

COUNTY OF GREENE, VIRGINIA



FINANCIAL REPORT YEAR ENDED JUNE 30, 2023

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COUNTY OF GREENE, VIRGINIA

BOARD OF SUPERVISORS

Marie C. Durrer, Chair
Dale R. Herring, Vice-Chair
Steve Bowman
Davis Lamb
Abbey Heflin

COUNTY SCHOOL BOARD

Todd Sansom, Chair
Sharon Mack, Vice Chair
Brooks Taylor
Jason Tooley
Rebecca Roach

COUNTY SOCIAL SERVICE BOARD

Joanne Burkholder, Chairman
Chastity Hall, Vice-Chairman
Davis Lamb

OTHER OFFICIALS

| | |
|--|-----------------------|
| Judge of the Circuit Court..... | Claude V. Worrell Jr. |
| Clerk of the Circuit Court | Ashby Lamb-Gomez |
| 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 | Kim Tate |
| Treasurer..... | Stephanie A. Deal |
| Sheriff | Steve Smith |
| Superintendent of Schools..... | Andrea Whitmarsh |
| Director of Department of Social Services..... | James Howard |
| County Administrator | Cathy Schafrik |



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Greene, Virginia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Greene, Virginia, as of and for the year ended June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

We draw attention to Note 17 of the financial statements, which describes the effects of the acquisition of the water and sewer operations of another governmental entity by the County during the fiscal year. Our opinion is not modified in respect of this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules related to pension and OPEB funding as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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 Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2023, on our consideration of 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 County of Greene, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
December 21, 2023

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, 2023.

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 \$60,314,649 (net position).
- Our combined long-term obligations decreased \$1,787,285 during the current fiscal year.

Fund Financial Statements

The Governmental Funds, on a current financial resource basis, reported revenues, in excess of expenditures of \$3,626,610 (Exhibit 4), which includes contributions totaling \$15,474,472 to the School Board.

- As of the close of the current fiscal year, the County's governmental funds reported ending fund balances of \$27,803,688, an increase of \$1,208,259 in comparison with the prior year.
- During the fiscal year, the County also acquired water and sewer operations, which are reported as proprietary funds. The County's proprietary funds reported ending fund balances of \$35,311,643.

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.

Proprietary funds - The County maintains one type of Proprietary Fund. The County uses enterprise funds, which are used to report the same functions presented as business-type activities in the government-wide financial statements, to account for its public utilities. The basic proprietary fund financial statements can be found on pages 25 through 28 of this report.

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 29 of this report.

Overview of the Financial Statements (Continued)

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.

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 \$60,342,283 at the close of the most recent fiscal year.

County of Greene, Virginia's Net Position

| | Governmental Activities | | Business-type Activities | | Total | |
|-----------------------------------|-------------------------|----------------|--------------------------|------|----------------|----------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Current and other assets | \$ 50,312,714 | \$ 49,779,163 | \$ 4,847,337 | \$ - | \$ 55,160,051 | \$ 49,779,163 |
| Capital assets | 39,492,225 | 78,468,183 | 56,186,523 | - | 95,678,748 | 78,468,183 |
| Total assets | \$ 89,804,939 | \$ 128,247,346 | \$ 61,033,860 | \$ - | \$ 150,838,799 | \$ 128,247,346 |
| Deferred outflows of resources | \$ 2,103,728 | \$ 2,473,449 | \$ 244,242 | \$ - | \$ 2,347,970 | \$ 2,473,449 |
| Long-term liabilities outstanding | \$ 40,603,415 | \$ 66,125,772 | \$ 23,735,072 | \$ - | \$ 64,338,487 | \$ 66,125,772 |
| Current liabilities | 9,256,055 | 11,684,467 | 2,101,100 | - | 11,357,155 | 11,684,467 |
| Total liabilities | \$ 49,859,470 | \$ 77,810,239 | \$ 25,836,172 | \$ - | \$ 75,695,642 | \$ 77,810,239 |
| Deferred inflows of resources | \$ 17,046,191 | \$ 17,703,566 | \$ 130,287 | \$ - | \$ 17,176,478 | \$ 17,703,566 |
| Net position: | | | | | | |
| Net investment in capital assets | \$ 2,704,128 | \$ 14,607,736 | \$ 30,680,198 | \$ - | \$ 33,384,326 | \$ 14,607,736 |
| Restricted | 1,156,849 | 2,031,414 | 2,591,782 | - | 3,748,631 | 2,031,414 |
| Unrestricted | 21,142,029 | 18,567,840 | 2,039,663 | - | 23,181,692 | 18,567,840 |
| Total net position | \$ 25,003,006 | \$ 35,206,990 | \$ 35,311,643 | \$ - | \$ 60,314,649 | \$ 35,206,990 |

At the end of the current fiscal year, the County's net investment in capital assets is \$33,384,326.

The County's net position increased \$25,107,659 during the current fiscal year.

Government-wide Financial Analysis (Continued)

Governmental Activities - Governmental activities reduced the County's net position by \$10,203,984. Key elements of this increase are as follows:

County of Greene, Virginia's Changes in Net Position For the Years Ended June 30, 2023 and 2022

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Total</u> | |
|--|--------------------------------|---------------|---------------------------------|-------------|---------------|---------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 4,767,031 | \$ 5,583,641 | \$ 1,350,447 | \$ - | \$ 6,117,478 | \$ 5,583,641 |
| Operating grants and contributions | 6,369,230 | 5,252,149 | - | - | 6,369,230 | 5,252,149 |
| Capital grants and contributions | - | - | 730,000 | - | 730,000 | - |
| General revenues: | | | | | | |
| General property taxes | 28,327,575 | 26,985,577 | - | - | 28,327,575 | 26,985,577 |
| Other local taxes | 7,757,401 | 7,227,558 | - | - | 7,757,401 | 7,227,558 |
| Commonwealth of Virginia non-categorical aid | 2,681,822 | 3,180,693 | - | - | 2,681,822 | 3,180,693 |
| Other general revenues | 591,150 | 311,823 | 20,320,007 | - | 20,911,157 | 311,823 |
| Net Transfers | (15,000,138) | - | 15,000,138 | - | - | - |
| Total revenues | \$ 35,494,071 | \$ 48,541,441 | \$ 37,400,592 | \$ - | \$ 72,894,663 | \$ 48,541,441 |
| Expenses: | | | | | | |
| General government administration | \$ 4,666,938 | \$ 3,893,830 | \$ - | \$ - | \$ 4,666,938 | \$ 3,893,830 |
| Judicial administration | 969,757 | 972,117 | - | - | 969,757 | 972,117 |
| Public safety | 11,442,445 | 10,126,846 | - | - | 11,442,445 | 10,126,846 |
| Public works | 4,313,889 | 3,429,951 | - | - | 4,313,889 | 3,429,951 |
| Health and welfare | 5,904,217 | 4,488,460 | - | - | 5,904,217 | 4,488,460 |
| Education | 14,664,722 | 18,980,031 | - | - | 14,664,722 | 18,980,031 |
| Parks, recreation, and cultural | 775,424 | 732,807 | - | - | 775,424 | 732,807 |
| Community development | 1,324,728 | 1,237,175 | - | - | 1,324,728 | 1,237,175 |
| Interest and other fiscal charges | 1,635,935 | 53,465 | - | - | 1,635,935 | 53,465 |
| Water fund | - | - | 1,130,120 | - | 1,130,120 | - |
| Sewer fund | - | - | 958,829 | - | 958,829 | - |
| Total expenses | \$ 45,698,055 | \$ 43,914,682 | \$ 2,088,949 | \$ - | \$ 47,787,004 | \$ 43,914,682 |
| Change in net position | \$ (10,203,984) | \$ 4,626,759 | \$ 35,311,643 | \$ - | \$ 25,107,659 | \$ 4,626,759 |
| Net position, July 1 | 35,206,990 | 30,580,231 | - | - | 35,206,990 | 30,580,231 |
| Net position, June 30 | \$ 25,003,006 | \$ 35,206,990 | \$ 35,311,643 | \$ - | \$ 60,314,649 | \$ 35,206,990 |

Business-type activities - Business-type activities increased the County's net position by \$35,311,643.

Government-wide Financial Analysis (Continued)

Other general revenues increased by \$20,599,334 during the year, primarily due to the special item reported, which was the acquisition of the water and sewer operations. All other revenues increased by a net of \$3,753,888. The County's contribution to the School Board totaled \$15,474,472 for the year compared to \$16,789,314 in the prior year, a decrease of \$1,314,842.

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 \$27,803,688, an increase of \$1,208,259 in comparison with the prior year.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget was \$7,941,250 and can be briefly summarized as follows:

- \$227,322 in increases for general government
- \$2,614,969 in increases for public safety
- \$61,486 in decreases for public works
- \$1,112,490 in increases for community development
- \$2,436,888 in increases for capital projects
- \$1,644,201 in increases for health and welfare
- \$33,134 in other decreases

Budgeted revenues of the general fund increased \$2,610,094, including increases of \$1,975,302 for intergovernmental revenues and \$634,792 of other increases.

Capital Asset and Debt Administration

- Capital assets - The County's investment in capital assets as of June 30, 2023 totals \$95,678,748 (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 \$68,865,785. Of this amount \$54,996,970 comprises debt backed by the full faith and credit of the County. The County's total obligations decreased \$1,395,860 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 2.5 percent, which is consistent with the unemployment rate from a year ago. This compares favorably to the state's average unemployment rate of 3 percent and compares favorably to the national average rate of 3.6 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 2024 fiscal year.

The fiscal year 2024 budget increased from \$76,282,250 to \$86,464,640, or \$10,182,390 (13.4%).

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, 2023

| | Primary Government | | | Component Units | |
|--|-------------------------|--------------------------|----------------|-----------------|-------------------|
| | Governmental Activities | Business-type Activities | Total | School Board | Greene County EDA |
| ASSETS | | | | | |
| Current assets: | | | | | |
| Cash and cash equivalents | \$ 31,252,848 | \$ 1,812,580 | \$ 33,065,428 | \$ 1,027,313 | \$ 189,862 |
| Receivables (net of allowance for uncollectibles): | | | | | |
| Property taxes | 13,736,902 | - | 13,736,902 | - | - |
| Accounts receivable | 908,403 | 308,539 | 1,216,942 | - | - |
| Lease receivable, current portion | - | 84,862 | 84,862 | - | - |
| Due from other governments | 2,882,069 | - | 2,882,069 | 1,702,994 | - |
| Due from primary government | - | - | - | 1,359,854 | - |
| Restricted assets: | | | | | |
| Cash and cash equivalents | 543,685 | 2,591,782 | 3,135,467 | - | - |
| Total current assets | \$ 49,323,907 | \$ 4,797,763 | \$ 54,121,670 | \$ 4,090,161 | \$ 189,862 |
| Noncurrent assets: | | | | | |
| Net pension asset | \$ 988,807 | \$ - | \$ 988,807 | \$ - | \$ - |
| Lease receivable, net of current portion | - | 49,574 | 49,574 | - | - |
| Capital assets: | | | | | |
| Land | 1,672,274 | 4,177,654 | 5,849,928 | 127,800 | - |
| Lease land | 128,019 | - | 128,019 | - | - |
| Lease tower space | 1,131,856 | - | 1,131,856 | - | - |
| Infrastructure, net of depreciation | - | 40,090,849 | 40,090,849 | - | - |
| Buildings and improvements, net of depreciation | 30,770,017 | 101,510 | 30,871,527 | 16,476,617 | - |
| Equipment, net of depreciation | 5,661,414 | 408,139 | 6,069,553 | 2,174,124 | - |
| Lease equipment, net of amortization | 45,290 | - | 45,290 | 42,324 | - |
| Construction in progress | 83,355 | 11,408,371 | 11,491,726 | 1,161,155 | - |
| Total noncurrent assets | \$ 40,481,032 | \$ 56,236,097 | \$ 96,717,129 | \$ 19,982,020 | \$ - |
| Total assets | \$ 89,804,939 | \$ 61,033,860 | \$ 150,838,799 | \$ 24,072,181 | \$ 189,862 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Deferred amount on refunding | \$ - | \$ 208,317 | \$ 208,317 | \$ - | \$ - |
| Pension related items | 864,740 | 27,634 | 892,374 | 6,140,321 | - |
| OPEB related items | 1,238,988 | 8,291 | 1,247,279 | 1,208,627 | - |
| Total deferred outflows of resources | \$ 2,103,728 | \$ 244,242 | \$ 2,347,970 | \$ 7,348,948 | \$ - |
| Total assets and deferred outflows of resources | \$ 91,908,667 | \$ 61,278,102 | \$ 153,186,769 | \$ 31,421,129 | \$ 189,862 |
| LIABILITIES | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | \$ 1,633,457 | \$ 12,366 | \$ 1,645,823 | \$ 1,171,156 | \$ - |
| Accrued liabilities | - | - | - | 1,891,692 | - |
| Due to component units | 1,359,854 | - | 1,359,854 | - | - |
| Accrued interest payable | 620,053 | 278,540 | 898,593 | - | - |
| Unearned revenue | 2,925,587 | - | 2,925,587 | - | - |
| Current portion of long-term obligations | 2,717,104 | 1,810,194 | 4,527,298 | 299,604 | - |
| Total current liabilities | \$ 9,256,055 | \$ 2,101,100 | \$ 11,357,155 | \$ 3,362,452 | \$ - |
| Noncurrent liabilities: | | | | | |
| Noncurrent portion of long-term obligations | \$ 40,603,415 | \$ 23,735,072 | \$ 64,338,487 | \$ 28,278,541 | \$ - |
| Total liabilities | \$ 49,859,470 | \$ 25,836,172 | \$ 75,695,642 | \$ 31,640,993 | \$ - |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Deferred property tax revenue | \$ 14,506,199 | \$ - | \$ 14,506,199 | \$ - | \$ - |
| Pension related items | 1,458,091 | - | 1,458,091 | 5,433,475 | - |
| OPEB related items | 1,081,901 | 6,156 | 1,088,057 | 942,569 | - |
| Lease related items | - | 124,131 | 124,131 | - | - |
| Total deferred inflows of resources | \$ 17,046,191 | \$ 130,287 | \$ 17,176,478 | \$ 6,376,044 | \$ - |
| NET POSITION | | | | | |
| Net Investment in capital assets | \$ 2,704,128 | \$ 30,680,198 | \$ 33,384,326 | \$ 19,476,228 | \$ - |
| Restricted | 1,156,849 | 2,591,782 | 3,748,631 | - | - |
| Unrestricted (deficit) | 21,142,029 | 2,039,663 | 23,181,692 | (26,072,136) | 189,862 |
| Total net position (deficit) | \$ 25,003,006 | \$ 35,311,643 | \$ 60,314,649 | \$ (6,595,908) | \$ 189,862 |

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

Statement of Activities
For the Year Ended June 30, 2023

| Functions/Programs | Expenses | Program Revenues | | |
|-----------------------------------|---------------|----------------------------|--|--|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| PRIMARY GOVERNMENT: | | | | |
| Governmental activities: | | | | |
| General government administration | \$ 4,666,938 | \$ 575,200 | \$ 303,923 | \$ - |
| Judicial administration | 969,757 | 107,520 | 554,317 | - |
| Public safety | 11,442,445 | 950,396 | 1,894,800 | - |
| Public works | 4,313,889 | 2,952,342 | - | - |
| Health and welfare | 5,904,217 | - | 3,553,290 | - |
| Education | 14,664,722 | - | - | - |
| Parks, recreation, and cultural | 775,424 | 102,507 | 62,900 | - |
| Community development | 1,324,728 | 79,066 | - | - |
| Interest on long-term obligations | 1,635,935 | - | - | - |
| Total governmental activities | \$ 45,698,055 | \$ 4,767,031 | \$ 6,369,230 | \$ - |
| Business-type activities: | | | | |
| Water | \$ 1,130,120 | \$ 1,080,370 | \$ - | \$ 90,000 |
| Sewer | 958,829 | 270,077 | - | 640,000 |
| Total business-type activities | \$ 2,088,949 | \$ 1,350,447 | \$ - | \$ 730,000 |
| Total Primary Government | \$ 47,787,004 | \$ 6,117,478 | \$ 6,369,230 | \$ 730,000 |
| COMPONENT UNITS: | | | | |
| School Board | \$ 41,975,535 | \$ 52,138 | \$ 29,688,160 | \$ 1,716,894 |
| Greene County EDA | 1,421 | - | - | - |
| Total component units | \$ 41,976,956 | \$ 52,138 | \$ 29,688,160 | \$ 1,716,894 |

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

Statement of Activities
For the Year Ended June 30, 2023

| Functions/Programs | Net (Expense) Revenue and Changes in Net Position | | | | |
|---|--|-----------------------------|-----------------|-----------------|-------------------------|
| | Primary Government | | | Component Units | |
| | Governmental Activities | Business-type Activities | Total | School Board | Greene County EDA |
| PRIMARY GOVERNMENT: | | | | | |
| Governmental activities: | | | | | |
| General government administration | \$ (3,787,815) | \$ - | \$ (3,787,815) | \$ - | \$ - |
| Judicial administration | (307,920) | - | (307,920) | - | - |
| Public safety | (8,597,249) | - | (8,597,249) | - | - |
| Public works | (1,361,547) | - | (1,361,547) | - | - |
| Health and welfare | (2,350,927) | - | (2,350,927) | - | - |
| Education | (14,664,722) | - | (14,664,722) | - | - |
| Parks, recreation, and cultural | (610,017) | - | (610,017) | - | - |
| Community development | (1,245,662) | - | (1,245,662) | - | - |
| Interest on long-term obligations | (1,635,935) | - | (1,635,935) | - | - |
| Total governmental activities | \$ (34,561,794) | \$ - | \$ (34,561,794) | \$ - | \$ - |
| Business-type activities: | | | | | |
| Water | \$ - | \$ 40,250 | \$ 40,250 | \$ - | \$ - |
| Sewer | - | (48,752) | (48,752) | - | - |
| Total business-type activities | \$ - | \$ (8,502) | \$ (8,502) | \$ - | \$ - |
| Total Primary Government | \$ (34,561,794) | \$ (8,502) | \$ (34,570,296) | \$ - | \$ - |
| COMPONENT UNITS: | | | | | |
| School Board | \$ - | \$ - | \$ - | \$ (10,518,343) | \$ - |
| Greene County EDA | - | - | - | - | (1,421) |
| Total component units | \$ - | \$ - | \$ - | \$ (10,518,343) | \$ (1,421) |
| General revenues: | | | | | |
| General property taxes | \$ 28,327,575 | \$ - | \$ 28,327,575 | \$ - | \$ - |
| Local sales and use tax | 3,346,809 | - | 3,346,809 | - | - |
| Business license taxes | 941,415 | - | 941,415 | - | - |
| Consumer utility taxes | 457,029 | - | 457,029 | - | - |
| Motor vehicle licenses | 477,043 | - | 477,043 | - | - |
| Meals taxes | 1,147,666 | - | 1,147,666 | - | - |
| Taxes on recordation and wills | 311,854 | - | 311,854 | - | - |
| Other local taxes | 1,075,585 | - | 1,075,585 | - | - |
| Grants and contributions not restricted to specific programs | 2,681,822 | - | 2,681,822 | - | - |
| Unrestricted revenues from use of money and property | 319,882 | 10,305 | 330,187 | 2,450 | - |
| Miscellaneous | 271,268 | - | 271,268 | 879,780 | 7,000 |
| Special items | - | 20,309,702 | 20,309,702 | - | - |
| Transfers | (15,000,138) | 15,000,138 | - | - | - |
| Payment from primary government | - | - | - | 14,635,882 | - |
| Total general revenues | \$ 24,357,810 | \$ 35,320,145 | \$ 59,677,955 | \$ 15,518,112 | \$ 7,000 |
| Change in net position | \$ (10,203,984) | \$ 35,311,643 | \$ 25,107,659 | \$ 4,999,769 | \$ 5,579 |
| Net position (deficit) - beginning | 35,206,990 | - | 35,206,990 | (11,595,677) | 184,283 |
| Net position (deficit) - ending | \$ 25,003,006 | \$ 35,311,643 | \$ 60,314,649 | \$ (6,595,908) | \$ 189,862 |

Fund Financial Statements

Balance Sheet - Governmental Funds
June 30, 2023

| | General Fund | Debt Service Fund | School Capital Projects Fund | Total |
|--|-----------------|-------------------------|------------------------------------|---------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 28,050,017 | \$ 3,202,831 | \$ - | \$ 31,252,848 |
| Receivables (net of allowance for uncollectibles): | | | | |
| Property taxes | 13,736,902 | - | - | 13,736,902 |
| Accounts receivable | 908,403 | - | - | 908,403 |
| Due from other funds | - | - | 13,318 | 13,318 |
| Due from other governmental units | 2,882,069 | - | - | 2,882,069 |
| Restricted assets: | | | | |
| Cash and cash equivalents | 293,861 | - | 249,824 | 543,685 |
| Total assets | \$ 45,871,252 | \$ 3,202,831 | \$ 263,142 | \$ 49,337,225 |
| LIABILITIES | | | | |
| Accounts payable | \$ 1,633,357 | \$ - | \$ 100 | \$ 1,633,457 |
| Due to other funds | 13,318 | - | - | 13,318 |
| Due to component unit | 1,359,854 | - | - | 1,359,854 |
| Unearned revenue | 2,925,587 | - | - | 2,925,587 |
| Total liabilities | \$ 5,932,116 | \$ - | \$ 100 | \$ 5,932,216 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable property tax revenue | \$ 15,433,279 | \$ - | \$ - | \$ 15,433,279 |
| Other unavailable revenue | 168,042 | - | - | 168,042 |
| Total deferred inflows of resources | \$ 15,601,321 | \$ - | \$ - | \$ 15,601,321 |
| FUND BALANCES | | | | |
| Restricted: | | | | |
| Capital projects - school facilities upgrades | \$ - | \$ - | \$ 263,042 | \$ 263,042 |
| Capital projects - vehicle replacement | 293,861 | - | - | 293,861 |
| Opioid settlement funds-opioid abuse mitigation | 66,547 | - | - | 66,547 |
| Committed: | | | | |
| Debt service | - | 3,202,831 | - | 3,202,831 |
| Education - school board carryover | 8,142,945 | - | - | 8,142,945 |
| Unassigned | 15,834,462 | - | - | 15,834,462 |
| Total fund balances | \$ 24,337,815 | \$ 3,202,831 | \$ 263,042 | \$ 27,803,688 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 45,871,252 | \$ 3,202,831 | \$ 263,142 | \$ 49,337,225 |
| Detailed explanation of adjustments from fund statements to government-wide statement of net position: | | | | |
| Total fund balances per above | | | | \$ 27,803,688 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | | | | |
| Land | | | \$ 1,672,274 | |
| Lease land | | | 128,019 | |
| Lease tower space | | | 1,131,856 | |
| Buildings and improvements | | | 30,770,017 | |
| Equipment | | | 5,661,414 | |
| Lease equipment | | | 45,290 | |
| Construction in progress | | | 83,355 | 39,492,225 |
| Interest on long-term obligations is not accrued in governmental funds, but rather is recognized as an expenditure when due. | | | | (620,053) |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds. | | | | |
| Unavailable property taxes | | | 927,080 | |
| Other unavailable revenues - Opioid settlement funds | | | 168,042 | 1,095,122 |
| Long-term assets related to pension and OPEB valuations are not current financial resources and, therefore, are not reported in the funds. | | | | |
| Net pension asset | | | 988,807 | 988,807 |
| Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds. | | | | |
| Pension related items | | | \$ 864,740 | |
| OPEB related items | | | 1,238,988 | 2,103,728 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. | | | | |
| Financed purchases | | | \$ (7,366,212) | |
| Landfill closure and postclosure liability | | | (571,843) | |
| Compensated absences | | | (521,399) | |
| General obligation bonds | | | (26,650,000) | |
| Premiums on bonds | | | (1,197,539) | |
| State literary fund loans | | | (2,250,000) | |
| Revenue bonds | | | (1,115,062) | |
| Net OPEB liabilities | | | (2,303,714) | |
| Lease liabilities | | | (1,344,750) | (43,320,519) |
| Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds. | | | | |
| Pension related items | | | \$ (1,458,091) | |
| OPEB related items | | | (1,081,901) | (2,539,992) |
| Net position of General Government Activities | | | | \$ 25,003,006 |

