| Assumption changes | 2,214 | - | 2,214 |
| Contributions - employer | - | 3,980 | (3,980) |
| Net investment income | - | 5,571 | (5,571) |
| Benefit payments | (7,500) | (7,500) | - |
| Administrative expenses | - | (120) | 120 |
| Other changes | - | (7) | 7 |
| Net changes | \$ (13,232) | \$ 1,924 | \$ (15,156) |
| Balances at June 30, 2019 | \$ 95,000 | \$ 91,007 | \$ 3,993 |

Sensitivity of the County's Health Insurance Credit Net OPEB Liability to Changes in the Discount Rate

The follow presents the County's Health Insurance Credit Plan net HIC OPEB liability using the discount rate of 6.75%, as well as what the County'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%) |
| County's Net HIC OPEB Liability | \$ 13,768 | \$ 3,993 | \$ (4,373) |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

Health Insurance Credit (HIC) Plan - County: (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, 2020, the County recognized HIC Plan OPEB expense of (\$1,013). At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to the County’s HIC Plan from the following sources:

| County: | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|--|
| Differences between expected and actual experience | \$ - | \$ 15,388 |
| Net difference between projected and actual earnings on HIC OPEB plan investments | - | 1,105 |
| Change in assumptions | 1,819 | 2,523 |
| Employer contributions subsequent to the measurement date | 4,119 | - |
| Total | \$ 5,938 | \$ 19,016 |

\$4,119 reported as deferred outflows of resources related to the HIC OPEB resulting from the County’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, 2021. 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 | County |
|---------------------------|---------------|
| 2021 | \$ (4,564) |
| 2022 | (4,565) |
| 2023 | (3,653) |
| 2024 | (2,781) |
| 2025 | (1,634) |
| Thereafter | - |

HIC Plan Data

Information about the VRS Political Subdivision HIC Plan is available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2019-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

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 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 with at least 15 years of service credit, 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.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

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

Contributions

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2020 was 1.20% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. 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 \$215,244 and \$212,679 for the years ended June 30, 2020 and June 30, 2019, respectively.

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

At June 30, 2020, the school division reported a liability of \$2,766,123 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, 2019 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, 2018, and rolled forward to the measurement date of June 30, 2019. The school division's proportion of the Net VRS Teacher Employee HIC Plan 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, 2019 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2019, the school division's proportion of the VRS Teacher Employee HIC Plan was .21130% as compared to .21610% at June 30, 2018.

For the year ended June 30, 2020, the school division recognized VRS Teacher Employee HIC Plan OPEB expense of \$216,092. Since there was a change in proportionate share between measurement dates a portion of the VRS Teacher Employee HIC Plan Net OPEB expense was related to deferred amounts from changes in proportion.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

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

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

At June 30, 2020, 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:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Differences between expected and actual experience | \$ - | \$ 15,667 |
| Net difference between projected and actual earnings on Teacher HIC OPEB plan investments | 175 | - |
| Change in assumptions | 64,380 | 19,221 |
| Change in proportion | - | 71,313 |
| Employer contributions subsequent to the measurement date | <u>215,244</u> | <u>-</u> |
| Total | <u>\$ 279,799</u> | <u>\$ 106,201</u> |

\$215,244 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, 2021. 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:

| <u>Year Ended June 30</u> | |
|---------------------------|------------|
| 2021 | \$ (8,942) |
| 2022 | (8,945) |
| 2023 | (7,733) |
| 2024 | (8,138) |
| 2025 | (6,699) |
| Thereafter | (1,189) |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

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

Actuarial Assumptions

The total Teacher Employee HIC OPEB liability for the VRS Teacher Employee Health Insurance Credit Plan was based on an actuarial valuation as of June 30, 2018, 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, 2019.

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

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

Mortality Rates - Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

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

Actuarial Assumptions: (Continued)

Mortality Rates - Teachers: (Continued)

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Net Teacher Employee HIC OPEB Liability

The net OPEB liability (NOL) for the Teacher Employee HIC Plan represents the program’s total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2019, NOL amounts for the VRS Teacher Employee HIC Plan is as follows (amounts expressed in thousands):

| | | Teacher Employee HIC OPEB Plan |
|---|----|---|
| | | <u> </u> |
| Total Teacher Employee HIC OPEB Liability | \$ | 1,438,114 |
| Plan Fiduciary Net Position | | 129,016 |
| Teacher Employee net HIC OPEB Liability (Asset) | \$ | <u>1,309,098</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability | | 8.97% |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

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

Net Teacher Employee HIC OPEB Liability: (Continued)

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.

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) | Target Allocation | Arithmetic Long-term Expected Rate of Return | Weighted Average Long-term Expected Rate of Return |
|--------------------------------------|-------------------|--|--|
| Public Equity | 34.00% | 5.61% | 1.91% |
| Fixed Income | 15.00% | 0.88% | 0.13% |
| Credit Strategies | 14.00% | 5.13% | 0.72% |
| Real Assets | 14.00% | 5.27% | 0.74% |
| Private Equity | 14.00% | 8.77% | 1.23% |
| MAPS - Multi-Asset Public Strategies | 6.00% | 3.52% | 0.21% |
| PIP - Private Investment Partnership | 3.00% | 6.29% | 0.19% |
| Total | 100.00% | | 5.13% |
| | | Inflation | 2.50% |
| | | *Expected arithmetic nominal return | 7.63% |

*The above allocation provides a one-year return of 7.63%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. The VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

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 ending June 30, 2019, the rate contributed by each school division for the VRS Teacher Employee Health Insurance Credit Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2019 on, all agencies are assumed 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 follow 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 | \$ 3,095,762 | \$ 2,766,123 | \$ 2,486,095 |

Teacher Employee HIC OPEB Fiduciary Net Position

Detailed information about the VRS Teacher Employee Health Insurance Credit Program’s Fiduciary Net Position is available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2019-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

Health Insurance (Single-employer Defined Benefit Plan)

Plan Description

The County and School Board provide postemployment medical coverage for retired employees through a single-employer defined benefit plan. The County and School Board may change, add or delete coverage as they deem appropriate and with the approval of the Board of Supervisors. The plan does not grant retirees vested health benefits. The Plan does not issue separate financial statements.

Benefits Provided

Employees who retire from the County or School Board with service eligible for VRS benefits (Plan 1 - Age 50 and 10 years of service or Age 55 and 5 years of service; Plan 2 - age 60 and 5 years of service; Hazardous duty - age 50 and 5 years of service) and who are participating in the medical coverage are eligible to elect post-retirement coverage. Retirees are eligible to remain on the medical plan with 100% of the premium paid by the retiree. The retiree's spouse can receive benefits under the plan with the premium to be paid by the retiree. Retirees' coverage ceases at eligibility for Medicare.

Plan Membership

At June 30, 2020 (measurement date), the following employees were covered by the benefit terms:

| | <u>County</u> | <u>School Board</u> |
|--|-------------------|-------------------------|
| Total active employees with coverage | 117 | 466 |
| Total inactive employees or retirees with coverage | <u>2</u> | <u>15</u> |
| Total | <u><u>119</u></u> | <u><u>481</u></u> |

Contributions

The County and School Board do 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 County and School Board. The amount paid by the County and School Board for OPEB as the benefits came due during the year ended June 30, 2020 was \$17,420 and \$134,671.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

Health Insurance (Single-employer Defined Benefit Plan): (Continued)

Total OPEB Liability

The County and School Board's total OPEB liabilities were measured as of June 30, 2020. The total OPEB liabilities were determined by an actuarial valuation as of July 1, 2018.

Actuarial Assumptions

The total OPEB liability in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

| | |
|-----------------------|--|
| Actuarial Cost Method | Entry age normal level % of salary |
| Discount Rate | 2.21% as of June 30, 2020 |
| Inflation | 2.50% per year as of June 30, 2020 |
| Healthcare Trend Rate | The rates are 5.30% for the School Board and 6.20% for the County for fiscal year ending 2020, decreasing .10% per year to an ultimate rate of 4.00% for the School Board and 4.00% for the County. |
| Salary Increase Rates | Non-law officers and School Board: Ranges of increases of 3.5% for 20+ years of service to 5.35% for 1-2 years of service; Law officers: Ranges of increases of 3.5% for 20+ years of service to 4.75% for 1-4 years of service. |
| Retirement Age | Age 50 and 10 years of service or Age 55 and 5 years of service - Plan 1 employees; Age 60 and 5 years of service - Plan 2 employees |
| Mortality Rates | Pre-Retirement: RP-2000 Employee Mortality Tables projected to 2020 using Scale AA with Males set forward 2 years and Females set back 3 years. Post-Retirement: RP-2000 Combined Health Mortality tables projected to 2020 using Scale AA with Females set back 1 year. Post-Disablement: RP-2000 Disables Life mortality tables with Males set back 3 years and no provision for future mortality improvement. |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

Health Insurance (Single-employer Defined Benefit Plan): (Continued)

Discount Rate

The discount rates are based on the Bond Buyer 20-Year Bond GO Index as of their respective measurement dates.

Changes in Total OPEB Liability

| Changes in Net OPEB Liability | | | | |
|-------------------------------|------------|----------|-----------------|-----------|
| | County | | Component Unit- | |
| | Total OPEB | | School Board | |
| | Liability | | Total OPEB | |
| | Liability | | Liability | |
| Balances at June 30, 2019 | \$ | 506,355 | \$ | 2,647,422 |
| Changes for the year: | | | | |
| Service cost | | 31,452 | | 144,909 |
| Interest | | 18,521 | | 95,396 |
| Effect of assumption changes | | 57,207 | | 262,752 |
| Benefit payments | | (17,420) | | (134,671) |
| Net changes | | 89,760 | | 368,386 |
| Balances at June 30, 2020 | \$ | 596,115 | \$ | 3,015,808 |

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

The following amounts present the total OPEB liability of the County and School Board, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.21%) or one percentage point higher (3.21%) than the current discount rate:

| | Rate | | |
|-------------------------------------|------------------------|-------------------------------------|------------------------|
| | 1% Decrease (1.21%) | Current Discount Rate (2.21%) | 1% Increase (3.21%) |
| County's Total OPEB Liability | \$ 647,077 | \$ 596,115 | \$ 549,304 |
| School Board's Total OPEB Liability | \$ 3,243,128 | \$ 3,015,808 | \$ 2,795,902 |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

Health Insurance (Single-employer Defined Benefit Plan): (Continued)

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

The following presents the total OPEB liabilities of the County and School Board, as well as what the total OPEB liabilities 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 rate used of 6.2% for the County and 5.3% for the School Board:

| | Rates | | |
|-------------------------------|------------------------------|-------------------------------|------------------------------|
| | 1% Decrease in Trend Rate | Healthcare Cost Trend Rate | 1% Increase in Trend Rate |
| County's Total OPEB Liability | \$ 591,548 | \$ 596,115 | \$ 611,804 |

| | Rates | | |
|-------------------------------------|------------------------------|-------------------------------|------------------------------|
| | 1% Decrease in Trend Rate | Healthcare Cost Trend Rate | 1% Increase in Trend Rate |
| School Board's Total OPEB Liability | \$ 2,613,142 | \$ 3,015,808 | \$ 3,495,062 |

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

For the year ended June 30, 2020, the County and School Board recognized OPEB expense in the amount of \$111,094 and \$313,137, respectively. At June 30, 2020, the County and School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB.

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| County: | | |
| Differences between expected and actual experience | \$ 195,322 | \$ - |
| Changes of assumptions | 88,603 | 3,556 |
| Total | <u>\$ 283,925</u> | <u>\$ 3,556</u> |
| School Board: | | |
| Differences between expected and actual experience | \$ - | \$ 158,736 |
| Changes of assumptions | 497,392 | 53,718 |
| Total | <u>\$ 497,392</u> | <u>\$ 212,454</u> |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

Health Insurance (Single-employer Defined Benefit Plan): (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources: (Continued)

| <u>Year Ended June 30</u> | <u>County</u> | <u>School Board</u> |
|---------------------------|---------------|---------------------|
| 2021 | \$ 61,121 | \$ 72,832 |
| 2022 | 61,121 | 72,832 |
| 2023 | 61,121 | 72,832 |
| 2024 | 61,121 | 72,832 |
| 2025 | 36,426 | (1,507) |
| Thereafter | (541) | (4,883) |

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

Line of Duty Act (LODA) Program:

Plan Description

The Virginia Retirement System (VRS) Line of Duty Act Program (LODA) was established pursuant to §9.1-400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. The LODA Program provides death and health insurance benefits to eligible state and local government employees, including volunteers, who die or become disabled as a result of the performance of their duties as a public safety officer. In addition, health insurance benefits are provided to eligible survivors and family members. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System). Participating employers made contributions to the program beginning in FY 2012. The employer contributions are determined by the System's actuary using anticipated program costs and the number of covered individuals associated with all participating employers.

The specific information for the LODA Program OPEB, including eligibility, coverage and benefits is described below:

Eligible Employees

All paid employees and volunteers in hazardous duty positions in Virginia localities and hazardous duty employees who are covered under the Virginia Retirement System (VRS), the State Police Officers' Retirement System (SPORS), or the Virginia Law Officers' Retirement System (VaLORS) are automatically covered by the LODA Program.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

Line of Duty Act (LODA) Program: (Continued)

Benefit Amounts:

The LODA program death benefit is a one-time payment made to the beneficiary or beneficiaries of a covered individual. Amounts vary as follows: \$100,000 when a death occurs as the direct or proximate result of performing duty as of January 1, 2006, or after; \$25,000 when the cause of death is attributed to one of the applicable presumptions and occurred earlier than five years after the retirement date; or an additional \$20,000 benefit is payable when certain members of the National Guard and U.S. military reserves are killed in action in any armed conflict on or after October 7, 2001.

The LODA program also provides health insurance benefits. Prior to July 1, 2017, these benefits were managed through the various employer plans and maintained the benefits that existed prior to the employee's death or disability. These premiums were reimbursed to the employer by the LODA program. Beginning July 1, 2017, the health insurance benefits are managed through the Virginia Department of Human Resource Management (DHRM). The health benefits are modeled after the State Employee Health Benefits Program plans and provide consistent, premium-free continued health plan coverage for LODA-eligible disabled individuals, survivors and family members. Individuals receiving the health insurance benefits must continue to meet eligibility requirements as defined by the LODA.

Contributions

The contribution requirements for the LODA Program are governed by §9.1-400.1 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Each employer's contractually required employer contribution rate for the LODA Program for the year ended June 30, 2020 was \$705.77 per covered full-time-equivalent employee. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017 and represents the pay-as-you-go funding rate and not the full actuarial cost of the benefits under the program. The actuarially determined pay-as-you-go rate was expected to finance the costs and related expenses of benefits payable during the year. Contributions to the LODA Program from the entity were \$41,287 and \$49,756 for the years ended June 30, 2020 and June 30, 2019, respectively.

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

At June 30, 2020, the entity reported a liability of \$1,330,128 for its proportionate share of the Net LODA OPEB Liability. The Net LODA OPEB Liability was measured as of June 30, 2019 and the total LODA OPEB liability used to calculate the Net LODA OPEB Liability was determined by an actuarial valuation as of June 30, 2018, and rolled forward to the measurement date of June 30, 2019. The entity's proportion of the Net LODA OPEB Liability was based on the entity's actuarially determined pay-as-you-go employer contributions to the LODA OPEB plan for the year ended June 30, 2019 relative to the total of the actuarially determined pay-as-you-go employer contributions for all participating employers. At June 30, 2019, the entity's proportion was 0.37073% as compared to 0.34091% at June 30, 2018.

