

GREENSVILLE COUNTY SCHOOL BOARD

(A Component Unit of the County of Greenville, Virginia)

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2023

Greensville County School Board
(A Component Unit of the County of Greenville, Virginia)

School Board

Jason D. Rook, Chairman

Janet P. Roberts, Vice-Chairman

Rhonda Jones-Gilliam

Rustin Jessee

Superintendent of Schools

Dr. Kelvin Edwards

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Independent Auditors' Report

**To the Honorable Members of
Greensville County School Board
Emporia, Virginia**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the School Board of Greensville County, a component unit of the County of Greensville, Virginia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School Board'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 and each major fund of the School Board of Greensville County, Virginia, as of and for the year ended June 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 the School Board of Greensville County, Virginia, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School Board of Greensville County, 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 the School Board of Greenville County, 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 the School Board of Greenville County, 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 the School Board of Greensville County, Virginia's basic financial statements. The accompanying supporting 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 supporting 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2024, on our consideration of the School Board of Greensville County, 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 the School Board of Greensville County, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board of Greensville County, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates
(Charlottesville, Virginia)
March 5, 2024

As management of Greenville County School Board (a component unit of the County of Greenville, Virginia), we offer this narrative overview and analysis of the financial performance and overview of the School Board's financial activities for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented herein in connection with the School Board's basic financial statements.

Financial Highlights for FY2023

The assets and deferred outflows of resources of the School Board exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$1,885,719.

The School Board's net position increased \$3,987,288 for the current year, largely due to earnings on net pension assets.

Overview of the Financial Statements

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

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

This report also contains required and 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 School Board's finances, in a manner like a private-sector business.

The statement of net position presents information on all School Board assets and liabilities, with the difference between the two 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 School Board is improving or deteriorating.

The statement of activities presents information showing how the School Board'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.

Both government-wide financial statements distinguish functions of the School Board that are principally supported by intergovernmental revenues. The governmental activities of the School Board are items relating to the education of children.

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. Greenville County School Board, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The School Board has only governmental funds.

Overview of the Financial Statements (Continued)

Governmental funds - Governmental funds are used to account for essentially the same functions or services reported as governmental activities in 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 on Exhibit 4. The School Board has four major governmental funds - the General Fund, the Capital Projects Fund, the School Cafeteria Fund, and the School Activity Fund.

Notes to 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 pension and OPEB funding progress as well as other supplementary information for supporting schedules.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a board's financial position. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,885,719 at the close of the most recent fiscal year.

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Financial Analysis of the School Board as a Whole

Two years of information are presented to provide a comparative analysis of government-wide information.

Statement of Net Position

The following table reflects the condensed Statements of Net Position:

Summary Statement of Net Position		
June 30, 2023 and 2022		
	2023	2022
Current and other assets	\$ 7,900,903	\$ 5,658,499
Capital assets	17,322,973	16,513,095
Total assets	<u>\$ 25,223,876</u>	<u>\$ 22,171,594</u>
Deferred outflows of resources	<u>\$ 4,474,579</u>	<u>\$ 5,207,567</u>
Current liabilities	\$ 5,329,648	\$ 2,994,171
Long-term liabilities	17,730,125	15,658,220
Total liabilities	<u>\$ 23,059,773</u>	<u>\$ 18,652,391</u>
Deferred inflows of resources	<u>\$ 4,752,963</u>	<u>\$ 10,828,339</u>
Net position:		
Investment in capital assets	\$ 17,088,956	\$ 16,204,919
Restricted - pension plan	659,049	731,430
Unrestricted	(15,862,286)	(19,037,918)
Total net position	<u>\$ 1,885,719</u>	<u>\$ (2,101,569)</u>

Statement of Net Position (Continued)

The School Board's combined net position increased \$3,987,288 during the year.

At the end of the current fiscal year, the School Board can report a positive balance in invested in capital assets and a negative unrestricted net position, generated by the net pension liability for professional employees and OPEB liabilities.

The following table shows the revenues and expenses of the School Board for the past two fiscal years:

Changes in Net Position For the Year Ended June 30, 2023 and 2022		
	Governmental Activities	
	2023	2022
Revenues:		
Program revenues:		
Charges for services	\$ 4,394,992	\$ 4,660,249
Operating grants and contributions	17,621,174	15,198,494
General revenues:		
Basic aid	6,782,515	7,152,851
State sales tax	3,261,486	3,517,625
Grants and other contributions unrestricted	6,436,902	6,296,892
Other	619,295	552,044
Total revenues	<u>\$ 39,116,364</u>	<u>\$ 37,378,155</u>
Expenses:		
Instruction	\$ 27,878,778	\$ 25,139,569
Administration, Attendance & Health	1,356,165	1,623,030
Pupil Transportation Services	1,116,506	1,201,389
Operation & Maintenance Services	2,904,094	4,205,755
School Food Service	1,865,675	1,220,408
Interest and other charges on long-term debt	7,858	9,702
Total expenses	<u>\$ 35,129,076</u>	<u>\$ 33,399,853</u>
Increase (decrease) in net position	\$ 3,987,288	\$ 3,978,302
Net position - beginning	<u>(2,101,569)</u>	<u>(6,079,871)</u>
Net position - ending	<u><u>\$ 1,885,719</u></u>	<u><u>\$ (2,101,569)</u></u>

For the most part, the increases in expenditures closely paralleled inflation and growth in the demand for services.

Statement of Net Position (Continued)

Greensville County School Board's investment in capital assets as of June 30, 2023, and 2022 amounts to \$17,322,973 and \$16,513,095 (net of accumulated depreciation), respectively. Below is a list of the items that make up capital assets as of June 30, 2023, and 2022.

	<u>2023</u>	<u>2022</u>
Land	\$ 437,775	\$ 437,775
Buildings and improvements (net)	14,289,600	12,814,729
Machinery & equipment (net)	2,595,598	2,361,959
Construction in progress	-	898,632
Total capital assets	<u>\$ 17,322,973</u>	<u>\$ 16,513,095</u>

See Note 5 for more information.

Economic Factors and Review of Operations

Greensville County School Board is an organization dedicated to educating the youth of Greensville County and the City of Emporia, Virginia. The School Board is governed by a 6-member board, appointed by the School Board of Supervisors of Greensville County, Virginia and the City Council of the City of Emporia, Virginia. Greensville County appoints four of the six members, while the City of Emporia appoints the other two.

The School Board has a cost agreement between the County of Greensville, Virginia and the City of Emporia, Virginia. A revised agreement was implemented for June 2022. The agreement allocates the net local costs for each locality for education. For the year ended June 30, 2023, the School Board had local costs of \$9,712,210. The local costs were allocated based on the agreement as follows:

	<u>Local</u>
County of Greensville, Virginia	\$ 5,584,395
City of Emporia, Virginia	4,127,815
Total Local Costs	<u>\$ 9,712,210</u>

These amounts do not agree with the amounts reported in the financial statements due to the difference in the budgeted and actual debt payment transfers.

See Note 6 for more information.

Contacting the School Board's Financial Management

This financial report is designed to provide a general overview of the School Board's finances for all those with an interest in the School Board's finances. Questions concerning any of the information provided in the report or requests for additional financial information should be directed to the Finance Director, Greensville County School Board, 105 Ruffin Street, Emporia, VA 23847.

BASIC FINANCIAL STATEMENTS

- *Government-wide Financial Statements* -

GREENSVILLE COUNTY SCHOOL BOARD
(A COMPONENT UNIT OF THE COUNTY OF GREENSVILLE, VIRGINIA)

Exhibit 1

Statement of Net Position
June 30, 2023

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 4,888,475
Due from other governmental units	1,398,905
Due from component unit	922,559
Prepaid items	31,915
Net pension asset	659,049
Capital assets (net of accumulated depreciation):	
Land	437,775
Buildings and improvements	14,289,600
Machinery and equipment	2,595,598
Total assets	<u>\$ 25,223,876</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related items	\$ 3,799,919
OPEB related items	674,660
Total deferred outflows of resources	<u>\$ 4,474,579</u>
LIABILITIES	
Accounts payable	\$ 61,630
Accrued liabilities	2,441,462
Long-term advance	500,000
Unearned Revenue	2,326,556
Long-term liabilities:	
Due within one year	76,050
Due in more than one year	17,654,075
Total liabilities	<u>\$ 23,059,773</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related items	\$ 4,105,031
OPEB related items	647,932
Total deferred inflows of resources	<u>\$ 4,752,963</u>
NET POSITION	
Net investment in capital assets	\$ 17,088,956
Restricted for:	
Pension plans	659,049
Unrestricted	(15,941,625)
Total net position	<u><u>\$ 1,806,380</u></u>

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

GREENSVILLE COUNTY SCHOOL BOARD
(A COMPONENT UNIT OF THE COUNTY OF GREENSVILLE, VIRGINIA)

Exhibit 2

Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
					Governmental Activities
Governmental activities:					
Instruction	\$ 27,878,778	\$ 4,254,024	\$ 15,861,702	\$ -	\$ (7,763,052)
Administration, attendance and health	1,356,165	-	-	-	(1,356,165)
Pupil transportation services	1,116,506	-	-	-	(1,116,506)
Operation and maintenance services	2,904,094	-	-	-	(2,904,094)
School food service	1,865,675	140,968	1,680,133	-	(44,574)
Bond issue costs	-				-
Interest on long-term debt	7,858				(7,858)
Total governmental activities	\$ 35,129,076	\$ 4,394,992	\$ 17,541,835	\$ -	\$ (13,192,249)
General revenues:					
Basic aid				\$ 6,782,515	
State sales tax				3,261,486	
Miscellaneous				619,295	
Payment from County of Greenville				6,436,902	
Total general revenues				\$ 17,100,198	
Change in net position				\$ 3,907,949	
Net position - beginning				(2,101,569)	
Net position - ending				\$ 1,806,380	

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

BASIC FINANCIAL STATEMENTS

- Fund Financial Statements -

GREENSVILLE COUNTY SCHOOL BOARD
(A COMPONENT UNIT OF THE COUNTY OF GREENSVILLE, VIRGINIA)