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, 2023

| | General Fund | Debt Service Fund | School Capital Projects Fund | Total |
|---|-----------------|-------------------------|------------------------------------|----------------|
| Revenues: | | | | |
| General property taxes | \$ 28,237,260 | \$ - | \$ - | \$ 28,237,260 |
| Other local taxes | 7,757,401 | - | - | 7,757,401 |
| Permits, privilege fees and regulatory licenses | 408,279 | - | - | 408,279 |
| Fines and forfeitures | 67,978 | - | - | 67,978 |
| Revenue from use of money and property | 309,506 | - | 10,376 | 319,882 |
| Charges for services | 4,290,774 | - | - | 4,290,774 |
| Miscellaneous | 304,366 | - | - | 304,366 |
| Recovered costs | 244,133 | - | - | 244,133 |
| Intergovernmental: | | | | |
| Commonwealth | 7,262,603 | - | - | 7,262,603 |
| Federal | 1,788,449 | - | - | 1,788,449 |
| Total revenues | \$ 50,670,749 | \$ - | \$ 10,376 | \$ 50,681,125 |
| Expenditures: | | | | |
| Current: | | | | |
| General government administration | \$ 3,506,321 | \$ - | \$ - | \$ 3,506,321 |
| Judicial administration | 917,201 | - | - | 917,201 |
| Public safety | 13,248,408 | - | - | 13,248,408 |
| Public works | 4,370,520 | - | - | 4,370,520 |
| Health and welfare | 5,992,400 | - | - | 5,992,400 |
| Education | 15,481,185 | - | - | 15,481,185 |
| Parks, recreation, and cultural | 701,684 | - | - | 701,684 |
| Community development | 1,501,086 | - | - | 1,501,086 |
| Nondepartmental | 76,650 | - | - | 76,650 |
| Capital outlays and projects | 135,550 | - | 19,990 | 155,540 |
| Debt service: | | | | |
| Principal retirement | 779,496 | - | - | 779,496 |
| Interest and other fiscal charges | 324,024 | - | - | 324,024 |
| Total expenditures | \$ 47,034,525 | \$ - | \$ 19,990 | \$ 47,054,515 |
| Excess (deficiency) of revenues over (under) expenditures | \$ 3,636,224 | \$ - | \$ (9,614) | \$ 3,626,610 |
| Other financing sources (uses): | | | | |
| Financed purchases | \$ 1,147,437 | \$ - | \$ - | \$ 1,147,437 |
| Issuance of leases | 1,319,046 | - | - | 1,319,046 |
| Transfers out | (4,884,834) | - | - | (4,884,834) |
| Total other financing sources (uses) | \$ (2,418,351) | \$ - | \$ - | \$ (2,418,351) |
| Change in fund balance | \$ 1,217,873 | \$ - | \$ (9,614) | \$ 1,208,259 |
| Fund balance at beginning of year | 23,119,942 | 3,202,831 | 272,656 | 26,595,429 |
| Fund balance at end of year | \$ 24,337,815 | \$ 3,202,831 | \$ 263,042 | \$ 27,803,688 |

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, 2023

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

| | | |
|---|----|-----------|
| Net change in fund balance - total governmental funds | \$ | 1,208,259 |
|---|----|-----------|

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 depreciation exceeded capital outlays in the current period. Details supporting this adjustment are as follows:

| | | | |
|--|----|--------------------|--------------|
| Capital outlay | \$ | 2,037,073 | |
| Depreciation expense | | <u>(2,505,254)</u> | (468,181) |
| Transfer of joint tenancy assets from Primary Government to the Component Unit | | | (1,216,750) |
| Transfer of assets to other governmental units | | | (37,291,027) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | | |
| Property taxes | | 90,317 | |
| Other revenues - Opioid settlement funds | | <u>(33,099)</u> | 57,218 |

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 long-term debt | \$ | 2,368,158 | |
| Assumption of debt by other governmental units | | 27,289,780 | |
| (Increase)/decrease in landfill closure and postclosure liability | | (37,909) | |
| Issuance of long-term debt | | <u>(2,466,483)</u> | 27,153,546 |

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 | \$ | 86,990 | |
| Change in pension related items | | 556,944 | |
| Change in OPEB related items | | (148,966) | |
| Change in accrued interest payable | | 161,644 | |
| Change in deferred amount on refunding | | <u>(303,661)</u> | 352,951 |
| Change in net position of governmental activities | \$ | | <u><u>(10,203,984)</u></u> |

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

Statement of Net Position

Proprietary Funds

June 30, 2023

| | Enterprise Funds | | |
|---|------------------|---------------|---------------|
| | Water Fund | Sewer Fund | Total |
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 895,777 | \$ 916,803 | \$ 1,812,580 |
| Accounts receivable | 246,831 | 61,708 | 308,539 |
| Lease receivable, current portion | 84,862 | - | 84,862 |
| Total current assets | \$ 1,227,470 | \$ 978,511 | \$ 2,205,981 |
| Noncurrent assets: | | | |
| Lease receivable, net of current portion | \$ 49,574 | \$ - | \$ 49,574 |
| Restricted assets: | | | |
| Cash and cash equivalents | 2,591,782 | - | 2,591,782 |
| Total restricted assets | \$ 2,591,782 | \$ - | \$ 2,591,782 |
| Capital assets: | | | |
| Land | \$ 3,675,465 | \$ 502,189 | \$ 4,177,654 |
| Buildings and improvements, net of depreciation | 50,755 | 50,755 | 101,510 |
| Equipment, net of depreciation | 206,568 | 201,571 | 408,139 |
| Infrastructure, net of depreciation | 17,017,523 | 23,073,326 | 40,090,849 |
| Construction in progress | 11,408,371 | - | 11,408,371 |
| Total capital assets, net | \$ 32,358,682 | \$ 23,827,841 | \$ 56,186,523 |
| Total noncurrent assets | \$ 35,000,038 | \$ 23,827,841 | \$ 58,827,879 |
| Total assets | \$ 36,227,508 | \$ 24,806,352 | \$ 61,033,860 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Pension related items | \$ 10,629 | \$ 17,005 | \$ 27,634 |
| OPEB related items | 3,189 | 5,102 | 8,291 |
| Deferred amount on refunding | 87,089 | 121,228 | 208,317 |
| Total deferred outflows of resources | \$ 100,907 | \$ 143,335 | \$ 244,242 |

Statement of Net Position
 Proprietary Funds (Continued)
 As of June 30, 2023

| | Enterprise Funds | | |
|---|------------------|---------------|---------------|
| | Water Fund | Sewer Fund | Total |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable & other accrued expenses | \$ 12,322 | \$ 44 | \$ 12,366 |
| Accrued interest payable | 220,700 | 57,840 | 278,540 |
| Compensated absences - current portion | 847 | 753 | 1,600 |
| Notes payable - current portion | 137,263 | - | 137,263 |
| Bonds payable - current portion | 525,303 | 1,146,028 | 1,671,331 |
| Total current liabilities | \$ 896,435 | \$ 1,204,665 | \$ 2,101,100 |
| Noncurrent liabilities: | | | |
| Bonds payable - net of current portion | \$ 19,140,674 | \$ 3,994,078 | \$ 23,134,752 |
| Notes payable - net of current portion | 562,979 | - | 562,979 |
| Net OPEB liabilities | 8,824 | 14,116 | 22,940 |
| Compensated absences - net of current portion | 7,624 | 6,777 | 14,401 |
| Total noncurrent liabilities | \$ 19,720,101 | \$ 4,014,971 | \$ 23,735,072 |
| Total liabilities | \$ 20,616,536 | \$ 5,219,636 | \$ 25,836,172 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| OPEB related items | \$ 2,368 | \$ 3,788 | \$ 6,156 |
| Deferred lease inflows | 124,131 | - | 124,131 |
| Total deferred inflows of resources | \$ 126,499 | \$ 3,788 | \$ 130,287 |
| NET POSITION | | | |
| Net investment in capital assets | \$ 11,992,463 | \$ 18,687,735 | \$ 30,680,198 |
| Restricted | 2,591,782 | - | 2,591,782 |
| Unrestricted | 1,001,135 | 1,038,528 | 2,039,663 |
| Total net position | \$ 15,585,380 | \$ 19,726,263 | \$ 35,311,643 |

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

- - -

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2023

| | Enterprise Funds | | |
|--|------------------|---------------|---------------|
| | Water Fund | Sewer Fund | Total |
| OPERATING REVENUES | | | |
| Charges for services: | | | |
| Charges for services and facility fees | \$ 1,080,370 | \$ 270,077 | \$ 1,350,447 |
| Total operating revenues | \$ 1,080,370 | \$ 270,077 | \$ 1,350,447 |
| OPERATING EXPENSES | | | |
| Personnel services | \$ 166,589 | \$ 260,490 | \$ 427,079 |
| Employee benefits | 38,278 | 61,236 | 99,514 |
| Contractual | 96,120 | 23,901 | 120,021 |
| Maintenance, repairs, and truck operations | 77,196 | 52,281 | 129,477 |
| Utilities | 3,630 | 1,844 | 5,474 |
| Supplies | 12,925 | 6,252 | 19,177 |
| Other charges | 2,340 | 2,545 | 4,885 |
| Depreciation | 203,597 | 385,849 | 589,446 |
| Total operating expenses | \$ 600,675 | \$ 794,398 | \$ 1,395,073 |
| Operating income (loss) | \$ 479,695 | \$ (524,321) | \$ (44,626) |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Lease revenue | \$ 10,305 | \$ - | \$ 10,305 |
| Interest expense and other fiscal charges | (529,445) | (164,431) | (693,876) |
| Total nonoperating revenues (expenses) | \$ (519,140) | \$ (164,431) | \$ (683,571) |
| Income (loss) before contributions, transfers, and special items | \$ (39,445) | \$ (688,752) | \$ (728,197) |
| Contributed capital - availability fees | \$ 90,000 | \$ 640,000 | \$ 730,000 |
| Capital contribution | 1,511,662 | 8,603,642 | 10,115,304 |
| Transfers in | 3,666,696 | 1,218,138 | 4,884,834 |
| Transfer of operations | 9,681,467 | 9,278,235 | 18,959,702 |
| Special items | 675,000 | 675,000 | 1,350,000 |
| Total contributed capital | \$ 15,624,825 | \$ 20,415,015 | \$ 36,039,840 |
| Change in net position | \$ 15,585,380 | \$ 19,726,263 | \$ 35,311,643 |
| Total net position - beginning | - | - | - |
| Total net position - ending | \$ 15,585,380 | \$ 19,726,263 | \$ 35,311,643 |

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

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

| | Enterprise Funds | | |
|---|------------------|--------------|--------------|
| | Water Fund | Sewer Fund | Total |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from customers and users | \$ 833,539 | \$ 208,369 | \$ 1,041,908 |
| Payments to suppliers | (179,889) | (86,779) | (266,668) |
| Payments to and on behalf of employees | (199,022) | (318,399) | (517,421) |
| Net cash provided by (used for) operating activities | \$ 454,628 | \$ (196,809) | \$ 257,819 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | |
| Special items | \$ 675,000 | \$ 675,000 | \$ 1,350,000 |
| Transfers from other funds | 2,591,782 | - | 2,591,782 |
| Net cash provided by (used for) noncapital financing activities | \$ 3,266,782 | \$ 675,000 | \$ 3,941,782 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Purchase of property, plant and equipment | \$ (323,851) | \$ (201,388) | \$ (525,239) |
| Capital contributions | 90,000 | 640,000 | 730,000 |
| Net cash provided by (used for) capital and related financing activities | \$ (233,851) | \$ 438,612 | \$ 204,761 |
| Net increase (decrease) in cash and cash equivalents | \$ 3,487,559 | \$ 916,803 | \$ 4,404,362 |
| Cash and cash equivalents - beginning, including restricted cash and cash equivalents of \$0 and \$0 | - | - | - |
| Cash and cash equivalents - ending, including restricted cash and cash equivalents of \$2,591,782 and \$0 | \$ 3,487,559 | \$ 916,803 | \$ 4,404,362 |
| Reconciliation of operating income (loss) to net cash provided by (used for) operating activities: | | | |
| Operating income (loss) | \$ 479,695 | \$ (524,321) | \$ (44,626) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: | | | |
| Depreciation | 203,597 | 385,849 | 589,446 |
| (Increase) decrease in accounts receivable | (246,831) | (61,708) | (308,539) |
| Increase (decrease) in compensated absences | 8,471 | 7,530 | 16,001 |
| Increase (decrease) in accounts payable | 12,322 | 44 | 12,366 |
| Increase (decrease) in net OPEB liabilities | 8,824 | 14,116 | 22,940 |
| (Increase) decrease in deferred outflows of resources - OPEB related | (3,189) | (5,102) | (8,291) |
| Increase (decrease) in deferred inflows of resources - OPEB related | 2,368 | 3,788 | 6,156 |
| (Increase) decrease in deferred outflows of resources - pension related | (10,629) | (17,005) | (27,634) |
| Total adjustments | \$ (25,067) | \$ 327,512 | \$ 302,445 |
| Net cash provided by (used for) operating activities | \$ 454,628 | \$ (196,809) | \$ 257,819 |

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

Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2023

| | <u>Custodial Fund</u> |
|---------------------------|---------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ <u>76,946</u> |
| NET POSITION | |
| Restricted: | |
| Special Welfare | \$ <u>76,946</u> |

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

Statement of Changes in Fiduciary Net Position - Fiduciary Funds
For the Year Ended June 30, 2023

| | <u>Custodial Fund</u> |
|---|---------------------------|
| Additions: | |
| Special welfare collections | \$ <u>60,567</u> |
| Deductions: | |
| Welfare costs | \$ <u>41,248</u> |
| Net increase (decrease) in fiduciary net position | \$ <u>19,319</u> |
| Net position, beginning of year | \$ <u>57,627</u> |
| Net position, end of year | \$ <u><u>76,946</u></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, 2023

Note 1—Summary of Significant Accounting Policies:

The County of Greene, Virginia was formed in 1838 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, 2023 (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 government-wide financial statements to emphasize it is both legally and substantively 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, 2023.

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, 2023.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (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 accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

The government-wide, proprietary, and fiduciary financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are 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. Expenditures generally are recorded when a liability is incurred, as under accrual

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

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

accounting. However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, claims and judgments, postemployment benefits, and environmental obligations are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the government the right to use lease assets, are reported as expenditures in the governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the County.

1. Governmental Funds

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

A. General Fund

The General Fund is the primary operating fund of the County. This fund is used to account for and report all financial resources except those required to be accounted for and reported in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for service, and interest income. A significant part of the General Fund's revenues are used principally to finance the operations of the Component Unit School Board. The General Fund is considered a major fund for reporting purposes.

B. School Capital Projects Fund

The School Capital Projects Fund 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. The School Capital Projects Fund is considered a major fund for reporting purposes.

C. Debt Service Fund

The Debt Service Fund accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service 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. The Debt Service Fund is considered a major fund for reporting purposes.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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

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

2. Proprietary Funds (Enterprise Funds)

Proprietary Funds account for activities similar to those found in the private business sector. The measurement focus is upon determination of net income. Proprietary Funds consist of Enterprise Funds.

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the County is that the cost of providing services to the general public be financed or recovered through user charges. Currently, the County's Water and Sewer Funds are accounted for as enterprise funds.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise funds are charges to customers for sales and services. The enterprise funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

3. Fiduciary Funds (Trust and Custodial Funds)

Fiduciary Funds (Trust and Custodial Funds) account for assets held by the County in a trustee capacity or as custodian for individuals, private organizations, other governmental units, or other funds. These funds include Custodial Funds, which consist of the Special Welfare Fund. Fiduciary funds are not included in the government-wide financial statements.

4. Component Unit

The Greene County School Board has 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 Buckingham and state and federal grants. The School Operating Fund is considered a major fund of the School Board for financial reporting purposes.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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

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

4. Component Unit: (Continued)

Special Revenue Funds: Special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

School Activity Fund - This fund accounts for and reports funds collected at the schools in connection with student athletics, clubs, various fundraising activities, and private donations. This fund is considered a major fund.

School Cafeteria Fund - This fund accounts for and reports 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 major 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.

For the fiscal year ended June 30, 2023, a budget was not legally adopted for the Debt Service Fund, the School Cafeteria Fund, and the School Activity Fund and therefore, expenditures exceed appropriations in these funds for the fiscal year.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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

F. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, amounts in demand deposits, and short-term investments with a maturity date within three months of the date acquired by the government. For purposes of the statement of cash flows, the 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 \$96,036 at June 30, 2023 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.

I. Capital Assets

Capital assets are tangible and intangible assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets, except for infrastructure assets, are defined by the County and Component Unit School Board as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years.

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

I. Capital Assets: (Continued)

As the County and Component Unit School Board constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost (except for intangible right-to-use lease assets (lease assets), the measurement of which is discussed in more detail below). The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset’s capacity or efficiency or increases its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Land and construction in progress are not depreciated. The other tangible and intangible property, plant equipment, lease assets, and infrastructure of the primary government, as well as the component unit, are depreciated/amortized using the straight-line method over the following estimated useful lives:

| Assets | Years |
|-------------------------------|-------|
| Buildings | 40 |
| Building improvements | 20-40 |
| Vehicles | 5 |
| Police cars | 3 |
| Office and computer equipment | 5 |
| Buses | 12 |
| Lease land | 10-20 |
| Lease tower space | 14 |
| Lease equipment | 5 |

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 or business-type activities column. Bonds payable are reported net of the applicable bond premium or discount.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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

K. Long-term Obligations: (Continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, 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. Issuance costs, whether or not withheld from the actual debt proceeds received are reported as debt service expenditures.

L. Fund Balance

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

- Nonspendable fund balance - amounts that are either not in spendable form (such as inventory and prepaids) or are legally or contractually 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, which does not lapse at year end, 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).

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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

L. Fund Balance: (Continued)

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.

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 includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has multiple 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 resulted from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item is comprised of certain items related to pension and OPEB. For more detailed information on these items, reference the related notes.

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

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

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has multiple items that qualify for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30, 2nd half installments levied during the fiscal year but due after June 30th, and amounts prepaid on the 2nd half installments and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, 2nd half installments levied during the fiscal year but due after June 30th and amounts prepaid on the 2nd half installments are reported as deferred inflows of resources. In addition, certain items related to pension, OPEB, leases, and opioid settlement are reported as deferred inflows of resources. 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 fiduciary net position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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' fiduciary net position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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.

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

R. Leases

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

Lessee

The County recognizes lease liabilities and intangible right-to-use lease assets (lease assets) with an initial value of \$5,000, individually or in the aggregate in the government-wide financial statements. At the commencement of the lease, the lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease liability is reduced by the principal portion of payments made. The lease asset is measured at the initial amount of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. The lease asset is amortized over the shorter of the lease term or the useful life of the underlying asset.

Lessor

The County recognizes leases receivable and deferred inflows of resources in the government-wide and governmental fund financial statements. At commencement of the lease, the lease receivable is measured at the present value of lease payments expected to be received during the lease term, reduced by any provision for estimated uncollectible amounts. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is measured at the initial amount of the lease receivable, less lease payments received from the lessee at or before the commencement of the lease term (less any lease incentives).

Key Estimates and Judgments

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

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

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

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 2—Deposits and Investments:

Deposits

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

Investments

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

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, 2023 were rated by *Standard & Poor’s* and the ratings are presented below using the *Standard & Poor’s* rating scale.

| County's Rate Debt Investment's Values | |
|--|----------------------|
| Rated Debt Investments | Fair Quality Ratings |
| | AAAm |
| State Non-Arbitrage Program (SNAP) | \$ 3,135,467 |
| Total | \$ 3,135,467 |

Interest Rate Risk

| Investment Type | Investment Maturity* | |
|------------------------------------|----------------------|--------------|
| | Fair Value | Less than 1 |
| State Non-Arbitrage Program (SNAP) | \$ 3,135,467 | \$ 3,135,467 |
| Total investments | \$ 3,135,467 | \$ 3,135,467 |

*Weighted average maturity in years

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 2—Deposits and Investments: (Continued)

External Investment Pool

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, 2023 the County has receivables from other governments as follows:

| | <u>Primary Government</u> | <u>Component Unit</u> |
|--|-------------------------------|---------------------------|
| Commonwealth of Virginia: | | |
| Local and state sales taxes | \$ 584,928 | \$ 707,883 |
| Communication tax | 54,279 | - |
| Public assistance | 51,650 | - |
| Comprehensive services | 513,326 | - |
| Personal property tax relief act (PPTRA) | 1,352,596 | - |
| Shared expenses | 146,356 | - |
| Other state funding | 78,036 | - |
| Federal Government: | | |
| School funds | - | 995,111 |
| Public assistance | <u>100,898</u> | <u>-</u> |
| Total | <u>\$ 2,882,069</u> | <u>\$ 1,702,994</u> |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements As of June 30, 2023 (Continued)

Note 4—Capital Assets:

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

| Primary Government | Balance July 1, 2022 | Transfer | Additions | Deletions | Balance June 30, 2023 |
|--|-------------------------|-----------------|---------------|--------------|--------------------------|
| Governmental Activities: | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land | \$ 5,216,437 | \$ (3,625,964) | \$ 81,801 | \$ - | \$ 1,672,274 |
| Construction in progress | 11,366,504 | (11,291,008) | 7,859 | - | 83,355 |
| Total capital assets not being depreciated | \$ 16,582,941 | \$ (14,916,972) | \$ 89,660 | \$ - | \$ 1,755,629 |
| Other capital assets being depreciated: | | | | | |
| Buildings and improvements | \$ 42,198,922 | \$ - | \$ - | \$ 1,485,000 | \$ 40,713,922 |
| Infrastructure | 27,741,216 | (27,741,216) | - | - | - |
| Equipment | 12,759,742 | - | 628,367 | - | 13,388,109 |
| Lease land | 38,217 | - | 97,563 | - | 135,780 |
| Lease tower space | - | - | 1,221,483 | - | 1,221,483 |
| Lease equipment | 75,734 | - | - | 1,909 | 73,825 |
| Total other capital assets being depreciated | \$ 82,813,831 | \$ (27,741,216) | \$ 1,947,413 | \$ 1,486,909 | \$ 55,533,119 |
| Accumulated depreciation: | | | | | |
| Buildings and improvements | \$ 9,256,722 | \$ - | \$ 955,433 | \$ 268,250 | \$ 9,943,905 |
| Infrastructure | 5,367,161 | (5,367,161) | - | - | - |
| Equipment | 6,289,326 | - | 1,437,369 | - | 7,726,695 |
| Lease land | 159 | - | 7,602 | - | 7,761 |
| Lease tower space | - | - | 89,627 | - | 89,627 |
| Lease equipment | 15,221 | - | 15,223 | 1,909 | 28,535 |
| Total accumulated depreciation | \$ 20,928,589 | \$ (5,367,161) | \$ 2,505,254 | \$ 270,159 | \$ 17,796,523 |
| Other capital assets, net | \$ 61,885,242 | \$ (22,374,055) | \$ (557,841) | \$ 1,216,750 | \$ 37,736,596 |
| Net capital assets | \$ 78,468,183 | \$ (37,291,027) | \$ (468,181) | \$ 1,216,750 | \$ 39,492,225 |
| Business-type Activities: | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land | \$ - | \$ 3,625,964 | \$ 551,690 | \$ - | \$ 4,177,654 |
| Construction in progress | - | 11,291,008 | 117,363 | - | 11,408,371 |
| Total capital assets not being depreciated | \$ - | \$ 14,916,972 | \$ 669,053 | \$ - | \$ 15,586,025 |
| Other capital assets being depreciated: | | | | | |
| Buildings and improvements | \$ - | \$ - | \$ 101,640 | \$ - | \$ 101,640 |
| Infrastructure | - | 27,741,216 | 18,287,545 | - | 46,028,761 |
| Equipment | - | - | 426,704 | - | 426,704 |
| Total other capital assets being depreciated | \$ - | \$ 27,741,216 | \$ 18,815,889 | \$ - | \$ 46,557,105 |
| Accumulated depreciation: | | | | | |
| Buildings and improvements | \$ - | \$ - | \$ 130 | \$ - | \$ 130 |
| Infrastructure | - | 5,367,161 | 570,751 | - | 5,937,912 |
| Equipment | - | - | 18,565 | - | 18,565 |
| Total accumulated depreciation | \$ - | \$ 5,367,161 | \$ 589,446 | \$ - | \$ 5,956,607 |
| Other capital assets, net | \$ - | \$ 22,374,055 | \$ 18,226,443 | \$ - | \$ 40,600,498 |
| Net capital assets | \$ - | \$ 37,291,027 | \$ 18,895,496 | \$ - | \$ 56,186,523 |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (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, 2023:

| | Balance July 1, 2022 | Additions | Deletions | Balance June 30, 2023 |
|--|-------------------------|--------------|-----------|--------------------------|
| Component Unit - School Board | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 127,800 | \$ - | \$ - | \$ 127,800 |
| Construction in progress | - | 1,161,155 | - | 1,161,155 |
| Total capital assets not being depreciated | \$ 127,800 | \$ 1,161,155 | \$ - | \$ 1,288,955 |
| Other capital assets being depreciated: | | | | |
| Buildings and improvements | \$ 35,635,230 | \$ 1,485,000 | \$ - | \$ 37,120,230 |
| Equipment | 7,258,918 | 544,206 | - | 7,803,124 |
| Lease equipment | 148,655 | - | 48,002 | 100,653 |
| Total other capital assets being depreciated | \$ 43,042,803 | \$ 2,029,206 | \$ 48,002 | \$ 45,024,007 |
| Accumulated depreciation: | | | | |
| Buildings and improvements | \$ 19,558,239 | \$ 1,085,374 | \$ - | \$ 20,643,613 |
| Equipment | 5,187,537 | 441,463 | - | 5,629,000 |
| Lease equipment | 65,924 | 40,407 | 48,002 | 58,329 |
| Total accumulated depreciation | \$ 24,811,700 | \$ 1,567,244 | \$ 48,002 | \$ 26,330,942 |
| Other capital assets, net | \$ 18,231,103 | \$ 461,962 | \$ - | \$ 18,693,065 |
| Net capital assets | \$ 18,358,903 | \$ 1,623,117 | \$ - | \$ 19,982,020 |