For the year ended June 30, 2020, the entity recognized LODA OPEB expense of \$120,108. Since there was a change in proportionate share between measurement dates, a portion of the LODA OPEB expense was related to deferred amounts from changes in proportion.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

Line of Duty Act (LODA) Program: (Continued)

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

At June 30, 2020, the entity reported deferred outflows of resources and deferred inflows of resources related to the LODA OPEB from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences between expected and actual experience | \$ 193,333 | \$ - |
| Net difference between projected and actual earnings on LODA OPEB plan investments | - | 2,633 |
| Change in assumptions | 62,411 | 115,307 |
| Change in proportion | 98,257 | 14,606 |
| Employer contributions subsequent to the measurement date | <u>41,287</u> | <u>-</u> |
| Total | <u>\$ 395,288</u> | <u>\$ 132,546</u> |

\$41,287 reported as deferred outflows of resources related to the LODA OPEB resulting from the entity's contributions subsequent to the measurement date will be recognized as a reduction of the Net LODA OPEB Liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the LODA OPEB will be recognized in LODA OPEB expense in future reporting periods as follows:

| <u>Year Ended June 30</u> | |
|---------------------------|-----------|
| 2021 | \$ 27,221 |
| 2022 | 27,226 |
| 2023 | 27,633 |
| 2024 | 28,067 |
| 2025 | 28,195 |
| Thereafter | 83,113 |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

Line of Duty Act (LODA) Program: (Continued)

Actuarial Assumptions

The total LODA OPEB liability was based on an actuarial valuation as of June 30, 2018, 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, 2019. The assumptions include several employer groups as noted below. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS CAFR.

| | |
|--|-----------------------------|
| Inflation | 2.50% |
| Salary increases, including inflation: | |
| Locality employees | N/A |
| Medical cost trend rates assumption: | |
| Under age 65 | 7.25%-4.75% |
| Ages 65 and older | 5.50%-4.75% |
| Year of ultimate trend rate | |
| Post-65 | Fiscal year ended 2023 |
| Pre-65 | Fiscal year ended 2028 |
| Investment rate of return | 3.50%, including inflation* |

*Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 3.50%. However, since the difference was minimal, a more conservative 3.50% investment return assumption has been used. Since LODA is funded on a current-disbursement basis, the assumed annual rate of return of 3.50% was used since it approximates the risk-free rate of return.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

Line of Duty Act (LODA) Program: (Continued)

Actuarial Assumptions: (Continued)

Mortality Rates - Non-Largest Ten Locality Employers with Public Safety Employees

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

Line of Duty Act (LODA) Program: (Continued)

Net LODA OPEB Liability

The net OPEB liability (NOL) for the Line of Duty Act Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2019, NOL amounts for the Line of Duty Act Program is as follows (amounts expressed in thousands):

| | <u>LODA Program</u> |
|---|---------------------|
| Total LODA OPEB Liability | \$ 361,626 |
| Plan Fiduciary Net Position | 2,839 |
| Employers' Net OPEB Liability (Asset) | <u>\$ 358,787</u> |
| Plan Fiduciary Net Position as a Percentage of the Total LODA OPEB Liability | 0.79% |

The total LODA 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 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 LODA OPEB Program's investments was set at 3.50% for this valuation. Since LODA is funded on a current-disbursement basis, it is not able to use the VRS Pooled Investments 6.75% assumption. Instead, the assumed annual rate of return of 3.50% was used since it approximates the risk-free rate of return. This Single Equivalent Interest Rate (SEIR) is the applicable municipal bond index rate based on the Bond Buyer General Obligation 20-year Municipal Bond Index published monthly by the Board of Governors of the Federal Reserve System as of the measurement date of June 30, 2019.

Discount Rate

The discount rate used to measure the total LODA OPEB liability was 3.50%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made per the VRS Statutes and that they 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, 2019, the rate contributed by participating employers to the LODA OPEB Program will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

Line of Duty Act (LODA) Program: (Continued)

Sensitivity of the Covered Employer’s Proportionate Share of the Net LODA OPEB Liability to Changes in the Discount Rate

The following presents the covered employer’s proportionate share of the net LODA OPEB liability using the discount rate of 3.50%, as well as what the covered employer’s proportionate share of the net LODA OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.50%) or one percentage point higher (4.50%) than the current rate:

| | Discount Rate | | |
|---|------------------------|--------------------|------------------------|
| | 1% Decrease (2.50%) | Current (3.50%) | 1% Increase (4.50%) |
| County's proportionate share of the LODA Net OPEB Liability | \$ 1,543,043 | \$ 1,330,128 | \$ 1,161,725 |

Sensitivity of the Covered Employer’s Proportionate Share of the Net LODA OPEB Liability to Changes in the Health Care Trend Rate

Because the Line of Duty Act Program contains a provision for the payment of health insurance premiums, the liabilities are also impacted by the health care trend rates. The following presents the covered employer’s proportionate share of the net LODA OPEB liability using the health care trend rate of 7.75% decreasing to 4.75%, as well as what the covered employer’s proportionate share of the net LODA OPEB liability would be if it were calculated using a health care trend rate that is one percentage point lower (6.75% decreasing to 3.75%) or one percentage point higher (8.75% decreasing to 5.75%) than the current rate:

| | Health Care Trend Rates | | |
|---|--|--|--|
| | 1% Decrease (6.75% decreasing to 3.75%) | Current (7.75% decreasing to 4.75%) | 1% Increase (8.75% decreasing to 5.75%) |
| County's proportionate share of the LODA Net OPEB Liability | \$ 1,124,610 | \$ 1,330,128 | \$ 1,589,307 |

LODA OPEB Fiduciary Net Position

Detailed information about the Line of Duty Act Program Fiduciary Net Position is available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2019-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

Primary Government and Component Unit School Board

Aggregate OPEB Information

| <u>VRS OPEB Plans:</u> | <u>Deferred Outflows</u> | <u>Deferred Inflows</u> | <u>Net OPEB Liability</u> | <u>OPEB Expense</u> |
|--------------------------------------|------------------------------|-----------------------------|-------------------------------|-------------------------|
| Primary Government: | | | | |
| Group Life Insurance Plan: | | | | |
| County | \$ 104,030 | \$ 36,754 | \$ 474,999 | \$ 12,211 |
| County Health Insurance Credit Plan | 5,938 | 19,016 | 3,993 | (1,013) |
| Line of Duty Act Program | 395,288 | 132,546 | 1,330,128 | 120,108 |
| County Stand-Alone Plan | 283,925 | 3,556 | 596,115 | 111,094 |
| Totals | <u>\$ 789,181</u> | <u>\$ 191,872</u> | <u>\$ 2,405,235</u> | <u>\$ 242,400</u> |
| Component Unit School Board | | | | |
| Group Life Insurance Plan: | | | | |
| School Board Nonprofessional | \$ 27,944 | \$ 18,493 | \$ 144,176 | \$ 1,325 |
| School Board Professional | 288,717 | 128,331 | 1,471,212 | 28,310 |
| Teacher Health Insurance Credit Plan | 279,799 | 106,201 | 2,766,123 | 216,092 |
| School Stand-Alone Plan | 497,392 | 212,454 | 3,015,808 | 313,137 |
| Totals | <u>\$ 1,093,852</u> | <u>\$ 465,479</u> | <u>\$ 7,397,319</u> | <u>\$ 558,864</u> |

Note 16—Upcoming Pronouncements:

Statement No. 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

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

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

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 16—Upcoming Pronouncements: (Continued)

Statement No. 90, *Majority Equity Interests - An Amendment of GASB Statements No. 14 and No. 61*, provides guidance for reporting a government's majority equity interest in a legally separate organization and for reporting financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

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

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

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

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

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

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

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2020 (Continued)

Note 17—COVID-19 Pandemic Subsequent Event:

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency stemming from a new strain of coronavirus that was spreading globally (the “COVID-19 outbreak”). On March 11, 2020, the WHO classified the COVID-19 outbreak as a pandemic, triggering volatility in financial markets and a significant negative impact on the global economy. The COVID-19 pandemic has developed rapidly in 2020 and remains a quickly evolving situation. As a result of the spread of COVID-19, economic uncertainties have arisen which are likely to negatively impact economic activity. The County is not able to estimate the effects of the COVID-19 pandemic for fiscal year 2021.

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - General Fund
For the Year Ended June 30, 2020

| | General Fund | | | Variance From Amended Budget Positive (Negative) |
|---|----------------------|-------------------------|----------------------|---|
| | Original Budget | Budget As Amended | Actual | |
| Revenues: | | | | |
| General property taxes | \$ 21,922,663 | \$ 21,922,663 | \$ 22,581,558 | \$ 658,895 |
| Other local taxes | 4,883,864 | 4,933,864 | 5,530,304 | 596,440 |
| Permits, privilege fees and regulatory licenses | 293,125 | 293,125 | 400,256 | 107,131 |
| Fines and forfeitures | 161,500 | 161,500 | 87,554 | (73,946) |
| Revenue from use of money and property | 81,406 | 81,406 | 173,517 | 92,111 |
| Charges for services | 4,202,132 | 4,259,657 | 2,961,250 | (1,298,407) |
| Miscellaneous | 2,100 | 70,282 | 84,824 | 14,542 |
| Recovered costs | 146,381 | 146,381 | 177,599 | 31,218 |
| Intergovernmental: | | | | |
| Commonwealth | 6,091,379 | 6,245,960 | 5,782,769 | (463,191) |
| Federal | 1,492,643 | 2,109,869 | 1,980,376 | (129,493) |
| Total revenues | \$ 39,277,193 | \$ 40,224,707 | \$ 39,760,007 | \$ (464,700) |
| Expenditures: | | | | |
| General government administration: | | | | |
| Legislative: | | | | |
| Board of supervisors | \$ 104,681 | \$ 109,636 | \$ 92,196 | \$ 17,440 |
| General and financial administration: | | | | |
| County administrator | \$ 601,629 | \$ 606,629 | \$ 597,108 | \$ 9,521 |
| Legal services | 69,200 | 69,200 | 68,000 | 1,200 |
| Independent auditor | 62,600 | 62,600 | 62,600 | - |
| Commissioner of the Revenue | 238,006 | 238,006 | 233,951 | 4,055 |
| Reassessment | 9,100 | 9,100 | 8,766 | 334 |
| Treasurer | 367,441 | 424,966 | 407,688 | 17,278 |
| Computer technology | 99,900 | 99,900 | 72,460 | 27,440 |
| Vehicle maintenance facility | 913,645 | 916,885 | 889,832 | 27,053 |
| Total general and financial administration | \$ 2,361,521 | \$ 2,427,286 | \$ 2,340,405 | \$ 86,881 |
| Board of Elections: | | | | |
| Electoral board and officials | \$ 151,493 | \$ 157,933 | \$ 144,431 | \$ 13,502 |
| Total general government administration | \$ 2,617,695 | \$ 2,694,855 | \$ 2,577,032 | \$ 117,823 |

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - General Fund
For the Year Ended June 30, 2020 (continued)

| Fund, Function, Activity, Element | General Fund | | | Variance From Amended Budget Positive (Negative) |
|--|--------------------|-------------------------|--------------|---|
| | Original Budget | Budget As Amended | Actual | |
| Expenditures: (Continued) | | | | |
| Judicial administration: | | | | |
| Courts: | | | | |
| Circuit court | \$ 68,811 | \$ 74,331 | \$ 34,608 | \$ 39,723 |
| Combined Courts | 7,340 | 7,340 | 4,952 | 2,388 |
| Special magistrates | 900 | 900 | 422 | 478 |
| Juvenile and domestic relations district court | 13,946 | 13,946 | 8,760 | 5,186 |
| Clerk of the circuit court | 357,095 | 366,300 | 309,924 | 56,376 |
| Victim and witness assistance | 87,675 | 87,809 | 78,617 | 9,192 |
| Total courts | \$ 535,767 | \$ 550,626 | \$ 437,283 | \$ 113,343 |
| Commonwealth's attorney: | | | | |
| Commonwealth's attorney | \$ 383,821 | \$ 437,651 | \$ 357,604 | \$ 80,047 |
| Total judicial administration | \$ 919,588 | \$ 988,277 | \$ 794,887 | \$ 193,390 |
| Public safety: | | | | |
| Law enforcement and traffic control: | | | | |
| Sheriff | \$ 3,152,716 | \$ 3,312,376 | \$ 2,835,809 | \$ 476,567 |
| Technology grant | - | 3,614 | 2,083 | 1,531 |
| DMV overtime grant | - | 8,651 | 5,043 | 3,608 |
| School resource officer | 194,778 | 194,778 | 191,844 | 2,934 |
| Byrne grant | - | 23,832 | 17,427 | 6,405 |
| Forfeited property | - | 15,845 | 3,317 | 12,528 |
| Donations | - | 36,336 | 11,844 | 24,492 |
| Emergency 911 system | 663,668 | 663,668 | 519,191 | 144,477 |
| Grant expenditures | - | 13,923 | 8,016 | 5,907 |
| Total law enforcement and traffic control | \$ 4,011,162 | \$ 4,273,023 | \$ 3,594,574 | \$ 678,449 |
| Fire and rescue services: | | | | |
| Volunteer fire departments and rescue squads | \$ 1,033,100 | \$ 1,038,790 | \$ 948,790 | \$ 90,000 |
| Other fire and rescue | 1,160,244 | 1,522,893 | 1,081,630 | 441,263 |
| Total fire and rescue services | \$ 2,193,344 | \$ 2,561,683 | \$ 2,030,420 | \$ 531,263 |
| Correction and detention: | | | | |
| Confinement of prisoners | \$ 2,038 | \$ 2,038 | \$ 1,634 | \$ 404 |
| Payment to regional jail | 1,328,261 | 1,328,261 | 1,328,261 | - |
| Juvenile detention homes | 209,163 | 209,163 | 180,800 | 28,363 |
| Total correction and detention | \$ 1,539,462 | \$ 1,539,462 | \$ 1,510,695 | \$ 28,767 |

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - General Fund
For the Year Ended June 30, 2020 (continued)

| Fund, Function, Activity, Element | General Fund | | | Variance From Amended Budget Positive (Negative) |
|---|--------------------|-------------------------|--------------|---|
| | Original Budget | Budget As Amended | Actual | |
| Expenditures: (Continued) | | | | |
| Public Safety: (continued) | | | | |
| Inspections: | | | | |
| Building | \$ 317,203 | \$ 319,203 | \$ 313,317 | \$ 5,886 |
| Other protection: | | | | |
| Animal shelter | \$ 85,944 | \$ 194,356 | \$ 142,176 | \$ 52,180 |
| Civil defense | 130,397 | 136,009 | 131,957 | 4,052 |
| Animal control | 185,556 | 185,556 | 134,509 | 51,047 |
| Medical examiner | 160 | 160 | 60 | 100 |
| Total other protection | \$ 402,057 | \$ 516,081 | \$ 408,702 | \$ 107,379 |
| Total public safety | \$ 8,463,228 | \$ 9,209,452 | \$ 7,857,708 | \$ 1,351,744 |
| Public works: | | | | |
| Sanitation and waste removal: | | | | |
| Refuse disposal | \$ 1,508,252 | \$ 1,508,252 | \$ 1,848,391 | \$ (340,139) |
| Maintenance of general buildings and grounds: | | | | |
| General properties | \$ 527,278 | \$ 659,673 | \$ 511,109 | \$ 148,564 |
| Total public works | \$ 2,035,530 | \$ 2,167,925 | \$ 2,359,500 | \$ (191,575) |
| Health and welfare: | | | | |
| Health: | | | | |
| Local health department | \$ 267,865 | \$ 267,865 | \$ 267,865 | \$ - |
| Mental health and mental retardation: | | | | |
| Chapter X board | \$ 106,012 | \$ 106,012 | \$ 106,012 | \$ - |
| Welfare: | | | | |
| Welfare administration and public assistance | \$ 1,732,904 | \$ 1,747,902 | \$ 1,500,037 | \$ 247,865 |
| Comprehensive services act | 1,300,000 | 1,300,000 | 1,249,446 | 50,554 |
| Area agency on aging | 112,546 | 115,086 | 115,085 | 1 |
| Piedmont regional dental clinic | 2,500 | 2,500 | 2,500 | - |
| Tax relief for the elderly | - | - | 302,549 | (302,549) |
| Shelter for help in emergency | 3,060 | 3,060 | 3,060 | - |
| Community corrections | 9,372 | 9,372 | 9,372 | - |
| Total welfare | \$ 3,160,382 | \$ 3,177,920 | \$ 3,182,049 | \$ (4,129) |
| Total health and welfare | \$ 3,534,259 | \$ 3,551,797 | \$ 3,555,926 | \$ (4,129) |