Exhibit 3

Balance Sheet
Governmental Funds
June 30, 2023

	<u>General</u>	<u>School Cafeteria</u>	<u>School Capital Projects</u>	<u>School Activity Fund</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ 983,561	\$ 1,136,853	\$ 2,633,087	\$ 134,974	\$ 4,888,475
Receivables (net of allowance for uncollectibles):					
Due from other funds	-	-	271,949	-	271,949
Due from component units	922,559	-	-	-	922,559
Due from other governmental units	1,307,291	91,614	-	-	1,398,905
Prepaid items	-	31,915	-	-	31,915
Total assets	<u>\$ 3,213,411</u>	<u>\$ 1,260,382</u>	<u>\$ 2,905,036</u>	<u>\$ 134,974</u>	<u>\$ 7,513,803</u>
LIABILITIES					
Accounts payable	\$ -	\$ 61,630	\$ -	\$ -	\$ 61,630
Unearned Revenue	-	-	2,326,556	-	2,326,556
Accrued liabilities	2,441,462	-	-	-	2,441,462
Due to other funds	271,949	-	-	-	271,949
Long term advance	500,000	-	-	-	500,000
Total liabilities	<u>\$ 3,213,411</u>	<u>\$ 61,630</u>	<u>\$ 2,326,556</u>	<u>\$ -</u>	<u>\$ 5,601,597</u>
FUND BALANCE					
Restricted:					
Capital projects - various projects	\$ -	\$ -	\$ 578,480	\$ -	\$ 578,480
Committed:					
School cafeteria and activity funds	-	1,198,752	-	134,974	1,333,726
Total fund balances	<u>\$ (79,339)</u>	<u>\$ 1,198,752</u>	<u>\$ 578,480</u>	<u>\$ 134,974</u>	<u>\$ 1,832,867</u>
Total liabilities and fund balances	<u>\$ 3,134,072</u>	<u>\$ 1,260,382</u>	<u>\$ 2,905,036</u>	<u>\$ 134,974</u>	<u>\$ 7,434,464</u>

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

GREENSVILLE COUNTY SCHOOL BOARD
(A COMPONENT UNIT OF THE COUNTY OF GREENSVILLE, VIRGINIA)

Exhibit 4

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2023

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	1,832,867
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Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the funds. The
amounts reported below are net of accumulated depreciation.

Land	\$	437,775	
Buildings and improvements		14,289,600	
Machinery and equipment		<u>2,595,598</u>	17,322,973

The net pension asset is not an available resource and, therefore, is and, not reported in the funds - Nonprofessional group		659,049
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Deferred outflows of resources are not available to pay for current period
expenditures and, therefore, are not reported in the funds.

Pension related items	\$	3,799,919	
OPEB related items		<u>674,660</u>	4,474,579

Long-term liabilities are not due and payable in
the current period and, therefore, are not reported in the funds.

Net pension liability - teachers cost-sharing pool	\$	(14,073,349)	
Financed purchase		(234,017)	
Net OPEB liabilities		<u>(3,422,759)</u>	(17,730,125)

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

Pension related items	\$	(4,105,031)	
OPEB related items		<u>(647,932)</u>	(4,752,963)

Net position of governmental activities	\$	<u><u>1,806,380</u></u>
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The notes to financial statements are an integral part of this statement.

GREENSVILLE COUNTY SCHOOL BOARD
(A COMPONENT UNIT OF THE COUNTY OF GREENSVILLE, VIRGINIA)

Exhibit 5

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	<u>General</u>	<u>School Cafeteria</u>	<u>School Capital Projects</u>	<u>School Activity Fund</u>	<u>Total</u>
REVENUES					
Charges for services	\$ 4,254,024	\$ 140,968	\$ -	-	\$ 4,394,992
Miscellaneous	315,617	35,622	-	268,056	619,295
Intergovernmental:					
Local government	5,584,395	-	-	-	5,584,395
Commonwealth	18,894,275	31,985	175,899	-	19,102,159
Federal	6,357,515	1,648,148	-	-	8,005,663
Total revenues	<u>\$ 35,405,826</u>	<u>\$ 1,856,723</u>	<u>\$ 175,899</u>	<u>\$ 268,056</u>	<u>\$ 37,706,504</u>
EXPENDITURES					
Current:					
Education:					
Instruction	\$ 29,079,024	\$ -	\$ -	\$ 274,096	\$ 29,353,120
Administration, attendance and health	1,478,608	-	-	-	1,478,608
Pupil transportation services	1,575,386	-	-	-	1,575,386
Operation and maintenance services	3,270,130	-	-	-	3,270,130
School food service	-	2,047,274	-	-	2,047,274
Debt service:					
Principal retirement	74,159	-	-	-	74,159
Interest and other fiscal charges	7,858	-	-	-	7,858
Total expenditures	<u>\$ 35,485,165</u>	<u>\$ 2,047,274</u>	<u>\$ -</u>	<u>\$ 274,096</u>	<u>\$ 37,806,535</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (79,339)</u>	<u>\$ (190,551)</u>	<u>\$ 175,899</u>	<u>\$ (6,040)</u>	<u>\$ (100,031)</u>
Net change in fund balances	\$ (79,339)	\$ (190,551)	\$ 175,899	\$ (6,040)	\$ (100,031)
Fund balances - beginning	-	1,389,303	402,581	141,014	1,932,898
Fund balances - ending	<u><u>\$ (79,339)</u></u>	<u><u>\$ 1,198,752</u></u>	<u><u>\$ 578,480</u></u>	<u><u>\$ 134,974</u></u>	<u><u>\$ 1,832,867</u></u>

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

GREENSVILLE COUNTY SCHOOL BOARD
(A COMPONENT UNIT OF THE COUNTY OF GREENSVILLE, VIRGINIA)

Exhibit 6

Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2023

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

Net change in fund balances - total governmental funds	\$	(100,031)
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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 depreciation exceeded capital outlays in the current period.

Capital asset additions	\$	1,558,668	
Capital outlay for jointly owned assets		822,000	
Depreciation		<u>(1,570,790)</u>	809,878

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

Principal paid on financed purchase	\$	<u>74,159</u>	74,159
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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.

Pension expense	\$	2,946,663	
OPEB expense		<u>177,280</u>	<u>3,123,943</u>

Change in net position of governmental activities	\$	<u><u>3,907,949</u></u>
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The notes to financial statements are an integral part of this statement.

GREENSVILLE COUNTY SCHOOL BOARD
(A Component Unit of the County of Greenville, Virginia)

Notes to Financial Statements
June 30, 2023

Note 1–Summary of Significant Accounting Policies:

Greenville County School Board (a component unit of the County of Greenville, Virginia) is governed by an appointed six-member School Board. The School Board consists of four representatives from the County of Greenville, Virginia and two representatives from the City of Emporia, Virginia. The School Board is responsible for appointing the School Superintendent. The School Board provides educational services for the children of the County of Greenville, Virginia and the City of Emporia, Virginia.

The School Board is fiscally dependent upon the County because the County Board of Supervisors approves the School Board budget, levies the necessary taxes to finance operations, and approves the borrowing of money and issuance of debt. The School Board is reported as a Discretely Presented Component Unit of the County of Greenville, Virginia.

The financial statements of Greenville County School Board have been prepared in conformity with accounting principles generally accepted in the United States as specified by the Governmental Accounting Standards Board (GASB); and the specifications promulgated by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia. The more significant of the School Board’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 School Board’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 School Board 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 nonfiduciary activities of the primary government and its component units. For the most part, effects 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.

GREENSVILLE COUNTY SCHOOL BOARD

(A Component Unit of the County of Greenville, Virginia)

Notes to Financial Statements
June 30, 2023 (Continued)

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

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

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. The School Board has no proprietary or fiduciary funds.

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 reporting model, governments provide budgetary comparison information in their annual reports including the government's original budget and a 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 Greenville County School Board. 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. Greenville County School Board has no component units on June 30, 2023.

B. 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.

GREENSVILLE COUNTY SCHOOL BOARD

(A Component Unit of the County of Greenville, Virginia)

Notes to Financial Statements
June 30, 2023 (Continued)

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

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

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 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The government-wide Statement of Activities reflects both the gross and net cost per functional category (instruction, school food, etc.) which are otherwise being supported by general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function (instruction; administration, attendance, and health; etc.).

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

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

1. Governmental Funds

Governmental Funds are those through which most governmental functions typically are financed. Governmental Funds account for the expendable financial resources, other than those accounted for in proprietary and similar trust funds. The Governmental Funds measurement focus is on determination of financial position and changes in financial position, rather than on net income determination. The individual Governmental funds, all of which are major, are:

GREENSVILLE COUNTY SCHOOL BOARD

(A Component Unit of the County of Greenville, Virginia)

Notes to Financial Statements
June 30, 2023 (Continued)

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

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

1. Governmental Funds (Continued)

General Fund - The General Fund is the primary operating fund of the School Board and accounts for and reports all revenues and expenditures applicable to the general operations of the School Board which are not accounted for and reported in other funds. Revenues are derived primarily from intergovernmental grants.

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.

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

School Activity Fund - A fund that accounts for and reports financial resources that are restricted, committed, or assigned to expenditures for students and teachers of the school system.

C. Budgets and Budgetary Accounting

The following procedures are used by the School Board in establishing the budgetary data reflected in the financial statements.

1. Prior to March 30, the School Board submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating budget and capital budget include 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 by the Board of Supervisors of Greenville County.
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 upon request by the School Board.
5. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for the Special Revenue Funds and the Capital Projects Fund.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. All appropriations lapse on June 30, for all School Board expenditures.
8. Total general fund expenditures were less than total appropriations.

GREENSVILLE COUNTY SCHOOL BOARD
(A Component Unit of the County of Greenville, Virginia)

Notes to Financial Statements
June 30, 2023 (Continued)

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

D. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government.

E. Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is 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” (i.e. the noncurrent portion of interfund loans).

F. Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset’s life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Tangible and intangible property, plant, equipment, lease assets, and infrastructure of the School Board are depreciated/amortized using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements	20-40
Vehicles	5-10
Office and computer equipment	5
Buses	10

G. Compensated Absences

Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the government-wide Statement of Net Position. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave benefits that it is estimated will be taken as “terminal leave” prior to retirement. According to the personnel policy of the School Board, employees are not eligible for any “terminal leave” prior to termination or retirement.

GREENSVILLE COUNTY SCHOOL BOARD

(A Component Unit of the County of Greenville, Virginia)

Notes to Financial Statements
June 30, 2023 (Continued)

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

H. Fund Balance

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

- Nonspendable fund balance - amounts that are 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 School Board's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

The School Board 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 the School Board 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).

I. 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.

GREENSVILLE COUNTY SCHOOL BOARD

(A Component Unit of the County of Greenville, Virginia)

Notes to Financial Statements
June 30, 2023 (Continued)

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

J. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

K. 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 Board has one item that qualifies for reporting in this category. It is comprised of certain items related to pension and OPEB. For more detailed information on these items, reference the related notes.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Board has one item that qualifies for reporting in this category. Certain items related to the measurement of pension and OPEB liabilities are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

L. 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/amortization 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.