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

Governmental activities:

| | |
|-----------------------------------|--------------|
| General government administration | \$ 1,341,526 |
| Judicial administration | 45,894 |
| Public safety | 218,304 |
| Public works | 18,730 |
| Health and welfare | 7,964 |
| Education | 722,500 |
| Parks, recreation and cultural | 76,277 |
| Community development | 74,059 |
| Total governmental activities | \$ 2,505,254 |
| Business-type activities | \$ 589,446 |
| Component Unit School Board (1) | \$ 1,298,994 |

(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, 2023 (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, 2023:

| | Balance at July 1, 2022 | Transfer | Issuances/ Increases | Retirements/ Decreases | Balance at June 30, 2023 |
|--|-------------------------------|-----------------|-------------------------|---------------------------|--------------------------------|
| Governmental Activities: | | | | | |
| Long-Term Obligations | | | | | |
| Direct borrowings and placements: | | | | | |
| General obligation bonds | \$ 27,685,000 | \$ - | \$ - | \$ 1,035,000 | \$ 26,650,000 |
| Premiums on bonds | 2,033,484 | (773,642) | - | 62,303 | 1,197,539 |
| State literary fund loans | 2,700,000 | - | - | 450,000 | 2,250,000 |
| VRA Revenue bonds | 11,560,000 | (11,560,000) | - | - | - |
| EDA lease revenue bonds | 1,204,003 | - | - | 88,941 | 1,115,062 |
| Lease revenue bonds | 14,120,000 | (14,120,000) | - | - | - |
| Notes payable | 836,138 | (836,138) | - | - | - |
| Financed purchases | 6,882,566 | - | 1,147,437 | 663,791 | 7,366,212 |
| Other long-term obligations: | | | | | |
| Lease liabilities | 93,828 | - | 1,319,046 | 68,124 | 1,344,750 |
| Landfill closure and postclosure liability | 533,934 | - | 37,909 | - | 571,843 |
| Compensated absences | 608,389 | - | - | 86,990 | 521,399 |
| Net OPEB liabilities | 2,004,303 | - | 2,262,272 | 1,962,861 | 2,303,714 |
| Total | \$ 70,261,645 | \$ (27,289,780) | \$ 4,766,664 | \$ 4,418,010 | \$ 43,320,519 |

Business-type Activities:

Long-Term Obligations

Direct borrowings and placements:

| | | | | | |
|---------------------|------|---------------|------|--------------|---------------|
| VRA Revenue bonds | \$ - | \$ 11,560,000 | \$ - | \$ 1,398,333 | \$ 10,161,667 |
| Lease revenue bonds | - | 14,120,000 | - | - | 14,120,000 |
| Notes payable | - | 836,138 | - | 135,897 | 700,241 |
| Premiums on bonds | - | 773,642 | - | 249,226 | 524,416 |

Other long-term obligations:

| | | | | | |
|----------------------|---|---|--------|--------|--------|
| Compensated absences | - | - | 16,001 | - | 16,001 |
| Net OPEB liabilities | - | - | 37,370 | 14,429 | 22,941 |

| | | | | | |
|-------|------|---------------|-----------|--------------|---------------|
| Total | \$ - | \$ 27,289,780 | \$ 53,371 | \$ 1,797,885 | \$ 25,545,266 |
|-------|------|---------------|-----------|--------------|---------------|

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 5—Long-Term Obligations: (Continued)

Primary Government: (Continued)

Lease liabilities outstanding as of June 30, 2023 are as follows:

| Lease Description | Initial Term | Fiscal Year Lease Ends | Installments | Payment Frequency | Discount Rate | Balance |
|---|--------------|------------------------|--------------|-------------------|---------------|---------------------|
| Copiers: | | | | | | |
| Xerox - Commonwealth Attorney | 5 years | 2026 | 58 | Monthly | 1.00% | \$ 3,947 |
| Xerox - Admin/Planning | 5 years | 2026 | 58 | Monthly | 1.00% | 18,347 |
| Xerox - Treasurer | 5 years | 2026 | 54 | Monthly | 1.00% | 1,295 |
| Xerox - EMS | 5 years | 2027 | 60 | Monthly | 0.86% | 5,515 |
| Postage machines: | | | | | | |
| Pitney Bowes - Treasurer's | 5 years | 2027 | 20 | Quarterly | 0.91% | 5,698 |
| Pitney Bowes - County Administrator | 5 years | 2027 | 20 | Quarterly | 0.91% | 5,698 |
| Pitney Bowes - Greene County Circuit Court | 5 years | 2027 | 20 | Quarterly | 0.91% | 2,445 |
| Pitney Bowes - Greene County Combined Court | 5 years | 2027 | 20 | Quarterly | 1.08% | 2,684 |
| Land: | | | | | | |
| Land Lease | 20 years | 2042 | 240 | Monthly | 3.11% | 32,037 |
| Land Lease | 10 years | 2033 | 120 | Monthly | 4.34% | 92,959 |
| Tower Space: | | | | | | |
| American Towers - tower space | 14 years | 2036 | 158 | Monthly | 3.98% | 505,636 |
| American Towers - tower space | 14 years | 2036 | 168 | Monthly | 3.98% | 668,489 |
| Total | | | | | | \$ <u>1,344,750</u> |

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

Governmental Activities:

| Year Ending June 30, | Direct Borrowings and Placements | | | | | |
|----------------------|----------------------------------|-------------------|-------------------|-----------------|---------------------------|-------------------|
| | Revenue Bonds | | | | State Literary Fund Loans | |
| | EDA Lease Revenue | | EDA Lease Revenue | | Fund Loans | |
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2024 | \$ 14,633 | \$ 30,368 | \$ 78,016 | \$ 3,563 | \$ 450,000 | \$ 67,500 |
| 2025 | 15,078 | 29,923 | 40,282 | 508 | 450,000 | 54,000 |
| 2026 | 15,536 | 29,465 | - | - | 450,000 | 40,500 |
| 2027 | 16,009 | 28,992 | - | - | 450,000 | 27,000 |
| 2028 | 16,496 | 28,505 | - | - | 450,000 | 13,500 |
| 2029-2033 | 90,317 | 134,688 | - | - | - | - |
| 2034-2038 | 104,914 | 120,091 | - | - | - | - |
| 2039-2043 | 121,869 | 103,136 | - | - | - | - |
| 2044-2048 | 141,565 | 83,440 | - | - | - | - |
| 2049-2053 | 164,445 | 60,560 | - | - | - | - |
| 2054-2058 | 191,022 | 17,431 | - | - | - | - |
| 2059-2060 | 104,880 | - | - | - | - | - |
| Totals | \$ <u>996,764</u> | \$ <u>666,599</u> | \$ <u>118,298</u> | \$ <u>4,071</u> | \$ <u>2,250,000</u> | \$ <u>202,500</u> |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 5—Long-Term Obligations: (Continued)

Primary Government: (Continued)

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

Governmental Activities: continued:

| Year Ending June 30, | Direct Borrowings and Placements | | | | | |
|----------------------------|----------------------------------|---------------------|----------------------|----------------------|---------------------|-------------------|
| | Financed Purchases | | General Obligation | | Lease Liabilities | |
| | School Bonds | | | | | |
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2024 | \$ 898,050 | \$ 212,585 | \$ 1,085,000 | \$ 1,084,558 | \$ 76,962 | \$ 50,613 |
| 2025 | 930,111 | 180,478 | 1,130,000 | 1,037,457 | 83,077 | 47,865 |
| 2026 | 887,414 | 150,606 | 1,175,000 | 989,108 | 87,962 | 44,872 |
| 2027 | 566,550 | 124,206 | 1,230,000 | 938,310 | 82,494 | 41,698 |
| 2028 | 498,427 | 107,767 | 1,130,000 | 753,676 | 88,028 | 38,313 |
| 2029-2033 | 2,491,365 | 337,579 | 6,450,000 | 2,962,519 | 555,747 | 130,022 |
| 2034-2038 | 1,094,295 | 37,269 | 7,340,000 | 1,736,459 | 361,619 | 20,876 |
| 2039-2043 | - | - | 7,110,000 | 592,741 | 8,861 | 537 |
| Totals | <u>7,366,212</u> | <u>\$ 1,150,490</u> | <u>\$ 26,650,000</u> | <u>\$ 10,094,828</u> | <u>\$ 1,344,750</u> | <u>\$ 374,796</u> |

Business-type Activities:

| Year Ending June 30, | Direct Borrowings and Placements | | | | | |
|----------------------------|----------------------------------|---------------------|----------------------|-------------------|-------------------|------------------|
| | Revenue Bonds | | | | Notes Payable | |
| | VRA Sewer Bonds | | Lease Revenue Bonds | | | |
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2024 | \$ 1,478,333 | \$ 419,716 | - | \$ 371,356 | \$ 137,263 | \$ 6,374 |
| 2025 | 1,566,667 | 342,459 | - | 371,356 | 138,642 | 4,996 |
| 2026 | 1,641,667 | 261,404 | 14,120,000 | 185,678 | 140,034 | 3,603 |
| 2027 | 530,000 | 207,638 | - | - | 141,441 | 2,196 |
| 2028 | 560,000 | 183,306 | - | - | 142,861 | 775 |
| 2029 | 570,000 | 158,788 | - | - | - | - |
| 2030 | 485,000 | 135,516 | - | - | - | - |
| 2031 | 510,000 | 115,300 | - | - | - | - |
| 2032 | 525,000 | 96,372 | - | - | - | - |
| 2033 | 550,000 | 76,550 | - | - | - | - |
| 2034 | 560,000 | 55,894 | - | - | - | - |
| 2035 | 585,000 | 34,584 | - | - | - | - |
| 2036 | 600,000 | 11,850 | - | - | - | - |
| Totals | <u>\$ 10,161,667</u> | <u>\$ 2,099,377</u> | <u>\$ 14,120,000</u> | <u>\$ 928,390</u> | <u>\$ 700,241</u> | <u>\$ 17,944</u> |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 5—Long-Term Obligations: (Continued)

Primary Government: (Continued)

Details of Long-term Obligations:

Governmental Activities:

| | <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 Janaury 2037 interest payable semi-annually at rates from 2.05% to 5.05% | \$ 3,560,000 | \$ 190,000 |
| \$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% | 620,000 | 155,000 |
| \$25,440,000 School Bonds series 2017 issued November 7, 2017 maturing in various annual installments through Janaury 2043 interest payable semi-annually at rates from 2.05% to 5.05% | <u>22,470,000</u> | <u>740,000</u> |
| Total General Obligation Bonds | <u>\$ 26,650,000</u> | <u>\$ 1,085,000</u> |
| Revenue bonds: | | |
| \$811,329 Lease Revenue Bonds issued December 20, 2010 maturing in monthly installments of \$6,798 through December 2024, interest at 4.30% | <u>118,299</u> | <u>78,016</u> |
| \$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>996,763</u> | <u>14,633</u> |
| Total Revenue Bonds | <u>\$ 1,115,062</u> | <u>\$ 92,649</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>\$ 2,250,000</u> | <u>\$ 450,000</u> |
| Total State Literary Fund loans | <u>\$ 2,250,000</u> | <u>\$ 450,000</u> |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 5—Long-Term Obligations: (Continued)

Primary Government: (Continued)

Details of Long-term Obligations: (Continued)

| | <u>Amount Outstanding</u> | <u>Amount Due within One Year</u> |
|--|-------------------------------|---|
| Direct borrowings and placements: (continued) | | |
| Financed purchases: | | |
| \$372,499 Financed purchase of vehicles and other equipment, payable in annual installments of \$135,141 through June 29, 2026, interest at 4.95%. \$ | 372,499 | \$ 118,147 |
| \$179,000 Financed purchase of landfill equipment, payable in annual installments of \$40,400 through January 15, 2028, interest at 4.28%. | 179,000 | 31,915 |
| \$595,938 (\$795,000 total purchase - 74.96% County and 25.04% School Board) Financed purchase of vehicles, payable in annual installments of \$212,120 through January 15, 2026, interest at 3.55%. | 595,938 | 190,128 |
| \$523,009 Financed purchase of SCBA equipment, payable in annual installments of \$84,561 through December 20, 2026, interest at 3.19%. | 312,869 | 74,568 |
| \$212,660 (\$596,275 total purchase - 35.66% County and 64.34% School Board) Financed purchase of vehicles, payable in annual installments of \$72,656 through December 9, 2024, interest at 1.15%. | 142,582 | 70,884 |
| \$6,215,682 Financed purchase of E911 radio equipment, payable in semiannual installments of \$282,900 through January 2035, interest at 2.71%. | 5,763,324 | 412,408 |
| Total Financed Purchases | \$ 7,366,212 | \$ 898,050 |
| Other long-term obligations: | | |
| Lease liabilities | \$ 1,344,750 | \$ 76,962 |
| Landfill closure and postclosure liability | \$ 571,843 | - |
| Net OPEB liabilities | \$ 2,303,714 | - |
| Compensated absences | \$ 521,399 | \$ 52,140 |
| Premiums on bonds payable | \$ 1,197,539 | \$ 62,303 |
| Total governmental activities long-term obligations | \$ 43,320,519 | \$ 2,717,104 |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 5—Long-Term Obligations: (Continued)

Primary Government: (Continued)

Details of Long-term Obligations: (Continued)

Business-type Activities:

| | <u>Amount Outstanding</u> | <u>Amount Due Within One Year</u> |
|---|-------------------------------|---|
| Direct borrowings and placements: | | |
| Revenue bonds: | | |
| \$3,445,000, Refunding VRA Water 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% | \$ 3,100,000 | \$ 5,000 |
| \$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% | 1,025,000 | - |
| \$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. | 1,595,000 | 260,000 |
| \$3,440,000, Refunding VRA Sewer System Revenue Bond, Series 2021B, issued July 21, 2021, maturing in amounts ranging from \$790,000 - 930,000 annually from October 1, 2022 through October 1, 2025, interest payable semi-annually at 5.125% | 2,650,000 | 835,000 |
| \$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. | 520,000 | 85,000 |
| \$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. | 665,000 | 100,000 |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 5—Long-Term Obligations: (Continued)

Primary Government: (Continued)

Details of Long-term Obligations: (Continued)

| | <u>Amount Outstanding</u> | <u>Due within One Year</u> |
|---|-------------------------------|--------------------------------|
| Direct borrowings and placements: (continued) | | |
| Revenue bonds: (Continued) | | |
| \$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. | \$ 606,667 | \$ 193,333 |
| \$14,120,000 lease revenue bond, Series 2022, issued May 2022, maturing July 15, 2025 with principal payable in full (\$14.12 million). Interest is payable in semi-annual installments at a rate of 2.63%. The bonds were issued to finance the purchase of land for the reservoir project. | <u>14,120,000</u> | <u>-</u> |
| Total Revenue Bonds | <u>24,281,667</u> | <u>1,478,333</u> |
| 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% | \$ <u>700,241</u> | \$ <u>137,263</u> |
| Other long-term obligations: | | |
| Net OPEB liabilities | \$ <u>22,941</u> | \$ <u>-</u> |
| Compensated absences | \$ <u>16,001</u> | \$ <u>1,600</u> |
| Premiums on bonds payable | \$ <u>524,416</u> | \$ <u>192,998</u> |
| Total business-type activities long-term obligations | \$ <u><u>25,545,266</u></u> | \$ <u><u>1,810,194</u></u> |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (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, | Direct Borrowings and Direct Placements | | | |
|-------------------------|--|-----------|-------------------|----------|
| | Financed Purchases | | Lease Liabilities | |
| | Principal | Interest | Principal | Interest |
| 2024 | \$ 191,375 | \$ 10,215 | \$ 25,892 | 248 |
| 2025 | 195,898 | 5,736 | 23,636 | 22 |
| 2026 | 68,991 | 1,863 | - | - |
| Totals | \$ 456,264 | \$ 17,814 | \$ 49,528 | \$ 270 |

The following is a summary of long-term obligation transactions of the Component Unit-School Board for the year ended June 30, 2023:

| | Balance at July 1, 2022 | Issuances/ Increases | Retirements/ Decreases | Balance at June 30, 2023 |
|--|-------------------------------|-------------------------|---------------------------|--------------------------------|
| Direct borrowings and direct placements: | | | | |
| Financed purchases | \$ 498,270 | \$ 199,062 | \$ 241,068 | \$ 456,264 |
| Lease liabilities | 95,321 | - | 45,793 | 49,528 |
| Compensated absences | 814,169 | 9,199 | - | 823,368 |
| Net pension liabilities | 15,222,657 | 17,127,050 | 12,605,515 | 19,744,192 |
| Net OPEB liabilities | 7,133,746 | 1,811,649 | 1,440,602 | 7,504,793 |
| Total long-term obligations | \$ 23,764,163 | \$ 19,146,960 | \$ 14,332,978 | \$ 28,578,145 |

Lease liabilities outstanding as of June 30, 2023 are as follows:

| Lease Description | Initial Term | Fiscal Year Lease Ends | Installments | Payment Frequency | Discount Rate | Balance |
|-------------------|-----------------|---------------------------|--------------|----------------------|------------------|-----------|
| Copiers: | | | | | | |
| Ricoh copiers | 4 years | 2025 | 3 | Annual | 1.00% | \$ 16,460 |
| Ricoh copiers | 4 years | 2025 | 3 | Annual | 1.00% | 11,418 |
| Ricoh copiers | 4 years | 2024 | 2 | Annual | 1.00% | 2,482 |
| Ricoh copiers | 4 years | 2026 | 4 | Annual | 0.91% | 19,168 |
| Total | | | | | | \$ 49,528 |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 5—Long-Term Obligations: (Continued)

Component Unit—School Board: (Continued)

Details of Long-term Obligations:

| | <u>Amount Outstanding</u> | <u>Amount Due Within One Year</u> |
|--|-------------------------------|---|
| Financed purchases: | | |
| \$383,615 (\$596,275 total purchase - 35.66% County and 64.34% School Board) Financed purchase of vehicles, payable in annual installments of \$130,691 through December 9, 2024, interest at 1.15%. | \$ 257,202 | \$ 127,866 |
| \$199,062 (\$795,000 total lease - 74.96% County and 25.04% School Board) financed purchase of buses, payable in annual installments of \$70,854 through January 15, 2026, interest at 2.55%. | 199,062 | 63,509 |
| Total financed purchases | \$ 456,264 | \$ 191,375 |
| Compensated absences | \$ 823,368 | \$ 82,337 |
| Lease liabilities | \$ 49,528 | \$ 25,892 |
| Net pension liabilities | \$ 19,744,192 | \$ - |
| Net OPEB liabilities | \$ 7,504,793 | \$ - |
| Total Long-Term Obligations Component-Unit School Board | \$ 28,578,145 | \$ 299,604 |

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.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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—Surety Bonds:

| | <u>Amount</u> |
|--|---------------|
| Traveler's Casualty and Surety Company of America - Surety | |
| Susan Duckworth, Clerk of the Circuit Court | \$ 25,000 |
| Stephanie A. Deal, Treasurer | 400,000 |
| Kim Tate, 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 | |
| Marie C. Durrer | 5,000 |
| Dale R. Herring | 5,000 |
| Steve Bowman | 5,000 |
| Davis Lamb | 5,000 |
| Abbey Heflin | 5,000 |
| County Administrator | 10,000 |

Note 9—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.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 9—Pension Plans: (Continued)

Benefit Structures

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

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

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.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 9—Pension Plans: (Continued)

Cost-of-Living Adjustment (COLA) in Retirement and Death and Disability Benefits

Retirees with an unreduced benefit or with a reduced benefit with at least 20 years of service credit are eligible for an annual COLA beginning July 1 after one full calendar year from the retirement date. Retirees with a reduced benefit and who have less than 20 years of service credit are eligible for an annual COLA beginning on July 1 after one calendar year following the unreduced retirement eligibility date. Under Plan 1, the COLA cannot exceed 5.00%. Under Plan 2 and the Hybrid Plan, the COLA cannot exceed 3.00%. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia, as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

Employees Covered by Benefit Terms

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

| | Primary Government | Component Unit School Board (nonprofessional) |
|--|-----------------------|---|
| Inactive members or their beneficiaries currently receiving benefits | 86 | 73 |
| Inactive members: | | |
| Vested inactive members | 23 | 19 |
| Non-vested inactive members | 39 | 39 |
| Inactive members active elsewhere in VRS | 56 | 23 |
| Total inactive members | 118 | 81 |
| Active members | 122 | 76 |
| Total covered employees | 326 | 230 |

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 Primary Government's contractually required employer contribution rate for the year ended June 30, 2023 was 8.84% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Primary Government were \$612,451 and \$537,468 for the years ended June 30, 2023 and June 30, 2022, respectively.

The Component Unit School Board's contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2023 was 7.94% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 9—Pension Plans: (Continued)

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 \$145,781 and \$105,468 for the years ended June 30, 2023 and June 30, 2022, respectively.

Net Pension Liability (Asset)

The net pension asset (NPA) 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 Primary Government’s and Component Unit School Board’s (nonprofessional) net pension assets were measured as of June 30, 2022. The total pension liabilities used to calculate the net pension assets were determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022.

Actuarial Assumptions - General Employees

The total pension liability for General Employees in the Primary Government’s and Component Unit School Board’s (nonprofessional) Retirement Plan was based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 9—Pension Plans: (Continued)

Actuarial Assumptions - General Employees

Mortality rates: (Continued)

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the Primary Government's Retirement Plan was based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

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

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

Pre-Retirement:

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

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 9—Pension Plans: (Continued)

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

Mortality rates: (Continued)

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 9—Pension Plans: (Continued)

Long-Term Expected Rate of Return

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

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

*The above allocation provides a one-year expected return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%.

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

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 9—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 Primary Government and Component Unit School Board (nonprofessional) were also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2021 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2022, the rate contributed by the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2022 on, participating employers and school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability (Asset)

| | Primary Government | | |
|---|-----------------------------------|---------------------------------------|---|
| | Increase (Decrease) | | |
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (Asset) (a) - (b) |
| Balances at June 30, 2021 | \$ 25,136,686 | \$ 26,945,103 | \$ (1,808,417) |
| Changes for the year: | | | |
| Service cost | \$ 717,447 | \$ - | \$ 717,447 |
| Interest | 1,707,150 | - | 1,707,150 |
| Differences between expected and actual experience | (814,138) | - | (814,138) |
| Assumption changes | - | - | - |
| Contributions - employer | - | 537,468 | (537,468) |
| Contributions - employee | - | 295,067 | (295,067) |
| Net investment income | - | (25,568) | 25,568 |
| Benefit payments, including refunds | (1,126,047) | (1,126,047) | - |
| Administrative expenses | - | (16,743) | 16,743 |
| Other changes | - | 625 | (625) |
| Net changes | \$ 484,412 | \$ (335,198) | \$ 819,610 |
| Balances at June 30, 2022 | \$ 25,621,098 | \$ 26,609,905 | \$ (988,807) |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 9—Pension Plans: (Continued)

Changes in Net Pension Liability (Asset)

| | 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, 2021 | \$ 10,631,520 | \$ 10,833,370 | \$ (201,850) |
| Changes for the year: | | | |
| Service cost | \$ 157,015 | \$ - | \$ 157,015 |
| Interest | 708,770 | - | 708,770 |
| Differences between expected and actual experience | (228,324) | - | (228,324) |
| Assumption changes | - | - | - |
| Contributions - employer | - | 105,469 | (105,469) |
| Contributions - employee | - | 87,831 | (87,831) |
| Net investment income | - | (6,642) | 6,642 |
| Benefit payments, including refunds | (576,472) | (576,472) | - |
| Administrative expenses | - | (6,819) | 6,819 |
| Other changes | - | 245 | (245) |
| Net changes | \$ 60,989 | \$ (396,388) | \$ 457,377 |
| Balances at June 30, 2022 | \$ 10,692,509 | \$ 10,436,982 | \$ 255,527 |

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

The following presents the net pension asset of the Primary Government and Component Unit School Board (nonprofessional) using the discount rate of 6.75%, as well as what the Primary Government's and Component Unit School Board's (nonprofessional) net pension liability (asset) 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 Net Pension Liability (Asset) | \$ 2,435,282 | \$ (988,807) | \$ (3,777,039) |
| Component Unit School Board (nonprofessional) Net Pension Liability (Asset) | \$ 1,477,220 | \$ 255,527 | \$ (758,974) |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 9—Pension Plans: (Continued)

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

For the year ended June 30, 2023, the Primary Government and Component Unit School Board (non-professional) recognized pension expense of \$19,582 and \$230,256, respectively. At June 30, 2023, the Primary Government 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 | \$ 24,560 | \$ 693,738 | \$ 41,838 | \$ 120,114 |
| Change in assumptions | 255,363 | - | 39,294 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 764,353 | - | 313,858 |
| Employer contributions subsequent to the measurement date | 612,451 | - | 145,781 | - |
| Total | <u>\$ 892,374</u> | <u>\$ 1,458,091</u> | <u>\$ 226,913</u> | <u>\$ 433,972</u> |

\$612,451 and \$145,781 reported as deferred outflows of resources related to pensions resulting from the Primary Government'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 Asset in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

| Year Ended June 30 | Primary Government | Component Unit School Board (nonprofessional) |
|--------------------|--------------------|---|
| 2024 | \$ (475,827) | \$ (146,978) |
| 2025 | (550,778) | (137,835) |
| 2026 | (518,347) | (212,975) |
| 2027 | 366,784 | 144,948 |
| 2028 | - | - |
| Thereafter | - | - |

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2022-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 9—Pension Plans: (Continued)

Component Unit School Board (professional)

Plan Description

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

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division's contractually required employer contribution rate for the year ended June 30, 2023 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$3,256,253 and \$3,040,946 for the years ended June 30, 2023 and June 30, 2022, respectively.