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - General Fund
For the Year Ended June 30, 2020 (continued)

| Fund, Function, Activity, Element | General Fund | | | Variance From Amended Budget Positive (Negative) |
|---|--------------------|-------------------------|---------------|---|
| | Original Budget | Budget As Amended | Actual | |
| Expenditures: (Continued) | | | | |
| Education: | | | | |
| Contributions to community colleges | \$ 40,729 | \$ 40,729 | \$ 40,729 | \$ - |
| Contribution to Component Unit - School Board | 17,465,112 | 17,465,112 | 14,925,347 | 2,539,765 |
| Total education | \$ 17,505,841 | \$ 17,505,841 | \$ 14,966,076 | \$ 2,539,765 |
| Parks, recreation, and cultural: | | | | |
| Parks and recreation: | | | | |
| Parks and recreation administration | \$ 209,033 | \$ 209,033 | \$ 181,652 | \$ 27,381 |
| Library: | | | | |
| Regional library | \$ 419,127 | \$ 420,192 | \$ 420,074 | \$ 118 |
| Total parks, recreation, and cultural | \$ 628,160 | \$ 629,225 | \$ 601,726 | \$ 27,499 |
| Community development: | | | | |
| Planning and community development: | | | | |
| Planning | \$ 418,062 | \$ 666,245 | \$ 391,034 | \$ 275,211 |
| Community development | 1,354,022 | 1,434,692 | 1,107,012 | 327,680 |
| Zoning board | 6,694 | 6,694 | 848 | 5,846 |
| Economic development | 380,934 | 380,934 | 404,806 | (23,872) |
| Total planning and community development | \$ 2,159,712 | \$ 2,488,565 | \$ 1,903,700 | \$ 584,865 |
| Environmental management: | | | | |
| Soil and water conservation district | \$ 17,878 | \$ 17,878 | \$ 17,878 | \$ - |
| Environmental management | 83,486 | 83,486 | 82,260 | 1,226 |
| Total environmental management | \$ 101,364 | \$ 101,364 | \$ 100,138 | \$ 1,226 |
| Cooperative extension program: | | | | |
| VPI extension program | \$ 64,462 | \$ 64,462 | \$ 53,937 | \$ 10,525 |
| Total community development | \$ 2,325,538 | \$ 2,654,391 | \$ 2,057,775 | \$ 596,616 |
| Nondepartmental: | | | | |
| Miscellaneous | \$ 230,305 | \$ 194,305 | \$ 64,404 | \$ 129,901 |

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget and Actual - General Fund
 For the Year Ended June 30, 2020 (continued)

| Fund, Function, Activity, Element | General Fund | | | Variance From Amended Budget Positive (Negative) |
|---|--------------------|-------------------------|-----------------|---|
| | Original Budget | Budget As Amended | Actual | |
| Expenditures: (Continued) | | | | |
| Capital projects: | | | | |
| Reservoir | \$ 4,198,517 | \$ 4,198,517 | \$ 4,008,636 | \$ 189,881 |
| Water plant | 1,428,541 | 1,428,541 | 1,277,275 | 151,266 |
| Consulting services | - | 5,000 | 5,000 | - |
| Sewer project | - | 67,862 | 64,862 | 3,000 |
| Water system Improvements | - | 2,688 | 2,688 | - |
| Communication facilities | 174,450 | 174,450 | 1,659,718 | (1,485,268) |
| Motor vehicles | - | - | 204,810 | (204,810) |
| Land acquisition | - | 422,000 | 208,117 | 213,883 |
| Recreation facilities | - | 13,312 | - | 13,312 |
| Total capital projects | \$ 5,801,508 | \$ 6,312,370 | \$ 7,431,106 | \$ (1,118,736) |
| Debt service: | | | | |
| Principal retirement | \$ 1,755,908 | \$ 13,239,305 | \$ 12,109,343 | \$ 1,129,962 |
| Interest and fiscal charges | 1,163,846 | 1,230,494 | 523,744 | 706,750 |
| Total debt service | \$ 2,919,754 | \$ 14,469,799 | \$ 12,633,087 | \$ 1,836,712 |
| Total expenditures | \$ 46,981,406 | \$ 60,378,237 | \$ 54,899,227 | \$ 5,479,010 |
| Excess (deficiency) of revenues over (under) expenditures | \$ (7,704,213) | \$ (20,153,530) | \$ (15,139,220) | \$ 5,014,310 |
| Other financing sources (uses): | | | | |
| Issuance of capital leases | \$ - | \$ - | \$ 727,819 | \$ 727,819 |
| Issuance of bonds | - | - | 1,040,000 | 1,040,000 |
| Issuance of bond anticipation note | - | 11,977,000 | 11,977,000 | - |
| Transfers out | - | - | (1,714,977) | (1,714,977) |
| Transfers (out) | 5,627,058 | 5,627,058 | - | (5,627,058) |
| Total other financing sources (uses) | \$ 5,627,058 | \$ 17,604,058 | \$ 12,029,842 | \$ (5,574,216) |
| Change in fund balance | \$ (2,077,155) | \$ (2,549,472) | \$ (3,109,378) | \$ (559,906) |
| Fund balance at beginning of year | 2,077,155 | 2,549,472 | 16,442,260 | 13,892,788 |
| Fund balance at end of year | \$ - | \$ - | \$ 13,332,882 | \$ 13,332,882 |

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, 2019

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total pension liability | | | | | | |
| Service cost | \$ 613,296 | \$ 610,548 | \$ 650,866 | \$ 626,524 | \$ 594,337 | \$ 589,783 |
| Interest | 1,433,534 | 1,354,783 | 1,351,099 | 1,242,379 | 1,176,121 | 1,105,478 |
| Differences between expected and actual experience | (57,217) | 91,851 | (778,858) | 486,106 | (80,467) | - |
| Changes of assumptions | 656,950 | - | (329,914) | - | - | - |
| Benefit payments | (990,299) | (874,033) | (807,101) | (796,628) | (690,252) | (681,899) |
| Net change in total pension liability | <u>\$ 1,656,264</u> | <u>\$ 1,183,149</u> | <u>\$ 86,092</u> | <u>\$ 1,558,381</u> | <u>\$ 999,739</u> | <u>\$ 1,013,362</u> |
| Total pension liability - beginning | <u>20,974,211</u> | <u>19,791,062</u> | <u>19,704,970</u> | <u>18,146,589</u> | <u>17,146,850</u> | <u>16,133,488</u> |
| Total pension liability - ending (a) | <u>\$ 22,630,475</u> | <u>\$ 20,974,211</u> | <u>\$ 19,791,062</u> | <u>\$ 19,704,970</u> | <u>\$ 18,146,589</u> | <u>\$ 17,146,850</u> |
| Plan fiduciary net position | | | | | | |
| Contributions - employer | \$ 450,129 | \$ 494,436 | \$ 497,024 | \$ 526,301 | \$ 534,179 | \$ 513,429 |
| Contributions - employee | 276,236 | 266,668 | 266,336 | 262,882 | 262,135 | 242,987 |
| Net investment income | 1,381,874 | 1,434,332 | 2,118,930 | 300,700 | 747,779 | 2,210,181 |
| Benefit payments | (990,299) | (874,033) | (807,101) | (796,628) | (690,252) | (681,899) |
| Administrator charges | (13,601) | (12,219) | (12,042) | (10,459) | (9,986) | (11,721) |
| Other | (870) | (1,284) | (1,893) | (127) | (158) | 116 |
| Net change in plan fiduciary net position | <u>\$ 1,103,469</u> | <u>\$ 1,307,900</u> | <u>\$ 2,061,254</u> | <u>\$ 282,669</u> | <u>\$ 843,697</u> | <u>\$ 2,273,093</u> |
| Plan fiduciary net position - beginning | <u>20,681,366</u> | <u>19,373,466</u> | <u>17,312,212</u> | <u>17,029,543</u> | <u>16,185,846</u> | <u>13,912,753</u> |
| Plan fiduciary net position - ending (b) | <u>\$ 21,784,835</u> | <u>\$ 20,681,366</u> | <u>\$ 19,373,466</u> | <u>\$ 17,312,212</u> | <u>\$ 17,029,543</u> | <u>\$ 16,185,846</u> |
| County's net pension liability - ending (a) - (b) | \$ 845,640 | \$ 292,845 | \$ 417,596 | \$ 2,392,758 | \$ 1,117,046 | \$ 961,004 |
| Plan fiduciary net position as a percentage of the total pension liability | 96.26% | 98.60% | 97.89% | 87.86% | 93.84% | 94.40% |
| Covered payroll | \$ 5,722,529 | \$ 5,442,647 | \$ 5,392,875 | \$ 5,152,664 | \$ 5,064,627 | \$ 4,782,184 |
| County's net pension liability as a percentage of covered payroll | 14.78% | 5.38% | 7.74% | 46.44% | 22.06% | 20.10% |

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

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, 2019

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total pension liability | | | | | | |
| Service cost | \$ 168,547 | \$ 174,165 | \$ 166,262 | \$ 195,561 | \$ 207,351 | \$ 197,556 |
| Interest | 607,214 | 585,379 | 574,020 | 549,678 | 529,260 | 501,192 |
| Differences between expected and actual experience | (136,122) | 35,661 | (44,670) | (43,785) | (130,804) | - |
| Changes of assumptions | 236,861 | - | (114,093) | - | - | - |
| Benefit payments | (515,660) | (450,901) | (387,597) | (319,802) | (308,451) | (287,094) |
| Net change in total pension liability | \$ 360,840 | \$ 344,304 | \$ 193,922 | \$ 381,652 | \$ 297,356 | \$ 411,654 |
| Total pension liability - beginning | 8,932,315 | 8,588,011 | 8,394,089 | 8,012,437 | 7,715,081 | 7,303,427 |
| Total pension liability - ending (a) | \$ <u>9,293,155</u> | \$ <u>8,932,315</u> | \$ <u>8,588,011</u> | \$ <u>8,394,089</u> | \$ <u>8,012,437</u> | \$ <u>7,715,081</u> |
| Plan fiduciary net position | | | | | | |
| Contributions - employer | \$ 99,908 | \$ 107,531 | \$ 112,198 | \$ 168,767 | \$ 180,867 | \$ 162,035 |
| Contributions - employee | 83,779 | 83,240 | 86,675 | 85,822 | 92,428 | 88,696 |
| Net investment income | 583,273 | 626,051 | 944,674 | 135,115 | 341,344 | 1,019,576 |
| Benefit payments | (515,660) | (450,901) | (387,597) | (319,802) | (308,451) | (287,094) |
| Administrator charges | (5,957) | (5,501) | (5,529) | (4,788) | (4,638) | (5,481) |
| Other | (366) | (554) | (838) | (57) | (73) | 54 |
| Net change in plan fiduciary net position | \$ 244,977 | \$ 359,866 | \$ 749,583 | \$ 65,057 | \$ 301,477 | \$ 977,786 |
| Plan fiduciary net position - beginning | 8,932,595 | 8,572,729 | 7,823,146 | 7,758,089 | 7,456,612 | 6,478,826 |
| Plan fiduciary net position - ending (b) | \$ <u>9,177,572</u> | \$ <u>8,932,595</u> | \$ <u>8,572,729</u> | \$ <u>7,823,146</u> | \$ <u>7,758,089</u> | \$ <u>7,456,612</u> |
| School Division's net pension liability - ending (a) - (b) | \$ 115,583 | \$ (280) | \$ 15,282 | \$ 570,943 | \$ 254,348 | \$ 258,469 |
| Plan fiduciary net position as a percentage of the total pension liability | 98.76% | 100.00% | 99.82% | 93.20% | 96.83% | 96.65% |
| Covered payroll | \$ 1,736,515 | \$ 1,724,445 | \$ 1,782,774 | \$ 1,749,954 | \$ 1,865,716 | \$ 1,775,867 |
| School Division's net pension liability as a percentage of covered payroll | 6.66% | -0.02% | 0.86% | 32.63% | 13.63% | 14.55% |

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

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, 2019

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| Employer's Proportion of the Net Pension Liability | 0.21% | 0.22% | 0.22% | 0.22% | 0.21% | 0.20% |
| Employer's Proportionate Share of the Net Pension Liability | \$ 27,568,758 | \$ 25,259,000 | \$ 26,657,000 | \$ 30,577,000 | \$ 26,993,000 | \$ 24,663,000 |
| Employer's Covered Payroll | 17,390,744 | 17,476,871 | 17,188,041 | 16,647,396 | 15,942,460 | 14,910,035 |
| Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 158.53% | 144.53% | 155.09% | 183.67% | 169.32% | 165.41% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 73.51% | 74.81% | 72.92% | 68.28% | 70.68% | 70.88% |

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

Schedule of Employer Contributions
 Pension Plans
 For the Years Ended June 30, 2011 through June 30, 2020

| 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 Employee Payroll (5) |
|--|---|--|--------------------------------------|--------------------------------|--|
| Primary Government | | | | | |
| 2020 | \$ 444,781 | \$ 444,781 | \$ - | \$ 5,883,682 | 7.56% |
| 2019 | 433,401 | 433,401 | - | 5,722,529 | 7.57% |
| 2018 | 494,434 | 494,434 | - | 5,442,647 | 9.08% |
| 2017 | 497,024 | 497,024 | - | 5,392,875 | 9.22% |
| 2016 | 530,209 | 530,209 | - | 5,152,664 | 10.29% |
| 2015 | 521,150 | 521,150 | - | 5,064,627 | 10.29% |
| 2014 | 514,085 | 514,085 | - | 4,782,184 | 10.75% |
| 2013 | 517,848 | 517,848 | - | 4,817,190 | 10.75% |
| 2012 | 379,987 | 379,987 | - | 4,611,496 | 8.24% |
| 2011 | 365,916 | 365,916 | - | 4,440,726 | 8.24% |
| Component Unit School Board (nonprofessional) | | | | | |
| 2020 | \$ 101,094 | \$ 101,094 | \$ - | \$ 1,777,266 | 5.69% |
| 2019 | 99,907 | 99,907 | - | 1,736,515 | 5.75% |
| 2018 | 107,551 | 107,551 | - | 1,724,445 | 6.24% |
| 2017 | 112,642 | 112,642 | - | 1,782,774 | 6.32% |
| 2016 | 170,446 | 170,446 | - | 1,749,954 | 9.74% |
| 2015 | 181,721 | 181,721 | - | 1,865,716 | 9.74% |
| 2014 | 162,137 | 162,137 | - | 1,775,867 | 9.13% |
| 2013 | 157,288 | 157,288 | - | 1,722,757 | 9.13% |
| 2012 | 126,647 | 126,647 | - | 1,686,384 | 7.51% |
| 2011 | 126,754 | 126,754 | - | 1,687,804 | 7.51% |
| Component Unit School Board (professional) | | | | | |
| 2020 | \$ 2,696,332 | \$ 2,696,332 | \$ - | \$ 17,936,997 | 15.03% |
| 2019 | 2,577,175 | 2,577,175 | - | 17,390,744 | 14.82% |
| 2018 | 2,777,888 | 2,777,888 | - | 17,476,871 | 15.89% |
| 2017 | 2,466,470 | 2,466,470 | - | 17,188,041 | 14.35% |
| 2016 | 2,317,645 | 2,317,645 | - | 16,647,396 | 13.92% |
| 2015 | 2,294,610 | 2,294,610 | - | 15,942,460 | 14.39% |
| 2014 | 2,100,800 | 2,100,800 | - | 14,910,035 | 14.09% |
| 2013 | 1,756,255 | 1,756,255 | - | 15,062,224 | 11.66% |
| 2012 | 1,714,645 | 1,714,645 | - | 15,133,669 | 11.33% |
| 2011 | 1,328,309 | 1,328,309 | - | 14,830,772 | 8.96% |

All contributions are from County and School Board records.