GREENSVILLE COUNTY SCHOOL BOARD

(A Component Unit of the County of Greenville, Virginia)

Notes to Financial Statements

June 30, 2023 (Continued)

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

M. Net Position Flow Assumption

Sometimes the School Board 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 School Board's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

N. 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 School Board's Retirement Plan and the additions to/deductions from the School Board's Retirement Plan's net fiduciary position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

O. 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, Teacher HIC, and Medical/Dental Pay-as-You Go 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.

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 more than 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.

GREENSVILLE COUNTY SCHOOL BOARD

(A Component Unit of the County of Greenville, Virginia)

Notes to Financial Statements

June 30, 2023 (Continued)

Note 2–Deposits and Investments: (Continued)**Investments**

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

Note 3–Due From/Due To Other Governmental Units:

On June 30, 2023, the School Board has receivables from other governments as follows:

	<u>General</u>	<u>School Cafeteria</u>	<u>Total Governmental Activities</u>
Commonwealth of Virginia:			
State sales tax	\$ 447,003	\$ -	\$ 447,003
Federal Government:			
School food program	-	91,614	91,614
21st century learning	58,239	-	58,239
ARPA	77,785	-	77,785
Title IV Part A	35,285	-	35,285
Title VI Rural	3,021	-	3,021
Title II Part A	12,028	-	12,028
Title I	141,711	-	141,711
Title VI-B	68,039	-	68,039
COVID-19 ESSER	450,658	-	450,658
Vocational Education	13,522	-	13,522
Total due from other governments	<u>\$ 1,307,291</u>	<u>\$ 91,614</u>	<u>\$ 1,398,905</u>

GREENSVILLE COUNTY SCHOOL BOARD
(A Component Unit of the County of Greenville, Virginia)

Notes to Financial Statements
June 30, 2023 (Continued)

Note 4–Interfund Balances:

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

<u>Fund</u>	<u>Due From Balance</u>	<u>Due To Balance</u>
General	\$ -	\$ 271,949
School Capital Projects	271,949	-
Total	<u>\$ 271,949</u>	<u>\$ 271,949</u>

This balance represents funds held by the general fund that will be provided for capital projects at a future date.

Note 5–Capital Assets:

The following is a summary of changes in the capital assets during the year:

	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2023</u>
Capital assets not being depreciated:				
Land	\$ 437,775	\$ -	\$ -	\$ 437,775
Construction in progress	898,632	681,656	1,580,288	-
Total capital assets not being depreciated	<u>\$ 1,336,407</u>	<u>\$ 681,656</u>	<u>\$ 1,580,288</u>	<u>\$ 437,775</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 36,359,036	\$ 1,749,042	\$ -	\$ 38,108,078
Machinery and equipment	6,766,505	708,258	51,096	7,423,667
Jointly owned assets	(6,044,000)	822,000	-	(5,222,000)
Total capital assets being depreciated	<u>\$ 37,081,541</u>	<u>\$ 3,279,300</u>	<u>\$ 51,096</u>	<u>\$ 40,309,745</u>
Accumulated depreciation:				
Buildings and improvements	\$ 19,506,247	\$ 950,779	\$ -	\$ 20,457,026
Machinery and equipment	4,404,546	474,619	51,096	4,828,069
Jointly owned assets	(2,005,940)	(126,582)	(271,974)	(1,860,548)
Total accumulated depreciation	<u>\$ 21,904,853</u>	<u>\$ 1,298,816</u>	<u>\$ (220,878)</u>	<u>\$ 23,424,547</u>
Total capital assets being depreciated, net	<u>\$ 15,176,688</u>	<u>\$ 1,980,484</u>	<u>\$ 271,974</u>	<u>\$ 16,885,198</u>
Governmental activities capital assets, net	<u>\$ 16,513,095</u>	<u>\$ 2,662,140</u>	<u>\$ 1,852,262</u>	<u>\$ 17,322,973</u>

GREENSVILLE COUNTY SCHOOL BOARD
(A Component Unit of the County of Greenville, Virginia)

Notes to Financial Statements
June 30, 2023 (Continued)

Note 5–Capital Assets: (Continued)

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
Instruction	\$ 857,532
Pupil transportation services	189,444
Operation and maintenance services	207,488
School food service	44,352
	<u>\$ 1,298,816</u>

Note 6–Local Contributions:

The actual cash contribution from the County of Greenville, Virginia and the City of Emporia, Virginia is adjusted pursuant to the December 2002 contract for the calculation of the net local educational costs as follows:

	Actual Cash Contributions By Localities	Adjustment for Net Local Costs	Contributions Per Financial Calculation
Greenville	\$ 5,075,500	\$ 508,895	\$ 5,584,395
Emporia	4,457,531	(329,716)	4,127,815
Total	<u>\$ 9,533,031</u>	<u>\$ 179,179</u>	<u>\$ 9,712,210</u>

School boards do not show debt obligations. Because the School Board legally cannot issue debt, the debt is shown on the County's financial statements. Although the School Board pays annual debt service, the expenditure is reported as being made by the County. For this presentation, the local contribution is reduced by the expenditure of debt service as follows:

	Actual Net Contribution By Localities	Principal Payments	Interest Payments	Contributions Per Financial Statements
Greenville	\$ 5,584,395	\$	\$	\$ 5,584,395
Emporia	4,127,815	-	-	4,127,815
Total	<u>\$ 9,712,210</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,712,210</u>

GREENSVILLE COUNTY SCHOOL BOARD
(A Component Unit of the County of Greenville, Virginia)

Notes to Financial Statements
June 30, 2023 (Continued)

Note 7—Long-Term Obligations:

The following is a summary of changes in long-term obligations for the fiscal year ended June 30, 2023:

	Balance at July 1, 2022	Issuances/ Increases	Retirements/ Decreases	Balance at June 30, 2023	Amounts Due Within One Year
Financed purchase	\$ 308,176	\$ -	\$ 74,159	\$ 234,017	\$ 76,050
Net pension liability	11,876,762	11,055,842	8,859,255	14,073,349	-
Net OPEB liabilities	3,473,282	1,248,155	1,298,678	3,422,759	-
Total	<u>\$ 15,658,220</u>	<u>\$ 12,303,997</u>	<u>\$ 10,232,092</u>	<u>\$ 17,730,125</u>	<u>\$ 76,050</u>

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

Year Ending June 30	Financed purchase	
	Principal	Interest
2024	\$ 76,050	\$ 5,967
2025	77,989	4,028
2026	79,978	2,040
Total	<u>\$ 234,017</u>	<u>\$ 12,035</u>

Details of long-term debt obligations are as follows:

	Notes	Interest Rate	Date Issued	Final Maturity Date	Amount of Original Issue	Balance Governmental Activities	Amount Due Within One Year
Net OPEB liabilities						\$ 3,422,759	\$ -
Net pension liability						\$ 14,073,349	\$ -
Financed purchase							
5 School buses	(a)	2.55%	9/10/2019	9/10/2025	\$ 533,025	\$ 234,017	\$ 76,050
Total outstanding debt						<u>\$ 17,730,125</u>	<u>\$ 76,050</u>

(a) No other terms specified in the debt agreement

GREENSVILLE COUNTY SCHOOL BOARD

(A Component Unit of the County of Greenville, Virginia)

Notes to Financial Statements
June 30, 2023 (Continued)

Note 8—Pension Plan:

Plan Description

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

Benefit Structures

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

- a. Employees 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.
- 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 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.
- 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 equal 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.

GREENSVILLE COUNTY SCHOOL BOARD
(A Component Unit of the County of Greenville, Virginia)

Notes to Financial Statements
June 30, 2023 (Continued)

Note 8—Pension Plan: (Continued)

Average Final Compensation and Service Retirement Multiplier

The VRS defined benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the employee's average final compensation multiplied by the employee's total service credit. Under Plan 1, average final compensation is the average of the employee's 36 consecutive months of highest compensation and the multiplier is 1.70% for non-hazardous duty employees 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 as elected by the employer. Under the Hybrid Plan, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the multiplier is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.

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

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

Employees Covered by Benefit Terms

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

	<u>School Board (Nonprofessional)</u>
Inactive members or their beneficiaries currently receiving benefits	61
Inactive members:	
Vested inactive members	11
Non-vested inactive members	24
Inactive members active elsewhere in VRS	5
Total inactive members	40
Active members	44
Total covered employees	145

GREENSVILLE COUNTY SCHOOL BOARD
(A Component Unit of the County of Greenville, Virginia)

Notes to Financial Statements
June 30, 2023 (Continued)

Note 8–Pension Plan: (Continued)

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement

The School Board’s contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2023 was 3.28% 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 School Board’s nonprofessional employees were \$24,362 and \$561,597 for the years ended June 30, 2023 and June 30, 2022, respectively.

Net Pension Liability

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer’s total pension liability determined in accordance with GASB Statement No. 68, less that employer’s fiduciary net position. The School Board’s (nonprofessional) net pension asset was measured as of June 30, 2022. The total pension liabilities 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.

Actuarial Assumptions - General Employees

The total pension liability for General Employees in the 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

GREENSVILLE COUNTY SCHOOL BOARD
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Notes to Financial Statements
June 30, 2023 (Continued)

Note 8—Pension Plan: (Continued)

Actuarial Assumptions - General Employees (Continued)

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

The actuarial assumptions used in the June 30, 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

GREENSVILLE COUNTY SCHOOL BOARD
(A Component Unit of the County of Greenville, Virginia)

Notes to Financial Statements
June 30, 2023 (Continued)

Note 8—Pension Plan: (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%.