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

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

At June 30, 2023, the Component Unit School Board reported a liability of \$19,488,665 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2022 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. The school division's proportion of the Net Pension Liability was based on the Component Unit School Board's actuarially determined employer contributions to the pension plan for the year ended June 30, 2022, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the Component Unit School Board's proportion was 0.2047% as compared to 0.1961% at June 30, 2021.

For the year ended June 30, 2023, the Component Unit School Board recognized pension expense of \$679,156. 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. Beginning with the June 30, 2022 measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 9—Pension Plans: (Continued)**Component Unit School Board (professional): (Continued)*****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)***

At June 30, 2023, the Component Unit School Board 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 | \$ - | \$ 1,343,821 |
| Change in assumptions | 1,837,389 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 2,540,914 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 819,766 | 1,114,768 |
| Employer contributions subsequent to the measurement date | <u>3,256,253</u> | <u>-</u> |
| Total | <u>\$ 5,913,408</u> | <u>\$ 4,999,503</u> |

\$3,256,253 reported as deferred outflows of resources related to pensions resulting from the Component Unit School Board'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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

| <u>Year Ended June 30</u> | |
|---------------------------|--------------|
| 2024 | \$ (928,922) |
| 2025 | (1,062,931) |
| 2026 | (1,687,792) |
| 2027 | 1,337,297 |
| 2028 | - |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 9—Pension Plans: (Continued)

Component Unit School Board (professional): (Continued)

Actuarial Assumptions

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

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

Mortality rates:

- Pre-Retirement:
Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males
- Post-Retirement:
Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females
- Post-Disablement:
Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females
- Beneficiaries and Survivors:
Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally
- Mortality Improvement:
Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 9—Pension Plans: (Continued)

Component Unit School Board (professional): (Continued)

Actuarial Assumptions: (Continued)

Mortality rates: (Continued)

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67, less that system's fiduciary net position. As of June 30, 2022, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

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

The total pension liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net pension liability is disclosed in accordance with the requirements of GASB Statement No. 67 in the System's notes to the financial statements and required supplementary information.

The long-term expected rate of return and discount rate information previously described also apply to this plan.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 9—Pension Plans: (Continued)

Component Unit School Board (professional): (Continued)

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

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

| | Rate | | |
|---|---------------|------------------|--------------|
| | 1% Decrease | Current Discount | 1% Increase |
| | (5.75%) | (6.75%) | (7.75%) |
| School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability (Asset) | \$ 34,808,248 | \$ 19,488,665 | \$ 7,015,156 |

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2022-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Primary Government and Component Unit School Board

Aggregate Pension Information

| | Primary Government | | | |
|-----------------------------|--------------------|------------------|-------------------------------|-----------------|
| VRS Pension Plans | Deferred Outflows | Deferred Inflows | Net Pension Liability (Asset) | Pension Expense |
| Primary Government | \$ 892,374 | \$ 1,458,091 | \$ (988,807) | \$ 19,582 |
| Component Unit School Board | | | | |
| Nonprofessional | \$ 226,913 | \$ 433,972 | \$ 255,527 | \$ 203,256 |
| Professional | 5,913,408 | 4,999,503 | 19,488,665 | 679,156 |
| Totals | \$ 6,140,321 | \$ 5,433,475 | \$ 19,744,192 | \$ 882,412 |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 10—Interfund Balances and Transfers:

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

| <u>Fund</u> | <u>Transfers In</u> | <u>Transfers Out</u> |
|-----------------------------------|---------------------|----------------------|
| County: | | |
| General fund | \$ - | \$ 4,884,834 |
| Water fund | 3,666,696 | - |
| Sewer fund | 1,218,138 | - |
| Total County | <u>\$ 4,884,834</u> | <u>\$ 4,884,834</u> |
| Component Unit School Board: | | |
| School Operating Fund | \$ - | \$ 1,636,879 |
| School Cafeteria Fund | 1,636,879 | - |
| Total Component Unit School Board | <u>\$ 1,636,879</u> | <u>\$ 1,636,879</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.

Amounts due to and due from other funds at June 30, 2023 consisted of the following:

| <u>Fund</u> | <u>Due To</u> | <u>Due From</u> |
|------------------------------|------------------|------------------|
| County: | | |
| General fund | \$ 13,318 | \$ - |
| School Capital Projects fund | - | 13,318 |
| Total County | <u>\$ 13,318</u> | <u>\$ 13,318</u> |

Note 11—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.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 11—Deferred/Unavailable Revenue: (Continued)

| | <u>Government-wide Statements</u> <u>Governmental Activities</u> | <u>Balance Sheet</u> <u>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 | \$ - | \$ 927,081 |
| 2nd half assessments due in December 2023 | 12,126,503 | 12,126,503 |
| Prepaid property taxes due in December 2023, but paid in advance by the taxpayers | 2,379,695 | 2,379,695 |
| Total deferred/unavailable revenue | <u>\$ 14,506,198</u> | <u>\$ 15,433,279</u> |

Note 12—Due to/From Primary Government/Component Units:

| <u>Fund</u> | <u>Receivable</u> | <u>Payable</u> |
|-----------------------------------|---------------------|---------------------|
| Primary Government - General Fund | \$ - | \$ 1,359,854 |
| Component Unit - School Board | 1,359,854 | - |
| Total | <u>\$ 1,359,854</u> | <u>\$ 1,359,854</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 13—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 \$571,843 reported as landfill closure and post closure liability at June 30, 2023, represents \$531,843 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.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 14—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.

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, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$8,984 as of June 30, 2023.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 14—Other Postemployment Benefits: (Continued)

Group Life Insurance: (Continued)

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2023 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Plan from the entity were \$40,375 and \$34,344 from the Primary Government for the years ended June 30, 2023 and June 30, 2022, respectively, \$11,012 and \$10,006 from the Component Unit School Board (nonprofessional), and \$112,924 and \$104,479 from the Component Unit School Board (professional).

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

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

At June 30, 2023, the entity reported liabilities of \$352,078 for the Primary Government, \$102,589 for the Component Unit School Board (nonprofessional), and \$1,071,044 for the Component Unit School Board (professional) for its proportionate shares of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2022 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the participating employer's proportion was 0.02920% for the Primary Government, 0.00850% for the Component Unit School Board (nonprofessional), and 0.08890% for the Component Unit School Board (professional) as compared to 0.02860%, 0.00870%, and 0.08720%, respectively, at June 30, 2021.

For the year ended June 30, 2023, the Primary Government, Component Unit School Board (nonprofessional), and Component Unit School Board (professional) recognized GLI OPEB expense of \$12,842, \$447, and \$25,330, respectively. Since there were changes in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportionate share.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 14—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)

At June 30, 2023, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Primary Government | | |
| Differences between expected and actual experience | \$ 27,880 | \$ 14,125 |
| Net difference between projected and actual earnings on GLI OPEB plan investments | - | 22,000 |
| Change in assumptions | 13,132 | 34,294 |
| Changes in proportionate share | 10,635 | 6,831 |
| Employer contributions subsequent to the measurement date | 40,375 | - |
| Total | <u>\$ 92,022</u> | <u>\$ 77,250</u> |
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Component Unit School Board (nonprofessional) | | |
| Differences between expected and actual experience | \$ 8,124 | \$ 4,116 |
| Net difference between projected and actual earnings on GLI OPEB plan investments | - | 6,410 |
| Change in assumptions | 3,826 | 9,993 |
| Changes in proportionate share | 6,945 | 12,035 |
| Employer contributions subsequent to the measurement date | 11,012 | - |
| Total | <u>\$ 29,907</u> | <u>\$ 32,554</u> |
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Component Unit School Board (professional) | | |
| Differences between expected and actual experience | \$ 84,813 | \$ 42,968 |
| Net difference between projected and actual earnings on GLI OPEB program investments | - | 66,924 |
| Change in assumptions | 39,948 | 104,324 |
| Changes in proportionate share | 49,454 | 62,460 |
| Employer contributions subsequent to the measurement date | 112,924 | - |
| Total | <u>\$ 287,139</u> | <u>\$ 276,676</u> |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 14—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)

\$40,375, \$11,012, and \$112,924 reported as deferred outflows of resources related to the GLI OPEB resulting from the Primary Government's, Component Unit School Board (nonprofessional)'s, and Component Unit School Board (professional)'s respective contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

| <u>Year Ended June 30</u> | <u>Primary Government</u> | <u>Component Unit School Board (nonprofessional)</u> | <u>Component Unit School Board (professional)</u> |
|---------------------------|-------------------------------|--|---|
| 2024 | \$ (5,313) | \$ (4,627) | \$ (28,387) |
| 2025 | (4,831) | (3,656) | (26,408) |
| 2026 | (17,187) | (6,237) | (59,165) |
| 2027 | 3,783 | 261 | 9,890 |
| 2028 | (2,055) | 600 | 1,609 |

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022. The assumptions are different for various employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be found in the VRS Annual Report.

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

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 14—Other Postemployment Benefits: (Continued)

Group Life Insurance: (Continued)

Actuarial Assumptions: (Continued)

Mortality Rates - Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 14—Other Postemployment Benefits: (Continued)

Group Life Insurance: (Continued)

Actuarial Assumptions: (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 14—Other Postemployment Benefits: (Continued)

Group Life Insurance: (Continued)

Actuarial Assumptions: (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 14—Other Postemployment Benefits: (Continued)

Group Life Insurance: (Continued)

NET GLI OPEB Liability

The net OPEB liability (NOL) for the GLI Plan represents the plan's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2022, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

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

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

Long-Term Expected Rate of Return

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

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

*The above allocation provides a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 14—Other Postemployment Benefits: (Continued)

Group Life Insurance: (Continued)

Long-Term Expected Rate of Return: (Continued)

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

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2022, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2022 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

Sensitivity of the Employer's Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate

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

| | Rate | | |
|--|------------------------|-----------------------------|------------------------|
| | 1% Decrease (5.75%) | Current Discount (6.75%) | 1% Increase (7.75%) |
| Primary Government's proportionate share of the Group Life Net OPEB Liability | \$ 512,314 | \$ 352,078 | \$ 222,585 |
| Component Unit School Board (nonprofessional)'s proportionate share of the Group Life Net OPEB Liability | \$ 149,279 | \$ 102,589 | \$ 64,857 |
| Component Unit School Board (professional)'s proportionate share of the Group Life Net OPEB Liability | \$ 1,558,494 | \$ 1,071,044 | \$ 677,117 |

GLI Plan Fiduciary Net Position

Detailed information about the GLI Plan's Fiduciary Net Position is available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2022-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 14—Other Postemployment Benefits: (Continued)

Health Insurance Credit (HIC) Plan:

Plan Description

The Political Subdivision Health Insurance Credit (HIC) Plan was established pursuant to §51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent employees of participating political subdivisions are automatically covered by the VRS Political Subdivision HIC Plan upon employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The HIC is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

The specific information about the Political Subdivision HIC Plan OPEB, including eligibility, coverage and benefits is described below:

Eligible Employees

The Political Subdivision Retiree HIC Plan was established July 1, 1993 for retired political subdivision employees of employers who elect the benefit and retire with at least 15 years of service credit. Eligible employees include full-time permanent salaried employees of the participating political subdivision who are covered under the VRS pension plan. These employees are enrolled automatically upon employment.

Benefit Amounts

The Political Subdivision Retiree HIC Plan is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired political subdivision employees of participating employers. For employees who retire, the monthly benefit is \$1.50 per year of service per month with a maximum benefit of \$45.00 per month. For employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is \$45.00 per month.

HIC Plan Notes

The monthly HIC benefit cannot exceed the individual premium amount. There is no HIC for premiums paid and qualified under LODA; however, the employee may receive the credit for premiums paid for other qualified health plans. Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the HIC as a retiree.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 14—Other Postemployment Benefits: (Continued)

Health Insurance Credit (HIC) Plan: (Continued)

Employees Covered by Benefit Terms

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

| | Primary Government | Component Unit School Board (nonprofessional) |
|--|-----------------------|---|
| Inactive members or their beneficiaries currently receiving benefits | 15 | 32 |
| Inactive members: | | |
| Vested inactive members | 2 | 5 |
| Total inactive members | 17 | 37 |
| Active members | 43 | 76 |
| Total covered employees | 60 | 113 |

Contributions

The contribution requirements for active employees are 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 contractually required employer contribution rate for the year ended June 30, 2023 was 0.10% and 1.14% of covered employee compensation for the Primary Government and the Component Unit School Board (nonprofessional), respectively. These rates were based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the Primary Government and the Component Unit School Board (nonprofessional) to the HIC Plan were \$3,123 and \$23,213, respectively, for the year ended June 30, 2023, and \$3,229 and \$17,048 for the year ended June 30, 2022.

Net HIC OPEB Liability

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

Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

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

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 14—Other Postemployment Benefits: (Continued)

Health Insurance Credit (HIC) Plan: (Continued)

Actuarial Assumptions: (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 14—Other Postemployment Benefits: (Continued)

Health Insurance Credit (HIC) Plan: (Continued)

Actuarial Assumptions: (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 14—Other Postemployment Benefits: (Continued)

Health Insurance Credit (HIC) Plan: (Continued)

Long-Term Expected Rate of Return

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

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

*The above allocation provides a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%.

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

Discount Rate

The discount rate used to measure the total HIC OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2022, the rate contributed by the entity for the HIC OPEB was 100% of the actuarially determined contribution rate. From July 1, 2022 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 14—Other Postemployment Benefits: (Continued)

Health Insurance Credit (HIC) Plan: (Continued)

Changes in Net HIC OPEB Liability (Asset)

| | Increase (Decrease) | | |
|---|------------------------------------|---------------------------------------|--|
| | Total HIC OPEB Liability (a) | Plan Fiduciary Net Position (b) | Net HIC OPEB Liability (Asset) (a) - (b) |
| Primary Government | | | |
| Balances at June 30, 2021 | \$ 88,450 | \$ 103,068 | \$ (14,618) |
| Changes for the year: | | | |
| Service cost | \$ 3,430 | \$ - | \$ 3,430 |
| Interest | 5,872 | - | 5,872 |
| Differences between expected and actual experience | (1,359) | - | (1,359) |
| Assumption changes | 21,039 | - | 21,039 |
| Contributions - employer | - | 3,229 | (3,229) |
| Net investment income | - | 285 | (285) |
| Benefit payments | (9,780) | (9,780) | - |
| Administrative expenses | - | (172) | 172 |
| Other changes | - | 4,204 | (4,204) |
| Net changes | \$ 19,202 | \$ (2,234) | \$ 21,436 |
| Balances at June 30, 2022 | \$ 107,652 | \$ 100,834 | \$ 6,818 |
| Component Unit School Board (nonprofessional) | | | |
| Balances at June 30, 2021 | \$ 234,506 | \$ 16,784 | \$ 217,722 |
| Changes for the year: | | | |
| Service cost | \$ 2,583 | \$ - | \$ 2,583 |
| Interest | 15,764 | - | 15,764 |
| Differences between expected and actual experience | (12,383) | - | (12,383) |
| Assumption changes | 17,825 | - | 17,825 |
| Contributions - employer | - | 17,048 | (17,048) |
| Net investment income | - | (270) | 270 |
| Benefit payments | (7,090) | (7,090) | - |
| Administrative expenses | - | (50) | 50 |
| Other changes | - | 315 | (315) |
| Net changes | \$ 16,699 | \$ 9,953 | \$ 6,746 |
| Balances at June 30, 2022 | \$ 251,205 | \$ 26,737 | \$ 224,468 |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 14—Other Postemployment Benefits: (Continued)

Health Insurance Credit (HIC) Plan: (Continued)

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

The following presents the Primary Government's and the Component Unit School Board (nonprofessional)'s HIC Plan net HIC OPEB liability (asset) using the discount rate of 6.75%, as well as what each net HIC OPEB liability (asset) 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%) |
| Primary Government's Net HIC OPEB Liability (Asset) | \$ 17,860 | \$ 6,818 | \$ (2,562) |
| Component Unit School Board (nonprofessional)'s Net HIC OPEB Liability (Asset) | 247,017 | 224,468 | 205,005 |

HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC Plan OPEB

For the year ended June 30, 2023, the Primary Government and the Component Unit School Board (nonprofessional) recognized HIC Plan OPEB expense of (\$3,339) and \$19,759, respectively. At June 30, 2023, the Primary Government and the Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to the HIC Plan 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 | \$ - | \$ 9,779 | \$ - | \$ 9,378 |
| Net difference between projected and actual earnings on HIC OPEB plan investments | - | 2,800 | 598 | - |
| Change in assumptions | 18,209 | - | 17,752 | - |
| Employer contributions subsequent to the measurement date | 3,123 | - | 23,213 | - |
| Total | \$ 21,332 | \$ 12,579 | \$ 41,563 | \$ 9,378 |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 14—Other Postemployment Benefits: (Continued)

Health Insurance Credit (HIC) Plan: (Continued)

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

\$3,123 and \$23,213 reported as deferred outflows of resources related to the HIC OPEB resulting from the Primary Government’s and the Component Unit School Board (nonprofessional)’s respective contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability (Asset) in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

| <u>Year Ended June 30</u> | <u>Primary Government</u> | <u>Component Unit School Board (nonprofessional)</u> |
|---------------------------|-------------------------------|--|
| 2024 | \$ (865) | \$ 3,155 |
| 2025 | 281 | 3,155 |
| 2026 | 1,247 | 2,152 |
| 2027 | 4,967 | 510 |

HIC Plan Data

Information about the VRS Political Subdivision HIC Plan is available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <https://www.varetire.org/Pdf/Publications/2022-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 14—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, 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, 2023 (Continued)

Note 14—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, 2023 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Plan were \$253,033 and \$234,111 for the years ended June 30, 2023 and June 30, 2022, respectively.

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

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, 2023, the school division reported a liability of \$2,592,896 for its proportionate share of the VRS Teacher Employee HIC Net OPEB Liability. The Net VRS Teacher Employee HIC OPEB Liability was measured as of June 30, 2022 and the total VRS Teacher Employee HIC OPEB liability used to calculate the Net VRS Teacher Employee HIC OPEB Liability was determined by an actuarial valuation performed as of June 30, 2021 and rolled forward to the measurement date of June 30, 2022. The school division's proportion of the Net VRS Teacher Employee HIC OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC OPEB plan for the year ended June 30, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the school division's proportion of the VRS Teacher Employee HIC was 0.20759% as compared to 0.19797% at June 30, 2021.

For the year ended June 30, 2023, the school division recognized VRS Teacher Employee HIC OPEB expense of \$188,482. Since there was a change in proportionate share between measurement dates a portion of the VRS Teacher Employee HIC Net OPEB expense was related to deferred amounts from changes in proportion.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 14—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, 2023, the school division reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee HIC OPEB from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Differences between expected and actual experience | \$ - | \$ 105,691 |
| Net difference between projected and actual earnings on Teacher HIC OPEB plan investments | - | 2,603 |
| Change in assumptions | 75,752 | 6,621 |
| Changes in proportionate share and differences between actual and expected contributions | 107,042 | 150,411 |
| Employer contributions subsequent to the measurement date | <u>253,033</u> | <u>-</u> |
| Total | \$ <u><u>435,827</u></u> | \$ <u><u>265,326</u></u> |

\$253,033 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

| <u>Year Ended June 30</u> | |
|---------------------------|-------------|
| 2024 | \$ (26,650) |
| 2025 | (25,232) |
| 2026 | (23,127) |
| 2027 | (9,701) |
| 2028 | (6,781) |
| Thereafter | 8,959 |

Note 14—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, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

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

Mortality Rates - Teachers

- Pre-Retirement:
 - Pub-2010 Amount Weighted Teacher Employee Rates projected generationally; 110% of rates for males
- Post-Retirement:
 - Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females
- Post-Disablement:
 - Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females
- Beneficiaries and Survivors:
 - Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally
- Mortality Improvement Scale:
 - Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 14—Other Postemployment Benefits: (Continued)

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

Actuarial Assumptions: (Continued)

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Net Teacher Employee HIC OPEB Liability

The net OPEB liability (NOL) for the Teacher Employee HIC Plan represents the plan's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2022, NOL amounts for the VRS Teacher Employee HIC Plan are as follows (amounts expressed in thousands):

| | | Teacher Employee HIC OPEB Plan |
|---|----|--------------------------------------|
| Total Teacher Employee HIC OPEB Liability | \$ | 1,470,891 |
| Plan Fiduciary Net Position | | 221,845 |
| Teacher Employee net HIC OPEB Liability (Asset) | \$ | <u>1,249,046</u> |

| | |
|---|--------|
| Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability | 15.08% |
|---|--------|

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 14—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) | Long-Term Target Asset Allocation | Arithmetic Long-term Expected Rate of Return | Weighted Average Long-term Expected Rate of Return* |
|--------------------------------------|--|---|---|
| Public Equity | 34.00% | 5.71% | 1.94% |
| Fixed Income | 15.00% | 2.04% | 0.31% |
| Credit Strategies | 14.00% | 4.78% | 0.67% |
| Real Assets | 14.00% | 4.47% | 0.63% |
| Private Equity | 14.00% | 9.73% | 1.36% |
| MAPS - Multi-Asset Public Strategies | 6.00% | 3.73% | 0.22% |
| PIP - Private Investment Partnership | 3.00% | 6.55% | 0.20% |
| Total | 100.00% | | 5.33% |
| | | Inflation | 2.50% |
| | | Expected arithmetic nominal return** | 7.83% |

*The above allocation provides a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%.

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

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 14—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 ended June 30, 2022, the rate contributed by each school division for the VRS Teacher Employee HIC Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2022 on, all agencies are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Teacher Employee HIC OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total Teacher Employee HIC OPEB liability.

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

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

| | | Rate | | |
|---|----|-------------|------------------|--------------|
| | | 1% Decrease | Current Discount | 1% Increase |
| | | (5.75%) | (6.75%) | (7.75%) |
| School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan | | | | |
| Net HIC OPEB Liability | \$ | 2,922,223 | \$ 2,592,896 | \$ 2,313,733 |

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 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <https://www.varetire.org/Pdf/Publications/2022-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 14—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, 2023 (measurement date), the following employees were covered by the benefit terms:

| | <u>Primary Government</u> | <u>Component Unit School Board</u> |
|--|-------------------------------|--|
| Total active employees with coverage | 117 | 454 |
| Total inactive employees or retirees with coverage | 2 | 21 |
| Total spouses of retirees with coverage | <u>1</u> | <u>4</u> |
| Total | <u>120</u> | <u>479</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, 2023 was \$22,889 and \$138,372.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 14—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, 2023. The total OPEB liabilities were determined by an actuarial valuation as of July 1, 2022.