Notes to Required Supplementary Information
 Pension Plans
 For the Year Ended June 30, 2020

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, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

All Others (Non 10 Largest) - Hazardous Duty:

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

Component Unit School Board - Professional Employees

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

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, 2019

| 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: | | | | | |
| 2019 | 0.02919% \$ | 474,999 \$ | 5,722,529 | 8.30% | 52.00% |
| 2018 | 0.02865% | 435,000 | 5,448,831 | 7.98% | 51.22% |
| 2017 | 0.02924% | 440,000 | 5,392,875 | 8.16% | 48.86% |
| Component Unit - School Board (nonprofessional): | | | | | |
| 2019 | 0.00886% \$ | 144,176 \$ | 1,736,515 | 8.30% | 52.00% |
| 2018 | 0.00907% | 137,000 | 1,724,445 | 7.94% | 51.22% |
| 2017 | 0.00967% | 146,000 | 1,782,774 | 8.19% | 48.86% |
| Component Unit - School Board (professional): | | | | | |
| 2019 | 0.09041% \$ | 1,471,212 \$ | 17,723,233 | 8.30% | 52.00% |
| 2018 | 0.09191% | 1,396,000 | 17,476,871 | 7.99% | 51.22% |
| 2017 | 0.09318% | 1,402,000 | 17,188,041 | 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.

Schedule of Employer Contributions
 Group Life Insurance (GLI) Plan
 For the Years Ended June 30, 2011 through June 30, 2020

| 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) |
|---|--|---|---|---|---|
| County: | | | | | |
| 2020 | \$ 30,595 | \$ 30,595 | \$ - | \$ 5,883,682 | 0.52% |
| 2019 | 29,757 | 29,757 | - | 5,722,529 | 0.52% |
| 2018 | 28,552 | 28,552 | - | 5,448,831 | 0.52% |
| 2017 | 28,000 | 28,000 | - | 5,392,875 | 0.52% |
| 2016 | 24,747 | 24,747 | - | 5,155,725 | 0.48% |
| 2015 | 24,310 | 24,310 | - | 5,064,627 | 0.48% |
| 2014 | 22,971 | 22,971 | - | 4,785,524 | 0.48% |
| 2013 | 23,123 | 23,123 | - | 4,817,190 | 0.48% |
| 2012 | 12,912 | 12,912 | - | 4,611,496 | 0.28% |
| 2011 | 12,434 | 12,434 | - | 4,440,726 | 0.28% |
| Component Unit - School Board (nonprofessional): | | | | | |
| 2020 | \$ 9,253 | \$ 9,253 | \$ - | \$ 1,779,515 | 0.52% |
| 2019 | 9,030 | 9,030 | - | 1,736,515 | 0.52% |
| 2018 | 9,036 | 9,036 | - | 1,724,445 | 0.52% |
| 2017 | 9,270 | 9,270 | - | 1,782,774 | 0.52% |
| 2016 | 8,400 | 8,400 | - | 1,749,954 | 0.48% |
| 2015 | 8,955 | 8,955 | - | 1,865,716 | 0.48% |
| 2014 | 8,524 | 8,524 | - | 1,775,867 | 0.48% |
| 2013 | 8,269 | 8,269 | - | 1,722,757 | 0.48% |
| 2012 | 4,722 | 4,722 | - | 1,686,384 | 0.28% |
| 2011 | 4,726 | 4,726 | - | 1,687,804 | 0.28% |
| Component Unit - School Board (professional): | | | | | |
| 2020 | \$ 93,337 | \$ 93,337 | \$ - | \$ 17,949,478 | 0.52% |
| 2019 | 92,161 | 92,161 | - | 17,723,233 | 0.52% |
| 2018 | 91,606 | 91,606 | - | 17,476,871 | 0.52% |
| 2017 | 89,378 | 89,378 | - | 17,188,041 | 0.52% |
| 2016 | 79,854 | 79,854 | - | 16,636,220 | 0.48% |
| 2015 | 76,535 | 76,535 | - | 15,944,776 | 0.48% |
| 2014 | 71,639 | 71,639 | - | 14,924,718 | 0.48% |
| 2013 | 72,278 | 72,278 | - | 15,057,891 | 0.48% |
| 2012 | 42,369 | 42,369 | - | 15,131,763 | 0.28% |
| 2011 | 41,513 | 41,513 | - | 14,825,938 | 0.28% |

Notes to Required Supplementary Information
 Group Life Insurance (GLI) Plan
 For the Year Ended June 30, 2020

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, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Teachers

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

Non-Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

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

Schedule of Changes in Net OPEB Liability and Related Ratios
 Health Insurance Credit (HIC) Plan
 For the Measurement Dates of June 30, 2017 through June 30, 2019

| | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|--|-------------------------|--------------------------|--------------------------|
| Total HIC OPEB Liability | | | |
| Service cost | \$ 2,218 | \$ 2,242 | \$ 2,275 |
| Interest | 7,314 | 7,315 | 7,456 |
| Differences between expected and actual experience | (17,478) | (1,609) | - |
| Changes in assumptions | 2,214 | - | (5,238) |
| Benefit payments | (7,500) | (8,429) | (4,586) |
| Net change in total HIC OPEB liability | <u>\$ (13,232)</u> | <u>\$ (481)</u> | <u>\$ (93)</u> |
| Total HIC OPEB Liability - beginning | <u>108,232</u> | <u>108,713</u> | <u>108,806</u> |
| Total HIC OPEB Liability - ending (a) | <u><u>\$ 95,000</u></u> | <u><u>\$ 108,232</u></u> | <u><u>\$ 108,713</u></u> |
| Plan fiduciary net position | | | |
| Contributions - employer | \$ 3,980 | \$ 3,924 | \$ 3,784 |
| Net investment income | 5,571 | 6,144 | 9,137 |
| Benefit payments | (7,500) | (8,429) | (4,586) |
| Administrative expense | (120) | (140) | (147) |
| Other | (7) | (465) | 465 |
| Net change in plan fiduciary net position | <u>\$ 1,924</u> | <u>\$ 1,034</u> | <u>\$ 8,653</u> |
| Plan fiduciary net position - beginning | <u>89,083</u> | <u>88,049</u> | <u>79,396</u> |
| Plan fiduciary net position - ending (b) | <u><u>\$ 91,007</u></u> | <u><u>\$ 89,083</u></u> | <u><u>\$ 88,049</u></u> |
| County's net HIC OPEB liability - ending (a) - (b) | \$ 3,993 | \$ 19,149 | \$ 20,664 |
| Plan fiduciary net position as a percentage of the total HIC OPEB liability | 95.80% | 82.31% | 80.99% |
| Covered payroll | \$ 2,094,748 | \$ 2,065,092 | \$ 1,991,416 |
| County's net HIC OPEB liability as a percentage of covered payroll | 0.19% | 0.93% | 1.04% |

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.

Schedule of 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, 2019

| Date (1) | Employer's Proportion of the Net HIC OPEB Liability (Asset) (2) | Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) (3) | Employer's Covered Payroll (4) | Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5) | Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6) |
|-------------|---|---|---|--|---|
|-------------|---|---|---|--|---|

School Board - Professional:

| | | | | | |
|------|----------|--------------|---------------|--------|-------|
| 2019 | 0.21130% | \$ 2,766,123 | \$ 17,723,233 | 15.61% | 8.97% |
| 2018 | 0.21610% | 2,744,000 | 17,476,871 | 15.70% | 8.08% |
| 2017 | 0.21779% | 2,763,000 | 17,188,041 | 16.08% | 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.

Schedule of Employer Contributions
 Health Insurance Credit (HIC) Plans
 For the Years Ended June 30, 2011 through June 30, 2020

| 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: | | | | | |
| 2020 | \$ 4,119 | \$ 4,119 | \$ - | \$ 2,167,831 | 0.19% |
| 2019 | 3,980 | 3,980 | - | 2,094,748 | 0.19% |
| 2018 | 3,924 | 3,924 | - | 2,065,092 | 0.19% |
| 2017 | 3,784 | 3,784 | - | 1,991,416 | 0.19% |
| 2016 | 3,449 | 3,449 | - | 1,916,093 | 0.18% |
| 2015 | 3,451 | 3,451 | - | 1,917,345 | 0.18% |
| 2014 | 1,587 | 1,587 | - | 1,762,920 | 0.09% |
| 2013 | 4,347 | 4,347 | - | 4,829,740 | 0.09% |
| 2012 | 5,534 | 5,534 | - | 4,611,496 | 0.12% |
| 2011 | 5,329 | 5,329 | - | 4,440,726 | 0.12% |
| School Board - Professional: | | | | | |
| 2020 | \$ 215,244 | \$ 215,244 | \$ - | \$ 17,936,997 | 1.20% |
| 2019 | 212,679 | 212,679 | - | 17,723,233 | 1.20% |
| 2018 | 214,967 | 214,967 | - | 17,476,871 | 1.11% |
| 2017 | 190,787 | 190,787 | - | 17,188,041 | 1.11% |
| 2016 | 176,344 | 176,344 | - | 16,636,220 | 1.06% |
| 2015 | 169,015 | 169,015 | - | 15,944,776 | 1.06% |
| 2014 | 165,664 | 165,664 | - | 14,924,718 | 1.11% |
| 2013 | 167,191 | 167,191 | - | 15,062,224 | 1.11% |
| 2012 | 90,803 | 90,803 | - | 15,133,869 | 0.60% |
| 2011 | 88,956 | 88,956 | - | 14,825,938 | 0.60% |

Notes to Required Supplementary Information
 Health Insurance Credit (HIC) Plans
 For the Year Ended June 30, 2020

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, 2018, valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Health Insurance Credit Program - Primary Government:

Non-Largest Ten Locality Employers - General Employees

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

Teacher Health Insurance Credit Program - School Board - Professional:

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

OPEB - Health Insurance Plan
 Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios
 For the Years Ended June 30, 2018 through June 30, 2020

| | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|---|----------------------------|----------------------------|----------------------------|
| County: | | | |
| Total OPEB liability | | | |
| Service cost | \$ 31,452 | \$ 28,236 | \$ 5,681 |
| Interest | 18,521 | 16,874 | 4,785 |
| Effect of economic/demographic gains or losses | - | 280,246 | - |
| Effect of assumptions changes or inputs | 57,207 | 59,704 | (5,365) |
| Benefit payments | (17,420) | (12,350) | (4,953) |
| Net change in total OPEB liability | <u>\$ 89,760</u> | <u>\$ 372,710</u> | <u>\$ 148</u> |
| Total OPEB liability - beginning | 506,355 | 133,645 | 133,497 |
| Total OPEB liability - ending | <u><u>\$ 596,115</u></u> | <u><u>\$ 506,355</u></u> | <u><u>\$ 133,645</u></u> |
| Covered employee payroll | \$ 5,594,793 | \$ 5,594,793 | \$ 5,112,500 |
| County's total OPEB liability (asset) as a percentage of covered employee payroll | 10.65% | 9.05% | 2.61% |
| School Board: | | | |
| Total OPEB liability | | | |
| Service cost | \$ 144,909 | \$ 121,219 | \$ 145,601 |
| Interest | 95,396 | 85,824 | 85,683 |
| Effect of economic/demographic gains or losses | - | (236,168) | - |
| Effect of assumptions changes or inputs | 262,752 | 425,750 | (83,019) |
| Benefit payments | (134,671) | (162,129) | (74,994) |
| Net change in total OPEB liability | <u>\$ 368,386</u> | <u>\$ 234,496</u> | <u>\$ 73,271</u> |
| Total OPEB liability - beginning | 2,647,422 | 2,412,926 | 2,339,655 |
| Total OPEB liability - ending | <u><u>\$ 3,015,808</u></u> | <u><u>\$ 2,647,422</u></u> | <u><u>\$ 2,412,926</u></u> |
| Covered employee payroll | \$ 19,840,551 | \$ 19,840,551 | \$ 18,478,000 |
| School Boards total OPEB liability (asset) as a percentage of covered employee payroll | 15.20% | 13.34% | 13.06% |

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

OPEB - Health Insurance Plan
 Notes to Required Supplementary Information
 For the Year Ended June 30, 2020

Valuation Date: 7/1/2018
 Measurement Date: 6/30/2020

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

Methods and assumptions used to determine OPEB liability - County and School Board:

| | |
|-----------------------|--|
| Actuarial Cost Method | Entry age normal, level % of salary |
| Discount Rate | 2.21% as of June 30, 2020 |
| Healthcare Trend Rate | The rates are 5.30% for the School Board and 6.20% for the County for fiscal year ending 2020, decreasing .10% per year to an ultimate rate of 4.00% for the School Board and 4.00% for the County. |
| Salary Increase Rates | Non-law officers and School Board: Ranges of increases of 3.5% for 20+ years of service to 5.35% for 1-2 years of service; Law officers: Ranges of increases of 3.5% for 20+ years of service to 4.75% for 1-4 years of service. |
| Retirement Age | Age 50 and 10 years of service or Age 55 and 5 years of service - Plan 1 employees; Age 60 and 5 years of service - Plan 2 employees |
| Mortality Rates | Pre-Retirement: RP-2000 Employee Mortality Tables projected to 2020 using Scale AA with Males set forward 2 years and Females set back 3 years. Post-Retirement: RP-2000 Combined Health Mortality tables projected to 2020 using Scale AA with Females set back 1 year. Post-Disablement: RP-2000 Disables Life mortality tables with Males set back 3 years and no provision for future mortality improvement. |

Schedule of Employer's Share of Net LODA OPEB Liability
 Line of Duty Act (LODA) Program
 For the Measurement Dates of June 30, 2017 through June 30, 2019

| Date (1) | Employer's Proportion of the Net LODA OPEB Liability (Asset) (2) | Employer's Proportionate Share of the Net LODA OPEB Liability (Asset) (3) | Covered- Employee Payroll * (4) | Employer's Proportionate Share of the Net LODA OPEB Liability (Asset) as a Percentage of its Covered-Employee Payroll (3)/(4) (5) | Plan Fiduciary Net Position as a Percentage of Total LODA OPEB Liability (6) |
|-------------|--|--|--|---|--|
| 2019 | 0.37073% \$ | 1,330,128 \$ | N/A | N/A | 0.79% |
| 2018 | 0.34091% | 1,069,000 | N/A | N/A | 0.60% |
| 2017 | 0.33274% | 874,000 | N/A | N/A | 1.30% |

* The contributions for the Line of Duty Act Program are based on the number of participants in the Program using a per capita-based contribution versus a payroll-based contribution. Therefore, covered-employee payroll is the relevant measurement, which is the total payroll of the employees in the OPEB plan. However, when volunteers and part-time employees make up a significant percentage of the employer's members in the plan, the employer may determine that covered-employee payroll is misleading and, therefore, not applicable for disclosure.