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

GREENSVILLE COUNTY SCHOOL BOARD
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Notes to Financial Statements
June 30, 2023 (Continued)

Note 8—Pension Plan: (Continued)

Discount Rate: (Continued)

state and teacher employer contributions; the School Board (nonprofessional) was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 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)

	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	\$ 6,214,520	\$ 6,945,950	\$ (731,430)
Changes for the year:			
Service cost	\$ 86,685	\$ -	\$ 86,685
Interest	411,399	-	411,399
Differences between expected and actual experience	(327,216)	-	(327,216)
Assumption changes	-	-	-
Contributions - employer	-	61,597	(61,597)
Contributions - employee	-	42,874	(42,874)
Net investment income	-	(1,738)	1,738
Benefit payments, including refunds	(412,822)	(412,822)	-
Administrative expenses	-	(4,402)	4,402
Other changes	-	156	(156)
Net changes	\$ (241,954)	\$ (314,335)	\$ 72,381
Balances at June 30, 2022	\$ 5,972,566	\$ 6,631,615	\$ (659,049)

GREENSVILLE COUNTY SCHOOL BOARD
(A Component Unit of the County of Greenville, Virginia)

Notes to Financial Statements
June 30, 2023 (Continued)

Note 8—Pension Plan: (Continued)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the School Board (nonprofessional) using the discount rate of 6.75%, as well as what the 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	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School Board's (Nonprofessional)			
Net Pension Liability (Asset)	\$ (68,943)	\$ (659,049)	\$ (1,157,701)

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

For the year ended June 30, 2023, the School Board (nonprofessional) recognized pension expense of (\$339,296). On June 30, 2023, the School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

School Board (Nonprofessional)	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 135,862
Net difference between projected and actual earnings on pension plan investments	-	209,117
Employer contributions subsequent to the measurement date	24,362	-
Total	\$ 24,362	\$ 344,979

GREENSVILLE COUNTY SCHOOL BOARD

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Notes to Financial Statements

June 30, 2023 (Continued)

Note 8–Pension Plan: (Continued)***Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: (Continued)***

\$24,362 reported as deferred outflows of resources related to pensions resulting from the School Board's (nonprofessional) contributions after 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>	<u>School Board (Nonprofessional)</u>
2024	\$ (215,296)
2025	(83,342)
2026	(138,349)
2027	92,008
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 <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.

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 because 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 \$2,389,333 and \$2,195,925 for the years ended June 30, 2023 and June 30, 2022, respectively.

GREENSVILLE COUNTY SCHOOL BOARD

(A Component Unit of the County of Greenville, Virginia)

Notes to Financial Statements

June 30, 2023 (Continued)

Note 8–Pension Plan: (Continued)**Component Unit School Board (Professional) (Continued)*****Contributions: (Continued)***

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

On June 30, 2023, the school division reported a liability of \$14,073,349 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 school division'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. On June 30, 2021, the school division's proportion was .142782% as compared to .15299% at June 30, 2021.

For the year ended June 30, 2023, the school division recognized pension expense of (\$460,241). 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.

On June 30, 2022, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 970,413
Change in assumptions	1,326,833	-
Net difference between projected and actual earnings on pension plan investments	-	1,834,870
Changes in proportion and differences between employer contributions and proportionate share of contributions	59,391	954,769
Employer contributions subsequent to the measurement date	<u>2,389,333</u>	<u>-</u>
Total	<u>\$ 3,775,557</u>	<u>\$ 3,760,052</u>

GREENSVILLE COUNTY SCHOOL BOARD
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Notes to Financial Statements
June 30, 2023 (Continued)

Note 8–Pension Plan: (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)

\$2,389,333 reported as deferred outflows of resources related to pensions resulting from the school division’s contributions after 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	\$	(721,679)
2025		(937,659)
2026		(1,430,741)
2027		716,251
2028		-
Thereafter		-

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

GREENSVILLE COUNTY SCHOOL BOARD
(A Component Unit of the County of Greenville, Virginia)

Notes to Financial Statements
June 30, 2023 (Continued)

Note 8–Pension Plan: (Continued)

Component Unit School Board (Professional) (Continued)

Actuarial Assumptions: (Continued)

Mortality rates:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement:

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

The actuarial assumptions used in the June 30, 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

GREENSVILLE COUNTY SCHOOL BOARD
(A Component Unit of the County of Greenville, Virginia)

Notes to Financial Statements
June 30, 2023 (Continued)

Note 8–Pension Plan: (Continued)

Component Unit School Board (Professional) (Continued)

Net Pension Liability

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

		Teacher Employee Retirement Plan
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.

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

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

			Rate		
		1% Decrease	Current Discount	1% Increase	
		(5.75%)	(6.75%)	(7.75%)	
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability (Asset)	\$	25,136,079	\$	14,073,349	\$ 5,065,854

GREENSVILLE COUNTY SCHOOL BOARD
(A Component Unit of the County of Greenville, Virginia)

Notes to Financial Statements
June 30, 2023 (Continued)

Note 8–Pension Plan: (Continued)

Component Unit School Board (Professional) (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan’s Fiduciary Net Position is available in the separately issued VRS 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.

Aggregate Pension Information

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Net Pension Liability (Asset)</u>	<u>Pension Expense</u>
VRS Pension Plans:				
School Board Nonprofessional	\$ 24,362	\$ 344,979	\$ (659,049)	\$ (339,296)
School Board Professional	3,775,557	3,760,052	14,073,349	460,241
Totals	<u>\$ 3,799,919</u>	<u>\$ 4,105,031</u>	<u>\$ 13,414,300</u>	<u>\$ 120,945</u>

Note 9–Surety Bond Information:

Officials below were under bond in the amounts indicated:

Hartford Accident and Indemnity Company - Surety:	
Dr. Kelvin Edwards, Superintendent	\$ 10,000
Karen Riddick, Clerk of School Board	10,000
Amber P. Barbour, Finance Director	10,000
LaTina Smith, Payroll Clerk	10,000

Note 10–Commitments and Contingencies:

Federal programs in which the School Board participates 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 (Uniform Guidance). Pursuant to the provisions of the circular, all major programs and certain other programs were tested for compliance with applicable grant requirements. While no matters of noncompliance were disclosed by the audit, the federal government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, any future disallowance of current grant program expenditures, if any, would be immaterial.

GREENSVILLE COUNTY SCHOOL BOARD

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Notes to Financial Statements

June 30, 2023 (Continued)

Note 11–Risk Management:

The School Board 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 School Board joined with other local governments in Virginia to form the Virginia Association of Counties Risk Management Program, a public entity risk pool currently operating as a common risk management and insurance program for participating local governments. The School Board pays an annual premium to the association for its general liability insurance.

In the event of a loss deficit and depletion of all available excess insurance, the Association may assess all members in the proportion which the premium of each bears to the total premiums of all members in the year in which such deficit occurs.

The School Board continues to carry workman’s compensation commercial insurance for all other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 12–Litigation:

On June 30, 2023, there were no matters of litigation involving the School Board or which would materially affect the School Board’s financial position should any court decisions on pending matters not be favorable to such entities.

Note 13–City/County School Cost Agreement:

The City of Emporia and the County of Greenville are parties to an agreement that contains provisions for cost sharing, representation and other matters relating to the Greenville County Public School System. The current agreement expired June 30, 2022. The City and County are in negotiations to extend and modify the agreement.

Pursuant to an agreement between the above parties, the School Board has recorded a \$500,000 long-term advance. The amount was allocated between the County and City based upon fiscal year 2006 allocated expenditures. The allocated amounts are as follows:

County of Greenville	\$	275,000
City of Emporia		<u>225,000</u>
Total long-term advance	\$	<u><u>500,000</u></u>

GREENSVILLE COUNTY SCHOOL BOARD

(A Component Unit of the County of Greenville, Virginia)

Notes to Financial Statements

June 30, 2023 (Continued)

Note 14–Group Life Insurance (GLI) Plan (OPEB Plan):

Plan Description

The Group Life Insurance (GLI) Plan was established pursuant to §51.1-500 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent employees of the state agencies, teachers, and employees of participating political subdivisions are automatically covered by the VRS GLI Plan upon employment. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

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

The specific information for GLI 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.

GREENSVILLE COUNTY SCHOOL BOARD

(A Component Unit of the County of Greenville, Virginia)

Notes to Financial Statements

June 30, 2023 (Continued)

Note 14—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 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 GLI Plan from the entity were \$5,273 and \$5,142 for the years ended June 30, 2023 and June 30, 2022, respectively, for the School Board (nonprofessional); and \$81,352 and \$74,631 for the years ended June 30, 2023 and June 30, 2022, respectively, for the School Board (professional).

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

At June 30, 2023, liabilities of \$52,739 and \$765,083 were reported for School Board (nonprofessional) and School Board (professional), respectively, for the 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, 2021, the participating employer's proportion was .00438% and .06353% as compared to .00470% and .06570% at June 30, 2021, for School Board (nonprofessional) and School Board (professional), respectively.

For the year ended June 30, 2023, the participating employer recognized GLI OPEB expense of \$1,045 and \$14,012 for School Board (nonprofessional) and School Board (professional), respectively. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

GREENSVILLE COUNTY SCHOOL BOARD
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Notes to Financial Statements
June 30, 2023 (Continued)

Note 14—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

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

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

School Board (Nonprofessional)	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,176	\$ 2,116
Net difference between projected and actual earnings on GLI OPEB plan investments	-	3,295
Change in assumptions	1,967	5,137
Changes in proportionate share	2,236	6,708
Employer contributions subsequent to the measurement date	5,273	-
Total	\$ 13,652	\$ 17,256
School Board (Professional)		
Differences between expected and actual experience	\$ 60,585	\$ 30,693
Net difference between projected and actual earnings on GLI OPEB plan investments	-	47,806
Change in assumptions	28,536	74,522
Changes in proportionate share	4,536	52,714
Employer contributions subsequent to the measurement date	81,352	-
Total	\$ 175,009	\$ 205,735

\$5,273 and \$81,352 (School Board nonprofessional and School Board professional) reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 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:

Year Ended June 30	School Board (Nonprofessional)	School Board (Professional)
2024	\$ (1,563)	\$ (22,966)
2025	(1,538)	(23,853)
2026	(3,570)	(51,208)
2027	(978)	(3,285)
2028	(1,228)	(10,766)
Thereafter	-	-

GREENSVILLE COUNTY SCHOOL BOARD
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Notes to Financial Statements
June 30, 2023 (Continued)

Note 14–Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

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 include several employer groups as noted below. Mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Comprehensive Annual Financial 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

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

GREENSVILLE COUNTY SCHOOL BOARD
(A Component Unit of the County of Greenville, Virginia)

Notes to Financial Statements
June 30, 2023 (Continued)

Note 14–Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

Mortality Rates - Teachers: (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

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

GREENSVILLE COUNTY SCHOOL BOARD
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Notes to Financial Statements
June 30, 2023 (Continued)

Note 14–Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

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

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):

		GLI OPEB Plan
Total GLI OPEB Liability	\$	3,672,085
Plan Fiduciary Net Position		2,467,989
GLI Net 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.

GREENSVILLE COUNTY SCHOOL BOARD
(A Component Unit of the County of Greenville, Virginia)

Notes to Financial Statements
June 30, 2023 (Continued)

Note 14—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	5.71%	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 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.

GREENSVILLE COUNTY SCHOOL BOARD
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Notes to Financial Statements
June 30, 2023 (Continued)

Note 14–Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Discount Rate: (Continued)

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%)
School Board (Nonprofessional’s) proportionate share of the GLI Plan Net OPEB Liability	\$ 76,742	\$ 52,739	\$ 33,342
School Board (Professional’s) proportionate share of the GLI Plan Net OPEB Liability	\$ 1,113,285	\$ 765,083	\$ 483,688

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 <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.