Actuarial Assumptions

The total OPEB liability in the June 30, 2023 actuarial report 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 | 3.65% as of July 1, 2023 |
| Inflation | 2.50% per year as of June 30, 2023. |
| Healthcare Trend Rate | The rates are 1.5% for the fiscal year ending 2023, increasing to an ultimate rate of 3.9% for both the Primary Government and the School Board. |
| Salary Increase Rates | General employees: Ranges of increases of 3.5% for 20+ years of service to 5.35% for 1-2 years of service; Teachers: Ranges of increases of 3.5% for 20+ years of service to 5.95% for 1 year 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 | <p>General Employees:</p> <p>Pre-Retirement: Pub-2010 Amount Weighted General Employee Rates projected generationally; females set forward 2 years. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-202 rates. 25% of deaths are assumed to be service related.</p> <p>Post-Retirement: Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 110% of rates for females. Base rates are projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.</p> <p>Teachers:</p> <p>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.</p> <p>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 setback 3 years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90.</p> |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 14—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 | |
|---|--|---|
| | Primary Government Total OPEB Liability | Component Unit School Board Total OPEB Liability |
| Balances at June 30, 2022 | \$ 452,179 | \$ 3,295,314 |
| Changes for the year: | | |
| Service cost | 37,969 | 215,353 |
| Interest | 16,949 | 121,849 |
| Effect of economic/demographic gains or (losses) | 50,297 | (38,747) |
| Effect of assumption changes | (26,108) | 58,399 |
| Benefit payments | (22,889) | (138,372) |
| Net changes | 56,218 | 218,482 |
| Balances at June 30, 2023 | \$ 508,397 | \$ 3,513,796 |

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 (2.65%) or one percentage point higher (4.65%) than the current discount rate:

| | 1% Decrease (2.65%) | Discount Rate (3.65%) | 1% Increase (4.65%) |
|--|------------------------|--------------------------|------------------------|
| Primary Government Total OPEB Liability | \$ 548,722 | \$ 508,397 | \$ 471,700 |
| Component Unit School Board Total OPEB Liability | \$ 3,768,029 | \$ 3,513,796 | \$ 3,273,146 |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 14—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 1.5% for both the County and the School Board:

| | Rates | | |
|--|---------------------------------|---|---------------------------------|
| | 1% Decrease in Trend Rate | Current Healthcare Cost Trend Rate | 1% Increase in Trend Rate |
| Primary Government Total OPEB Liability | \$ 456,077 | \$ 508,397 | \$ 569,206 |
| Component Unit School Board Total OPEB Liability | \$ 3,134,718 | \$ 3,513,796 | \$ 3,957,101 |

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

For the year ended June 30, 2023, the County and School Board recognized OPEB expense in the amount of \$85,988 and \$406,942, respectively. At June 30, 2023, the County and School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB.

| | 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 | \$ 109,409 | \$ 56,979 | \$ - | \$ 90,738 |
| Changes of assumptions | 30,817 | 79,466 | 414,191 | 267,897 |
| Total | <u>\$ 140,226</u> | <u>\$ 136,445</u> | <u>\$ 414,191</u> | <u>\$ 358,635</u> |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 14—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)

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense in future reporting periods as follows:

| <u>Year Ended June 30</u> | <u>Primary Government</u> | <u>Component Unit School Board (nonprofessional)</u> |
|---------------------------|-------------------------------|--|
| 2023 | \$ 31,070 | \$ 69,740 |
| 2024 | 6,375 | (4,599) |
| 2025 | (30,592) | (7,975) |
| 2026 | (6,041) | (3,092) |
| 2027 | 2,969 | (32) |
| Thereafter | - | 1,514 |

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

Eligible Employees

All paid employees and volunteers in hazardous duty positions in Virginia localities as well as 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. As required by statute, the Virginia Retirement System (the System) is responsible for managing the assets of the program.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 14—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. 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.

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, 2023 was \$681.84 per covered full-time-equivalent employee. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021 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 \$56,763 and \$53,108 for the years ended June 30, 2023 and June 30, 2022, 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, 2023, the entity reported a liability of \$1,459,362 for its proportionate share of the Net LODA OPEB Liability. The Net LODA OPEB Liability was measured as of June 30, 2022 and the total LODA OPEB liability used to calculate the Net LODA OPEB Liability was determined by an actuarial valuation as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. 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, 2022 relative to the total of the actuarially determined pay-as-you-go employer contributions for all participating employers. At June 30, 2022, the entity's proportion was 0.38560% as compared to 0.02870% at June 30, 2021.

For the year ended June 30, 2023, the entity recognized LODA OPEB expense of \$214,616. 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, 2023 (Continued)

Note 14—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, 2023, 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 | \$ 112,119 | \$ 272,752 |
| Net difference between projected and actual earnings on LODA OPEB plan investments | - | 6,241 |
| Change in assumptions | 406,975 | 359,947 |
| Changes in proportionate share | 417,842 | 222,843 |
| Employer contributions subsequent to the measurement date | <u>56,763</u> | <u>-</u> |
| Total | \$ <u><u>993,699</u></u> | \$ <u><u>861,783</u></u> |

\$56,763 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, 2024. 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> | |
|---------------------------|-----------|
| 2024 | \$ 18,354 |
| 2025 | 18,487 |
| 2026 | 18,629 |
| 2027 | 23,800 |
| 2028 | 16,096 |
| Thereafter | (20,213) |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 14—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, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be found in the VRS Annual Report.

| | |
|--|-----------------------------|
| Inflation | 2.50% |
| Salary increases, including inflation: | |
| Locality employees | N/A |
| Medical cost trend rates assumption: | |
| Under age 65 | 7.00%-4.75% |
| Ages 65 and older | 5.25%-4.75% |
| Year of ultimate trend rate | |
| Under age 65 | Fiscal year ended 2028 |
| Ages 65 and older | Fiscal year ended 2023 |
| Investment rate of return | 3.69%, including inflation* |

* Since LODA is funded on a current-disbursement basis, the assumed annual rate of return of 3.69% was used since it approximates the risk-free rate of return.

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 14—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: (Continued)

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

Net LODA OPEB Liability

The net OPEB liability (NOL) for the LODA Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2022, NOL amounts for the LODA Program are as follows (amounts expressed in thousands):

| | <u>LODA Program</u> |
|---|--------------------------|
| Total LODA OPEB Liability | \$ 385,669 |
| Plan Fiduciary Net Position | <u>7,214</u> |
| Employers' Net OPEB Liability (Asset) | <u><u>\$ 378,455</u></u> |
| Plan Fiduciary Net Position as a Percentage of the Total LODA OPEB Liability | 1.87% |

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.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 14—Other Postemployment Benefits: (Continued)

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

Long-Term Expected Rate of Return

The long-term expected rate of return on LODA OPEB Program’s investments was set at 3.69% 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 3.69% 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 as of the measurement date of June 30, 2022.

Discount Rate

The discount rate used to measure the total LODA OPEB liability was 3.69%. 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, 2022, 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.

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 3.69%, 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 (2.69%) or one percentage point higher (4.69%) than the current rate:

| | Discount Rate | | |
|---|------------------------|--------------------|------------------------|
| | 1% Decrease (2.69%) | Current (3.69%) | 1% Increase (4.69%) |
| County's proportionate share of the LODA Net OPEB Liability | \$ 1,665,848 | \$ 1,459,362 | \$ 1,290,432 |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 14—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 Health Care Trend Rate

Because the LODA 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 7.00% 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 (6.00% decreasing to 3.75%) or one percentage point higher (8.00% decreasing to 5.75%) than the current rate:

| | Health Care Trend Rates | | |
|--|---|---|---|
| | 1% Decrease (6.00% decreasing to 3.75%) | Current (7.00% decreasing to 4.75%) | 1% Increase (8.00% decreasing to 5.75%) |
| County's proportionate share of the LODA Net OPEB Liability | \$ 1,229,830 | \$ 1,459,362 | \$ 1,747,460 |

LODA OPEB Fiduciary Net Position

Detailed information about the LODA Program Fiduciary Net Position is available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2022-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Primary Government and Component Unit School Board

Aggregate OPEB Information

| | Deferred Outflows | Deferred Inflows | Net OPEB Liabilities (Assets) | OPEB Expense |
|--|----------------------|---------------------|-------------------------------------|-----------------|
| Primary Government: | | | | |
| VRS OPEB Plans: | | | | |
| Group Life Insurance Program | \$ 92,022 | \$ 77,250 | \$ 352,078 | \$ 12,842 |
| Health Insurance Credit Program | 21,332 | 12,579 | 6,818 | (3,339) |
| Line of Duty Act Program | 993,699 | 861,783 | 1,459,362 | 214,616 |
| Health Insurance (Single-employer Defined Benefit Plan) | 140,226 | 136,445 | 508,397 | 85,988 |
| Totals | \$ 1,247,279 | \$ 1,088,057 | \$ 2,326,655 | \$ 310,107 |

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 14—Other Postemployment Benefits: (Continued)

Primary Government and Component Unit School Board: (Continued)

Aggregate OPEB Information: (Continued)

| | Deferred Outflows | Deferred Inflows | Net OPEB Liabilities (Assets) | OPEB Expense |
|--|----------------------|---------------------|-------------------------------------|-------------------|
| Component Unit School Board | | | | |
| VRS OPEB Plans: | | | | |
| Group Life Insurance Program: | | | | |
| Nonprofessional | \$ 29,907 | \$ 32,554 | \$ 102,589 | \$ 447 |
| Professional | 287,139 | 276,676 | 1,071,044 | 25,330 |
| Health Insurance Credit Program | 41,563 | 9,378 | 224,468 | 19,759 |
| Teacher Employee Health Insurance Credit Program | 435,827 | 265,326 | 2,592,896 | 188,482 |
| Health Insurance (Single-employer Defined Benefit Plan) | 414,191 | 358,635 | 3,513,796 | 406,942 |
| Totals | <u>\$ 1,208,627</u> | <u>\$ 942,569</u> | <u>\$ 7,504,793</u> | <u>\$ 640,960</u> |

Note 15—Upcoming Pronouncements:

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

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

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

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

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

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

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 16—COVID-19 Pandemic Funding:

ARPA Funding

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

During 2021, the County received its share of the first half of the CSLFRF funds and received the second half in 2022. As a condition of receiving CSLFRF funds, any funds unobligated by December 31, 2024, and unexpended by December 31, 2026, will be returned to the federal government. Unspent funds in the amount of \$2,925,587 are reported as unearned revenue as of June 30.

Note 17—Special Items: Transfer of Operations:

Under an intergovernmental agreement between Rapidan Service Authority and the County of Greene, Virginia, dated June 22, 2023, the County withdrew from the water and sewer system service agreement that was in place. The purpose and intent of this agreement is for the County to assume control over the water and sewer operations and services previously provided by Rapidan Service Authority. As a result of this agreement, Rapidan Service Authority transferred the following assets to the County, which are recorded in the financial statements.

| | <u>Carrying Values</u> |
|------------------------------------|-----------------------------|
| Transferred Assets (Net) | |
| Land | \$ 551,690 |
| Buildings | 101,640 |
| Infrastructure | 18,287,544 |
| Equipment | <u>18,828</u> |
| Total capital assets | <u>\$ 18,959,702</u> |
| Net Position of Transferred | |
| Water and Sewer operations | |
| Net investment in capital assets | <u><u>\$ 18,959,702</u></u> |

As a result of this agreement, the County also received \$1,350,000 of cash. The County did not assume any related debt.

The County has been planning to establish its own water and sewer operations. As a result, it has acquired various capital assets to support these activities over the past few years. Costs have been capitalized related to reservoir projects, and various other infrastructure projects. Additionally, various debt instruments have been issued to finance the development and construction of these projects. With the current year transfer of operations, the County is now ready to provide water and sewer services; therefore, the related assets and debt have been contributed to the water and sewer funds to support the ongoing provision of services. See ‘Note 4-Capital Assets’ and ‘Note 5-Long-Term Obligations’ for additional details about the amounts transferred.

COUNTY OF GREENE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 18—Litigation:

At June 30, 2023, there were no matters of litigation involving the County which would materially affect the County's financial position should any court decisions on pending matters not be favorable.

Note 19—School Board Carryover:

During the fiscal year, the amount of General fund balance that was committed to Education - school board carryover, as noted in Exhibit 3, increased by \$1,026,165 from \$7,116,780 to \$8,142,945. \$1,716,894 of this amount related to unspent state construction funds. The remainder of this amount originated from local funding.

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget and Actual - General Fund
 For the Year Ended June 30, 2023

| | General Fund | | | Variance From Amended Budget Positive (Negative) |
|---|--------------------|-------------------------|---------------|---|
| | Original Budget | Budget As Amended | Actual | |
| Revenues: | | | | |
| General property taxes | \$ 26,599,156 | \$ 26,599,156 | \$ 28,237,260 | \$ 1,638,104 |
| Other local taxes | 6,496,056 | 6,846,255 | 7,757,401 | 911,146 |
| Permits, privilege fees and regulatory licenses | 368,250 | 368,250 | 408,279 | 40,029 |
| Fines and forfeitures | 996,500 | 996,500 | 67,978 | (928,522) |
| Revenue from use of money and property | 86,406 | 86,406 | 309,506 | 223,100 |
| Charges for services | 5,146,610 | 5,199,510 | 4,290,774 | (908,736) |
| Miscellaneous | - | 219,393 | 304,366 | 84,973 |
| Recovered costs | 9,000 | 21,300 | 244,133 | 222,833 |
| Intergovernmental: | | | | |
| Commonwealth | 6,197,208 | 7,722,013 | 7,262,603 | (459,410) |
| Federal | 1,093,477 | 1,543,974 | 1,788,449 | 244,475 |
| Total revenues | \$ 46,992,663 | \$ 49,602,757 | \$ 50,670,749 | \$ 1,067,992 |
| Expenditures: | | | | |
| General government administration: | | | | |
| Legislative: | | | | |
| Board of supervisors | \$ 351,905 | \$ 362,776 | \$ 362,776 | \$ - |
| General and financial administration: | | | | |
| County administrator | \$ 681,140 | \$ 686,837 | \$ 666,534 | \$ 20,303 |
| Legal services | 79,200 | 79,200 | 78,365 | 835 |
| Independent auditor | 64,250 | 64,250 | 64,000 | 250 |
| Commissioner of the Revenue | 269,316 | 271,168 | 210,443 | 60,725 |
| Reassessment | 178,882 | 178,882 | 145,720 | 33,162 |
| Treasurer | 415,278 | 471,743 | 471,342 | 401 |
| Computer technology | 215,622 | 216,209 | 200,820 | 15,389 |
| Vehicle maintenance facility | 927,820 | 1,073,629 | 1,073,629 | - |
| Total general and financial administration | \$ 2,831,508 | \$ 3,041,918 | \$ 2,910,853 | \$ 131,065 |
| Board of Elections: | | | | |
| Electoral board and officials | \$ 226,651 | \$ 232,692 | \$ 232,692 | \$ - |
| Total general government administration | \$ 3,410,064 | \$ 3,637,386 | \$ 3,506,321 | \$ 131,065 |

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget and Actual - General Fund
 For the Year Ended June 30, 2023 (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 | \$ 31,100 | \$ 30,864 | \$ 10,970 | \$ 19,894 |
| Combined Courts | 15,875 | 15,875 | 13,035 | 2,840 |
| Special magistrates | 900 | 900 | 437 | 463 |
| Juvenile and domestic relations district court | 14,696 | 14,696 | 14,404 | 292 |
| Clerk of the circuit court | 404,961 | 456,137 | 402,842 | 53,295 |
| Victim and witness assistance | 99,905 | 100,852 | 92,528 | 8,324 |
| Total courts | \$ 567,437 | \$ 619,324 | \$ 534,216 | \$ 85,108 |
| Commonwealth's attorney: | | | | |
| Commonwealth's attorney | \$ 416,906 | \$ 488,073 | \$ 382,985 | \$ 105,088 |
| Total judicial administration | \$ 984,343 | \$ 1,107,397 | \$ 917,201 | \$ 190,196 |
| Public safety: | | | | |
| Law enforcement and traffic control: | | | | |
| Sheriff | \$ 4,057,763 | \$ 4,183,974 | \$ 3,980,859 | \$ 203,115 |
| Technology grant | - | 586 | 4,969 | (4,383) |
| DMV overtime grant | - | 1,864 | 452 | 1,412 |
| School resource officer | 217,217 | 396,190 | 251,801 | 144,389 |
| Byrne grant | - | 41,801 | 17,291 | 24,510 |
| Forfeited property | - | 16,037 | 16,037 | - |
| Donations | - | 23,588 | 23,588 | - |
| Emergency 911 system | 801,509 | 858,450 | 837,329 | 21,121 |
| Local law enforcement block grant | - | 1,513 | - | 1,513 |
| Total law enforcement and traffic control | \$ 5,076,489 | \$ 5,524,003 | \$ 5,132,326 | \$ 391,677 |
| Fire and rescue services: | | | | |
| Volunteer fire departments and rescue squads | \$ 3,103,614 | \$ 5,007,726 | \$ 5,162,794 | \$ (155,068) |
| Other fire and rescue | 62,846 | 50,648 | 50,648 | - |
| Total fire and rescue services | \$ 3,166,460 | \$ 5,058,374 | \$ 5,213,442 | \$ (155,068) |
| Correction and detention: | | | | |
| Confinement of prisoners | \$ 1,988 | \$ 1,988 | \$ 11 | \$ 1,977 |
| Payment to regional jail | 1,469,671 | 1,469,671 | 1,469,671 | - |
| Juvenile detention homes | 249,386 | 249,386 | 249,386 | - |
| Total correction and detention | \$ 1,721,045 | \$ 1,721,045 | \$ 1,719,068 | \$ 1,977 |

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget and Actual - General Fund
 For the Year Ended June 30, 2023 (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 | \$ 372,737 | \$ 377,214 | \$ 355,310 | \$ 21,904 |
| Other protection: | | | | |
| Animal shelter | \$ 92,569 | \$ 151,958 | \$ 151,958 | \$ - |
| Civil defense | 261,272 | 412,501 | 412,394 | 107 |
| Animal control | 216,061 | 276,407 | 263,650 | 12,757 |
| Medical examiner | 160 | 260 | 260 | - |
| Total other protection | \$ 570,062 | \$ 841,126 | \$ 828,262 | \$ 12,864 |
| Total public safety | \$ 10,906,793 | \$ 13,521,762 | \$ 13,248,408 | \$ 273,354 |
| Public works: | | | | |
| Sanitation and waste removal: | | | | |
| Refuse disposal | \$ 2,577,950 | \$ 2,622,514 | \$ 3,454,449 | \$ (831,935) |
| Maintenance of general buildings and grounds: | | | | |
| General properties | \$ 1,049,474 | \$ 943,424 | \$ 916,071 | \$ 27,353 |
| Total public works | \$ 3,627,424 | \$ 3,565,938 | \$ 4,370,520 | \$ (804,582) |
| Health and welfare: | | | | |
| Health: | | | | |
| Local health department | \$ 286,883 | \$ 286,883 | \$ 286,883 | \$ - |
| Mental health and mental retardation: | | | | |
| Chapter X board | \$ 106,012 | \$ 106,012 | \$ 106,012 | \$ - |
| Welfare: | | | | |
| Welfare administration and public assistance | \$ 2,074,981 | \$ 2,135,621 | \$ 2,052,116 | \$ 83,505 |
| Comprehensive services act | 1,700,000 | 3,282,414 | 2,997,989 | 284,425 |
| Area agency on aging | 115,046 | 116,193 | 116,193 | - |
| Piedmont regional dental clinic | 2,500 | 2,500 | 2,500 | - |
| Tax relief for the elderly | - | - | 416,424 | (416,424) |
| Shelter for help in emergency | 3,500 | 3,500 | 3,500 | - |
| Community corrections | 10,783 | 10,783 | 10,783 | - |
| Total welfare | \$ 3,906,810 | \$ 5,551,011 | \$ 5,599,505 | \$ (48,494) |
| Total health and welfare | \$ 4,299,705 | \$ 5,943,906 | \$ 5,992,400 | \$ (48,494) |

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget and Actual - General Fund
 For the Year Ended June 30, 2023 (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 | \$ 6,713 | \$ 6,713 | \$ 6,713 | \$ - |
| Contribution to Component Unit - School Board | 18,038,266 | 18,038,266 | 15,474,472 | 2,563,794 |
| Total education | \$ 18,044,979 | \$ 18,044,979 | \$ 15,481,185 | \$ 2,563,794 |
| Parks, recreation, and cultural: | | | | |
| Parks and recreation: | | | | |
| Parks and recreation administration | \$ 336,888 | \$ 375,669 | \$ 289,543 | \$ 86,126 |
| Library: | | | | |
| Regional library | \$ 413,502 | \$ 413,502 | \$ 412,141 | \$ 1,361 |
| Total parks, recreation, and cultural | \$ 750,390 | \$ 789,171 | \$ 701,684 | \$ 87,487 |
| Community development: | | | | |
| Planning and community development: | | | | |
| Planning | \$ 449,879 | \$ 948,350 | \$ 449,402 | \$ 498,948 |
| Community development | 277,577 | 465,016 | 465,016 | - |
| Tourism | 307,419 | 729,919 | 162,045 | 567,874 |
| Zoning board | 4,544 | 4,544 | 2,564 | 1,980 |
| Economic development | 252,086 | 253,599 | 249,063 | 4,536 |
| Total planning and community development | \$ 1,291,505 | \$ 2,401,428 | \$ 1,328,090 | \$ 1,073,338 |
| Environmental management: | | | | |
| Soil and water conservation district | \$ 17,688 | \$ 17,688 | \$ 17,688 | \$ - |
| Environmental management | 101,980 | 104,547 | 104,547 | - |
| Total environmental management | \$ 119,668 | \$ 122,235 | \$ 122,235 | \$ - |
| Cooperative extension program: | | | | |
| VPI extension program | \$ 66,739 | \$ 66,739 | \$ 50,761 | \$ 15,978 |
| Total community development | \$ 1,477,912 | \$ 2,590,402 | \$ 1,501,086 | \$ 1,089,316 |
| Nondepartmental: | | | | |
| Miscellaneous | \$ 344,927 | \$ 149,960 | \$ 76,650 | \$ 73,310 |

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget and Actual - General Fund
 For the Year Ended June 30, 2023 (continued)

| Fund, Function, Activity, Element | General Fund | | | Variance From Amended Budget Positive (Negative) |
|---|--------------------|-------------------------|----------------|---|
| | Original Budget | Budget As Amended | Actual | |
| Expenditures: (Continued) | | | | |
| Capital projects: | | | | |
| Office building renovations | \$ 400,000 | \$ 567,862 | \$ 127,691 | \$ 440,171 |
| Reservoir | - | 164,881 | - | 164,881 |
| Water plant | - | 90,339 | - | 90,339 |
| Sewer project | 9,000 | 9,000 | - | 9,000 |
| Water system Improvements | 3,000 | 3,000 | - | 3,000 |
| Communication facilities | 668,577 | 668,577 | 7,859 | 660,718 |
| Reservoir access road | - | 2,000,494 | - | 2,000,494 |
| Recreation facilities | - | 13,312 | - | 13,312 |
| Total capital projects | \$ 1,080,577 | \$ 3,517,465 | \$ 135,550 | \$ 3,381,915 |
| Debt service: | | | | |
| Principal retirement | \$ 1,850,061 | \$ 1,850,061 | \$ 779,496 | \$ 1,070,565 |
| Interest and fiscal charges | 643,785 | 643,783 | 324,024 | 319,759 |
| Total debt service | \$ 2,493,846 | \$ 2,493,844 | \$ 1,103,520 | \$ 1,390,324 |
| Total expenditures | \$ 47,420,960 | \$ 55,362,210 | \$ 47,034,525 | \$ 8,327,685 |
| Excess (deficiency) of revenues over (under) expenditures | \$ (428,297) | \$ (5,759,453) | \$ 3,636,224 | \$ 9,395,677 |
| Other financing sources (uses): | | | | |
| Financed purchases | \$ - | \$ - | \$ 1,147,437 | \$ 1,147,437 |
| Issuance of leases | - | - | 1,319,046 | 1,319,046 |
| Transfers out | - | - | (4,884,834) | (4,884,834) |
| Total other financing sources (uses) | \$ - | \$ - | \$ (2,418,351) | \$ (2,418,351) |
| Change in fund balance | \$ (428,297) | \$ (5,759,453) | \$ 1,217,873 | \$ 6,977,326 |
| Fund balance at beginning of year | 428,297 | 5,759,453 | 23,119,942 | 17,360,489 |
| Fund balance at end of year | \$ - | \$ - | \$ 24,337,815 | \$ 24,337,815 |

There is a current year variance of \$2,563,794 related to 'Contribution to Component Unit - School Board'. \$1,716,894 of this amount is related to state construction funds, which are permitted to be carried forward to future fiscal years.

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Primary Government
Pension Plans
For the Measurement Dates of June 30, 2014 through June 30, 2022

| | 2022 | 2021 | 2020 | 2019 |
|---|----------------------|-----------------------|----------------------|----------------------|
| Total pension liability | | | | |
| Service cost | \$ 717,447 | \$ 687,837 | \$ 692,376 | \$ 613,296 |
| Interest | 1,707,150 | 1,567,433 | 1,483,749 | 1,433,534 |
| Differences between expected and actual experience | (814,138) | (613,361) | 375,437 | (57,217) |
| Changes of assumptions | - | 936,333 | - | 656,950 |
| Benefit payments | (1,126,047) | (1,325,586) | (1,298,007) | (990,299) |
| Net change in total pension liability | \$ 484,412 | \$ 1,252,656 | \$ 1,253,555 | \$ 1,656,264 |
| Total pension liability - beginning | 25,136,686 | 23,884,030 | 22,630,475 | 20,974,211 |
| Total pension liability - ending (a) | \$ 25,621,098 | \$ 25,136,686 | \$ 23,884,030 | \$ 22,630,475 |
| Plan fiduciary net position | | | | |
| Contributions - employer | \$ 537,468 | \$ 514,772 | \$ 444,782 | \$ 450,129 |
| Contributions - employee | 295,067 | 282,812 | 284,646 | 276,236 |
| Net investment income | (25,568) | 5,866,737 | 419,057 | 1,381,874 |
| Benefit payments | (1,126,047) | (1,325,586) | (1,298,007) | (990,299) |
| Administrator charges | (16,743) | (14,714) | (14,296) | (13,601) |
| Other | 625 | 553 | (488) | (870) |
| Net change in plan fiduciary net position | \$ (335,198) | \$ 5,324,574 | \$ (164,306) | \$ 1,103,469 |
| Plan fiduciary net position - beginning | 26,945,103 | 21,620,529 | 21,784,835 | 20,681,366 |
| Plan fiduciary net position - ending (b) | \$ 26,609,905 | \$ 26,945,103 | \$ 21,620,529 | \$ 21,784,835 |
| County's net pension liability (asset) - ending (a)-(b) | \$ (988,807) | \$ (1,808,417) | \$ 2,263,501 | \$ 845,640 |
| Plan fiduciary net position as a percentage of the total pension liability | 103.86% | 107.19% | 90.52% | 96.26% |
| Covered payroll | \$ 6,339,918 | \$ 5,986,153 | \$ 5,883,682 | \$ 5,722,529 |
| County's net pension liability (asset) as a percentage of covered payroll | -15.60% | -30.21% | 38.47% | 14.78% |

This schedule is intended to show information for 10 years. However, information prior to the 2014 valuation is not available. Additional years will be included as they become available.