Schedule is intended to show information for 10 years. Since 2018 is the first year for this presentation, only one year of data is available. However, additional years will be included as they become available.

Schedule of Employer Contributions
 Line of Duty Act (LODA) Program
 For the Years Ended June 30, 2016 through June 30, 2020

| <u>Date</u> | <u>Contractually Required Contribution (1)</u> | <u>Contributions in Relation to Contractually Required Contribution (2)</u> | <u>Contribution Deficiency (Excess) (3)</u> | <u>Covered- Employee Payroll * (4)</u> | <u>Contributions as a % of Covered - Employee Payroll (5)</u> |
|-------------|--|---|---|--|---|
| 2020 | \$ 41,287 | \$ 41,287 | \$ - | N/A | N/A |
| 2019 | 49,756 | 49,756 | - | N/A | N/A |
| 2018 | 36,311 | 36,311 | - | N/A | N/A |
| 2017 | 37,000 | 37,000 | - | N/A | N/A |
| 2016 | 33,206 | 33,206 | - | N/A | N/A |

* The contributions for the Line of Duty Act Program are based on the number of participants in the Program using a per capita-based contribution versus a payroll-based contribution. Therefore, covered-employee payroll is the relevant measurement, which is the total payroll of employees in the OPEB plan. However, when volunteers and part-time employees make up a significant percentage of the employer's members in the plan, the employer may determine that covered-employee payroll is misleading and, therefore, not applicable for disclosure.

FY 2011 was the first year for the Line of Duty Act Program (LODA), however there were no contributions. Schedule is intended to show information for 10 years. Since 2016 is the first year for this presentation, only three years of data is available. However, additional years will be included as they become available.

Notes to Required Supplementary Information
 Line of Duty Act (LODA) Program
 For the Year Ended June 30, 2020

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, 2018 valuation were based on results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Employees in the Non-Largest Ten Locality Employers with Public Safety Employees

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

Other Supplementary Information

Combining and Individual Fund Financial Statements and Schedules

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget and Actual - Debt Service Fund
 For the Year Ended June 30, 2020

| | Original Budget | Budget As Amended | Actual | Variance From Amended Budget Positive (Negative) |
|--|--------------------|-------------------------|---------------------|---|
| Revenues: | | | | |
| Permits, privilege fees and regulatory licenses | \$ - | \$ - | \$ 29,149 | \$ 29,149 |
| Charges for services | - | - | 1,430,410 | 1,430,410 |
| Total revenues | \$ - | \$ - | \$ 1,459,559 | \$ 1,459,559 |
| Expenditures: | | | | |
| Debt service: | | | | |
| Principal retirement | \$ - | \$ - | \$ 1,383,207 | \$ (1,383,207) |
| Interest and fiscal charges | - | - | 709,077 | (709,077) |
| Total debt service | \$ - | \$ - | \$ 2,092,284 | \$ (2,092,284) |
| Total expenditures | \$ - | \$ - | \$ 2,092,284 | \$ (2,092,284) |
| Excess (deficiency) of revenues over (under) expenditures | \$ - | \$ - | \$ (632,725) | \$ (632,725) |
| Other financing sources (uses): | | | | |
| Transfers in | \$ - | \$ - | \$ 1,714,977 | \$ 1,714,977 |
| Payment to refunding escrow agent | - | - | (1,272,581) | (1,272,581) |
| Issuance of refunding bonds | - | - | 1,131,667 | 1,131,667 |
| Premium on refunding bonds issued | - | - | 159,681 | 159,681 |
| Total other financing sources (uses) | \$ - | \$ - | \$ 1,733,744 | \$ 1,733,744 |
| Change in fund balance | \$ - | \$ - | \$ 1,101,019 | \$ 1,101,019 |
| Fund balance at beginning of year | - | - | 1,991,812 | 1,991,812 |
| Fund balance at end of year | \$ - | \$ - | \$ 3,092,831 | \$ 3,092,831 |

Statement of Changes in Assets and Liabilities -
 Agency Fund
 For the Year Ended June 30, 2020

| | <u>Balance Beginning of Year</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance End of Year</u> |
|--|--|------------------|------------------|------------------------------------|
| Special welfare: | | | | |
| Assets: | | | | |
| Cash and cash equivalents | \$ 51,376 | \$ 16,630 | \$ 2,173 | \$ 65,833 |
| | <u>51,376</u> | <u>16,630</u> | <u>2,173</u> | <u>65,833</u> |
| Liabilities: | | | | |
| Amounts held for social services clients | \$ 51,376 | \$ 16,630 | \$ 2,173 | \$ 65,833 |
| | <u>51,376</u> | <u>16,630</u> | <u>2,173</u> | <u>65,833</u> |

Combining Balance Sheet - Discretely Presented Component Unit - School Board
 June 30, 2020

| | School Operating Fund | School Cafeteria Fund | Total Governmental Funds |
|--|-----------------------------|-----------------------------|--------------------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ - | \$ 13,251 | \$ 13,251 |
| Due from primary government | 1,457,064 | - | 1,457,064 |
| Due from other governmental units | 794,379 | - | 794,379 |
| Total assets | <u>\$ 2,251,443</u> | <u>\$ 13,251</u> | <u>\$ 2,264,694</u> |
| LIABILITIES | | | |
| Accounts payable | \$ 729,838 | \$ - | \$ 729,838 |
| Accrued liabilities | 1,521,605 | - | 1,521,605 |
| Total liabilities | <u>\$ 2,251,443</u> | <u>\$ -</u> | <u>\$ 2,251,443</u> |
| FUND BALANCES | | | |
| Committed: | | | |
| Education | \$ - | \$ 13,251 | \$ 13,251 |
| Total fund balances | <u>\$ -</u> | <u>\$ 13,251</u> | <u>\$ 13,251</u> |
| Detailed explanation of adjustments from fund statements to government-wide statement of net position: | | | |
| Total fund balances per above | | | \$ 13,251 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | | | |
| Land | | \$ 127,800 | |
| Buildings and improvements | | 10,573,129 | |
| Equipment | | 2,073,693 | 12,774,622 |
| Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds. | | | |
| Pension related items | | \$ 5,913,696 | |
| OPEB related items | | 1,093,852 | 7,007,548 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. | | | |
| Capital leases | | \$ (683,133) | |
| Compensated absences | | (386,002) | |
| Net pension liability | | (27,684,341) | |
| Net OPEB liabilities | | (7,397,319) | (36,150,795) |
| Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds. | | | |
| Pension related items | | \$ (3,336,664) | |
| OPEB related items | | (465,479) | (3,802,143) |
| Net Position of Discretely Presented Component Unit - School Board | | | <u>\$ (20,157,517)</u> |

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance -
 Governmental Funds - Discretely Presented Component Unit - School Board
 For the Year Ended June 30, 2020

| | <u>School Operating Fund</u> | <u>School Cafeteria Fund</u> | <u>Total Governmental Funds</u> |
|--|--------------------------------------|--------------------------------------|---|
| Revenues: | | | |
| Revenue from use of money and property | \$ 26,105 | \$ - | \$ 26,105 |
| Charges for services | 2,910 | 331,131 | 334,041 |
| Miscellaneous | 185,024 | 7,726 | 192,750 |
| Recovered costs | 597,234 | - | 597,234 |
| Intergovernmental: | | | |
| County contribution to School Board | 14,925,347 | - | 14,925,347 |
| Commonwealth | 19,839,435 | - | 19,839,435 |
| Federal | 2,253,621 | - | 2,253,621 |
| Total revenues | \$ 37,829,676 | \$ 338,857 | \$ 38,168,533 |
| Expenditures: | | | |
| Current: | | | |
| Education | \$ 34,448,643 | \$ 1,276,203 | \$ 35,724,846 |
| Debt service: | | | |
| Principal retirement | 1,430,710 | - | 1,430,710 |
| Interest | 1,393,133 | - | 1,393,133 |
| Total expenditures | \$ 37,272,486 | \$ 1,276,203 | \$ 38,548,689 |
| Excess (deficiency) of revenues over (under) expenditures | \$ 557,190 | \$ (937,346) | \$ (380,156) |
| Other financing sources (uses): | | | |
| Issuance of capital leases | \$ 339,886 | \$ - | \$ 339,886 |
| Transfers in | - | 897,076 | 897,076 |
| Transfers (out) | (897,076) | - | (897,076) |
| Total other financing sources (uses) | \$ (557,190) | \$ 897,076 | \$ 339,886 |
| Change in fund balance | \$ - | \$ (40,270) | \$ (40,270) |
| Fund balance at beginning of year | - | 53,521 | 53,521 |
| Fund balance at end of year | <u>-</u> | <u>13,251</u> | <u>13,251</u> |

Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities - Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2020

| | Component Unit School Board |
|--|--------------------------------------|
| <p>Amounts reported for governmental activities in the statement of activities are different because:</p> | |
| Net change in fund balances - total governmental funds | \$ (40,270) |
| <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which depreciation exceeded capital outlays in the current period is computed as follows:</p> | |
| Capital additions | \$ 422,581 |
| Transfer of joint tenancy assets from Primary Government to the Component Unit | 581,875 |
| Depreciation expense | <u>(1,016,805)</u> (12,349) |
| <p>The issuance of capital 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. A summary of items supporting this adjustment is as follows:</p> | |
| Capital lease proceeds | \$ (339,886) |
| Principal retired on capital lease obligations | <u>320,183</u> (19,703) |
| <p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds. This amount reflects the changes in compensated absences, net OPEB liabilities, and accrued interest payable, etc.</p> | |
| Change in compensated absences | \$ 3,662 |
| Change in pension related items | (239,682) |
| Change in OPEB related items | <u>(106,412)</u> (342,432) |
| Change in net position of governmental activities | <u>\$ (414,754)</u> |

COUNTY OF GREENE, VIRGINIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Discretely Presented Component Unit - School Board

For the Year Ended June 30, 2020

| | School Operating Fund | | | Variance From Amended Budget Positive (Negative) |
|--|-----------------------|---------------|---------------|---|
| | Original | Budget | Actual | |
| | Budget | As Amended | | |
| Revenues: | | | | |
| Revenue from use of money and property | \$ 82,500 | \$ 82,500 | \$ 26,105 | \$ (56,395) |
| Charges for services | 145,000 | 145,000 | 2,910 | (142,090) |
| Miscellaneous | 314,500 | 314,500 | 185,024 | (129,476) |
| Recovered costs | 656,000 | 656,000 | 597,234 | (58,766) |
| Intergovernmental: | | | | |
| County contribution to School Board | 17,465,112 | 17,465,112 | 14,925,347 | (2,539,765) |
| Commonwealth | 20,029,248 | 20,029,248 | 19,839,435 | (189,813) |
| Federal | 1,942,924 | 1,942,924 | 2,253,621 | 310,697 |
| Total revenues | \$ 40,635,284 | \$ 40,635,284 | \$ 37,829,676 | \$ (2,805,608) |
| Expenditures: | | | | |
| Current: | | | | |
| Education | | | | |
| Instruction | \$ 30,416,303 | \$ 30,416,303 | \$ 27,919,249 | \$ 2,497,054 |
| Administration, attendance and health | 1,845,265 | 1,848,265 | 1,726,060 | 122,205 |
| Pupil transportation | 2,050,088 | 1,956,088 | 1,944,542 | 11,546 |
| Operation and maintenance | 2,819,889 | 2,910,889 | 2,858,792 | 52,097 |
| Facilities | 8,000 | 8,000 | - | 8,000 |
| Food service | - | - | - | - |
| Total education | \$ 37,139,545 | \$ 37,139,545 | \$ 34,448,643 | \$ 2,690,902 |
| Debt service: | | | | |
| Principal retirement | \$ 1,365,000 | \$ 1,365,000 | \$ 1,430,710 | \$ (65,710) |
| Interest | 1,378,739 | 1,378,739 | 1,393,133 | (14,394) |
| Total debt service | \$ 2,743,739 | \$ 2,743,739 | \$ 2,823,843 | \$ (80,104) |
| Total expenditures | \$ 39,883,284 | \$ 39,883,284 | \$ 37,272,486 | \$ 2,610,798 |
| Excess (deficiency) of revenues over (under) expenditures | \$ 752,000 | \$ 752,000 | \$ 557,190 | \$ (194,810) |
| Other financing sources (uses): | | | | |
| Issuance of capital leases | \$ - | \$ - | \$ 339,886 | \$ 339,886 |
| Transfers in | - | - | - | - |
| Transfers (out) | (752,000) | (752,000) | (897,076) | (145,076) |
| Total other financing sources (uses) | \$ (752,000) | \$ (752,000) | \$ (557,190) | \$ 194,810 |
| Change in fund balance | \$ - | \$ - | \$ - | \$ - |
| Fund balance at beginning of year | - | - | - | - |
| Fund balance at end of year | \$ - | \$ - | \$ - | \$ - |

Exhibit 30

| School Cafeteria Fund | | | | Variance From Amended Budget Positive (Negative) |
|-----------------------|-------------------------|---------------------|-----------|---|
| Original Budget | Budget As Amended | Actual | | |
| \$ - | \$ - | \$ - | \$ - | - |
| - | - | 331,131 | | 331,131 |
| - | - | 7,726 | | 7,726 |
| - | - | - | | - |
| - | - | - | | - |
| - | - | - | | - |
| - | - | - | | - |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ 338,857</u> | <u>\$</u> | <u>338,857</u> |
| | | | | |
| \$ - | \$ - | \$ - | \$ - | - |
| - | - | - | | - |
| - | - | - | | - |
| - | - | - | | - |
| - | - | - | | - |
| - | - | 1,276,203 | | (1,276,203) |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,276,203</u> | <u>\$</u> | <u>(1,276,203)</u> |
| | | | | |
| \$ - | \$ - | \$ - | \$ - | - |
| - | - | - | | - |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$</u> | <u>-</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,276,203</u> | <u>\$</u> | <u>(1,276,203)</u> |
| | | | | |
| \$ - | \$ - | \$ (937,346) | \$ | (937,346) |
| | | | | |
| \$ - | \$ - | \$ - | \$ - | - |
| - | - | 897,076 | | 897,076 |
| - | - | - | | - |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ 897,076</u> | <u>\$</u> | <u>897,076</u> |
| | | | | |
| \$ - | \$ - | \$ (40,270) | \$ | (40,270) |
| - | - | 53,521 | | 53,521 |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ 13,251</u> | <u>\$</u> | <u>13,251</u> |