Note 15–Health Insurance Credit (HIC) Plan (OPEB Plan):

Plan Description

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

GREENSVILLE COUNTY SCHOOL BOARD

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Notes to Financial Statements

June 30, 2023 (Continued)

Note 15—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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.

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:

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	<u>26</u>
Inactive members:	
Vested inactive members	2
Non-vested inactive members	-
Inactive members active elsewhere in VRS	-
Total inactive members	<u>28</u>
Active members	<u>44</u>
Total covered employees	<u>72</u>

Note 15–Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Contributions

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The School’s contractually required employer contribution rate for the year ended June 30, 2023 was 1.41% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the School to the HIC Plan were \$13,770 and \$11,486 for the years ended June 30, 2023 and June 30, 2022, respectively.

Net HIC OPEB Liability

The School Board’s net HIC OPEB liability was 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

GREENSVILLE COUNTY SCHOOL BOARD
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Notes to Financial Statements
June 30, 2023 (Continued)

Note 15–Health Insurance Credit (HIC) Plan (OPEB Plan): (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

GREENSVILLE COUNTY SCHOOL BOARD
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Notes to Financial Statements
June 30, 2023 (Continued)

Note 15–Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	5.71%	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%.

GREENSVILLE COUNTY SCHOOL BOARD

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Notes to Financial Statements

June 30, 2023 (Continued)

Note 15—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)***Discount Rate***

The discount rate used to measure the total HIC OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 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.

Changes in Net HIC OPEB Liability

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2021	\$ 168,444	\$ 13,389	\$ 155,055
Changes for the year:			
Service cost	\$ 1,246	\$ -	\$ 1,246
Interest	11,248	-	11,248
Benefit changes	-	-	-
Differences between expected and actual experience	(13,577)	-	(13,577)
Assumption changes	2,864	-	2,864
Contributions - employer	-	11,486	(11,486)
Net investment income	-	(133)	133
Benefit payments	(6,095)	(6,095)	-
Administrative expenses	-	(35)	35
Other changes	-	296	(296)
Net changes	\$ (4,314)	\$ 5,519	\$ (9,833)
Balances at June 30, 2022	\$ 164,130	\$ 18,908	\$ 145,222

GREENSVILLE COUNTY SCHOOL BOARD
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Notes to Financial Statements
June 30, 2023 (Continued)

Note 15—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Sensitivity of the School Board's HIC Net OPEB Liability to Changes in the Discount Rate

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School Board's			
Net HIC OPEB Liability	158,274	145,222	133,814

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 School Board recognized HIC Plan OPEB expense of \$8,986. At June 30, 2023, the School Board reported deferred outflows of resources and deferred inflows of resources related to the School Board's HIC Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 9,488
Net difference between projected and actual earnings on HIC OPEB plan investments	\$ 261	\$ -
Change in assumptions	3,423	-
Employer contributions subsequent to the measurement date	13,770	-
Total	\$ 17,454	\$ 9,488

Note 15–Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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

\$13,770 reported as deferred outflows of resources related to the HIC OPEB resulting from the School Board’s contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 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>		
2024	\$	(2,152)
2025		(2,866)
2026		(1,030)
2027		244
2028		-
Thereafter		-

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.

Note 16–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.

GREENSVILLE COUNTY SCHOOL BOARD

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Notes to Financial Statements
June 30, 2023 (Continued)

Note 16–Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Plan Description (Continued)

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

Eligible Employees

The Teacher Employee Retiree HIC Plan was established July 1, 1993 for retired Teacher Employees covered under VRS who retire with at least 15 years of service credit. Eligible employees include full-time permanent (professional) salaried employees of public school divisions covered under VRS. These employees are enrolled automatically upon employment.

Benefit Amounts

The Teacher Employee HIC Plan is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired teachers. For Teacher and other professional school employees who retire with at least 15 years of service credit, the monthly benefit is \$4.00 per year of service per month with no cap on the benefit amount. For Teacher and other professional school employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is either: \$4.00 per month, multiplied by twice the amount of service credit, or \$4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.

HIC Plan Notes

The monthly HIC benefit cannot exceed the individual premium amount. Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the HIC as a retiree.

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 because 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 \$181,652 and \$166,826 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.

GREENSVILLE COUNTY SCHOOL BOARD

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Notes to Financial Statements

June 30, 2023 (Continued)

Note 16—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***

On June 30, 2023, the school division reported a liability of \$1,847,715 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. On June 30, 2022, the school division's proportion of the VRS Teacher Employee HIC was .14793% as compared to .15336% on June 30, 2021.

For the year ended June 30, 2023, the school division recognized VRS Teacher Employee HIC OPEB expense of \$125,365. Since there was a change in proportionate share between measurement dates a portion of the VRS Teacher Employee HIC Net OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 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	\$ -	\$ 75,316
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	1,855
Change in assumptions	53,981	4,718
Change in proportionate share and differences between actual and expected contributions	19,512	134,764
Employer contributions subsequent to the measurement date	<u>181,652</u>	<u>-</u>
Total	<u>\$ 255,145</u>	<u>\$ 216,653</u>

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Notes to Financial Statements
June 30, 2023 (Continued)

Note 16–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)

\$181,652 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	\$	(27,940)
2025		(25,046)
2026		(24,687)
2027		(22,705)
2028		(23,867)
Thereafter		(18,915)

Actuarial Assumptions

The total Teacher Employee HIC OPEB liability for the VRS Teacher Employee HIC Plan was based on an actuarial valuation as of June 30, 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

GREENSVILLE COUNTY SCHOOL BOARD
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Notes to Financial Statements
June 30, 2023 (Continued)

Note 16—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Mortality Rates - Teachers: (Continued)

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

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 is 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%

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Notes to Financial Statements
June 30, 2023 (Continued)

Note 16—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 weighing 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	<u>2.50%</u>
		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%.

**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%.

GREENSVILLE COUNTY SCHOOL BOARD
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Notes to Financial Statements
June 30, 2023 (Continued)

Note 16–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 (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan			
Net HIC OPEB Liability	\$ 2,082,395	\$ 1,847,715	\$ 1,648,781

Teacher Employee HIC OPEB Fiduciary Net Position

Detailed information about the VRS Teacher Employee HIC Plan's Fiduciary Net Position is available in the separately issued VRS 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.

Note 17–Health Insurance (Single-employer Defined Benefit Plan)

Plan Description

The School Board provides postemployment medical coverage for retired employees through a single-employer defined benefit plan. The 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 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

On July 1, 2022 (the valuation date), the following employees were covered by the benefit terms:

	<u>School Board</u>
Total active employees with coverage	298
Total inactive employees or retirees with coverage	<u>25</u>
Total	<u><u>323</u></u>

Contributions

The School Board does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the School Board. The amount paid by the School Board for OPEB as the benefits came due during the year ended June 30, 2023 was \$34,500.

Total OPEB Liability

The School Board’s total OPEB liabilities were measured as of July 1, 2022. The total OPEB liabilities were determined by an actuarial valuation as of July 1, 2022.

GREENSVILLE COUNTY SCHOOL BOARD
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Notes to Financial Statements
June 30, 2023 (Continued)

Note 17—Health Insurance (Single-employer Defined Benefit Plan): (Continued)

Actuarial Assumptions

The total OPEB liability in the July 1, 2022 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry age actuarial cost method
Discount Rate	3.69%
Inflation	N/A
Healthcare Trend Rate	6.75% for fiscal year end 2023 (to reflect actual experience), then decreasing 0.25% per year to an ultimate rate of 5.00%
Salary Increase Rates	Future salaries are assumed to increase by 2.50% annually
Retirement Age	Reduced benefit: Age 50 and 10 years of service or Age 55 and 5 years of service; Unreduced benefit: Age 65 and 5 years of service or Age 50 with 30 years of service; Disability benefit: No age or service requirement
Mortality Rates	RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality scale MP-2021

Discount Rate

The discount rate has been set equal to 3.69% and represents the Municipal GO AA 20-year yield curve rate as of the measurement date.

Changes in Total OPEB Liability

Changes in Net OPEB Liability	
	Total OPEB Liability
Balances at July 1, 2022	\$ 529,400
Changes for the year:	
Service cost	44,800
Interest	10,700
Difference between expected and actual experience	135,700
Changes in assumptions	(74,100)
Contributions - employer	(34,500)
Net changes	82,600
Balances at June 30, 2023	\$ 612,000

GREENSVILLE COUNTY SCHOOL BOARD
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Notes to Financial Statements
June 30, 2023 (Continued)

Note 17—Health Insurance (Single-employer Defined Benefit Plan): (Continued)

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

The following amounts present the total OPEB liability of the 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 (2.69%) or one percentage point higher (4.69%) than the current discount rate:

	Rate		
	1% Decrease (2.69%)	Current Discount Rate (3.69%)	1% Increase (4.69%)
School Board's Total OPEB Liability	\$ 646,000	\$ 612,000	\$ 580,300

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

The following presents the total OPEB liabilities of the School Board, as well as what the total OPEB liabilities would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rate used of 6.75%:

	Rates		
	1% Decrease (7.75%)	Healthcare Cost Trend (6.75%)	1% Increase (5.75%)
School Board's Total OPEB Liability	\$ 573,600	\$ 612,000	\$ 655,300

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

For the year ended June 30, 2023, the School Board recognized OPEB expense in the amount of \$43,800. Deferred Outflows and Inflows of Resources related to OPEB as of June 30, 2023 from various sources are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 57,400	\$ 66,600
Differences between expected and actual experience	121,500	132,200
Employer contributions subsequent to the measurement date	34,500	-
Total	<u>\$ 213,400</u>	<u>\$ 198,800</u>

GREENSVILLE COUNTY SCHOOL BOARD
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Notes to Financial Statements
June 30, 2023 (Continued)

Note 17–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 and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30</u>	
2023	\$ (17,200)
2024	(12,400)
2025	(12,400)
2026	20,000
2027	2,100
Thereafter	-

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

Note 18–Aggregate OPEB Information:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Net OPEB Liability</u>	<u>OPEB Expense</u>
VRS OPEB Plans:				
Group Life Insurance Program (Note 14):				
School Board Nonprofessional	\$ 13,652	\$ 17,256	\$ 52,739	\$ 1,045
School Board Professional	175,009	205,735	765,083	14,012
Health Insurance Credit Program - Nonprof (Note 15)	17,454	9,488	145,222	8,986
Health Insurance Credit Program (Note 16)	255,145	216,653	1,847,715	125,365
School Stand-Alone Plan (Note 17)	213,400	198,800	612,000	43,800
Totals	<u>\$ 674,660</u>	<u>\$ 647,932</u>	<u>\$ 3,422,759</u>	<u>\$ 193,208</u>

Note 19–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.