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios

Primary Government

Pension Plans

For the Measurement Dates of June 30, 2014 through June 30, 2022

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

Schedule of Changes in Net Pension Liability and Related Ratios
Component Unit School Board (nonprofessional)
Pension Plans
For the Measurement Dates of June 30, 2014 through June 30, 2022

| | 2022 | 2021 | 2020 | 2019 |
|---|----------------------|----------------------|---------------------|---------------------|
| Total pension liability | | | | |
| Service cost | \$ 157,015 | \$ 153,529 | \$ 156,498 | \$ 168,547 |
| Interest | 708,770 | 633,301 | 609,149 | 607,214 |
| Differences between expected and actual experience | (228,324) | 422,188 | 217,140 | (136,122) |
| Changes of assumptions | - | 396,510 | - | 236,861 |
| Benefit payments | (576,472) | (712,493) | (537,457) | (515,660) |
| Net change in total pension liability | \$ 60,989 | \$ 893,035 | \$ 445,330 | \$ 360,840 |
| Total pension liability - beginning | 10,631,520 | 9,738,485 | 9,293,155 | 8,932,315 |
| Total pension liability - ending (a) | <u>\$ 10,692,509</u> | <u>\$ 10,631,520</u> | <u>\$ 9,738,485</u> | <u>\$ 9,293,155</u> |
| Plan fiduciary net position | | | | |
| Contributions - employer | \$ 105,469 | \$ 95,300 | \$ 100,879 | \$ 99,908 |
| Contributions - employee | 87,831 | 81,925 | 89,013 | 83,779 |
| Net investment income | (6,642) | 2,378,582 | 172,333 | 583,273 |
| Benefit payments | (576,472) | (712,493) | (537,457) | (515,660) |
| Administrator charges | (6,819) | (6,258) | (6,045) | (5,957) |
| Other | 245 | 222 | (203) | (366) |
| Net change in plan fiduciary net position | \$ (396,388) | \$ 1,837,278 | \$ (181,480) | \$ 244,977 |
| Plan fiduciary net position - beginning | 10,833,370 | 8,996,092 | 9,177,572 | 8,932,595 |
| Plan fiduciary net position - ending (b) | <u>\$ 10,436,982</u> | <u>\$ 10,833,370</u> | <u>\$ 8,996,092</u> | <u>\$ 9,177,572</u> |
| County's net pension liability (asset) - ending (a)-(b) | \$ 255,527 | \$ (201,850) | \$ 742,393 | \$ 115,583 |
| Plan fiduciary net position as a percentage of the total pension liability | 97.61% | 101.90% | 92.38% | 98.76% |
| Covered payroll | \$ 1,852,999 | \$ 1,631,888 | \$ 1,777,266 | \$ 1,736,515 |
| County's net pension liability (asset) as a percentage of covered payroll | 13.79% | -12.37% | 41.77% | 6.66% |

This schedule is intended to show information for 10 years. However, information prior to the 2014 valuation is not available. 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, 2022

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

Schedule of Employer's Share of Net Pension Liability (Asset) VRS Teacher Retirement Plan
Pension Plans
For the Measurement Dates of June 30, 2014 through June 30, 2022

| Date (1) | Employer's Proportion of the Net Pension Liability (Asset) (2) | Employer's Proportionate Share of the Net Pension Liability (Asset) (3) | Employer's Covered Payroll (4) | Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (3)/(4) (5) | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (6) |
|-------------|--|--|---|--|---|
| 2022 | 0.2047% | \$ 19,488,665 | \$ 19,348,031 | 100.73% | 82.61% |
| 2021 | 0.1961% | 15,222,657 | 17,507,989 | 86.95% | 85.46% |
| 2020 | 0.2100% | 29,528,734 | 17,936,997 | 164.62% | 71.47% |
| 2019 | 0.2100% | 27,568,758 | 17,390,744 | 158.53% | 73.51% |
| 2018 | 0.2200% | 25,259,000 | 17,476,871 | 144.53% | 74.81% |
| 2017 | 0.2200% | 26,657,000 | 17,188,041 | 155.09% | 72.92% |
| 2016 | 0.2200% | 30,577,000 | 16,647,396 | 183.67% | 68.28% |
| 2015 | 0.2145% | 26,993,000 | 15,942,460 | 169.32% | 70.68% |
| 2014 | 0.2041% | 24,663,000 | 14,910,035 | 165.41% | 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, 2014 through June 30, 2023

| Date | Contractually Required Contribution (1)* | Contributions in Relation to Contractually Required Contribution (2)* | Contribution Deficiency (Excess) (3) | Employer's Covered Payroll (4) | Contributions as a % of Covered Employee Payroll (5) |
|--|---|--|---|---|---|
| Primary Government | | | | | |
| 2023 | \$ 612,451 | \$ 612,451 | \$ - | \$ 7,476,903 | 8.19% |
| 2022 | 537,468 | 537,468 | - | 6,339,918 | 8.48% |
| 2021 | 541,747 | 541,747 | - | 5,986,153 | 9.05% |
| 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% |
| Component Unit School Board (nonprofessional) | | | | | |
| 2023 | \$ 145,781 | \$ 145,781 | \$ - | \$ 2,036,272 | 7.16% |
| 2022 | 105,468 | 105,468 | - | 1,852,999 | 5.69% |
| 2021 | 102,809 | 102,809 | - | 1,631,888 | 6.30% |
| 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% |
| Component Unit School Board (professional) | | | | | |
| 2023 | \$ 3,256,253 | \$ 3,256,253 | \$ - | \$ 20,911,847 | 15.57% |
| 2022 | 3,040,946 | 3,040,946 | - | 19,348,031 | 15.72% |
| 2021 | 2,774,168 | 2,774,168 | - | 17,507,989 | 15.85% |
| 2020 | 2,696,332 | 2,696,332 | - | 17,936,997 | 15.03% |
| 2019 | 2,684,578 | 2,684,578 | - | 17,390,744 | 15.44% |
| 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% |

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

Notes to Required Supplementary Information
Pension Plans
For the Year Ended June 30, 2023

Changes of benefit terms - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions - The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

All Others (Non 10 Largest) - Hazardous Duty:

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

Component Unit School Board - Professional Employees

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

Schedule of County's and School Board's Share of Net OPEB Liability
 Group Life Insurance (GLI) Plan
 For the Measurement Dates of June 30, 2017 through June 30, 2022

| <u>Date</u> | <u>Employer's Proportion of the Net GLI OPEB Liability (Asset)</u> | <u>Employer's Proportionate Share of the Net GLI OPEB Liability (Asset)</u> | <u>Employer's Covered Payroll</u> | <u>Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll</u> | <u>Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability</u> |
|---|--|---|---|--|--|
| Primary Government: | | | | | |
| 2022 | 0.02920% \$ | 352,078 \$ | 6,360,027 | 5.54% | 67.21% |
| 2021 | 0.02860% | 337,522 | 5,986,153 | 5.64% | 67.45% |
| 2020 | 0.02859% | 477,120 | 5,883,682 | 8.11% | 52.64% |
| 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): | | | | | |
| 2022 | 0.00850% \$ | 102,589 \$ | 1,852,999 | 5.54% | 67.21% |
| 2021 | 0.00870% | 92,326 | 1,636,385 | 5.64% | 67.45% |
| 2020 | 0.00865% | 144,355 | 1,779,515 | 8.11% | 52.64% |
| 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): | | | | | |
| 2022 | 0.08890% \$ | 1,071,044 \$ | 19,348,030 | 5.54% | 67.21% |
| 2021 | 0.08720% | 987,302 | 17,507,989 | 5.64% | 67.45% |
| 2020 | 0.08721% | 1,455,393 | 17,949,478 | 8.11% | 52.64% |
| 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% |

This schedule is intended to show information for 10 years. However, information prior to the 2017 valuation is not available. Additional years will be included as they become available.

Schedule of Employer Contributions

Group Life Insurance (GLI) Plan

For the Years Ended June 30, 2013 through June 30, 2023

| Date | Contractually Required Contribution | Contributions in Relation to Contractually Required Contribution | Contribution Deficiency (Excess) | Employer's Covered Payroll | Contributions as a % of Covered Payroll |
|---|---|--|--|----------------------------------|--|
| Primary Government: | | | | | |
| 2023 | \$ 40,375 | \$ 40,375 | \$ - | \$ 7,476,903 | 0.54% |
| 2022 | 34,344 | 34,344 | - | 6,360,027 | 0.54% |
| 2021 | 32,325 | 32,325 | - | 5,986,153 | 0.54% |
| 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% |
| Component Unit School Board (nonprofessional): | | | | | |
| 2023 | \$ 11,012 | \$ 11,012 | \$ - | \$ 2,039,215 | 0.54% |
| 2022 | 10,006 | 10,006 | - | 1,852,999 | 0.54% |
| 2021 | 8,836 | 8,836 | - | 1,636,385 | 0.54% |
| 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% |
| Component Unit School Board (professional): | | | | | |
| 2023 | \$ 112,924 | \$ 112,924 | \$ - | \$ 20,911,847 | 0.54% |
| 2022 | 104,479 | 104,479 | - | 19,348,031 | 0.54% |
| 2021 | 94,543 | 94,543 | - | 17,507,989 | 0.54% |
| 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% |

Notes to Required Supplementary Information
Group Life Insurance (GLI) Plan
For the Year Ended June 30, 2023

Changes of benefit terms - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions - The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Teachers

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

Non-Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

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

Schedule of Changes in Net OPEB Liability and Related Ratios
Primary Government
Health Insurance Credit (HIC) Plan
For the Measurement Dates of June 30, 2017 through June 30, 2022

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total HIC OPEB Liability | | | | | | |
| Service cost | \$ 3,430 | \$ 2,176 | \$ 2,561 | \$ 2,218 | \$ 2,242 | \$ 2,275 |
| Interest | 5,872 | 5,987 | 6,108 | 7,314 | 7,315 | 7,456 |
| Differences between expected and actual experience | (1,359) | (5,052) | (1,188) | (17,478) | (1,609) | - |
| Changes in assumptions | 21,039 | 1,375 | - | 2,214 | - | (5,238) |
| Benefit payments | (9,780) | (9,488) | (9,029) | (7,500) | (8,429) | (4,586) |
| Net change in total HIC OPEB liability | \$ 19,202 | \$ (5,002) | \$ (1,548) | \$ (13,232) | \$ (481) | \$ (93) |
| Total HIC OPEB Liability - beginning | 88,450 | 93,452 | 95,000 | 108,232 | 108,713 | 108,806 |
| Total HIC OPEB Liability - ending (a) | \$ 107,652 | \$ 88,450 | \$ 93,452 | \$ 95,000 | \$ 108,232 | \$ 108,713 |
| Plan fiduciary net position | | | | | | |
| Contributions - employer | \$ 3,229 | \$ 2,969 | \$ 4,119 | \$ 3,980 | \$ 3,924 | \$ 3,784 |
| Net investment income | 285 | 22,105 | 1,798 | 5,571 | 6,144 | 9,137 |
| Benefit payments | (9,780) | (9,488) | (9,029) | (7,500) | (8,429) | (4,586) |
| Administrative expense | (172) | (245) | (167) | (120) | (140) | (147) |
| Other | 4,204 | - | (1) | (7) | (465) | 465 |
| Net change in plan fiduciary net position | \$ (2,234) | \$ 15,341 | \$ (3,280) | \$ 1,924 | \$ 1,034 | \$ 8,653 |
| Plan fiduciary net position - beginning | 103,068 | 87,727 | 91,007 | 89,083 | 88,049 | 79,396 |
| Plan fiduciary net position - ending (b) | \$ 100,834 | \$ 103,068 | \$ 87,727 | \$ 91,007 | \$ 89,083 | \$ 88,049 |
| County's net HIC OPEB liability - ending (a) - (b) | \$ 6,818 | \$ (14,618) | \$ 5,725 | \$ 3,993 | \$ 19,149 | \$ 20,664 |
| Plan fiduciary net position as a percentage of the total HIC OPEB liability | 93.67% | 116.53% | 93.87% | 95.80% | 82.31% | 80.99% |
| Covered payroll | \$ 2,306,693 | \$ 2,120,558 | \$ 2,167,831 | \$ 2,094,748 | \$ 2,065,092 | \$ 1,991,416 |
| County's net HIC OPEB liability as a percentage of covered payroll | 0.30% | -0.69% | 0.26% | 0.19% | 0.93% | 1.04% |

This schedule is intended to show information for 10 years. However, information prior to the 2017 valuation is not available. Additional years will be included as they become available.

Schedule of Changes in Net OPEB Liability and Related Ratios
Component Unit School Board (nonprofessional)
Health Insurance Credit (HIC) Plan
For the Measurement Dates of June 30, 2020 through June 30, 2022

| | 2022 | 2021 | 2020 |
|--|---------------------|---------------------|-------------------|
| Total HIC OPEB Liability | | | |
| Service cost | \$ 2,583 | \$ 2,611 | \$ - |
| Interest | 15,764 | 14,173 | - |
| Changes of benefit terms | - | - | 209,968 |
| Differences between expected and actual experience | (12,383) | (1) | - |
| Changes in assumptions | 17,825 | 7,755 | - |
| Benefit payments | (7,090) | - | - |
| Net change in total HIC OPEB liability | \$ 16,699 | \$ 24,538 | \$ 209,968 |
| Total HIC OPEB Liability - beginning | 234,506 | 209,968 | - |
| Total HIC OPEB Liability - ending (a) | \$ 251,205 | \$ 234,506 | \$ 209,968 |
| Plan fiduciary net position | | | |
| Contributions - employer | \$ 17,048 | \$ 15,014 | \$ - |
| Net investment income | (270) | 1,836 | - |
| Benefit payments | (7,090) | - | - |
| Administrative expense | (50) | (66) | - |
| Other | 315 | - | - |
| Net change in plan fiduciary net position | \$ 9,953 | \$ 16,784 | \$ - |
| Plan fiduciary net position - beginning | 16,784 | - | - |
| Plan fiduciary net position - ending (b) | \$ 26,737 | \$ 16,784 | \$ - |
| School Board's net HIC OPEB liability - ending (a) - (b) | \$ 224,468 | \$ 217,722 | \$ 209,968 |
| Plan fiduciary net position as a percentage of the total HIC OPEB liability | 10.64% | 7.16% | 0.00% |
| Covered payroll | \$ 1,852,999 | \$ 1,631,888 | \$ - |
| School Board's net HIC OPEB liability as a percentage of covered payroll | 12.11% | 13.34% | 0.00% |

This schedule is intended to show information for 10 years. However, information prior to the 2020 valuation is not available because that is when the benefit was first offered. 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, 2022

| <u>Date</u> | <u>Employer's Proportion of the Net HIC OPEB Liability (Asset)</u> | <u>Employer's Proportionate Share of the Net HIC OPEB Liability (Asset)</u> | <u>Employer's Covered Payroll</u> | <u>Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll</u> | <u>Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability</u> |
|--|--|---|---|--|--|
| Component Unit School Board (professional): | | | | | |
| 2022 | 0.20759% | \$ 2,592,896 | \$ 19,348,031 | 13.40% | 15.08% |
| 2021 | 0.19797% | 2,541,082 | 17,507,989 | 14.51% | 13.15% |
| 2020 | 0.20460% | 2,669,041 | 17,936,997 | 14.88% | 9.95% |
| 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% |

This schedule is intended to show information for 10 years. However, information prior to the 2017 valuation is not available. Additional years will be included as they become available.

Schedule of Employer Contributions
Health Insurance Credit (HIC) Plans
For the Years Ended June 30, 2014 through June 30, 2023

| <u>Date</u> | <u>Contractually Required Contribution</u> | <u>Contributions in Relation to Contractually Required Contribution</u> | <u>Contribution Deficiency (Excess)</u> | <u>Employer's Covered Payroll</u> | <u>Contributions as a % of Covered Payroll</u> |
|---|--|---|---|---|--|
| Primary Government: | | | | | |
| 2023 | \$ 3,123 | \$ 3,123 | \$ - | \$ 3,122,861 | 0.10% |
| 2022 | 3,229 | 3,229 | - | 2,306,693 | 0.14% |
| 2021 | 2,969 | 2,969 | - | 2,120,558 | 0.14% |
| 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% |
| Component Unit School Board (nonprofessional): | | | | | |
| 2023 | \$ 23,213 | \$ 23,213 | \$ - | \$ 2,036,272 | 1.14% |
| 2022 | 17,048 | 17,048 | - | 1,852,999 | 0.92% |
| 2021 | 15,013 | 15,013 | - | 1,631,888 | 0.92% |
| Component Unit School Board (professional): | | | | | |
| 2023 | \$ 253,033 | \$ 253,033 | \$ - | \$ 20,911,847 | 1.21% |
| 2022 | 234,111 | 234,111 | - | 19,348,031 | 1.21% |
| 2021 | 211,847 | 211,847 | - | 17,507,989 | 1.21% |
| 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 | 1.23% |
| 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% |

This schedule is intended to show information for 10 years. However, information prior to 2021 is not available for Component Unit School Board (nonprofessional) because that is when the benefit was first offered. Additional years will be included as they become available.

Notes to Required Supplementary Information
 Health Insurance Credit (HIC) Plans
 For the Year Ended June 30, 2023

Changes of benefit terms - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions - The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Health Insurance Credit Plan - Primary Government and Component Unit School Board

Non-Largest Ten Locality Employers - General Employees

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

Teacher Health Insurance Credit Plan - School Board - Professional:

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

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, 2023

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| County: | | | | | | |
| Total OPEB liability | | | | | | |
| Service cost | \$ 37,969 | \$ 36,134 | \$ 37,793 | \$ 31,452 | \$ 28,236 | \$ 5,681 |
| Interest | 16,949 | 10,909 | 13,837 | 18,521 | 16,874 | 4,785 |
| Effect of economic/demographic gains or losses | 50,297 | - | (108,777) | - | 280,246 | - |
| Effect of assumptions changes or inputs | (26,108) | (53,226) | (44,009) | 57,207 | 59,704 | (5,365) |
| Benefit payments | (22,889) | (20,971) | (15,626) | (17,420) | (12,350) | (4,953) |
| Net change in total OPEB liability | \$ 56,218 | \$ (27,154) | \$ (116,782) | \$ 89,760 | \$ 372,710 | \$ 148 |
| Total OPEB liability - beginning | 452,179 | 479,333 | 596,115 | 506,355 | 133,645 | 133,497 |
| Total OPEB liability - ending | \$ 508,397 | \$ 452,179 | \$ 479,333 | \$ 596,115 | \$ 506,355 | \$ 133,645 |
| Covered employee payroll | \$ 6,559,153 | \$ 5,447,952 | \$ 5,447,952 | \$ 5,594,793 | \$ 5,594,793 | \$ 5,112,500 |
| County's total OPEB liability (asset) as a percentage of covered employee payroll | 7.75% | 8.30% | 8.80% | 10.65% | 9.05% | 2.61% |
| School Board: | | | | | | |
| Total OPEB liability | | | | | | |
| Service cost | \$ 215,353 | \$ 251,808 | \$ 166,558 | \$ 144,909 | \$ 121,219 | \$ 145,601 |
| Interest | 121,849 | 78,572 | 68,609 | 95,396 | 85,824 | 85,683 |
| Effect of economic/demographic gains or losses | (38,747) | - | (25,606) | - | (236,168) | - |
| Effect of assumptions changes or inputs | 58,399 | (351,694) | 385,547 | 262,752 | 425,750 | (83,019) |
| Benefit payments | (138,372) | (137,651) | (156,637) | (134,671) | (162,129) | (74,994) |
| Net change in total OPEB liability | \$ 218,482 | \$ (158,965) | \$ 438,471 | \$ 368,386 | \$ 234,496 | \$ 73,271 |
| Total OPEB liability - beginning | 3,295,314 | 3,454,279 | 3,015,808 | 2,647,422 | 2,412,926 | 2,339,655 |
| Total OPEB liability - ending | \$ 3,513,796 | \$ 3,295,314 | \$ 3,454,279 | \$ 3,015,808 | \$ 2,647,422 | \$ 2,412,926 |
| Covered employee payroll | \$ 21,044,105 | \$ 19,234,942 | \$ 19,234,942 | \$ 19,840,551 | \$ 19,840,551 | \$ 18,478,000 |
| School Board's total OPEB liability (asset) as a percentage of covered employee payroll | 16.70% | 17.13% | 17.96% | 15.20% | 13.34% | 13.06% |

This schedule is intended to show information for 10 years. However, information prior to 2018 is unavailable. Additional years will be included as they become available.

OPEB - Health Insurance Plan
Notes to Required Supplementary Information
For the Year Ended June 30, 2023

Valuation Date: 7/1/2022

Measurement Date: 6/30/2023

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

Methods and assumptions used to determine OPEB liability - Primary Government:

| | |
|-----------------------|--|
| Actuarial Cost Method | Entry age normal, level % of salary |
| Discount Rate | 3.65% as of June 30, 2023 |
| Healthcare Trend Rate | The rates are 1.5% for the fiscal year ending 2023, increasing to an ultimate rate of 3.9% for both the Primary Government and the School Board. |
| Salary Increase Rates | General employees: Ranges of increases of 3.5% for 20+ years of service to 5.35% for 1-2 years of service; Teachers: Ranges of increases of 3.5% for 20+ years of service to 5.95% for 1 year 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, 2022

| <u>Date</u> | <u>Employer's Proportion of the Net LODA OPEB Liability (Asset)</u> | <u>Employer's Proportionate Share of the Net LODA OPEB Liability (Asset)</u> | <u>Covered- Employee Payroll *</u> | <u>Employer's Proportionate Share of the Net LODA OPEB Liability (Asset) as a Percentage of its Covered-Employee Payroll</u> | <u>Plan Fiduciary Net Position as a Percentage of Total LODA OPEB Liability</u> |
|-------------|---|--|--|--|---|
| 2022 | 0.38560% | \$ 1,459,362 | \$ N/A | N/A | 1.87% |
| 2021 | 0.27870% | 1,229,220 | N/A | N/A | 1.68% |
| 2020 | 0.30380% | 1,272,361 | N/A | N/A | 1.02% |
| 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.