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Supporting Schedule

Governmental Funds and Discretely Presented Component Unit
Schedule of Revenues -- Budget and Actual
For the Year Ended June 30, 2020

| Fund, Major and Minor Revenue Source | Original Budget | Budget As Amended | Actual | Variance From Amended Budget Positive (Negative) |
|---|----------------------|-------------------------|----------------------|---|
| Primary government: | | | | |
| General fund: | | | | |
| Revenue from local sources: | | | | |
| General property taxes: | | | | |
| Real property taxes | \$ 16,520,329 | \$ 16,520,329 | \$ 16,781,735 | \$ 261,406 |
| Real and personal public service corporation taxes | 367,137 | 367,137 | 481,412 | 114,275 |
| Personal property taxes | 4,495,950 | 4,495,950 | 4,737,403 | 241,453 |
| Mobile home taxes | 57,799 | 57,799 | - | (57,799) |
| Machinery and tools taxes | 171,448 | 171,448 | 205,684 | 34,236 |
| Penalties | 210,000 | 210,000 | 259,619 | 49,619 |
| Interest | 100,000 | 100,000 | 115,705 | 15,705 |
| Total general property taxes | <u>\$ 21,922,663</u> | <u>\$ 21,922,663</u> | <u>\$ 22,581,558</u> | <u>\$ 658,895</u> |
| Other local taxes: | | | | |
| Local sales and use taxes | \$ 2,045,364 | \$ 2,045,364 | \$ 2,483,454 | \$ 438,090 |
| Consumer utility taxes | 430,000 | 430,000 | 435,985 | 5,985 |
| Business license taxes | 650,000 | 650,000 | 664,658 | 14,658 |
| Motor vehicle licenses | 455,000 | 455,000 | 473,311 | 18,311 |
| Bank stock taxes | 65,000 | 65,000 | 47,509 | (17,491) |
| Taxes on recordation and wills | 243,500 | 243,500 | 338,729 | 95,229 |
| Transient lodging taxes | 265,000 | 315,000 | 350,413 | 35,413 |
| Meals taxes | 730,000 | 730,000 | 736,245 | 6,245 |
| Total other local taxes | <u>\$ 4,883,864</u> | <u>\$ 4,933,864</u> | <u>\$ 5,530,304</u> | <u>\$ 596,440</u> |
| Permits, privilege fees and regulatory licenses: | | | | |
| Animal licenses | \$ 8,000 | \$ 8,000 | \$ 5,396 | \$ (2,604) |
| Other permits and licenses | 285,125 | 285,125 | 394,860 | 109,735 |
| Total permits, privilege fees and regulatory licenses | <u>\$ 293,125</u> | <u>\$ 293,125</u> | <u>\$ 400,256</u> | <u>\$ 107,131</u> |
| Fines and Forfeitures: | | | | |
| Court and other fines and forfeitures | \$ 161,500 | \$ 161,500 | \$ 87,554 | \$ (73,946) |
| Revenue from use of money and property: | | | | |
| Revenue from use of money | \$ 45,000 | \$ 45,000 | \$ 137,110 | \$ 92,110 |
| Revenue from use of property | 36,406 | 36,406 | 36,407 | 1 |
| Total revenue from use of money and property | <u>\$ 81,406</u> | <u>\$ 81,406</u> | <u>\$ 173,517</u> | <u>\$ 92,111</u> |

Governmental Funds and Discretely Presented Component Unit
Schedule of Revenues -- Budget and Actual
For the Year Ended June 30, 2020 (continued)

| Fund, Major and Minor Revenue Source | Original Budget | Budget As Amended | Actual | Variance From Amended Budget Positive (Negative) |
|---|----------------------|-------------------------|----------------------|---|
| Primary Government: (Continued) | | | | |
| General Fund: (Continued) | | | | |
| Revenue from local sources: (continued) | | | | |
| Charges for services: | | | | |
| Sheriff's fees | \$ 1,200 | \$ 1,200 | \$ 977 | \$ (223) |
| Law library fees | 1,700 | 1,700 | 1,424 | (276) |
| Courthouse maintenance | 42,500 | 42,500 | 25,656 | (16,844) |
| Commonwealth attorney fees | 1,500 | 1,500 | 1,454 | (46) |
| Dog pound fees | 9,000 | 9,000 | 9,449 | 449 |
| Charges for transportation services | 389,424 | 389,424 | 83,134 | (306,290) |
| DMV stop fees | - | 57,525 | 59,283 | 1,758 |
| Parks and recreation | 50,000 | 50,000 | 34,960 | (15,040) |
| Vehicle maintenance facility | 485,000 | 485,000 | 543,951 | 58,951 |
| Charges for landfill operations | 1,496,618 | 1,496,618 | 1,712,614 | 215,996 |
| Revenue recovery | 330,000 | 330,000 | 488,310 | 158,310 |
| Charges for water/sewer | 1,395,000 | 1,395,000 | - | (1,395,000) |
| Other charges for services | 190 | 190 | 38 | (152) |
| Total charges for services | \$ 4,202,132 | \$ 4,259,657 | \$ 2,961,250 | \$ (1,298,407) |
| Miscellaneous: | | | | |
| Donations | \$ 2,000 | \$ 2,000 | \$ 2,110 | \$ 110 |
| Miscellaneous | 100 | 68,282 | 82,714 | 14,432 |
| Total miscellaneous | \$ 2,100 | \$ 70,282 | \$ 84,824 | \$ 14,542 |
| Recovered costs: | | | | |
| State health department reimbursement | \$ 9,000 | \$ 9,000 | \$ 9,900 | \$ 900 |
| Expenditure refunds | 137,381 | 137,381 | 167,699 | 30,318 |
| Total recovered costs | \$ 146,381 | \$ 146,381 | \$ 177,599 | \$ 31,218 |
| Total revenue from local sources | \$ 31,693,171 | \$ 31,868,878 | \$ 31,996,862 | \$ 127,984 |
| Intergovernmental: | | | | |
| Revenue from the Commonwealth: | | | | |
| Noncategorical aid: | | | | |
| Mobile home titling taxes | \$ 20,000 | \$ 20,000 | \$ 33,365 | \$ 13,365 |
| Auto rental tax | 6,000 | 6,000 | 6,104 | 104 |
| Motor vehicle titling tax | 20,000 | 20,000 | - | (20,000) |

Governmental Funds and Discretely Presented Component Unit
Schedule of Revenues -- Budget and Actual
For the Year Ended June 30, 2020 (continued)

| Fund, Major and Minor Revenue Source | Original Budget | Budget As Amended | Actual | Variance From Amended Budget Positive (Negative) |
|--|--------------------|-------------------------|--------------|---|
| Primary Government: (Continued) | | | | |
| General Fund: (Continued) | | | | |
| Intergovernmental: (Continued) | | | | |
| Revenue from the Commonwealth: (Continued) | | | | |
| Noncategorical aid: (Continued) | | | | |
| Tax on deeds | \$ 60,705 | \$ 60,705 | \$ 52,414 | \$ (8,291) |
| Rolling stock tax | 200 | 200 | 164 | (36) |
| Communication sales and use taxes | 435,000 | 435,000 | 408,374 | (26,626) |
| Personal property tax relief act | 2,249,911 | 2,249,911 | 2,249,911 | - |
| Total noncategorical aid | \$ 2,791,816 | \$ 2,791,816 | \$ 2,750,332 | \$ (41,484) |
| Categorical aid: | | | | |
| Shared expenses: | | | | |
| Commonwealth's attorney | \$ 256,250 | \$ 256,250 | \$ 245,673 | \$ (10,577) |
| Sheriff | 902,134 | 902,134 | 883,291 | (18,843) |
| Commissioner of the Revenue | 85,508 | 85,508 | 85,103 | (405) |
| Treasurer | 83,612 | 83,612 | 82,562 | (1,050) |
| Registrar/electoral board | 37,500 | 37,500 | 50,490 | 12,990 |
| Clerk of the Circuit Court | 198,059 | 198,059 | 194,018 | (4,041) |
| Total shared expenses | \$ 1,563,063 | \$ 1,563,063 | \$ 1,541,137 | \$ (21,926) |
| Other categorical aid: | | | | |
| Law enforcement grants | \$ 70,000 | \$ 52,500 | \$ 15,964 | \$ (36,536) |
| Litter control | 6,207 | 6,207 | 4,883 | (1,324) |
| Fire programs fund | 60,000 | 65,690 | 65,690 | - |
| Section 18 transportation grant | 306,958 | 362,156 | 215,198 | (146,958) |
| Juvenile Justice | 7,596 | 7,596 | 7,596 | - |
| E-911 wireless grant | 54,000 | 54,000 | 59,194 | 5,194 |
| Forfeited Property | - | 833 | 833 | - |
| Public assistance | 381,239 | 381,239 | 341,913 | (39,326) |
| Domestic violence | - | 45,000 | - | (45,000) |
| Children's services | 845,000 | 845,000 | 741,963 | (103,037) |
| Other categorical aid | 5,500 | 70,860 | 38,066 | (32,794) |
| Total other categorical aid | \$ 1,736,500 | \$ 1,891,081 | \$ 1,491,300 | \$ (399,781) |
| Total categorical aid | \$ 3,299,563 | \$ 3,454,144 | \$ 3,032,437 | \$ (421,707) |
| Total revenue from the Commonwealth | \$ 6,091,379 | \$ 6,245,960 | \$ 5,782,769 | \$ (463,191) |

Governmental Funds and Discretely Presented Component Unit
Schedule of Revenues -- Budget and Actual
For the Year Ended June 30, 2020 (continued)

| Fund, Major and Minor Revenue Source | Original Budget | Budget As Amended | Actual | Variance From Amended Budget Positive (Negative) |
|--|--------------------|-------------------------|---------------|---|
| Primary Government: (Continued) | | | | |
| General Fund: (Continued) | | | | |
| Intergovernmental: (Continued) | | | | |
| Revenue from the federal government: | | | | |
| Payments in lieu of taxes | \$ 45,846 | \$ 45,846 | \$ 47,825 | \$ 1,979 |
| Categorical aid: | | | | |
| Welfare administration and assistance | \$ 831,794 | \$ 831,794 | \$ 802,071 | \$ (29,723) |
| Federal portion of children's services act | - | - | 7,367 | 7,367 |
| Section 18 transportation grant | 615,003 | 615,003 | 484,976 | (130,027) |
| Bulletproof vest grant | - | 3,614 | 3,897 | 283 |
| Transportation safety grant | - | - | 5,043 | 5,043 |
| Byrne grant | - | 23,832 | 3,852 | (19,980) |
| Safety grants | - | 17,500 | 55,622 | 38,122 |
| CARES coronavirus relief | - | 552,474 | 549,917 | (2,557) |
| CARES provider relief | - | 19,806 | 19,806 | - |
| Total categorical aid | \$ 1,446,797 | \$ 2,064,023 | \$ 1,932,551 | \$ (131,472) |
| Total revenue from the federal government | \$ 1,492,643 | \$ 2,109,869 | \$ 1,980,376 | \$ (129,493) |
| Total general fund | \$ 39,277,193 | \$ 40,224,707 | \$ 39,760,007 | \$ (464,700) |
| Debt service fund: | | | | |
| Revenue from local sources: | | | | |
| Permits, privilege fees and regulatory licenses: | | | | |
| Water and sewer debt service fee | \$ - | \$ - | \$ 29,149 | \$ 29,149 |
| Charges for services: | | | | |
| Sewer EDU charges | \$ - | \$ - | \$ 50,000 | \$ 50,000 |
| User fees | - | - | 1,290,410 | 1,290,410 |
| Water EDU charges | - | - | 90,000 | 90,000 |
| Total charges for services | \$ - | \$ - | \$ 1,430,410 | \$ 1,430,410 |
| Total debt service fund | \$ - | \$ - | \$ 1,459,559 | \$ 1,459,559 |
| School capital projects fund: | | | | |
| Revenue from local sources: | | | | |
| Revenue from use of money and property: | | | | |
| Revenue from use of money | \$ - | \$ - | \$ 51,673 | \$ 51,673 |
| Total school capital projects fund | \$ - | \$ - | \$ 51,673 | \$ 51,673 |
| Total Primary Government | \$ 39,277,193 | \$ 40,224,707 | \$ 41,271,239 | \$ 1,046,532 |

Governmental Funds and Discretely Presented Component Unit
Schedule of Revenues -- Budget and Actual
For the Year Ended June 30, 2020 (continued)

| Fund, Major and Minor Revenue Source | Original Budget | Budget As Amended | Actual | Variance From Amended Budget Positive (Negative) |
|--|--------------------|-------------------------|---------------|---|
| Component Unit -- School Board: | | | | |
| School Operating Fund: | | | | |
| Revenue from local sources: | | | | |
| Revenue from use of money and property: | | | | |
| Revenue from use of property | \$ 82,500 | \$ 82,500 | \$ 26,105 | \$ (56,395) |
| Charges for services: | | | | |
| Charges for education | \$ 145,000 | \$ 145,000 | \$ 2,910 | \$ (142,090) |
| Miscellaneous: | | | | |
| Expenditure refunds | \$ 135,000 | \$ 135,000 | \$ 32,213 | \$ (102,787) |
| Miscellaneous | 179,500 | 179,500 | 152,811 | (26,689) |
| Total miscellaneous | \$ 314,500 | \$ 314,500 | \$ 185,024 | \$ (129,476) |
| Recovered costs: | | | | |
| Other payments from another county or city | \$ 656,000 | \$ 656,000 | \$ 597,234 | \$ (58,766) |
| Total revenue from local sources | \$ 1,198,000 | \$ 1,198,000 | \$ 811,273 | \$ (386,727) |
| Intergovernmental: | | | | |
| County contribution to School Board | \$ 17,465,112 | \$ 17,465,112 | \$ 14,925,347 | \$ (2,539,765) |
| Revenue from the Commonwealth: | | | | |
| Categorical aid: | | | | |
| Share of state sales tax | \$ 3,971,671 | \$ 3,971,671 | \$ 4,058,529 | \$ 86,858 |
| Basic school aid | 9,103,971 | 9,103,971 | 9,014,053 | (89,918) |
| Remedial summer school | 77,778 | 77,778 | 82,917 | 5,139 |
| Remedial education - SOQ | 283,682 | 283,682 | 282,954 | (728) |
| Special education - SOQ | 921,578 | 921,578 | 918,630 | (2,948) |
| Textbook | 195,767 | 195,767 | 195,141 | (626) |
| Vocational standards of quality payments | 293,583 | 293,583 | 292,644 | (939) |
| Fringe benefits | 1,763,441 | 1,763,441 | 1,757,801 | (5,640) |
| Lottery | 699,047 | 699,047 | 709,342 | 10,295 |
| Regional program payments | 765,098 | 765,098 | 623,172 | (141,926) |
| Primary class size reduction | 288,699 | 288,699 | 292,407 | 3,708 |
| Technology | 180,000 | 180,000 | 180,000 | - |
| Other state funds | 1,484,933 | 1,484,933 | 1,431,845 | (53,088) |
| Total categorical aid | \$ 20,029,248 | \$ 20,029,248 | \$ 19,839,435 | \$ (189,813) |
| Total revenue from the Commonwealth | \$ 20,029,248 | \$ 20,029,248 | \$ 19,839,435 | \$ (189,813) |