GREENSVILLE COUNTY SCHOOL BOARD

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Notes to Financial Statements
June 30, 2023 (Continued)

Note 19–Upcoming Pronouncements: (Continued)

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.

Note 20–COVID-19 Pandemic Funding and Subsequent Events:

The COVID-19 pandemic and its impact on operations continues to evolve. Specific to the School Board, COVID-19 impacted various parts of its 2023 operations and financial results including, but not limited to, costs for emergency preparedness and shortages of personnel. Federal relief has been received through various programs. The School Board believes it is taking appropriate actions to mitigate the negative impact. The extent to which COVID-19 may impact operations in subsequent years remains uncertain, and the School Board is unable to estimate the effects on future results of operations, financial condition, or liquidity for fiscal year 2024.

ESF Funding

The CARES Act also established the Education Stabilization Fund (ESF) and allocated \$30.75 billion to the U.S. Department of Education. The ESF is composed of three primary emergency relief funds: (1) a Governor’s Emergency Education Relief (GEER) Fund, (2) an Elementary and Secondary School Emergency Relief (ESSER) Fund, and (3) a Higher Education Emergency Relief (HEER) Fund. The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA Act) was signed into law on December 27, 2021 and added \$81.9 billion to the ESF. In March 2022, the American Rescue Plan Act (ARP Act), in support of ongoing state and institutional COVID-19 recovery efforts, added more than \$170 billion to the ESF. The School Board is receiving this funding from the Virginia Department of Education on a reimbursement basis.

State Construction Funds

During fiscal year 2023 the school board received \$2,502,455 of state construction funds. \$175,899 of these funds were spent during the fiscal year with the associated revenue being recognized. The remaining \$2,326,556 is required to be spent by June 30, 2025, and is reflected as unearned revenue in the financial statements at June 30, 2023.

REQUIRED SUPPLEMENTARY INFORMATION

Note to Required Supplementary Information:

Presented budgets were prepared in accordance with accounting principles generally accepted in the United States of America.

GREENSVILLE COUNTY SCHOOL BOARD
(A COMPONENT UNIT OF THE COUNTY OF GREENSVILLE, VIRGINIA)

Exhibit 7

General Fund

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

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
REVENUES				
Charges for services	\$ 4,296,931	\$ 4,296,931	\$ 4,254,024	\$ (42,907)
Miscellaneous	242,500	242,500	315,617	73,117
Intergovernmental:				
County contribution to school board	5,265,850	5,265,850	5,584,395	318,545
Commonwealth	20,872,869	20,872,869	18,894,275	(1,978,594)
Federal	8,837,420	8,837,420	6,357,515	(2,479,905)
Total revenues	<u>\$ 39,515,570</u>	<u>\$ 39,515,570</u>	<u>\$ 35,405,826</u>	<u>\$ (4,109,744)</u>
EXPENDITURES				
Current:				
Education:				
Instruction	\$ 30,523,460	\$ 30,523,460	\$ 29,079,024	\$ 1,444,436
Administration, attendance and health	1,607,701	1,607,701	1,478,608	129,093
Pupil transportation services	1,757,693	1,757,693	1,575,386	182,307
Operation and maintenance services	5,623,723	5,623,723	3,270,130	2,353,593
Debt service:				
Principal retirement	74,159	74,159	74,159	-
Interest and other fiscal charges	7,858	7,858	7,858	-
Total expenditures	<u>\$ 39,594,594</u>	<u>\$ 39,594,594</u>	<u>\$ 35,485,165</u>	<u>\$ 4,109,429</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (79,024)</u>	<u>\$ (79,024)</u>	<u>\$ (79,339)</u>	<u>\$ (315)</u>
Net change in fund balances	<u>\$ (79,024)</u>	<u>\$ (79,024)</u>	<u>\$ (79,339)</u>	<u>\$ (315)</u>
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u><u>\$ (79,024)</u></u>	<u><u>\$ (79,024)</u></u>	<u><u>\$ (79,339)</u></u>	<u><u>\$ (315)</u></u>

GREENSVILLE COUNTY SCHOOL BOARD
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Exhibit 8

School Cafeteria Fund

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

For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
REVENUES				
Charges for services	\$ 175,000	\$ 175,000	\$ 140,968	\$ (34,032)
Miscellaneous	-	-	35,622	35,622
Intergovernmental:				
Commonwealth	30,000	30,000	31,985	1,985
Federal	1,490,218	1,490,218	1,648,148	157,930
Total revenues	<u>\$ 1,695,218</u>	<u>\$ 1,695,218</u>	<u>\$ 1,856,723</u>	<u>\$ 161,505</u>
EXPENDITURES				
Current:				
School food service	\$ 1,695,218	\$ 1,695,218	\$ 2,047,274	\$ (352,056)
Total expenditures	<u>\$ 1,695,218</u>	<u>\$ 1,695,218</u>	<u>\$ 2,047,274</u>	<u>\$ (352,056)</u>
Excess (deficiency) of revenues				
over (under) expenditures	\$ -	\$ -	\$ (190,551)	\$ (190,551)
Net change in fund balances	\$ -	\$ -	\$ (190,551)	\$ (190,551)
Fund balances - beginning	-	-	1,389,303	1,389,303
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,198,752</u>	<u>\$ 1,198,752</u>

Schedule of Changes in Net Pension Liability (Asset) 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	\$ 86,685	\$ 87,469	\$ 91,911	\$ 82,538
Interest	411,399	408,536	383,321	380,155
Differences between expected and actual experience	(327,216)	(368,759)	266,980	15,749
Changes of assumptions	-	219,015	-	129,906
Benefit payments	(412,822)	(368,263)	(369,030)	(351,593)
Net change in total pension liability	\$ (241,954)	\$ (22,002)	\$ 373,182	\$ 256,755
Total pension liability - beginning	6,214,520	6,236,522	5,863,340	5,606,585
Total pension liability - ending (a)	<u>\$ 5,972,566</u>	<u>\$ 6,214,520</u>	<u>\$ 6,236,522</u>	<u>\$ 5,863,340</u>
Plan fiduciary net position				
Contributions - employer	\$ 61,597	\$ 63,933	\$ 51,673	\$ 48,103
Contributions - employee	42,874	45,980	50,976	46,821
Net investment income	(1,738)	1,526,441	110,180	372,444
Benefit payments, including refunds of employee contributions	(412,822)	(368,263)	(369,030)	(351,593)
Administrator charges	(4,402)	(3,946)	(3,912)	(3,873)
Other	156	143	(128)	(233)
Net change in plan fiduciary net position	\$ (314,335)	\$ 1,264,288	\$ (160,241)	\$ 111,669
Plan fiduciary net position - beginning	6,945,950	5,681,662	5,841,903	5,730,234
Plan fiduciary net position - ending (b)	<u>\$ 6,631,615</u>	<u>\$ 6,945,950</u>	<u>\$ 5,681,662</u>	<u>\$ 5,841,903</u>
School Division's net pension liability (asset)				
- ending (a) - (b)	\$ (659,049)	\$ (731,430)	\$ 554,860	\$ 21,437
Plan fiduciary net position as a percentage of the total pension liability	111.03%	111.77%	91.10%	99.63%
Covered payroll	\$ 949,247	\$ 978,723	\$ 1,027,520	\$ 942,753
School Division's net pension liability (asset) as a percentage of covered payroll	-69.43%	-74.73%	54.00%	2.27%

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

Schedule of Changes in Net Pension Liability (Asset) 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	\$ 83,811	\$ 84,559	\$ 90,677	\$ 69,864	\$ 85,217
Interest	378,660	373,845	365,187	355,274	347,301
Differences between expected and actual experience	(74,674)	3,015	59,707	68,750	-
Changes of assumptions	-	2,008	-	-	-
Benefit payments	(381,284)	(408,001)	(375,762)	(328,801)	(308,428)
Net change in total pension liability	\$ 6,513	\$ 55,426	\$ 139,809	\$ 165,087	\$ 124,090
Total pension liability - beginning	5,600,072	5,544,646	5,404,837	5,239,750	5,115,660
Total pension liability - ending (a)	<u>\$ 5,606,585</u>	<u>\$ 5,600,072</u>	<u>\$ 5,544,646</u>	<u>\$ 5,404,837</u>	<u>\$ 5,239,750</u>
Plan fiduciary net position					
Contributions - employer	\$ 54,501	\$ 52,923	\$ 64,243	\$ 81,768	\$ 66,849
Contributions - employee	44,425	43,101	48,082	50,945	36,349
Net investment income	407,611	626,818	88,826	244,410	756,219
Benefit payments, including refunds of employee contributions	(381,284)	(408,001)	(375,762)	(328,801)	(308,428)
Administrator charges	(3,683)	(3,849)	(3,509)	(3,491)	(4,210)
Other	(356)	(548)	(39)	(49)	40
Net change in plan fiduciary net position	\$ 121,214	\$ 310,444	\$ (178,159)	\$ 44,782	\$ 546,819
Plan fiduciary net position - beginning	5,609,020	5,298,576	5,476,735	5,431,953	4,885,134
Plan fiduciary net position - ending (b)	<u>\$ 5,730,234</u>	<u>\$ 5,609,020</u>	<u>\$ 5,298,576</u>	<u>\$ 5,476,735</u>	<u>\$ 5,431,953</u>
School Division's net pension liability (asset)					
- ending (a) - (b)	\$ (123,649)	\$ (8,948)	\$ 246,070	\$ (71,898)	\$ (192,203)
Plan fiduciary net position as a percentage of the total pension liability	102.21%	100.16%	95.56%	101.33%	103.67%
Covered payroll	\$ 883,745	\$ 844,634	\$ 806,013	\$ 839,952	\$ 732,230
School Division's net pension liability (asset) as a percentage of covered payroll	-13.99%	-1.06%	30.53%	-8.56%	-26.25%

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Employer's Proportion of the Net Pension Liability	0.15%	0.15%	0.16%	0.16%
Employer's Proportionate Share of the Net Pension Liability	\$ 14,073,349	\$ 11,876,762	\$ 22,633,700	\$ 21,030,589
Employer's Covered Payroll	13,787,297	13,562,913	13,733,318	13,468,819
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	102.07%	87.57%	164.81%	156.14%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.61%	85.46%	71.47%	73.51%