This schedule is intended to show information for 10 years. However, information prior to the 2017 valuation is not available. 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, 2023

| Date | Contractually Required Contribution | Contributions in Relation to Contractually Required Contribution | Contribution Deficiency (Excess) | Covered- Employee Payroll * | Contributions as a % of Covered - Employee Payroll |
|------|---|--|--|-----------------------------------|--|
| 2023 | \$ 56,763 | \$ 56,763 | \$ - | N/A | N/A |
| 2022 | 53,108 | 53,108 | - | N/A | N/A |
| 2021 | 38,376 | 38,376 | - | N/A | N/A |
| 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), but there were no contributions until FY 2016. This schedule is intended to show information for 10 years. 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, 2023

Changes of benefit terms - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions - The actuarial assumptions used in the June 30, 2021 valuation were based on results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

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

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, 2023

| | <u>Original Budget</u> | <u>Budget As Amended</u> | <u>Actual</u> | <u>Variance From Amended Budget Positive (Negative)</u> |
|-----------------------------------|----------------------------|----------------------------------|---------------------|---|
| Fund balance at beginning of year | <u>-</u> | <u>-</u> | <u>3,202,831</u> | <u>3,202,831</u> |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 3,202,831</u> | <u>\$ 3,202,831</u> |

Discretely Presented Component Unit-School Board

Combining Balance Sheet - Discretely Presented Component Unit - School Board
June 30, 2023

| | School Operating Fund | School Cafeteria Fund | School Activity Fund | Total Governmental Funds |
|--|-----------------------------|-----------------------------|----------------------------|--------------------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ - | \$ 500,659 | \$ 526,654 | \$ 1,027,313 |
| Due from primary government | 1,359,854 | - | - | 1,359,854 |
| Due from other governmental units | 1,702,994 | - | - | 1,702,994 |
| Total assets | <u>\$ 3,062,848</u> | <u>\$ 500,659</u> | <u>\$ 526,654</u> | <u>\$ 4,090,161</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 1,171,156 | \$ - | \$ - | \$ 1,171,156 |
| Accrued liabilities | 1,891,692 | - | - | 1,891,692 |
| Total liabilities | <u>\$ 3,062,848</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 3,062,848</u> |
| FUND BALANCES | | | | |
| Committed: | | | | |
| Education | \$ - | \$ 500,659 | \$ 526,654 | \$ 1,027,313 |
| Total fund balances | <u>\$ -</u> | <u>\$ 500,659</u> | <u>\$ 526,654</u> | <u>\$ 1,027,313</u> |
| Detailed explanation of adjustments from fund statements to government-wide statement of net position: | | | | |
| Total fund balances per above | | | | \$ 1,027,313 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | | | | |
| Land | | | \$ 127,800 | |
| Buildings and improvements | | | 16,476,617 | |
| Equipment | | | 2,174,124 | |
| Lease equipment | | | 42,324 | |
| Construction in progress | | | 1,161,155 | 19,982,020 |
| Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds. | | | | |
| Pension related items | | | \$ 6,140,321 | |
| OPEB related items | | | 1,208,627 | 7,348,948 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. | | | | |
| Financed purchases | | | \$ (456,264) | |
| Compensated absences | | | (823,368) | |
| Lease liabilities | | | (49,528) | |
| Net pension liability | | | (19,744,192) | |
| Net OPEB liabilities | | | (7,504,793) | (28,578,145) |
| Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds. | | | | |
| Pension related items | | | \$ (5,433,475) | |
| OPEB related items | | | (942,569) | (6,376,044) |
| Net Position of Discretely Presented Component Unit - School Board | | | | <u>\$ (6,595,908)</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, 2023

| | School Operating Fund | School Cafeteria Fund | School Activity Fund | Total Governmental Funds |
|---|-----------------------------|-----------------------------|----------------------------|--------------------------------|
| Revenues: | | | | |
| Revenue from use of money and property | \$ 2,450 | \$ - | \$ - | \$ 2,450 |
| Charges for services | - | 52,138 | - | 52,138 |
| Miscellaneous | 196,093 | 14,053 | 669,634 | 879,780 |
| Intergovernmental: | | | | |
| County contribution to School Board | 15,474,472 | - | - | 15,474,472 |
| Commonwealth | 24,332,601 | - | - | 24,332,601 |
| Federal | 6,121,617 | - | - | 6,121,617 |
| Total revenues | \$ 46,127,233 | \$ 66,191 | \$ 669,634 | \$ 46,863,058 |
| Expenditures: | | | | |
| Current: | | | | |
| Education | \$ 41,991,455 | \$ 1,754,009 | \$ 697,992 | \$ 44,443,456 |
| Debt service: | | | | |
| Principal retirement | 1,485,000 | - | - | 1,485,000 |
| Interest | 1,212,961 | - | - | 1,212,961 |
| Total expenditures | \$ 44,689,416 | \$ 1,754,009 | \$ 697,992 | \$ 47,141,417 |
| Excess (deficiency) of revenues over (under) expenditures | \$ 1,437,817 | \$ (1,687,818) | \$ (28,358) | \$ (278,359) |
| Other financing sources (uses): | | | | |
| Financed purchases | \$ 199,062 | \$ - | \$ - | \$ 199,062 |
| Transfers in | - | 1,636,879 | - | 1,636,879 |
| Transfers (out) | (1,636,879) | - | - | (1,636,879) |
| Total other financing sources (uses) | \$ (1,437,817) | \$ 1,636,879 | \$ - | \$ 199,062 |
| Change in fund balance | \$ - | \$ (50,939) | \$ (28,358) | \$ (79,297) |
| Fund balance at beginning of year | - | 551,598 | 555,012 | 1,106,610 |
| Fund balance at end of year | \$ - | \$ 500,659 | \$ 526,654 | \$ 1,027,313 |

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, 2023

| | | <u>Component Unit School Board</u> |
|---|--------------------|--|
| Amounts reported for governmental activities in the statement of activities are different because: | | |
| Net change in fund balances - total governmental funds | \$ | (79,297) |
| 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 capital outlays exceeded depreciation expense in the current period is computed as follows: | | |
| Capital additions | \$ 1,705,361 | |
| Transfer of joint tenancy assets from Primary Government to the Component Unit | 1,216,750 | |
| Depreciation expense | <u>(1,298,994)</u> | 1,623,117 |
| The issuance of long-term debt 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: | | |
| Principal retired on long-term debt | \$ 286,861 | |
| Issuance of long-term obligations | <u>(199,062)</u> | 87,799 |
| 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. | | |
| Change in compensated absences | \$ (9,199) | |
| Change in pension related items | 3,425,155 | |
| Change in OPEB related items | <u>(47,806)</u> | 3,368,150 |
| Change in net position of governmental activities | \$ | <u><u>4,999,769</u></u> |

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

| | School Operating Fund | | | Variance From Amended Budget Positive (Negative) |
|--|-----------------------|-------------------------|----------------|---|
| | Original Budget | Budget As Amended | Actual | |
| Revenues: | | | | |
| Revenue from use of money and property | \$ 46,000 | \$ 46,000 | \$ 2,450 | \$ (43,550) |
| Charges for services | 15,000 | 15,000 | - | (15,000) |
| Miscellaneous | 433,000 | 433,000 | 196,093 | (236,907) |
| Intergovernmental: | | | | |
| County contribution to School Board* | 18,038,266 | 18,038,266 | 15,474,472 | (2,563,794) |
| Commonwealth | 24,995,396 | 25,172,426 | 24,332,601 | (839,825) |
| Federal | 3,571,894 | 4,289,809 | 6,121,617 | 1,831,808 |
| Total revenues | \$ 47,099,556 | \$ 47,994,501 | \$ 46,127,233 | \$ (1,867,268) |
| Expenditures: | | | | |
| Current: | | | | |
| Education: | | | | |
| Instruction | \$ 34,124,665 | \$ 34,347,689 | \$ 31,745,985 | \$ 2,601,704 |
| Administration, attendance and health | 2,503,619 | 2,503,619 | 2,472,404 | 31,215 |
| Pupil transportation | 2,120,590 | 2,120,590 | 2,417,349 | (296,759) |
| Operation and maintenance | 4,891,421 | 5,068,451 | 5,277,099 | (208,648) |
| Facilities | 8,000 | 8,000 | 78,618 | (70,618) |
| Food service | - | - | - | - |
| Total education | \$ 43,648,295 | \$ 44,048,349 | \$ 41,991,455 | \$ 2,056,894 |
| Debt service: | | | | |
| Principal retirement | \$ 1,485,000 | \$ 1,485,000 | \$ 1,485,000 | \$ - |
| Interest | 1,214,261 | 1,214,261 | 1,212,961 | 1,300 |
| Total debt service | \$ 2,699,261 | \$ 2,699,261 | \$ 2,697,961 | \$ 1,300 |
| Total expenditures | \$ 46,347,556 | \$ 46,747,610 | \$ 44,689,416 | \$ 2,058,194 |
| Excess (deficiency) of revenues over (under) expenditures | \$ 752,000 | \$ 1,246,891 | \$ 1,437,817 | \$ 190,926 |
| Other financing sources (uses): | | | | |
| Financed purchases | \$ - | \$ - | \$ 199,062 | \$ 199,062 |
| Transfers in | - | - | - | - |
| Transfers (out) | (752,000) | (1,246,891) | (1,636,879) | (389,988) |
| Total other financing sources (uses) | \$ (752,000) | \$ (1,246,891) | \$ (1,437,817) | \$ (190,926) |
| Change in fund balance | \$ - | \$ - | \$ - | \$ - |
| Fund balance at beginning of year | - | - | - | - |
| Fund balance at end of year | \$ - | \$ - | \$ - | \$ - |

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

| | School Cafeteria Fund | | | | School Activity Fund | | | |
|---|-----------------------|-------------------------|----------------|---|----------------------|-------------------------|-------------|---|
| | Original Budget | Budget As Amended | Actual | Variance From Amended Budget Positive (Negative) | Original Budget | Budget As Amended | Actual | Variance From Amended Budget Positive (Negative) |
| Revenues: | | | | | | | | |
| Revenue from use of money and property | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Charges for services | - | - | 52,138 | 52,138 | - | - | - | - |
| Miscellaneous | - | - | 14,053 | 14,053 | - | - | 669,634 | 669,634 |
| Intergovernmental: | | | | | | | | |
| County contribution to School Board | - | - | - | - | - | - | - | - |
| Commonwealth | - | - | - | - | - | - | - | - |
| Federal | - | - | - | - | - | - | - | - |
| Total revenues | \$ - | \$ - | \$ 66,191 | \$ 66,191 | \$ - | \$ - | \$ 669,634 | \$ 669,634 |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| Education: | | | | | | | | |
| Instruction | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 697,992 | \$ (697,992) |
| Administration, attendance and health | - | - | - | - | - | - | - | - |
| Pupil transportation | - | - | - | - | - | - | - | - |
| Operation and maintenance | - | - | - | - | - | - | - | - |
| Facilities | - | - | - | - | - | - | - | - |
| Food service | - | - | 1,754,009 | (1,754,009) | - | - | - | - |
| Total education | \$ - | \$ - | \$ 1,754,009 | \$ (1,754,009) | \$ - | \$ - | \$ 697,992 | \$ (697,992) |
| Debt service: | | | | | | | | |
| Principal retirement | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Interest | - | - | - | - | - | - | - | - |
| Total debt service | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total expenditures | \$ - | \$ - | \$ 1,754,009 | \$ (1,754,009) | \$ - | \$ - | \$ 697,992 | \$ (697,992) |
| Excess (deficiency) of revenues over (under) expenditures | \$ - | \$ - | \$ (1,687,818) | \$ (1,687,818) | \$ - | \$ - | \$ (28,358) | \$ (28,358) |
| Other financing sources (uses): | | | | | | | | |
| Financed purchases | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Transfers in | - | - | 1,636,879 | 1,636,879 | - | - | - | - |
| Transfers (out) | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | \$ - | \$ - | \$ 1,636,879 | \$ 1,636,879 | \$ - | \$ - | \$ - | \$ - |
| Change in fund balance | \$ - | \$ - | \$ (50,939) | \$ (50,939) | \$ - | \$ - | \$ (28,358) | \$ (28,358) |
| Fund balance at beginning of year | - | - | 551,598 | 551,598 | - | - | 555,012 | 555,012 |
| Fund balance at end of year | \$ - | \$ - | \$ 500,659 | \$ 500,659 | \$ - | \$ - | \$ 526,654 | \$ 526,654 |

There is a current year variance of (\$2,563,794) related to 'County contribution to School Board'. \$1,716,894 of this amount is related to state construction funds, which are permitted to be carried forward to future fiscal years.

Supporting Schedule

Governmental Funds and Discretely Presented Component Unit
 Schedule of Revenues -- Budget and Actual
 For the Year Ended June 30, 2023

| 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 | \$ 18,287,803 | \$ 18,287,803 | \$ 19,752,028 | \$ 1,464,225 |
| Real and personal public service corporation taxes | 509,912 | 509,912 | 517,456 | 7,544 |
| Personal property taxes | 7,150,407 | 7,150,407 | 7,202,698 | 52,291 |
| Mobile home taxes | 58,355 | 58,355 | - | (58,355) |
| Machinery and tools taxes | 232,679 | 232,679 | 337,491 | 104,812 |
| Penalties | 250,000 | 250,000 | 309,486 | 59,486 |
| Interest | 110,000 | 110,000 | 118,101 | 8,101 |
| Total general property taxes | \$ 26,599,156 | \$ 26,599,156 | \$ 28,237,260 | \$ 1,638,104 |
| Other local taxes: | | | | |
| Local sales and use taxes | \$ 3,000,000 | \$ 3,000,000 | \$ 3,346,809 | \$ 346,809 |
| Consumer utility taxes | 440,000 | 440,000 | 457,029 | 17,029 |
| Business license taxes | 700,000 | 700,000 | 941,415 | 241,415 |
| Motor vehicle licenses | 470,000 | 470,000 | 477,043 | 7,043 |
| Bank stock taxes | 55,000 | 55,000 | 103,231 | 48,231 |
| Taxes on recordation and wills | 356,000 | 356,000 | 311,854 | (44,146) |
| Transient lodging taxes | 400,000 | 750,199 | 634,211 | (115,988) |
| Meals taxes | 900,000 | 900,000 | 1,147,666 | 247,666 |
| Cigarette taxes | 175,056 | 175,056 | 338,143 | 163,087 |
| Total other local taxes | \$ 6,496,056 | \$ 6,846,255 | \$ 7,757,401 | \$ 911,146 |
| Permits, privilege fees and regulatory licenses: | | | | |
| Animal licenses | \$ 6,000 | \$ 6,000 | \$ 4,341 | \$ (1,659) |
| Other permits and licenses | 362,250 | 362,250 | 403,938 | 41,688 |
| Total permits, privilege fees and regulatory licenses | \$ 368,250 | \$ 368,250 | \$ 408,279 | \$ 40,029 |
| Fines and Forfeitures: | | | | |
| Court and other fines and forfeitures | \$ 996,500 | \$ 996,500 | \$ 67,978 | \$ (928,522) |
| Revenue from use of money and property: | | | | |
| Revenue from use of money | \$ 50,000 | \$ 50,000 | \$ 273,099 | \$ 223,099 |
| Revenue from use of property | 36,406 | 36,406 | 36,407 | 1 |
| Total revenue from use of money and property | \$ 86,406 | \$ 86,406 | \$ 309,506 | \$ 223,100 |

Governmental Funds and Discretely Presented Component Unit
 Schedule of Revenues -- Budget and Actual
 For the Year Ended June 30, 2023 (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 | \$ 2,000 | \$ 2,000 | \$ 1,621 | \$ (379) |
| Law library fees | 1,500 | 1,500 | 1,417 | (83) |
| Courthouse maintenance | 36,000 | 36,000 | 36,785 | 785 |
| Commonwealth attorney fees | 1,600 | 1,600 | 1,839 | 239 |
| Dog pound fees | 10,000 | 10,000 | 12,419 | 2,419 |
| DMV stop fees | - | 52,900 | 53,077 | 177 |
| Parks and recreation | 80,000 | 80,000 | 102,507 | 22,507 |
| Vehicle maintenance facility | 550,000 | 550,000 | 689,555 | 139,555 |
| Charges for landfill operations | 2,570,450 | 2,570,450 | 2,546,329 | (24,121) |
| Revenue recovery | 500,000 | 500,000 | 839,219 | 339,219 |
| Charges for water/sewer | 1,395,000 | 1,395,000 | 5,993 | (1,389,007) |
| Other charges for services | 60 | 60 | 13 | (47) |
| Total charges for services | \$ 5,146,610 | \$ 5,199,510 | \$ 4,290,774 | \$ (908,736) |
| Miscellaneous: | | | | |
| Donations | \$ - | \$ 77,038 | \$ 84,324 | \$ 7,286 |
| Miscellaneous | - | 142,355 | 220,042 | 77,687 |
| Total miscellaneous | \$ - | \$ 219,393 | \$ 304,366 | \$ 84,973 |
| Recovered costs: | | | | |
| State health department reimbursement | \$ 9,000 | \$ 9,000 | \$ - | \$ (9,000) |
| Expenditure refunds | - | 12,300 | 66,629 | 54,329 |
| Return of excess local funding | - | - | 177,504 | 177,504 |
| Total recovered costs | \$ 9,000 | \$ 21,300 | \$ 244,133 | \$ 222,833 |
| Total revenue from local sources | \$ 39,701,978 | \$ 40,336,770 | \$ 41,619,697 | \$ 1,282,927 |
| Intergovernmental: | | | | |
| Revenue from the Commonwealth: | | | | |
| Noncategorical aid: | | | | |
| Mobile home titling taxes | \$ 10,000 | \$ 10,000 | \$ 25,654 | \$ 15,654 |
| Auto rental tax | 7,000 | 7,000 | 12,296 | 5,296 |
| 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, 2023 (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) | | | | |
| Rolling stock tax | \$ 200 | \$ 200 | \$ 157 | \$ (43) |
| Communication sales and use taxes | 350,000 | 350,000 | 341,848 | (8,152) |
| Personal property tax relief act | 2,249,911 | 2,249,911 | 2,249,911 | - |
| Total noncategorical aid | \$ 2,637,111 | \$ 2,637,111 | \$ 2,629,866 | \$ (7,245) |
| Categorical aid: | | | | |
| Shared expenses: | | | | |
| Commonwealth's attorney | \$ 269,140 | \$ 269,140 | \$ 252,169 | \$ (16,971) |
| Sheriff | 1,008,356 | 1,008,356 | 1,006,523 | (1,833) |
| Commissioner of the Revenue | 104,390 | 104,390 | 103,186 | (1,204) |
| Treasurer | 125,765 | 125,765 | 127,961 | 2,196 |
| Registrar/electoral board | 63,320 | 63,320 | 72,776 | 9,456 |
| Clerk of the Circuit Court | 252,034 | 252,034 | 254,570 | 2,536 |
| Total shared expenses | \$ 1,823,005 | \$ 1,823,005 | \$ 1,817,185 | \$ (5,820) |
| Other categorical aid: | | | | |
| Law enforcement grants | \$ 21,000 | \$ 21,000 | \$ 25,721 | \$ 4,721 |
| Litter control | 7,500 | 9,570 | 9,570 | - |
| Forest sustainability fund | - | 12,890 | 12,900 | 10 |
| Fire programs fund | 69,000 | 87,057 | 81,057 | (6,000) |
| Juvenile Justice | 7,596 | 7,596 | 7,596 | - |
| E-911 wireless grant | 65,000 | 65,000 | 66,213 | 1,213 |
| Forfeited Property | - | 11,228 | 11,228 | - |
| Public assistance | 456,496 | 486,101 | 459,296 | (26,805) |
| Rescue assistance grant | - | 40,403 | 40,403 | - |
| School resource officer | - | 176,175 | 26,630 | (149,545) |
| Domestic violence | - | 45,000 | 27,180 | (17,820) |
| Children's services | 1,105,000 | 2,235,715 | 2,014,905 | (220,810) |
| Other categorical aid | 5,500 | 64,162 | 32,853 | (31,309) |
| Total other categorical aid | \$ 1,737,092 | \$ 3,261,897 | \$ 2,815,552 | \$ (446,345) |
| Total categorical aid | \$ 3,560,097 | \$ 5,084,902 | \$ 4,632,737 | \$ (452,165) |
| Total revenue from the Commonwealth | \$ 6,197,208 | \$ 7,722,013 | \$ 7,262,603 | \$ (459,410) |

Governmental Funds and Discretely Presented Component Unit
 Schedule of Revenues -- Budget and Actual
 For the Year Ended June 30, 2023 (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: | | | | |
| Noncategorical aid: | | | | |
| Payments in lieu of taxes | \$ 48,486 | \$ 48,486 | \$ 51,956 | \$ 3,470 |
| Total noncategorical aid | \$ 48,486 | \$ 48,486 | \$ 51,956 | \$ 3,470 |
| Categorical aid: | | | | |
| Welfare administration and assistance | \$ 995,991 | \$ 995,991 | \$ 1,071,590 | \$ 75,599 |
| Disaster aid | - | 15,000 | 14,894 | (106) |
| Local assistance and tribal consistency fund | - | 50,000 | 50,000 | - |
| Bulletproof vest grant | - | 586 | 2,674 | 2,088 |
| Transportation safety grant | - | - | 1,234 | 1,234 |
| Local law enforcement block grant | - | 1,513 | - | (1,513) |
| Byrne grant | - | 1,397 | 22,221 | 20,824 |
| Safety grants | 49,000 | 72,500 | 60,014 | (12,486) |
| Coronavirus State and Local Fiscal Recovery Funds | - | 333,219 | 500,501 | 167,282 |
| Hazard mitigation grant | - | 25,282 | 13,365 | (11,917) |
| Total categorical aid | \$ 1,044,991 | \$ 1,495,488 | \$ 1,736,493 | \$ 241,005 |
| Total revenue from the federal government | \$ 1,093,477 | \$ 1,543,974 | \$ 1,788,449 | \$ 244,475 |
| Total general fund | \$ 46,992,663 | \$ 49,602,757 | \$ 50,670,749 | \$ 1,067,992 |
| School capital projects fund: | | | | |
| Revenue from local sources: | | | | |
| Revenue from use of money and property: | | | | |
| Revenue from use of money | \$ - | \$ - | \$ 10,376 | \$ 10,376 |
| Total school capital projects fund | \$ - | \$ - | \$ 10,376 | \$ 10,376 |
| Total Primary Government | \$ 46,992,663 | \$ 49,602,757 | \$ 50,681,125 | \$ 1,078,368 |

Governmental Funds and Discretely Presented Component Unit
Schedule of Revenues -- Budget and Actual
For the Year Ended June 30, 2023 (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 | \$ 46,000 | \$ 46,000 | \$ 2,450 | \$ (43,550) |
| Charges for services: | | | | |
| Charges for education | \$ 15,000 | \$ 15,000 | \$ - | \$ (15,000) |
| Miscellaneous: | | | | |
| Expenditure refunds | \$ 195,750 | \$ 195,750 | \$ 42,492 | \$ (153,258) |
| Miscellaneous | 237,250 | 237,250 | 153,601 | (83,649) |
| Total miscellaneous | \$ 433,000 | \$ 433,000 | \$ 196,093 | \$ (236,907) |
| Total revenue from local sources | \$ 494,000 | \$ 494,000 | \$ 198,543 | \$ (295,457) |
| Intergovernmental: | | | | |
| County contribution to School Board | \$ 18,038,266 | \$ 18,038,266 | \$ 15,474,472 | \$ (2,563,794) |
| Revenue from the Commonwealth: | | | | |
| Categorical aid: | | | | |
| Share of state sales tax | \$ 4,639,011 | \$ 4,639,011 | \$ 5,352,885 | \$ 713,874 |
| Basic school aid | 9,724,520 | 9,724,520 | 9,032,694 | (691,826) |
| Remedial summer school | 58,793 | 58,793 | 50,448 | (8,345) |
| Remedial education - SOQ | 325,735 | 325,735 | 322,345 | (3,390) |
| Special education - SOQ | 1,065,876 | 1,065,876 | 1,054,786 | (11,090) |
| Textbook | 239,560 | 239,560 | 237,067 | (2,493) |
| Vocational standards of quality payments | 266,017 | 266,017 | 263,249 | (2,768) |
| Fringe benefits | 1,948,979 | 1,948,979 | 1,928,700 | (20,279) |
| Lottery | 733,749 | 733,749 | 723,470 | (10,279) |
| Regional program payments | 595,840 | 595,840 | 635,844 | 40,004 |
| Primary class size reduction | 389,759 | 389,759 | 387,869 | (1,890) |
| School construction | 1,716,894 | 1,716,894 | 1,716,894 | - |
| Technology | 180,000 | 180,000 | - | (180,000) |
| Other state funds | 3,110,663 | 3,287,693 | 2,626,350 | (661,343) |
| Total categorical aid | \$ 24,995,396 | \$ 25,172,426 | \$ 24,332,601 | \$ (839,825) |
| Total revenue from the Commonwealth | \$ 24,995,396 | \$ 25,172,426 | \$ 24,332,601 | \$ (839,825) |

Governmental Funds and Discretely Presented Component Unit
 Schedule of Revenues -- Budget and Actual
 For the Year Ended June 30, 2023 (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 | \$ 427,791 | \$ 427,791 | \$ 513,797 | \$ 86,006 |
| Title VI-B | 738,725 | 738,725 | 1,182,622 | 443,897 |
| Student support and academic enrichment | 31,025 | 31,025 | 55,798 | 24,773 |
| School food program grant | 591,454 | 1,086,345 | 1,583,519 | 497,174 |
| Pre-school SPED | 23,000 | 23,000 | 38,708 | 15,708 |
| Vocational education | 49,074 | 49,074 | 51,639 | 2,565 |
| Title III-ESL | 12,200 | 12,200 | 22,029 | 9,829 |
| BAB subsidy | 120,000 | 120,000 | 124,157 | 4,157 |
| Title II part A | 86,731 | 86,731 | 85,746 | (985) |
| Education stabilization funds | 1,491,894 | 1,615,168 | 1,591,722 | (23,446) |
| SNP local EBT | - | - | 3,135 | 3,135 |
| Coronavirus State and Local Fiscal Recovery Funds | - | - | 719,015 | 719,015 |
| Public health crisis response | - | - | 49,980 | 49,980 |
| Coronavirus relief funds | - | 99,750 | 99,750 | - |
| Total revenue from the federal government | \$ 3,571,894 | \$ 4,289,809 | \$ 6,121,617 | \$ 1,831,808 |
| Total school operating fund | \$ 47,099,556 | \$ 47,994,501 | \$ 46,127,233 | \$ (1,867,268) |
| Special revenue fund: | | | | |
| School cafeteria fund: | | | | |
| Revenue from local sources: | | | | |
| Charges for services: | | | | |
| Cafeteria sales | \$ - | \$ - | \$ 52,138 | \$ 52,138 |
| Miscellaneous: | | | | |
| Miscellaneous | \$ - | \$ - | \$ 14,053 | \$ 14,053 |
| Total revenue from local sources | \$ - | \$ - | \$ 66,191 | \$ 66,191 |
| Total school cafeteria fund | \$ - | \$ - | \$ 66,191 | \$ 66,191 |
| Special revenue fund: | | | | |
| School activity fund: | | | | |
| Revenue from local sources: | | | | |
| Miscellaneous: | | | | |
| Miscellaneous | \$ - | \$ - | \$ 669,634 | \$ 669,634 |
| Total school activity fund | \$ - | \$ - | \$ 669,634 | \$ 669,634 |
| Total Revenues -- Component Unit -- School Board | \$ 47,099,556 | \$ 47,994,501 | \$ 46,863,058 | \$ (1,131,443) |

