

# COUNTY OF GREENE, VIRGINIA



## FINANCIAL REPORT YEAR ENDED JUNE 30, 2020



**County of Greene, Virginia**

**Financial Report**

**For the Year Ended June 30, 2020**

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## COUNTY OF GREENE, VIRGINIA

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### BOARD OF SUPERVISORS

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

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### COUNTY SCHOOL BOARD

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

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### COUNTY SOCIAL SERVICE BOARD

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

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### OTHER OFFICIALS

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





# ROBINSON, FARMER, COX ASSOCIATES, PLLC

*Certified Public Accountants*

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## Independent Auditors' Report

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

### **Report on the Financial Statements**

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

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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

## ***Opinions***

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

## ***Other Matters***

### ***Required Supplementary Information***

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

### ***Supplementary and Other Information***

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

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

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

### Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2020, on our consideration of the County of Greene, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of County of Greene, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Greene, Virginia's internal control over financial reporting and compliance.

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

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

### **Financial Highlights**

#### **Government-wide Financial Statements**

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

#### **Fund Financial Statements**

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

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

### **Overview of the Financial Statements**

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

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

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

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

## Overview of the Financial Statements (Continued)

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

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

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

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

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

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

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

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



## Overview of the Financial Statements (Continued)

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

### Government-wide Financial Analysis

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

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

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

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

## Government-wide Financial Analysis (Continued)

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

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

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

## **Government-wide Financial Analysis (Continued)**

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

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

## **Financial Analysis of the County's Funds**

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

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

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

## **General Fund Budgetary Highlights**

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

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

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

## **Capital Asset and Debt Administration**

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

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

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

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

### **Economic Factors and Next Year's Budgets and Rates**

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

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

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

### **Requests for Information**

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

## **Basic Financial Statements**



## **Government-wide Financial Statements**





Statement of Net Position  
June 30, 2020

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

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

Statement of Activities  
For the Year Ended June 30, 2020

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

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

## **Fund Financial Statements**



Balance Sheet - Governmental Funds  
June 30, 2020

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

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

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

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

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

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

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

Net change in fund balance - total governmental funds	\$ (5,938,807)
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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 the capital outlays exceeded depreciation in the current period. Details supporting this adjustment are as follows:

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

The issuance of long-term obligations (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. A summary of items supporting this adjustment is as follows:

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

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds. The following is a summary of items supporting this adjustment:

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

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

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

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

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



## COUNTY OF GREENE, VIRGINIA

### Notes to Financial Statements As of June 30, 2020

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#### **Note 1—Summary of Significant Accounting Policies:**

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The County of Greene, Virginia was formed in 1702 and it is governed by an elected five member Board of Supervisors. The Board of Supervisors is responsible for appointing the County Administrator. The County provides a full range of services for its citizens. These services include police and volunteer fire protection, sanitation services, recreational activities, cultural events, education, and social services.

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

#### Financial Statement Presentation

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

#### Government-wide and Fund Financial Statements

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

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

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

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

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

## COUNTY OF GREENE, VIRGINIA

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

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

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

Budgetary comparison schedules - Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in one way or another in the process of establishing the annual operating budgets of state and local governments, and have a keen interest in following the actual financial progress of their governments over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. Under the GASB 34 reporting model governments provide budgetary comparison information in their annual reports, including the requirement to report the government's original budget in addition to the comparison of final budget and actual results.

#### A. Financial Reporting Entity

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

#### B. Individual Component Unit Disclosures

##### *Blended Component Units:*

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

##### *Discretely Presented Component Units:*

##### Greene County School Board

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

## COUNTY OF GREENE, VIRGINIA

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

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

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#### B. Individual Component Unit Disclosures: (Continued)

*Discretely Presented Component Units: (Continued)*

Greene County Economic Development Authority:

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

#### C. Other Related Organizations

Included in the County's Financial Report

None

#### D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

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

## COUNTY OF GREENE, VIRGINIA

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

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

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

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

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

##### 1. Governmental Funds

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

###### A. General Fund

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for services, and interest income. A significant part of the General Fund's revenues is used principally to finance the operations of the Component Unit School Board.

###### B. School Capital Projects Fund

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

###### C. Debt Service Fund

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

##### 2. Fiduciary Funds (Trust and Agency Funds)

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

## COUNTY OF GREENE, VIRGINIA

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

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

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

##### **3. Component Unit - School Board**

The Greene County School Board reports the following funds:

##### **Governmental Funds:**

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

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

#### **E. Budgets and Budgetary Accounting**

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

1. Prior to March 30, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the department level or category level. The appropriation for each department or category can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for the General Fund and the Component Unit - School Board.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30 for all county units.
8. All budgetary data presented in the accompanying financial statements is the original to the current comparison of the final budget and actual results.