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

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Employer's Proportion of the Net Pension Liability	0.16%	0.16%	0.16%	0.17%	0.17%
Employer's Proportionate Share of the Net Pension Liability	\$ 18,875,000	\$ 19,184,000	\$ 22,448,000	\$ 20,913,000	\$ 19,550,000
Employer's Covered Payroll	13,057,193	12,371,196	12,195,239	12,396,864	11,830,375
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	144.56%	155.07%	184.07%	168.70%	165.25%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.81%	72.92%	68.28%	70.68%	70.88%

GREENSVILLE COUNTY SCHOOL BOARD
(A Component Unit of the County of Greenville, Virginia)

Exhibit 11

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)
Component Unit School Board (Nonprofessional)					
2023	\$ 24,362	\$ 24,362	\$ -	\$ 976,573	2.49%
2022	61,597	61,597	-	949,247	6.49%
2021	63,932	63,932	-	978,723	6.53%
2020	51,672	51,672	-	1,027,520	5.03%
2019	48,104	48,104	-	942,753	5.10%
2018	54,669	54,669	-	883,745	6.19%
2017	55,155	55,155	-	844,634	6.53%
2016	65,529	65,529	-	806,013	8.13%
2015	68,288	68,288	-	839,952	8.13%
2014	72,125	72,125	-	732,230	9.85%

Component Unit School Board (Professional)

2023	\$ 2,389,333	\$ 2,389,333	\$ -	\$ 15,012,529	15.92%
2022	2,195,925	2,195,925	-	13,787,297	15.93%
2021	2,164,345	2,164,345	-	13,562,913	15.96%
2020	2,066,682	2,066,682	-	13,733,318	15.05%
2019	2,047,927	2,047,927	-	13,468,819	15.20%
2018	2,071,370	2,071,370	-	13,057,193	15.86%
2017	1,969,483	1,969,483	-	12,371,196	15.92%
2016	1,704,739	1,704,739	-	12,195,239	13.98%
2015	1,724,865	1,724,865	-	12,396,864	13.91%
2014	1,380,711	1,380,711	-	11,830,375	11.67%

All contributions are from Virginia Retirement System records.

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

(A Component Unit of the County of Greenville, Virginia)

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

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 ratesAdjusted 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

(A Component Unit of the County of Greenville, Virginia)

Schedule of Board's Share of Net OPEB Liability

Group Life Insurance (GLI) Plan

For the Measurement Dates of June 30, 2017 through June 30, 2022

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
School Board (Nonprofessional):					
2022	0.00438% \$	52,739 \$	949,247	5.56%	67.21%
2021	0.00470%	55,186	949,247	5.81%	67.45%
2020	0.00500%	83,275	978,723	8.51%	52.64%
2019	0.00480%	78,271	1,027,520	7.62%	52.00%
2018	0.00467%	71,000	883,745	8.03%	51.22%
2017	0.00458%	69,000	844,634	8.17%	48.86%
School Board (Professional):					
2022	0.06353% \$	765,083 \$	13,787,297	5.55%	67.21%
2021	0.06570%	765,159	13,562,913	5.64%	67.45%
2020	0.06680%	1,114,115	13,733,318	8.11%	52.64%
2019	0.06880%	1,119,396	13,468,819	8.31%	52.00%
2018	0.06876%	1,044,000	13,057,193	8.00%	51.22%
2017	0.06758%	1,016,000	12,371,196	8.21%	48.86%

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

GREENSVILLE COUNTY SCHOOL BOARD
(A Component Unit of the County of Greenville, Virginia)

Exhibit 14

Schedule of Employer Contributions
Group Life Insurance (GLI) Plan
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 Payroll (5)
School Board (Nonprofessional):					
2023	\$ 5,273	\$ 5,273	\$ -	\$ 976,573	0.54%
2022	5,142	5,142	-	949,247	0.54%
2021	5,285	5,285	-	978,723	0.54%
2020	5,343	5,343	-	1,027,520	0.52%
2019	4,902	4,902	-	942,753	0.52%
2018	4,616	4,616	-	883,745	0.52%
2017	4,392	4,392	-	844,634	0.52%
2016	3,900	3,900	-	806,013	0.48%
2015	4,063	4,063	-	839,952	0.48%
2014	3,529	3,529	-	732,230	0.48%

School Board (Professional):

2023	\$ 81,352	\$ 81,352	\$ -	\$ 15,012,529	0.54%
2022	74,631	74,631	-	13,787,297	0.54%
2021	73,266	73,266	-	13,562,913	0.54%
2020	71,449	71,449	-	13,733,318	0.52%
2019	70,119	70,119	-	13,468,819	0.52%
2018	67,985	67,985	-	13,057,193	0.52%
2017	64,816	64,816	-	12,371,196	0.52%
2016	58,824	58,824	-	12,195,239	0.48%
2015	59,330	59,330	-	12,396,864	0.48%
2014	56,798	56,798	-	11,830,375	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 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

GREENSVILLE COUNTY SCHOOL BOARD
Exhibit 16

(A Component Unit of the County of Greenville, Virginia)

Schedule of Changes in Net OPEB Liability and Related Ratios

OPEB - Health Insurance Plan

For the Measurement Dates of June 30, 2018 through June 30, 2023

	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service cost	\$ 44,800	\$ 38,200	\$ 45,900	\$ 39,800	\$ 31,800	\$ 31,000
Interest	10,700	11,800	21,400	21,800	22,000	21,700
Changes in assumptions	(74,100)	56,100	22,500	23,400	(30,400)	-
Differences between expected and actual experience	135,700	(6,500)	(245,900)	31,300	(24,300)	-
Employer contributions	(34,500)	(24,500)	(51,600)	(33,900)	(33,900)	(31,500)
Net change in total OPEB liability	\$ 82,600	\$ 75,100	\$ (207,700)	\$ 82,400	\$ (34,800)	\$ 21,200
Total OPEB liability - beginning	529,400	454,300	662,000	579,600	614,400	593,200
Total OPEB liability - ending	\$ 612,000	\$ 529,400	\$ 454,300	\$ 662,000	\$ 579,600	\$ 614,400
 Covered employee payroll	 \$ 13,054,000	 \$ 13,054,000	 \$ 13,054,000	 \$ 12,762,900	 \$ 12,762,900	 \$ 10,861,100
 School Boards total OPEB liability (asset) as a percentage of covered employee payroll	 4.69%	 4.06%	 3.48%	 5.19%	 4.54%	 5.66%

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

(A Component Unit of the County of Greenville, Virginia)

Notes to Required Supplementary Information

OPEB - Health Insurance Plan

For the Year Ended June 30, 2023

Valuation Date: 7/1/2022

Measurement Date: 7/1/2022

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry Age Actuarial Cost Method
Discount Rate	3.69%
Inflation	N/A
Healthcare Trend Rate	6.75% for fiscal year end 2023, decreasing 0.25% per year to an ultimate rate of 5.00%
Salary Increase Rates	2.50%
Retirement Age	Reduced benefit: Age 50 and 10 years of service or Age 55 and 5 years of service; Unreduced benefit: Age 65 and 5 years of service or Age 50 with 30 years of service; Disability benefit: No age or service requirement
Mortality Rates	RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2021

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total HIC OPEB Liability			
Service cost	\$ 1,246	\$ 1,626	\$ -
Interest	11,248	10,323	-
Changes in benefit terms	-	-	152,937
Differences between expected and actual experience	(13,577)	-	-
Changes of assumptions	2,864	3,558	-
Benefit payments	(6,095)		
Net change in total HIC OPEB liability	<u>\$ (4,314)</u>	<u>\$ 15,507</u>	<u>\$ 152,937</u>
Total HIC OPEB Liability - beginning	<u>168,444</u>	<u>152,937</u>	<u>-</u>
Total HIC OPEB Liability - ending (a)	<u><u>\$ 164,130</u></u>	<u><u>\$ 168,444</u></u>	<u><u>\$ 152,937</u></u>
Plan fiduciary net position			
Contributions - employer	\$ 11,486	\$ 11,843	\$ -
Net investment income	(133)	1,599	-
Benefit payments	(6,095)	-	-
Administrator charges	(35)	(53)	-
Other	296	-	-
Net change in plan fiduciary net position	<u>\$ 5,519</u>	<u>\$ 13,389</u>	<u>\$ -</u>
Plan fiduciary net position - beginning	<u>13,389</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 18,908</u></u>	<u><u>\$ 13,389</u></u>	<u><u>\$ -</u></u>
School Board's net HIC OPEB liability - ending (a) - (b)	<u>\$ 145,222</u>	<u>\$ 155,055</u>	<u>\$ 152,937</u>
Plan fiduciary net position as a percentage of the total HIC OPEB liability	13.02%	8.64%	0.00%
Covered payroll	<u>\$ 949,247</u>	<u>\$ 978,723</u>	<u>\$ 1,027,520</u>
School Board's net HIC OPEB liability as a percentage of covered payroll	15.30%	15.84%	0.00%

Schedule is intended to show information for 10 years. Information prior to the 2020 valuation is not available. However, additional years will be included as they become available.

(A Component Unit of the County of Greenville, Virginia)

Schedule of Employer Contributions

Health Insurance Credit (HIC) Plan - Nonprofessional

For the Years Ended June 30, 2021 through June 30, 2023

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution			Contributions as a % of Covered Payroll
	(1)	(2)	Contribution Deficiency (Excess)	Employer's Covered Payroll	(5)

School Board - Nonprofessional:

2023	\$	13,770	\$	13,770	\$	-	\$	976,573	1.41%
2022		11,486		11,486		-		949,247	1.21%
2021		11,843		11,843		-		978,723	1.21%

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

Notes to Required Supplementary Information
Health Insurance Credit (HIC) Plan - Nonprofessional
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:

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
Discount Rate	No change

GREENSVILLE COUNTY SCHOOL BOARD
Exhibit 21

(A Component Unit of the County of Greenville, Virginia)

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

Date	Employer's Proportion of the Net HIC OPEB Liability	Employer's Proportionate Share of the Net HIC OPEB Liability	Employer's Covered Payroll	Employer's	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability
				Proportionate Share of the Net HIC OPEB Liability as a Percentage of Covered Payroll (3)/(4)	
(1)	(2)	(3)	(4)	(5)	(6)
School Board - Professional:					
2022	0.14793%	\$ 1,847,715	\$ 13,787,297	13.40%	15.08%
2021	0.15336%	1,968,482	13,562,913	14.51%	13.15%
2020	0.15670%	2,043,525	13,733,318	14.88%	9.95%
2019	0.16060%	2,102,148	13,468,819	15.61%	8.97%
2018	0.16135%	2,049,000	13,057,193	15.69%	8.08%
2017	0.15683%	1,989,000	12,371,196	16.08%	7.04%

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available.