Statistical Information

COUNTY OF GREENE, VIRGINIA

Table 1

Government-Wide Expenses by Function
Last Ten Fiscal Years

| Fiscal Year | General | | | Public | | Health and | | Recreation and | | Community | | Interest on | |
|-------------|---------------------------|-------------------------|---------------|--------------|--------------|---------------|------------|----------------|-----------------------|---------------|--|-------------|--|
| | Government Administration | Judicial Administration | Public Safety | Public Works | Welfare | Education | Cultural | Development | Long-term Obligations | Total | | | |
| 2013-14 | \$ 2,951,965 | \$ 872,678 | \$ 6,524,622 | \$ 1,556,202 | \$ 3,356,783 | \$ 13,111,319 | \$ 624,675 | \$ 1,993,591 | \$ 1,752,620 | \$ 32,744,455 | | | |
| 2014-15 | 3,073,055 | 802,988 | 7,053,193 | 1,823,774 | 3,389,971 | 12,645,242 | 613,315 | 2,081,033 | 1,976,446 | 33,459,017 | | | |
| 2015-16 | 3,044,641 | 806,765 | 6,945,379 | 1,659,669 | 3,889,018 | 12,321,340 | 632,059 | 2,203,322 | 1,410,094 | 32,912,287 | | | |
| 2016-17 | 2,837,682 | 902,271 | 7,588,646 | 1,846,387 | 3,377,197 | 12,833,070 | 610,767 | 2,226,695 | 1,317,618 | 33,540,333 | | | |
| 2017-18 | 2,939,108 | 800,347 | 8,051,591 | 1,750,612 | 3,269,928 | 14,308,304 | 629,044 | 2,193,642 | 1,943,405 | 35,885,981 | | | |
| 2018-19 | 3,371,994 | 857,381 | 8,095,205 | 2,296,909 | 3,210,295 | 13,950,905 | 671,990 | 2,285,525 | 2,665,447 | 37,405,651 | | | |
| 2019-20 | 3,399,777 | 811,115 | 8,732,431 | 2,396,380 | 3,563,171 | 11,806,074 | 678,719 | 1,970,340 | 2,654,684 | 36,012,691 | | | |
| 2020-21 | 3,828,553 | 977,818 | 9,062,392 | 3,168,214 | 4,169,022 | 18,363,492 | 655,319 | 1,294,530 | 1,957,720 | 43,477,060 | | | |
| 2021-22 | 3,893,830 | 972,117 | 10,126,846 | 3,429,951 | 4,488,460 | 18,980,031 | 732,807 | 1,237,175 | 53,465 | 43,914,682 | | | |
| 2022-23 | 4,666,938 | 969,757 | 11,442,445 | 4,313,889 | 5,904,217 | 14,664,722 | 775,424 | 1,324,728 | 1,635,935 | 45,698,055 | | | |

COUNTY OF GREENE, VIRGINIA

Table 2

Government-Wide Revenues

Last Ten Fiscal Years

| Fiscal Year | Program Revenues | | | | General Revenues | | | | | |
|-------------|----------------------|------------------------------------|----------------------------------|------------------------|-------------------|--|--|---------------|---------------|--|
| | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | General Property Taxes | Other Local Taxes | Grants and Contributions Not Restricted to Specific Programs | Unrestricted Revenues from the Use of Money & Property | Miscellaneous | Total | |
| | | | | | | | | | | |
| 2013-14 | \$ 2,826,399 | \$ 3,972,855 | \$ 150,000 | \$ 17,656,127 | \$ 4,017,436 | \$ 2,889,702 | \$ 40,988 | \$ 170,215 | \$ 31,723,722 | |
| 2014-15 | 3,119,888 | 4,387,697 | - | 17,849,568 | 4,226,641 | 2,837,638 | 51,582 | 125,203 | 32,598,217 | |
| 2015-16 | 3,251,514 | 4,442,405 | - | 18,738,446 | 4,612,880 | 2,873,049 | 46,928 | 223,848 | 34,189,070 | |
| 2016-17 | 3,057,589 | 4,287,452 | 150,000 | 19,762,722 | 4,656,707 | 2,835,103 | 43,079 | 168,015 | 34,960,667 | |
| 2017-18 | 3,493,024 | 4,284,408 | - | 20,395,914 | 4,837,709 | 2,861,968 | 409,716 | 86,852 | 36,369,591 | |
| 2018-19 | 4,414,795 | 4,443,099 | - | 21,349,097 | 5,142,529 | 2,856,941 | 646,279 | 208,977 | 39,061,717 | |
| 2019-20 | 4,908,619 | 4,964,986 | - | 22,932,315 | 5,530,304 | 2,798,156 | 225,190 | 84,824 | 41,444,394 | |
| 2020-21 | 3,625,581 | 7,152,444 | - | 24,035,764 | 6,496,336 | 2,720,988 | 96,430 | 673,314 | 44,800,857 | |
| 2021-22 | 5,583,641 | 5,043,770 | - | 26,985,577 | 7,227,558 | 3,180,693 | 91,544 | 428,658 | 48,541,441 | |
| 2022-23 | 4,767,031 | 6,369,230 | - | 28,327,575 | 7,757,401 | 2,681,822 | 319,882 | 271,268 | 50,494,209 | |

COUNTY OF GREENE, VIRGINIA

Table 3

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

| Fiscal Year | General Administration | Judicial Administration | Public Safety | Public Works | Health and Welfare | Education | Recreation and Cultural | Community Development | Non-departmental | Debt Service | Total |
|-------------|------------------------|-------------------------|---------------|--------------|--------------------|---------------|-------------------------|-----------------------|------------------|--------------|------------|
| 2013-14 \$ | 2,328,762 \$ | 832,496 \$ | 6,483,005 \$ | 1,448,788 \$ | 3,360,846 \$ | 30,644,422 \$ | 541,705 \$ | 1,977,558 \$ | 60,455 \$ | 3,095,848 \$ | 50,773,885 |
| 2014-15 | 2,469,394 | 818,349 | 6,691,754 | 1,664,455 | 3,423,259 | 32,704,706 | 536,156 | 2,181,858 | 49,655 | 3,194,774 | 53,734,360 |
| 2015-16 | 2,316,270 | 816,009 | 6,696,201 | 1,538,917 | 3,940,049 | 32,478,775 | 554,630 | 2,167,341 | 198,752 | 3,034,168 | 53,741,112 |
| 2016-17 | 2,281,044 | 869,989 | 7,426,556 | 1,600,509 | 3,432,258 | 34,401,639 | 578,896 | 2,200,711 | 125,755 | 2,779,862 | 55,697,219 |
| 2017-18 | 2,305,953 | 825,974 | 7,907,182 | 1,683,182 | 3,325,385 | 35,950,687 | 569,272 | 2,355,107 | 57,560 | 2,667,697 | 57,647,999 |
| 2018-19 | 2,660,055 | 867,633 | 7,980,277 | 2,323,225 | 3,283,918 | 36,360,180 | 597,663 | 2,348,109 | 69,523 | 4,163,995 | 60,654,578 |
| 2019-20 | 2,577,032 | 794,887 | 7,542,502 | 2,674,705 | 3,555,925 | 35,765,575 | 601,726 | 2,057,775 | 64,404 | 15,456,930 | 71,091,461 |
| 2020-21 | 3,089,590 | 903,004 | 8,223,262 | 5,057,307 | 4,148,624 | 35,930,436 | 587,925 | 1,648,694 | 73,435 | 3,728,128 | 63,390,405 |
| 2021-22 | 3,263,595 | 902,765 | 10,083,158 | 3,812,183 | 4,563,109 | 39,986,602 | 657,706 | 1,207,006 | 72,566 | 22,278,935 | 86,827,625 |
| 2022-23 | 3,506,321 | 917,201 | 13,248,408 | 4,370,520 | 5,992,400 | 44,450,169 | 701,684 | 1,501,086 | 76,650 | 3,801,481 | 78,565,920 |

(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.

COUNTY OF GREENE, VIRGINIA

Table 4

General Government Revenues by Source (1) (2) (3)

Last Ten Fiscal Years

| Fiscal Year | General Property Taxes | | Other Local Taxes | | Permits, Privilege Fees & Regulatory Licenses | | Fines & Forfeitures | | Revenues from the Use of Money & Property | | Charges for Services | | Miscellaneous | | Recovered Costs | | Inter-governmental | | Total | |
|-------------|------------------------|------------|-------------------|-----------|---|---------|---------------------|---------|---|---------|----------------------|-----------|---------------|-----------|-----------------|-----------|--------------------|------------|-------|------------|
| | | | | | | | | | | | | | | | | | | | | |
| 2013-14 | \$ | 17,795,002 | \$ | 4,017,436 | \$ | 193,509 | \$ | 171,559 | \$ | 55,395 | \$ | 2,855,685 | \$ | 420,380 | \$ | 954,224 | \$ | 24,644,956 | \$ | 51,108,146 |
| 2014-15 | | 18,093,338 | | 4,226,642 | | 284,761 | | 136,057 | | 122,085 | | 3,050,282 | | 345,046 | | 878,284 | | 26,947,201 | | 54,083,696 |
| 2015-16 | | 18,757,879 | | 4,612,880 | | 252,716 | | 155,638 | | 128,434 | | 2,680,445 | | 400,014 | | 897,802 | | 27,367,465 | | 55,253,273 |
| 2016-17 | | 19,725,650 | | 4,656,707 | | 230,840 | | 169,249 | | 105,905 | | 2,770,003 | | 510,918 | | 1,104,136 | | 28,041,390 | | 57,314,798 |
| 2017-18 | | 20,292,818 | | 4,837,708 | | 270,775 | | 139,866 | | 160,838 | | 3,076,995 | | 286,087 | | 931,603 | | 28,444,500 | | 58,441,190 |
| 2018-19 | | 21,392,808 | | 5,142,529 | | 329,425 | | 63,074 | | 220,798 | | 3,488,450 | | 435,617 | | 774,232 | | 28,806,355 | | 60,653,288 |
| 2019-20 | | 22,581,558 | | 5,530,304 | | 400,256 | | 87,554 | | 199,622 | | 3,295,291 | | 277,574 | | 774,833 | | 29,856,201 | | 63,003,193 |
| 2020-21 | | 24,814,431 | | 6,496,336 | | 373,617 | | 58,052 | | 95,429 | | 3,103,369 | | 1,127,779 | | 156,814 | | 33,767,973 | | 69,993,800 |
| 2021-22 | | 26,381,238 | | 7,227,558 | | 462,942 | | 49,888 | | 91,669 | | 3,509,501 | | 1,129,957 | | 37,145 | | 33,410,101 | | 72,299,999 |
| 2022-23 | | 28,237,260 | | 7,757,401 | | 408,279 | | 67,978 | | 311,956 | | 4,342,912 | | 1,184,146 | | 244,133 | | 39,505,270 | | 82,059,335 |

(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.

COUNTY OF GREENE, VIRGINIA

Table 5

Property Tax Levies and Collections
Last Ten Fiscal Years

| Fiscal Year | Total Tax Levy | Current Tax Collections | Percent of Levy Collected | Delinquent Tax Collections | Total Tax Collections | Percent of | | Outstanding Delinquent Taxes | Percent of Delinquent Taxes to Tax Levy |
|----------------|----------------------|-------------------------------|---------------------------------|----------------------------------|-----------------------------|---|--------------|------------------------------------|--|
| | | | | | | Total Tax Collections to Tax Levy | (1) | | |
| (1) | (1) | (1) | (1) (2) | (1) (2) | (1) | (1) | (1) | (1) | (1) |
| 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 | 23,185,340 | 95.69% | 1,270,805 | 24,456,145 | 100.94% | 1,351,537 | 5.58% | |
| 2020-21 | 25,531,822 | 24,932,279 | 97.65% | 1,737,101 | 26,669,380 | 104.46% | 1,151,967 | 4.51% | |
| 2021-22 | 28,298,883 | 27,290,898 | 96.44% | 890,895 | 28,181,793 | 99.59% | 1,551,504 | 5.48% | |
| 2022-23 | 28,969,271 | 28,775,614 | 99.33% | 1,283,970 | 30,059,584 | 103.76% | 1,706,436 | 5.89% | |

(1) Exclusive of penalties and interest.

(2) Does not include land redemptions.

COUNTY OF GREENE, VIRGINIA

Table 6

Assessed Value of Taxable Property
Last Ten Fiscal Years

| Fiscal Year | Real Estate | Personal Property | Machinery and Tools | Public Service Corporations | Total |
|----------------|------------------|----------------------|---------------------------|-----------------------------------|------------------|
| | (1) | | | | |
| 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 |
| 2020-21 | 2,155,187,749 | 149,905,190 | 8,510,947 | 59,267,820 | 2,372,871,706 |
| 2021-22 | 2,247,970,549 | 189,780,259 | 9,206,856 | 62,707,943 | 2,509,665,607 |
| 2022-23 | 2,567,415,994 | 218,152,641 | 10,695,161 | 63,069,324 | 2,859,333,120 |

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

COUNTY OF GREENE, VIRGINIA

Table 7

Property Tax Rates (1)
Last Ten Fiscal Years

| Fiscal Year | Real Estate | Personal Property | Machinery and Tools |
|----------------|----------------|----------------------|---------------------------|
| 2013-14 | \$ | \$ | 2.50/2.50 |
| 2014-15 | 0.720/0.720 | 5.00/5.00 | 2.50/2.50 |
| 2015-16 | 0.720/0.750 | 5.00/5.00 | 2.50/2.50 |
| 2016-17 | 0.750/0.775 | 5.00/5.00 | 2.50/2.50 |
| 2017-18 | 0.775/0.775 | 5.00/5.00 | 2.50/2.50 |
| 2018-19 | 0.775/0.775 | 5.00/5.00 | 2.50/2.50 |
| 2019-20 | 0.775/0.820 | 5.00/5.00 | 2.50/2.00 |
| 2020-21 | 0.820/0.820 | 5.00/5.00 | 2.00/2.50 |
| 2021-22 | 0.820/0.820 | 5.00/5.00 | 2.50/2.50 |
| 2022-23 | 0.820/0.820 | 5.00/5.00 | 2.50/2.50 |

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

COUNTY OF GREENE, VIRGINIA

Table 8

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

| Fiscal Year | Population (1) | Assessed Value (2) | Gross & Net Bonded Debt (3) | Ratio of Net Debt to Assessed Value | Net Bonded Debt per Capita |
|----------------|-------------------|--------------------------|---|--|-------------------------------------|
| 2013-14 | 19,320 | \$ | 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 |
| 2020-21 | 20,323 | 2,372,871,706 | 59,227,070 | 2.50% | 2,914 |
| 2021-22 | 21,030 | 2,509,665,607 | 58,105,141 | 2.32% | 2,763 |
| 2022-23 | 21,165 | 2,859,333,120 | 54,996,970 | 1.92% | 2,598 |

(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, the business-type 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, 2023, 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 21, 2023.

Report on 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. 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 or significant deficiencies may exist that were not identified.

Report on 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 21, 2023



**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

Opinion on Each Major Federal Program

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

In our opinion, County of Greene, Virginia, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding County of Greene, Virginia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of County of Greene, Virginia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of County of Greene, Virginia's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

Report on Internal Control over Compliance: (Continued)

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

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

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

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
December 21, 2023

COUNTY OF GREENE, VIRGINIA

Schedule of Expenditures of Federal Awards - Primary Government and
Discretely Presented Component Units
For The Year Ended June 30, 2023

| Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title | Assistance Listing Number | Pass-Through Entity Identifying Number | Federal Expenditures |
|--|---------------------------------|---|-------------------------|
| <u>DEPARTMENT OF TRANSPORTATION:</u> | | | |
| <u>Pass through payments:</u> | | | |
| Virginia Department of Motor Vehicles: | | | |
| Highway Safety Cluster: | | | |
| State and Community Highway Safety | 20.600 | FSC-2021-51321/2022-52151 | \$ 1,234 |
| Total Department of Transportation | | | \$ 1,234 |
| <u>DEPARTMENT OF JUSTICE:</u> | | | |
| <u>Direct payment:</u> | | | |
| Bulletproof Vest Partnership Program | 16.607 | n/a | \$ 2,674 |
| <u>Pass through payments:</u> | | | |
| Virginia Department of Criminal Justice Services: | | | |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 21-U1145L018-001/9515-001 | 22,221 |
| Crime Victim Assistance | 16.575 | 22-O1093VW19 | 60,015 |
| Total Department of Justice | | | \$ 84,910 |
| <u>DEPARTMENT OF HOMELAND SECURITY:</u> | | | |
| <u>Pass through payments:</u> | | | |
| Department of Emergency Management: | | | |
| Hazard Mitigation Grant | 97.039 | 441191102600/441191102601 | \$ 13,365 |
| Emergency Management Performance Grants | 97.042 | 0000120355/0000122463 | 14,894 |
| Total Department of Homeland Security | | | \$ 28,259 |
| <u>DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u> | | | |
| <u>Pass through payments:</u> | | | |
| Virginia Department of Education: | | | |
| Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response | 93.354 | NU90TP922153 | \$ 49,980 |
| Virginia Department of Social Services: | | | |
| Social Services Block Grant | 93.667 | 1000123/1000122 | 93,477 |
| Guardianship Assistance | 93.090 | 1110123/1110122 | 69 |
| Title IV-E Prevention Program | 93.472 | 1140122/1140123 | (1,072) |
| MaryLee Allen Promoting Safe and Stable Families Program | 93.556 | 0950122/0950121/0950221 | 23,444 |
| Temporary Assistance For Needy Families | 93.558 | 0400123/0400122 | 118,642 |
| CCDF Cluster: | | | |
| Child Care Mandatory and Matching Funds of the Child Care and Development Fund | 93.596 | 0760123/0760122 | 27,800 |
| Refugee and Entrant Assistance State/Replacement Designee Administered Programs | 93.566 | 0500122/0500123 | 402 |
| Low-Income Home Energy Assistance | 93.568 | 0600422/0600423 | 22,706 |
| Chafee Education and Training Vouchers Program (ETV) | 93.599 | 9160121 | 2,500 |
| Stephanie Tubbs Jones Child Welfare Services Program | 93.645 | 0900121/0900122 | 219 |
| Foster Care - Title IV-E | 93.658 | 1100123/1100122 | 140,020 |
| Adoption Assistance | 93.659 | 1120123/1120122 | 144,582 |
| John H. Chafee Foster Care Program for Successful Transition | 93.674 | 9150122/9150121 | 8,378 |
| Elder Abuse Prevention Interventions Program | 93.747 | 8000221/8000321 | 9,372 |
| Children's Health Insurance Program | 93.767 | 0540123/0540122 | 1,409 |
| Medicaid Cluster: | | | |
| Medical Assistance Program | 93.778 | 1200123/1200122 | 163,550 |
| Total Department of Health and Human Services | | | \$ 805,478 |

COUNTY OF GREENE, VIRGINIA

Schedule of Expenditures of Federal Awards - Primary Government and
Discretely Presented Component Units
For The Year Ended June 30, 2023 (Continued)

| Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title | Assistance Listing Number | Pass-Through Entity Identifying Number | Federal Expenditures |
|---|---------------------------------|---|-------------------------|
| DEPARTMENT OF THE TREASURY: | | | |
| <u>Direct payment:</u> | | | |
| COVID-19 - Local Assistance and Tribal Consistency Fund | 21.032 | n/a | \$ 50,000 |
| COVID-19 - Coronavirus State and Local Fiscal Recovery Funds | 21.027 | n/a | 493,281 |
| <u>Pass through payments:</u> | | | |
| Virginia Tourism Corporation: | | | |
| COVID-19 - Coronavirus State and Local Fiscal Recovery Funds | 21.027 | unavailable | 7,219 |
| Virginia Department of Education | | | |
| COVID-19 - Coronavirus State and Local Fiscal Recovery Funds | 21.027 | SLFRP1026 | 719,015 |
| Total Coronavirus State and Local Fiscal Recovery Funds | | | \$ 1,219,515 |
| Total Department of the Treasury | | | \$ 1,269,515 |
| UNITED STATES DEPARTMENT OF AGRICULTURE: | | | |
| <u>Pass through payments:</u> | | | |
| Child Nutrition Cluster: | | | |
| Department of Agriculture and Consumer Services: | | | |
| Food Commodities | 10.555 | unavailable | \$ 106,118 |
| Department of Education: | | | |
| National School Lunch Program | 10.555 | 202223N89034/202222N11994 | 988,911 |
| Total Food Commodities and National School Lunch Program | | | \$ 1,095,029 |
| School Breakfast Program | 10.553 | 202221N11994/202222N11994 | 467,682 |
| Summer Food Service Program for Children | 10.559 | 202221N11994 | 20,808 |
| Total Child Nutrition Cluster | | | \$ 1,583,519 |
| COVID-19 - Pandemic EBT Administrative Costs | 10.649 | 202122S900941 | 3,135 |
| SNAP Cluster: | | | |
| Virginia Department of Social Services: | | | |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Program | 10.561 | 0010122/0040123/0010123/0040122 | \$ 316,092 |
| Total SNAP Cluster | | | \$ 316,092 |
| Total United States Department of Agriculture | | | \$ 1,902,746 |
| FEDERAL COMMUNICATIONS COMMISSION: | | | |
| <u>Direct payment:</u> | | | |
| Emergency Connectivity Fund Program | 32.009 | n/a | \$ 99,750 |
| Total Federal Communications Commission | | | \$ 99,750 |
| DEPARTMENT OF EDUCATION: | | | |
| <u>Pass through payments:</u> | | | |
| Virginia Department of Education: | | | |
| Title I Grants to Local Educational Agencies | 84.010 | S010A210046 | \$ 513,797 |
| Special Education Cluster: | | | |
| Special Education - Grants to States | 84.027 | H027A220107/H027A210107 | 1,025,657 |
| COVID-19 - Special education - Grants to States | 84.027 | H027A220107/H027A210107 | 156,965 |
| Total Special Education - Grants to States | | | \$ 1,182,622 |
| Special Education - Preschool Grants | 84.173 | H173A190112/H173A200112/H173A210112 | 26,270 |
| COVID-19 - Special Education - Preschool Grants | 84.173 | H173A190112/H173A200112/H173A210112 | 12,438 |
| Total Special Education - Preschool Grants | | | 38,708 |
| Subtotal Special Education Cluster | | | \$ 1,221,330 |
| Career and Technical Education - Basic Grants to States | 84.048 | V048A200046/V048A210046 | 51,639 |
| Supporting Effective Instruction State Grants | 84.367 | S367A210044/S367A20044 | 85,746 |
| Student Support and Academic Enrichment Program | 84.424 | S424A200048 | 55,798 |
| English Language Acquisition State Grants | 84.365 | S365A190046/S365A200046 | 22,029 |
| COVID-19 Education Stabilization Fund: | | | |
| Elementary and Secondary School Emergency Relief Fund | 84.425D | S425D200008/S425D210008 | 972,638 |
| Governor's Emergency Education Relief Fund | 84.425C | S425C200042 | 14,052 |
| ARP - Elementary and Secondary School Emergency Relief Fund | 84.425U | S425U210008 | 605,032 |
| Total COVID-19 Education Stabilization Fund | | | \$ 1,591,722 |
| Total Department of Education | | | 3,542,061 |
| Total Expenditures of Federal Awards | | | \$ 7,733,953 |

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, 2023

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, 2023. 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 \$106,118 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 | \$ 1,788,449 |
| Less Payment in lieu of taxes | (51,956) |
| Total primary government | <u>\$ 1,736,493</u> |

Component Unit School Board:

| | |
|---|---------------------|
| School Operating Fund | \$ 6,121,617 |
| Less BAB subsidy | (124,157) |
| Total component unit school board | <u>\$ 5,997,460</u> |
| Total federal expenditures per basic financial statements | <u>\$ 7,733,953</u> |

| | |
|---|----------------------------|
| Total federal expenditures per the Schedule of Expenditures of Federal Awards | <u><u>\$ 7,733,953</u></u> |
|---|----------------------------|

Note 7 - Loan Balances

The County has no loans or guarantees which are subject to reporting requirements for the current year.

COUNTY OF GREENE, VIRGINIA

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

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? 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:

| Assistance Listing # | Name of Federal Program or Cluster |
|----------------------|--|
| 21.027 | COVID-19 - Coronavirus State and Local Fiscal Recovery Funds |
| | Child Nutrition Cluster: |
| 10.555 | Food Commodities |
| 10.555 | National School Lunch Program |
| 10.553 | School Breakfast Program |
| 10.559 | Summer Food Service Program for Children |
| | Education Stabilization Fund: |
| 84.425 | COVID-19 - Elementary and Secondary School Emergency Relief Fund |
| 84.425 | COVID-19 - Governor's Emergency Education Relief Fund |
| 84.425 | COVID-19 - ARP - Elementary and Secondary School Emergency Relief Fund |

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 were no prior year audit findings reported.