Governmental Funds and Discretely Presented Component Unit
Schedule of Revenues -- Budget and Actual
For the Year Ended June 30, 2020 (continued)

| Fund, Major and Minor Revenue Source | Original Budget | Budget As Amended | Actual | Variance From Amended Budget Positive (Negative) |
|--|----------------------|-------------------------|----------------------|---|
| Component Unit -- School Board: (Continued) | | | | |
| School Operating Fund: (Continued) | | | | |
| Intergovernmental: (Continued) | | | | |
| Revenue from the federal government: | | | | |
| Categorical aid: | | | | |
| Title I | \$ 375,000 | \$ 375,000 | \$ 358,915 | \$ (16,085) |
| Title VI-B | 580,000 | 580,000 | 783,197 | 203,197 |
| Student support and academic enrichment | - | - | 10,109 | 10,109 |
| Tech assistive | 2,500 | 2,500 | - | (2,500) |
| School food program grant | 704,270 | 704,270 | 820,240 | 115,970 |
| Pre-school SPED | 23,000 | 23,000 | 23,207 | 207 |
| Vocational education | 49,963 | 49,963 | 42,100 | (7,863) |
| Title III-ESL | 10,000 | 10,000 | 11,767 | 1,767 |
| BAB subsidy | 120,000 | 120,000 | 123,901 | 3,901 |
| Title II part A | 78,191 | 78,191 | 80,185 | 1,994 |
| Total revenue from the federal government | <u>\$ 1,942,924</u> | <u>\$ 1,942,924</u> | <u>\$ 2,253,621</u> | <u>\$ 310,697</u> |
| Total school operating fund | <u>\$ 40,635,284</u> | <u>\$ 40,635,284</u> | <u>\$ 37,829,676</u> | <u>\$ (2,805,608)</u> |
| Special revenue fund: | | | | |
| School cafeteria fund: | | | | |
| Revenue from local sources: | | | | |
| Charges for services: | | | | |
| Cafeteria sales | \$ - | \$ - | \$ 331,131 | \$ 331,131 |
| Miscellaneous: | | | | |
| Miscellaneous | \$ - | \$ - | \$ 7,726 | \$ 7,726 |
| Total revenue from local sources | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 338,857</u> | <u>\$ 338,857</u> |
| Total school cafeteria fund | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 338,857</u> | <u>\$ 338,857</u> |
| Total Revenues -- Component Unit -- School Board | <u>\$ 40,635,284</u> | <u>\$ 40,635,284</u> | <u>\$ 38,168,533</u> | <u>\$ (2,466,751)</u> |

Statistical Information

COUNTY OF GREENE, VIRGINIA

Government-Wide Expenses by Function
Last Ten Fiscal Years

| <u>Fiscal Year</u> | <u>General Government Administration</u> | <u>Judicial Administration</u> | <u>Public Safety</u> | <u>Public Works</u> | <u>Health and Welfare</u> | <u>Education</u> |
|--------------------|--|--------------------------------|----------------------|---------------------|---------------------------|------------------|
| 2010-11 | \$ 2,413,341 | \$ 750,008 | \$ 5,647,390 | \$ 1,619,192 | \$ 3,268,889 | \$ 10,645,122 |
| 2011-12 | 2,569,601 | 796,212 | 5,925,042 | 1,668,381 | 3,283,874 | 10,876,226 |
| 2012-13 | 2,980,297 | 857,949 | 6,446,145 | 1,633,036 | 3,359,730 | 13,691,015 |
| 2013-14 | 2,951,965 | 872,678 | 6,524,622 | 1,556,202 | 3,356,783 | 13,111,319 |
| 2014-15 | 3,073,055 | 802,988 | 7,053,193 | 1,823,774 | 3,389,971 | 12,645,242 |
| 2015-16 | 3,044,641 | 806,765 | 6,945,379 | 1,659,669 | 3,889,018 | 12,321,340 |
| 2016-17 | 2,837,682 | 902,271 | 7,588,646 | 1,846,387 | 3,377,197 | 12,833,070 |
| 2017-18 | 2,939,108 | 800,347 | 8,051,591 | 1,750,612 | 3,269,928 | 14,308,304 |
| 2018-19 | 3,371,994 | 857,381 | 8,095,205 | 2,296,909 | 3,210,295 | 13,950,905 |
| 2019-20 | 3,399,777 | 811,115 | 8,732,431 | 2,396,380 | 3,563,171 | 11,806,074 |

Table 1

| | Recreation and Cultural | Community Development | Interest on Long-term Obligations | Total |
|----|--|----------------------------------|--|---------------|
| \$ | 586,531 | \$ 1,829,783 | \$ 1,777,149 | \$ 28,537,405 |
| | 655,517 | 1,896,573 | 1,714,067 | 29,385,493 |
| | 638,132 | 2,003,035 | 1,827,823 | 33,437,162 |
| | 624,675 | 1,993,591 | 1,752,620 | 32,744,455 |
| | 613,315 | 2,081,033 | 1,976,446 | 33,459,017 |
| | 632,059 | 2,203,322 | 1,410,094 | 32,912,287 |
| | 610,767 | 2,226,695 | 1,317,618 | 33,540,333 |
| | 629,044 | 2,193,642 | 1,943,405 | 35,885,981 |
| | 671,990 | 2,285,525 | 2,665,447 | 37,405,651 |
| | 678,719 | 1,970,340 | 2,654,684 | 36,012,691 |

COUNTY OF GREENE, VIRGINIA

Government-Wide Revenues
Last Ten Fiscal Years

| Fiscal Year | Program Revenues | | |
|-------------|----------------------|------------------------------------|----------------------------------|
| | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| 2010-11 | \$ 4,398,744 | \$ 4,795,953 | \$ - |
| 2011-12 | 3,891,179 | 3,892,236 | 40,000 |
| 2012-13 | 4,036,847 | 3,947,101 | - |
| 2013-14 | 2,826,399 | 3,972,855 | 150,000 |
| 2014-15 | 3,119,888 | 4,387,697 | - |
| 2015-16 | 3,251,514 | 4,442,405 | - |
| 2016-17 | 3,057,589 | 4,287,452 | 150,000 |
| 2017-18 | 3,493,024 | 4,284,408 | - |
| 2018-19 | 4,414,795 | 4,443,099 | - |
| 2019-20 | 4,908,619 | 4,964,986 | - |

Table 2

| General Revenues | | | | | |
|------------------------------|-------------------------|--|---|---------------|---------------|
| General Property Taxes | Other Local Taxes | Grants and Contributions Not Restricted to Specific Programs | Unrestricted Revenues from the Use of Money & Property | Miscellaneous | Total |
| \$ 16,628,031 | \$ 4,099,937 | \$ 2,391,655 | \$ 53,854 | \$ 270,759 | \$ 32,638,933 |
| 16,830,631 | 3,799,812 | 2,889,095 | 53,042 | 212,158 | 31,608,153 |
| 16,673,523 | 4,144,565 | 2,805,709 | 46,711 | 178,807 | 31,833,263 |
| 17,656,127 | 4,017,436 | 2,889,702 | 40,988 | 170,215 | 31,723,722 |
| 17,849,568 | 4,226,641 | 2,837,638 | 51,582 | 125,203 | 32,598,217 |
| 18,738,446 | 4,612,880 | 2,873,049 | 46,928 | 223,848 | 34,189,070 |
| 19,762,722 | 4,656,707 | 2,835,103 | 43,079 | 168,015 | 34,960,667 |
| 20,395,914 | 4,837,709 | 2,861,968 | 409,716 | 86,852 | 36,369,591 |
| 21,349,097 | 5,142,529 | 2,856,941 | 646,279 | 208,977 | 39,061,717 |
| 22,932,315 | 5,530,304 | 2,798,156 | 225,190 | 84,824 | 41,444,394 |

COUNTY OF GREENE, VIRGINIA

General Government Expenditures by Function (1) (2) (3)
Last Ten Fiscal Years

| <u>Fiscal Year</u> | <u>General Administration</u> | <u>Judicial Administration</u> | <u>Public Safety</u> | <u>Public Works</u> | <u>Health and Welfare</u> |
|--------------------|-------------------------------|--------------------------------|----------------------|---------------------|---------------------------|
| 2010-11 | \$ 2,289,610 | \$ 673,341 | \$ 5,770,110 | \$ 1,810,474 | \$ 3,275,516 |
| 2011-12 | 2,435,313 | 719,545 | 5,706,798 | 1,609,678 | 3,288,402 |
| 2012-13 | 2,456,653 | 772,434 | 6,159,573 | 1,523,644 | 3,255,905 |
| 2013-14 | 2,328,762 | 832,496 | 6,483,005 | 1,448,788 | 3,360,846 |
| 2014-15 | 2,469,394 | 818,349 | 6,691,754 | 1,664,455 | 3,423,259 |
| 2015-16 | 2,316,270 | 816,009 | 6,696,201 | 1,538,917 | 3,940,049 |
| 2016-17 | 2,281,044 | 869,989 | 7,426,556 | 1,600,509 | 3,432,258 |
| 2017-18 | 2,305,953 | 825,974 | 7,907,182 | 1,683,182 | 3,325,385 |
| 2018-19 | 2,660,055 | 867,633 | 7,980,277 | 2,323,225 | 3,283,918 |
| 2019-20 | 2,577,032 | 794,887 | 7,542,502 | 2,674,705 | 3,555,925 |

(1) Includes current expenditures of the General Fund and Special Revenue Funds of the Primary Government and its discretely presented Component Unit School Board.

(2) The General Fund contributions to the Component Unit School Board are not included.

(3) Capital projects and debt service funds are not included.

Table 3

| | <u>Education</u> | <u>Recreation and Cultural</u> | <u>Community Development</u> | <u>Non- depart- mental</u> | <u>Debt Service</u> | <u>Total</u> |
|----|------------------|--|----------------------------------|------------------------------------|-------------------------|---------------|
| \$ | 28,886,279 | \$ 505,441 | \$ 1,871,410 | \$ 18,776 | \$ 2,590,803 | \$ 47,691,760 |
| | 29,961,407 | 561,145 | 1,886,835 | 36,373 | 2,843,001 | 49,048,497 |
| | 31,054,835 | 539,347 | 1,848,327 | 91,223 | 2,945,886 | 50,647,827 |
| | 30,644,422 | 541,705 | 1,977,558 | 60,455 | 3,095,848 | 50,773,885 |
| | 32,704,706 | 536,156 | 2,181,858 | 49,655 | 3,194,774 | 53,734,360 |
| | 32,478,775 | 554,630 | 2,167,341 | 198,752 | 3,034,168 | 53,741,112 |
| | 34,401,639 | 578,896 | 2,200,711 | 125,755 | 2,779,862 | 55,697,219 |
| | 35,950,687 | 569,272 | 2,355,107 | 57,560 | 2,667,697 | 57,647,999 |
| | 36,360,180 | 597,663 | 2,348,109 | 69,523 | 4,163,995 | 60,654,578 |
| | 35,765,575 | 601,726 | 2,057,775 | 64,404 | 15,456,930 | 71,091,461 |

COUNTY OF GREENE, VIRGINIA

General Government Revenues by Source (1) (2) (3)
Last Ten Fiscal Years

| <u>Fiscal Year</u> | <u>General Property Taxes</u> | <u>Other Local Taxes</u> | <u>Permits, Privilege Fees & Regulatory Licenses</u> | <u>Fines & Forfeitures</u> | <u>Revenues from the Use of Money & Property</u> |
|--------------------|-------------------------------|--------------------------|--|--------------------------------|--|
| 2010-11 | \$ 16,630,394 | \$ 4,099,937 | \$ 305,014 | \$ 168,098 | \$ 44,914 |
| 2011-12 | 16,271,874 | 3,799,812 | 203,805 | 79,514 | 50,473 |
| 2012-13 | 17,202,455 | 4,144,565 | 209,061 | 184,442 | 59,382 |
| 2013-14 | 17,795,002 | 4,017,436 | 193,509 | 171,559 | 55,395 |
| 2014-15 | 18,093,338 | 4,226,642 | 284,761 | 136,057 | 122,085 |
| 2015-16 | 18,757,879 | 4,612,880 | 252,716 | 155,638 | 128,434 |
| 2016-17 | 19,725,650 | 4,656,707 | 230,840 | 169,249 | 105,905 |
| 2017-18 | 20,292,818 | 4,837,708 | 270,775 | 139,866 | 160,838 |
| 2018-19 | 21,392,808 | 5,142,529 | 329,425 | 63,074 | 220,798 |
| 2019-20 | 22,581,558 | 5,530,304 | 400,256 | 87,554 | 199,622 |

(1) Includes revenues of the General Fund and Special Revenue Funds of the Primary Government and its discretely presented Component Unit School Board.

(2) The General Fund contributions to the Component Unit School Board are not included.

(3) Capital projects and debt service funds are not included.

Table 4

| <u>Charges for Services</u> | <u>Miscellaneous</u> | <u>Recovered Costs</u> | <u>Inter- governmental</u> | <u>Total</u> |
|-------------------------------------|----------------------|----------------------------|--------------------------------|---------------|
| \$ 2,548,454 | \$ 652,497 | \$ 534,874 | \$ 25,439,456 | \$ 50,423,638 |
| 2,922,714 | 435,088 | 487,567 | 25,048,588 | 49,299,435 |
| 2,915,632 | 513,359 | 985,590 | 24,339,290 | 50,553,776 |
| 2,855,685 | 420,380 | 954,224 | 24,644,956 | 51,108,146 |
| 3,050,282 | 345,046 | 878,284 | 26,947,201 | 54,083,696 |
| 2,680,445 | 400,014 | 897,802 | 27,367,465 | 55,253,273 |
| 2,770,003 | 510,918 | 1,104,136 | 28,041,390 | 57,314,798 |
| 3,076,995 | 286,087 | 931,603 | 28,444,500 | 58,441,190 |
| 3,488,450 | 435,617 | 774,232 | 28,806,355 | 60,653,288 |
| 3,295,291 | 277,574 | 774,833 | 29,856,201 | 63,003,193 |

Property Tax Levies and Collections
Last Ten Fiscal Years

| <u>Fiscal Year</u> | <u>Total Tax Levy</u> (1) | <u>Current Tax Collections</u> (1) | <u>Percent of Levy Collected</u> | <u>Delinquent Tax Collections</u> (1) (2) | <u>Total Tax Collections</u> | <u>Percent of Total Tax Collections to Tax Levy</u> | <u>Outstanding Delinquent Taxes</u> (1) | <u>Percent of Delinquent Taxes to Tax Levy</u> |
|--------------------|------------------------------|---------------------------------------|----------------------------------|--|------------------------------|---|--|--|
| 2010-11 | \$ 18,468,863 | \$ 17,905,126 | 96.95% | \$ 728,304 | \$ 18,633,430 | 100.89% | \$ 1,762,188 | 9.54% |
| 2011-12 | 18,545,899 | 17,525,048 | 94.50% | 723,171 | 18,248,219 | 98.39% | 1,900,921 | 10.25% |
| 2012-13 | 18,649,051 | 18,076,828 | 96.93% | 1,003,270 | 19,080,098 | 102.31% | 1,767,242 | 9.48% |
| 2013-14 | 18,795,003 | 18,123,626 | 96.43% | 1,436,339 | 19,559,965 | 104.07% | 1,364,252 | 7.26% |
| 2014-15 | 19,199,591 | 18,939,576 | 98.65% | 1,057,662 | 19,997,238 | 104.15% | 1,217,356 | 6.34% |
| 2015-16 | 20,160,557 | 20,088,020 | 99.64% | 597,522 | 20,685,542 | 102.60% | 1,188,962 | 5.90% |
| 2016-17 | 21,016,278 | 20,603,979 | 98.04% | 1,035,362 | 21,639,341 | 102.96% | 1,116,143 | 5.31% |
| 2017-18 | 21,813,843 | 21,348,590 | 97.87% | 902,975 | 22,251,565 | 102.01% | 1,303,455 | 5.98% |
| 2018-19 | 22,744,081 | 22,291,124 | 98.01% | 1,037,892 | 23,329,016 | 102.57% | 1,363,747 | 6.00% |
| 2019-20 | 24,228,738 | 22,834,913 | 94.25% | 1,621,232 | 24,456,145 | 100.94% | 1,351,537 | 5.58% |

(1) Exclusive of penalties and interest.