(A Component Unit of the County of Greenville, Virginia)

Schedule of Employer Contributions

Teacher Employee Health Insurance Credit (HIC) Plan

For the Years Ended June 30, 2014 through June 30, 2023

Date	Contributions in Relation to			Contributions	
	Contractually Required Contribution	Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	as a % of Covered Payroll
	(1)	(2)	(3)	(4)	(5)
School Board - Professional:					
2023	\$ 181,652	\$ 181,652	\$ -	\$ 15,012,529	1.21%
2022	166,826	166,826	-	13,787,297	1.21%
2021	164,111	164,111	-	13,562,913	1.21%
2020	164,800	164,800	-	13,733,318	1.20%
2019	161,626	161,626	-	13,468,819	1.20%
2018	160,501	160,501	-	13,057,193	1.23%
2017	137,385	137,385	-	12,371,196	1.11%
2016	129,460	129,460	-	12,195,239	1.06%
2015	130,951	130,951	-	12,396,864	1.06%
2014	131,314	131,314	-	11,830,375	1.11%

Notes to Required Supplementary Information
Teacher Employee Health Insurance Credit (HIC) 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:

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

OTHER SUPPLEMENTARY INFORMATION

- *Supporting Schedules* -

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
Revenue from local sources:				
Charges for services:				
Tuition - City of Emporia (Note 6)	\$ 4,296,931	\$ 4,296,931	\$ 4,127,815	\$ (169,116)
Charges to other localities	-	-	126,209	126,209
Total charges for services	\$ 4,296,931	\$ 4,296,931	\$ 4,254,024	\$ (42,907)
Miscellaneous:				
Miscellaneous	\$ 242,500	\$ 242,500	\$ 315,617	\$ 73,117
Total miscellaneous	\$ 242,500	\$ 242,500	\$ 315,617	\$ 73,117
Total revenue from local sources	\$ 4,539,431	\$ 4,539,431	\$ 4,569,641	\$ 30,210
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Greenville, Virginia (Note 6)	\$ 5,265,850	\$ 5,265,850	\$ 5,584,395	\$ 318,545
Total revenues from local governments	\$ 5,265,850	\$ 5,265,850	\$ 5,584,395	\$ 318,545
Revenue from the Commonwealth:				
Other categorical aid:				
Share of state sales tax	\$ 3,135,445	\$ 3,135,445	\$ 3,261,486	\$ 126,041
Basic school aid	6,772,033	6,772,033	6,782,515	10,482
Remedial education	517,078	517,078	524,816	7,738
Gifted and talented	70,556	70,556	71,607	1,051
Special education	842,761	842,761	855,356	12,595
Textbook payment	166,631	166,631	169,155	2,524
Remedial summer school	99,788	99,788	183,985	84,197
Vocational education	198,418	198,418	220,547	22,129
Vocational education - equipment	-	-	57,114	57,114
Group life fringe benefits	30,872	30,872	31,945	1,073
Social security fringe benefits	437,778	437,778	450,703	12,925
Retirement fringe benefits	1,021,039	1,021,039	1,051,624	30,585
Early reading intervention	166,110	166,110	148,373	(17,737)
Compensation supplement	485,470	485,470	464,445	(21,025)
Special Ed - homebound	23,864	23,864	28,380	4,516
Special education - jails	3,739	3,739	-	(3,739)
Regular - foster care	28,496	28,496	34,263	5,767
Regional Governor's school	-	-	19,801	19,801
At risk payments	2,164,081	2,164,081	1,645,301	(518,780)
At risk payments - 4 year olds	391,509	391,509	248,436	(143,073)
English as a second language	79,024	79,024	79,339	315
Primary class size	526,055	526,055	563,594	37,539
Additional lottery	495,048	495,048	516,218	21,170
Project graduation	4,199	4,199	4,199	-

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2023 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Other categorical aid: (Continued)				
Technology Initiative	154,000	154,000	295,834	141,834
School construction	2,691,348	2,691,348	-	(2,691,348)
Standards of Learning algebra readiness	50,208	50,208	45,727	(4,481)
Homeless children	-	-	5,091	5,091
VISSTA	-	-	99,317	99,317
Hold harmless	358,487	358,487	296,352	(62,135)
PBIS	-	-	24,000	24,000
Career tech	37,856	37,856	40,427	2,571
Workforce readiness	-	-	679	679
Other state funds	-	-	425,884	425,884
In lieu of sales tax	-	-	187,424	187,424
VPI	-	-	137,177	137,177
Certification bonus	-	-	2,500	2,500
Total other categorical aid	\$ 20,872,869	\$ 20,872,869	\$ 18,894,275	\$ (1,978,594)
Total revenue from the Commonwealth	\$ 20,872,869	\$ 20,872,869	\$ 18,894,275	\$ (1,978,594)
Revenue from the federal government:				
Categorical aid:				
Title I	\$ 1,626,854	\$ 1,626,854	\$ 720,613	\$ (906,241)
Title VI-B, special education flow-through	870,534	870,534	626,754	(243,780)
Student Support and Academic Enrichment Program	-	-	57,171	57,171
JROTC	-	-	32,183	32,183
Title III	4,500	4,500	6,418	1,918
ARPA Pandemic bonus	-	-	668,261	668,261
Vocational education	65,847	65,847	86,785	20,938
Title VI-B, special education pre-school	9,262	9,262	12,995	3,733
Title II-A Teacher Quality	148,378	148,378	148,110	(268)
Title VI	121,783	121,783	60,320	(61,463)
Revenue from the federal government:				
Categorical aid:				
ESSER	\$ 5,700,000	\$ 5,700,000	\$ 3,524,687	\$ (2,175,313)
COVID - 19 Public health			2,470	2,470
21st century learning	290,262	290,262	410,748	120,486
Total categorical aid	\$ 8,837,420	\$ 8,837,420	\$ 6,357,515	\$ (2,479,905)
Total revenue from the federal government	\$ 8,837,420	\$ 8,837,420	\$ 6,357,515	\$ (2,479,905)
Total General Fund	\$ 39,515,570	\$ 39,515,570	\$ 35,405,826	\$ (4,109,744)

GREENSVILLE COUNTY SCHOOL BOARD
(A COMPONENT UNIT OF THE COUNTY OF GREENSVILLE, VIRGINIA)

Schedule 1
Page 3 of 3

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
School Cafeteria Fund:				
Revenue from local sources:				
Charges for services:				
Cafeteria sales	\$ 175,000	\$ 175,000	\$ 140,968	\$ (34,032)
Total charges for services	\$ 175,000	\$ 175,000	\$ 140,968	\$ (34,032)
Miscellaneous:				
Other miscellaneous	\$ -	\$ -	\$ 35,622	\$ 35,622
Total revenue from local sources	\$ 175,000	\$ 175,000	\$ 176,590	\$ 1,590
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food	\$ 30,000	\$ 30,000	\$ 31,985	\$ 1,985
Total categorical aid	\$ 30,000	\$ 30,000	\$ 31,985	\$ 1,985
Total revenue from the Commonwealth	\$ 30,000	\$ 30,000	\$ 31,985	\$ 1,985
Revenue from the federal government:				
Categorical aid:				
School food	\$ 1,490,218	\$ 1,490,218	\$ 1,648,148	\$ 157,930
Total categorical aid	\$ 1,490,218	\$ 1,490,218	\$ 1,648,148	\$ 157,930
Total revenue from the federal government	\$ 1,490,218	\$ 1,490,218	\$ 1,648,148	\$ 157,930
Total School Cafeteria Fund	\$ 1,695,218	\$ 1,695,218	\$ 1,856,723	\$ 161,505
School Capital Projects Fund:				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School construction	\$ -	\$ -	\$ 175,899	\$ 175,899
Total School Capital Projects Fund	\$ -	\$ -	\$ 175,899	\$ 175,899
School Activity Fund:				
Revenue from local sources:				
Miscellaneous revenue:				
Other miscellaneous	\$ -	\$ -	\$ 268,056	\$ 268,056
Total School Activity Fund	\$ -	\$ -	\$ 268,056	\$ 268,056
Total governmental funds	\$ 41,210,788	\$ 41,210,788	\$ 37,706,504	\$ (3,680,183)

Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2023

Fund, Function, Activity, and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
Education:				
Instruction	\$ 30,523,460	\$ 30,523,460	\$ 29,079,024	\$ 1,444,436
Administration, attendance and health	1,607,701	1,607,701	1,478,608	129,093
Pupil transportation services	1,757,693	1,757,693	1,575,386	182,307
Operation and maintenance	5,623,723	5,623,723	3,270,130	2,353,593
Total education	<u>\$ 39,512,577</u>	<u>\$ 39,512,577</u>	<u>\$ 35,403,148</u>	<u>\$ 4,109,429</u>
Debt service:				
Principal retirement	\$ 74,159	\$ 74,159	\$ 74,159	-
Interest and other fiscal charges	7,858	7,858	7,858	-
Total debt service	<u>\$ 82,017</u>	<u>\$ 82,017</u>	<u>\$ 82,017</u>	<u>-</u>
Total General Fund	<u><u>\$ 39,594,594</u></u>	<u><u>\$ 39,594,594</u></u>	<u><u>\$ 35,485,165</u></u>	<u><u>\$ 4,109,429</u></u>
School Cafeteria Fund:				
School Food Service:				
School food administration	\$ 1,695,218	\$ 1,695,218	\$ 2,047,274	\$ (352,056)
Total School Cafeteria Fund	<u><u>\$ 1,695,218</u></u>	<u><u>\$ 1,695,218</u></u>	<u><u>\$ 2,047,274</u></u>	<u><u>\$ (352,056)</u></u>
School Activity Fund:				
Education:				
Elementary and secondary schools	\$ -	\$ -	\$ 274,096	\$ (274,096)
Total School Activity Fund	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 274,096</u></u>	<u><u>\$ (274,096)</u></u>
Total governmental funds	<u><u>\$ 41,289,812</u></u>	<u><u>\$ 41,289,812</u></u>	<u><u>\$ 37,806,535</u></u>	<u><u>\$ 3,483,277</u></u>

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
Greensville County School Board
Emporia, 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 and each major fund of the Greensville County School Board, a component unit of the County of Greenville, Virginia as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Greensville County School Board's basic financial statements, and have issued our report thereon dated March 5, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Greensville County School Board'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 Greensville County School Board's internal control. Accordingly, we do not express an opinion on the effectiveness of Greensville County School Board'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 may exist that were not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Greenville County School Board'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

March 5, 2024