(2) Does not include land redemptions.

Assessed Value of Taxable Property
Last Ten Fiscal Years

| Fiscal Year | Real Estate (1) | Personal Property | Machinery and Tools | Public Service Corporations | Total |
|----------------|-----------------------|----------------------|---------------------------|-----------------------------------|---------------|
| 2010-11 | \$ 1,894,195,815 | \$ 101,055,538 | \$ 5,654,529 | \$ 54,004,950 | 2,054,910,832 |
| 2011-12 | 1,870,025,214 | 107,394,386 | 3,244,434 | 55,160,407 | 2,035,824,441 |
| 2012-13 | 1,823,328,015 | 111,502,339 | 1,091,649 | 58,554,406 | 1,994,476,409 |
| 2013-14 | 1,781,327,215 | 110,887,337 | 358,716 | 57,338,030 | 1,949,911,298 |
| 2014-15 | 1,795,290,615 | 114,485,426 | 2,415,418 | 60,309,478 | 1,972,500,937 |
| 2015-16 | 1,810,957,140 | 118,927,060 | 4,017,535 | 72,610,650 | 2,006,512,385 |
| 2016-17 | 1,879,683,615 | 122,945,946 | 2,915,751 | 63,325,599 | 2,068,870,911 |
| 2017-18 | 1,953,445,115 | 126,820,997 | 2,618,226 | 68,323,737 | 2,151,208,075 |
| 2018-19 | 2,001,474,557 | 131,462,391 | 5,909,898 | 45,228,041 | 2,184,074,887 |
| 2019-20 | 2,060,357,024 | 139,470,872 | 8,199,808 | 58,478,798 | 2,266,506,502 |

(1) Real estate is assessed at 100% of fair market value.

Property Tax Rates (1)
Last Ten Fiscal Years

| Fiscal Year | Real Estate | Personal Property | Machinery and Tools |
|--------------------|--------------------|--------------------------|----------------------------|
| 2010-11 | \$ 0.69/0.69 | \$ 5.00/5.00 | 2.50/2.50 |
| 2011-12 | 0.69/0.69 | 5.00/5.00 | 2.50/2.50 |
| 2012-13 | 0.69/0.72 | 5.00/5.00 | 2.50/2.50 |
| 2013-14 | 0.72/0.72 | 5.00/5.00 | 2.50/2.50 |
| 2014-15 | 0.72/0.75 | 5.00/5.00 | 2.50/2.50 |
| 2015-16 | 0.75/0.775 | 5.00/5.00 | 2.50/2.50 |
| 2016-17 | 0.775/0.775 | 5.00/5.00 | 2.50/2.50 |
| 2017-18 | 0.775/0.775 | 5.00/5.00 | 2.50/2.50 |
| 2018-19 | 0.775/0.82 | 5.00/5.00 | 2.50/2.00 |
| 2019-20 | 0.82/0.82 | 5.00/5.00 | 2.00/2.50 |

(1) Per \$100 of assessed value, 1st and 2nd half assessments

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

| Fiscal Year | Population | Assessed Value | Gross & Net Bonded Debt | Ratio of Net Debt to Assessed Value | Net Bonded Debt per Capita |
|----------------|------------|-------------------|----------------------------------|--|-------------------------------------|
| | (1) | (2) | (3) | | |
| 2010-11 | 18,485 | \$ 2,054,910,832 | \$ 48,228,153 | 2.35% | 2,609 |
| 2011-12 | 18,484 | 2,035,824,441 | 44,887,933 | 2.20% | 2,428 |
| 2012-13 | 18,856 | 1,994,476,409 | 44,252,984 | 2.22% | 2,347 |
| 2013-14 | 19,320 | 1,949,911,298 | 41,309,088 | 2.12% | 2,138 |
| 2014-15 | 19,618 | 1,972,500,937 | 38,523,498 | 1.95% | 1,964 |
| 2015-16 | 19,840 | 2,006,512,385 | 35,549,928 | 1.77% | 1,792 |
| 2016-17 | 19,785 | 2,068,870,911 | 32,656,383 | 1.58% | 1,651 |
| 2017-18 | 19,959 | 2,151,208,075 | 64,627,658 | 3.00% | 3,238 |
| 2018-19 | 19,959 | 2,184,074,887 | 63,711,255 | 2.92% | 3,192 |
| 2019-20 | 20,097 | 2,266,506,502 | 62,175,789 | 2.74% | 3,094 |

(1) Weldon Cooper Center for Public Service at the University of Virginia

(2) From Table 6.

(3) Includes all long-term general obligation bonded debt, Literary Fund Loans, and revenue bonds; excludes capital leases, compensated absences, landfill closure/postclosure, and other postemployment benefits.

Compliance



**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 Honorable Members of
the Board of Supervisors
County of Greene, 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, discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Greene, Virginia, as of and for the year June 30, 2020, and the related notes to the financial statements, which collectively comprise the County of Greene, Virginia's basic financial statements and have issued our report thereon dated December 14, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County of Greene, 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 Greene, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of the County of Greene, Virginia's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Greene, 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*.

Purpose of this Report

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

Robinson, Farmer, Cox Associates
Charlottesville, Virginia
December 14, 2020



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

To the Honorable Members of
The Board of Supervisors
County of Greene, Virginia

Report on Compliance for Each Major Federal Program

We have audited the County of Greene, Virginia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County of Greene, Virginia's major federal programs for the year ended June 30, 2020. County of Greene, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County of Greene, Virginia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County of Greene, Virginia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County of Greene, Virginia's compliance.

Opinion on Each Major Federal Program

In our opinion, the County of Greene, Virginia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of the County of Greene, Virginia is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County of Greene, Virginia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County of Greene, Virginia's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Robinson, Farmer Cox Associates
(Charlottesville, Virginia
December 14, 2020

COUNTY OF GREENE, VIRGINIA

Schedule of Expenditures of Federal Awards - Primary Government and
Discretely Presented Component Units
For The Year Ended June 30, 2020

| Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title | Federal CFDA Number | Pass-Through Entity Identifying Number | Federal Expenditures |
|--|---------------------------|---|-------------------------|
| PRIMARY GOVERNMENT: | | | |
| <u>DEPARTMENT OF AGRICULTURE:</u> | | | |
| <u>Direct payments:</u> | | | |
| Community Facilities Loans and Grants Cluster: Community Facilities Loans and Grants | 10.766 | N/A | \$ 1,040,000 |
| <u>Pass through payments:</u> | | | |
| Department of Social Services: Supplemental Nutrition Assistance Program (SNAP) Cluster: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program | 10.561 | 0010119/0040119/0050119 | 203,975 |
| Total Department of Agriculture | | | \$ <u>1,243,975</u> |
| <u>DEPARTMENT OF TRANSPORTATION:</u> | | | |
| <u>Pass through payments:</u> | | | |
| Department of Motor Vehicles: Alcohol Open Container Requirements | 20.607 | 154AL-2019-59111/2020-50343 | \$ 7,811 |
| Highway Safety Cluster: State and Community Highway Safety | 20.600 | FSC-2019-59350/2020-50113 | 5,043 |
| Department of Rail and Public Transportation: Formula Grants for Rural Areas | 20.509 | 42019/42519/42020/42520 | <u>484,976</u> |
| Total Department of Transportation | | | \$ <u>497,830</u> |
| <u>DEPARTMENT OF JUSTICE:</u> | | | |
| <u>Direct payment:</u> | | | |
| Bulletproof Vest Partnership Program | 16.607 | n/a | \$ 3,897 |
| <u>Pass through payments:</u> | | | |
| Department of Justice: Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 12DJBX0272/15DJBX1062/16DJBX0482 | 3,852 |
| Crime Victim Assistance | 16.575 | 16VAGX0036/17VAGX0018 | <u>47,811</u> |
| Total Department of Justice | | | \$ <u>55,560</u> |
| <u>DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u> | | | |
| <u>Direct payment:</u> | | | |
| COVID 19 - Provider Relief Fund | 93.498 | n/a | \$ 19,806 |
| <u>Pass Through Payments:</u> | | | |
| Department of Social Services: Promoting Safe and Stable Families Program | 93.556 | 0950118/0960118 | \$ 5,199 |
| Temporary Assistance For Needy Families CCFD Cluster: | 93.558 | 0400119/0950118/1110119 | 104,762 |
| Child Care Mandatory and Matching Funds of the Child Care and Development Fund | 93.596 | 0760119 | 20,547 |
| Refugee and Entrant Assistance - State/Replacement Designee Administered Programs | 93.566 | 0500119 | 155 |
| Low-Income Home Energy Assistance | 93.568 | 0600419 | 19,281 |
| Chafee Education and Training Vouchers Program (ETV) | 93.599 | 9160117 | 894 |
| Stephanie Tubbs Jones Child Welfare Services Program | 93.645 | 0900118 | 196 |
| Foster care - Title IV-E | 93.658 | 1100119 | 81,084 |

COUNTY OF GREENE, VIRGINIA

Schedule of Expenditures of Federal Awards - Primary Government and
Discretely Presented Component Units
For The Year Ended June 30, 2020 (Continued)

| Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title | Federal CFDA Number | Pass-Through Entity Identifying Number | Federal Expenditures |
|--|---------------------------|---|----------------------------|
| PRIMARY GOVERNMENT: (CONTINUED) | | | |
| <u>DEPARTMENT OF HEALTH AND HUMAN SERVICES: (Continued)</u> | | | |
| <u>Pass Through Payments: (Continued)</u> | | | |
| Department of Social Services: (Continued) | | | |
| Adoption Assistance | 93.659 | 1120119 | \$ 72,869 |
| Social Services Block Grant | 93.667 | 1000119 | 83,489 |
| John H. Chafee Foster Care Program for Successful Transition to adulthood | 93.674 | 9150118 | 1,423 |
| Children's Health Insurance Program Medicaid Cluster: | 93.767 | 0540119 | 3,441 |
| Medical Assistance Program | 93.778 | 1200119 | <u>212,122</u> |
| Total Department of Health and Human Services | | | <u>\$ 625,268</u> |
| <u>DEPARTMENT OF TREASURY:</u> | | | |
| <u>Pass through payments:</u> | | | |
| Virginia Department of Accounts: COVID 19 - Coronavirus Relief Fund | 21.019 | SLT0022 | <u>\$ 549,917</u> |
| Total Primary Government | | | <u><u>\$ 2,972,550</u></u> |
| COMPONENT UNIT-SCHOOL BOARD: | | | |
| <u>DEPARTMENT OF AGRICULTURE:</u> | | | |
| <u>Pass through payments:</u> | | | |
| Child Nutrition Cluster: | | | |
| Department of Agriculture and Consumer Services: Food Commodities | 10.555 | n/a | \$ 79,678 |
| Department of Education: | | | |
| National School Lunch Program | 10.555 | 201919N10994/202020N10994 | 339,308 |
| COVID 19 - National School Lunch Program | 10.555 | 202020N85034 | <u>76,101</u> |
| Total Food Commodities and National School Lunch Program | | | <u>\$ 495,087</u> |
| School Breakfast Program | 10.553 | 201919N10994/202020N10994 | 125,500 |
| COVID 19 - School Breakfast Program | 10.553 | 202020N85034 | <u>40,242</u> |
| Total School Breakfast Program | | | <u>\$ 165,742</u> |
| COVID 19 - Summer Feeding Program | 10.559 | 202020N85034 | <u>133,886</u> |
| Total Child Nutrition Cluster | | | <u>\$ 794,715</u> |
| Child Nutrition Discretionary Grants Limited Activity | 10.579 | 201818N81034 | <u>\$ 25,525</u> |
| Total Department of Agriculture | | | <u>\$ 820,240</u> |
| <u>DEPARTMENT OF EDUCATION:</u> | | | |
| <u>Pass through payments:</u> | | | |
| Department of Education: | | | |
| Title I Grants to Local Educational Agencies | 84.010 | S010A160046/S010A170046/S010A180046 | \$ 358,915 |
| Special Education Cluster: | | | |
| Special Education - Grants to States | 84.027 | H027A170107/H027A180107 | 783,197 |
| Special Education - Preschool Grants | 84.173 | H173A160112/H173A170112/H173A180012 | <u>23,207</u> |
| Subtotal Special Education Cluster | | | <u>\$ 806,404</u> |
| Career and Technical Education - Basic Grants to States | 84.048 | V048A160046/V048A170046/V048A180046 | 42,100 |
| Supporting Effective In+A330struction State Grant | 84.367 | S367A170044/S367A180044 | 80,186 |
| Student Support and Academic Enrichment Program | 84.424 | S424A170048 | 10,109 |
| English Language Acquisition State Grants | 84.365 | S365A170046/S365A180046 | <u>11,767</u> |
| Total Department of Education | | | <u>\$ 1,309,481</u> |
| Total Component Unit School Board | | | <u><u>\$ 2,129,721</u></u> |
| Total Expenditures of Federal Awards | | | <u><u>\$ 5,102,271</u></u> |

See accompanying notes to schedule of expenditures of federal awards.

COUNTY OF GREENE, VIRGINIA

Notes to Schedule of Expenditures of Federal Awards
For The Year Ended June 30, 2020

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the County of Greene, Virginia under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the County of Greene, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County of Greene, Virginia.

Note 2 - Summary of Significant Accounting Policies

(1) Expenditures 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.

Note 3 - Food Donation

Nonmonetary assistance in the amount of \$79,678 is reported in the Schedule at the fair market value of the commodities received and disbursed.

Note 4 - De Minimis Cost Rate

The County did not elect to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

Note 5 - Subrecipients

No awards were passed through to subrecipients.

Note 6 - Relationship to Financial Statements

Federal expenditures, revenues and capital contributions are reported in the County's basic financial statements as follows:

| | |
|---|---------------------|
| Intergovernmental federal revenues per the basic financial statements: | |
| Primary government: | |
| General Fund | \$ 1,980,376 |
| Less Payment in lieu of taxes | (47,825) |
| Temporary loan financing - anticipation of federal grant | <u>1,040,000</u> |
| Total primary government | <u>\$ 2,972,551</u> |
| Component Unit School Board: | |
| School Operating Fund | \$ 2,253,621 |
| Less BAB subsidy | <u>(123,901)</u> |
| Total component unit school board | <u>\$ 2,129,720</u> |
| Total federal expenditures per basic financial statements | <u>\$ 5,102,271</u> |
| Total federal expenditures per the Schedule of Expenditures of Federal Awards | <u>\$ 5,102,271</u> |

COUNTY OF GREENE, VIRGINIA

Schedule of Findings and Questioned Costs
For The Year Ended June 30, 2020

Section I - Summary of Auditors' Results

Financial Statements

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

Federal Awards

| | |
|--|---------------|
| Internal control over major programs: | |
| Material weakness(es) 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:

| <u>CFDA #</u> | <u>Name of Federal Program or Cluster</u> |
|-----------------------------|---|
| 21.019 | Coronavirus Relief Fund |
| 10.553/10.555/10.556/10.559 | Child Nutrition Cluster |
| 10.766/10.780 | Community Facilities Loans and Grants Cluster |

| | |
|--|-----------|
| Dollar threshold used to distinguish between Type A and Type B programs: | \$750,000 |
| Auditee qualified as low-risk auditee? | Yes |

Section II - Financial Statement Findings

There are no financial statement findings to report.

Section III - Federal Award Findings and Questioned Costs

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

Section IV - Prior Year Audit Findings

There are no prior year audit findings to report.