## COUNTY OF GREENE, VIRGINIA

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

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

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#### E. Budgets and Budgetary Accounting: (Continued)

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

#### F. Cash and Cash Equivalents

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

#### G. Investments

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

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, other nonparticipating investments, and external investment pools are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

#### H. Receivables and payables

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

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

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



## COUNTY OF GREENE, VIRGINIA

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

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

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#### I. Capital Assets

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

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

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

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

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

#### J. Compensated Absences

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

#### K. Long-term Obligations

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

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

## COUNTY OF GREENE, VIRGINIA

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

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

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#### L. Fund Balance

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

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

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

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

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

#### M. Use of Estimates

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



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

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**N. Net Position**

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

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

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

**O. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has items that qualify for reporting in this category. One item is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Another item is comprised of certain items related to the measurement of the net pension and OPEB assets or liabilities. These include differences between expected and actual experience, change in assumptions, and the net difference between projected and actual earnings on pension and OPEB plan investments. Lastly, the County reports contributions to the pension and OPEB plans made during the current year and subsequent to the net pension and OPEB asset or liability measurement date, which will be recognized as a reduction of the net pension or OPEB asset or liability next fiscal year. For more detailed information on these items, reference the related notes.

## COUNTY OF GREENE, VIRGINIA

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

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

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

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

#### P. Pensions

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

#### Q. Other Postemployment Benefits (OPEB)

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

##### *Health Insurance (Single-employer Defined Benefit Plan)*

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

## COUNTY OF GREENE, VIRGINIA

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

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### Note 2—Deposits and Investments:

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#### Deposits

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

#### Investments

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

#### Credit Risk of Debt Securities

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

County's Rate Debt Investment's Values	
Rated Debt Investments	Fair Quality Ratings
	AAAm
State Non-Arbitrage Program (SNAP)	\$ 1,391,857
Total	\$ 1,391,857

## COUNTY OF GREENE, VIRGINIA

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

### Note 2—Deposits and Investments: (Continued)

#### Interest Rate Risk

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

\*Weighted average maturity in years

#### External Investment Pools:

The value of the positions in the external investment pool (State Non-Arbitrage Pool) is the same as the value of the pool shares. As SNAP is not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury. SNAP is an amortized cost basis portfolio. There are no withdrawal limitations or restrictions imposed on participants.

### Note 3—Due From Other Governmental Units:

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

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

# COUNTY OF GREENE, VIRGINIA

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

## Note 4—Capital Assets:

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

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

# COUNTY OF GREENE, VIRGINIA

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

## Note 4—Capital Assets: (Continued)

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

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

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

### Governmental activities:

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

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

# COUNTY OF GREENE, VIRGINIA

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

## Note 5—Long-Term Obligations:

### Primary Government

#### Changes in Long-Term Obligations:

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

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

COUNTY OF GREENE, VIRGINIA

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

Note 5—Long-Term Obligations: (Continued)

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

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



COUNTY OF GREENE, VIRGINIA

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

Note 5—Long-Term Obligations: (Continued)

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

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

**COUNTY OF GREENE, VIRGINIA**

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

**Note 5—Long-Term Obligations: (Continued)**Details of Long-term Obligations:

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

**COUNTY OF GREENE, VIRGINIA**

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

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**Note 5—Long-Term Obligations: (Continued)**

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Details of Long-term Obligations: (Continued)

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

# COUNTY OF GREENE, VIRGINIA

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

## Note 5—Long-Term Obligations: (Continued)

### Details of Long-term Obligations: (Continued)

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

## COUNTY OF GREENE, VIRGINIA

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

### Note 5—Long-Term Obligations: (Continued)

#### Details of Long-term Obligations: (Continued)

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

COUNTY OF GREENE, VIRGINIA

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

**Note 5—Long-Term Obligations: (Continued)**

Details of Long-term Obligations: (Continued)

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

COUNTY OF GREENE, VIRGINIA

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

**Note 5—Long-Term Obligations: (Continued)**

**Component Unit—School Board:**

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

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

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

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

# COUNTY OF GREENE, VIRGINIA

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

## Note 5—Long-Term Obligations: (Continued)

### Details of Long-term Obligations:

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



## COUNTY OF GREENE, VIRGINIA

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

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### Note 6—Commitments and Contingencies:

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

### Note 7—Risk Management:

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

### Note 8—Litigation:

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

### Note 9—Surety Bonds:

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

## COUNTY OF GREENE, VIRGINIA

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

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### Note 10—Pension Plans:

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#### *Plan Description*

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

#### *Benefit Structures*

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

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

## COUNTY OF GREENE, VIRGINIA

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

### Note 10—Pension Plans: (Continued)

#### *Average Final Compensation and Service Retirement Multiplier*

The VRS defined benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the employee's average final compensation multiplied by the employee's total service credit. Under Plan 1, average final compensation is the average of the employee's 36 consecutive months of highest compensation and the multiplier is 1.70% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.70% or 1.85% for hazardous duty employees as elected by the employer. Under Plan 2, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the retirement multiplier is 1.65% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.70% or 1.85% for hazardous duty employees as elected by the employer. Under the Hybrid Plan, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the multiplier is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.

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

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

#### *Employees Covered by Benefit Terms*

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

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

## COUNTY OF GREENE, VIRGINIA

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

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### Note 10—Pension Plans: (Continued)

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#### ***Contributions***

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

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

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$444,781 and \$433,401 for the years ended June 30, 2020 and June 30, 2019, respectively.

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

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were \$101,094 and \$99,907 for the years ended June 30, 2020 and June 30, 2019, respectively.

#### ***Net Pension Liability***

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. The County's and Component Unit School Board's (nonprofessional) net pension liability (asset) was measured as of June 30, 2019. The total pension liabilities used to calculate the net pension liability (asset) were determined by an actuarial valuation performed as of June 30, 2018, and rolled forward to the measurement date of June 30, 2019.

## COUNTY OF GREENE, VIRGINIA

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

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### Note 10—Pension Plans: (Continued)

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#### *Actuarial Assumptions - General Employees*

The total pension liability for General Employees in the County's and Component Unit School Board's (nonprofessional) Retirement Plan was based on an actuarial valuation as of June 30, 2018, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019.

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

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

#### Mortality rates:

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

##### Pre-Retirement:

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

##### Post-Retirement:

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

##### Post-Disablement:

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

## COUNTY OF GREENE, VIRGINIA

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

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### Note 10—Pension Plans: (Continued)

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#### *Actuarial Assumptions - General Employees*

Mortality rates: (Continued)

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

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

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

#### *Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits*

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the County's Retirement Plan was based on an actuarial valuation as of June 30, 2018, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019.

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

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

## COUNTY OF GREENE, VIRGINIA

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

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### Note 10—Pension Plans: (Continued)

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

Mortality rates: (Continued)

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

**Pre-Retirement:**

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

**Post-Retirement:**

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

**Post-Disablement:**

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

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

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

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



# COUNTY OF GREENE, VIRGINIA

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

## Note 10—Pension Plans: (Continued)

### Long-Term Expected Rate of Return

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

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

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



# COUNTY OF GREENE, VIRGINIA

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

## Note 10—Pension Plans: (Continued)

### Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the County and Component Unit School Board (nonprofessional) was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2019, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2019, the rate contributed by the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2019 on, participating employers and school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

### Changes in Net Pension Liability

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balances at June 30, 2018	\$ 20,974,211	\$ 20,681,366	\$ 292,845
Changes for the year:			
Service cost	\$ 613,296	\$ -	\$ 613,296
Interest	1,433,534	-	1,433,534
Differences between expected and actual experience	(57,217)	-	(57,217)
Changes of assumptions	656,950	-	656,950
Contributions - employer	-	450,129	(450,129)
Contributions - employee	-	276,236	(276,236)
Net investment income	-	1,381,874	(1,381,874)
Benefit payments, including refunds	(990,299)	(990,299)	-
Administrative expenses	-	(13,601)	13,601
Other changes	-	(870)	870
Net changes	\$ 1,656,264	\$ 1,103,469	\$ 552,795
Balances at June 30, 2019	\$ 22,630,475	\$ 21,784,835	\$ 845,640

COUNTY OF GREENE, VIRGINIA

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

Note 10—Pension Plans: (Continued)

*Changes in Net Pension Liability*

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

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

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

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

COUNTY OF GREENE, VIRGINIA

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

Note 10—Pension Plans: (Continued)

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

For the year ended June 30, 2020, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$435,038 and \$147,532, respectively. At June 30, 2020, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 38,911	\$ 176,768	\$ 4,517	\$ 71,914
Changes of assumptions	457,269	58,006	125,134	-
Net difference between projected and actual earnings on pension plan investments	-	190,194	-	77,486
Employer contributions subsequent to the measurement date	444,781	-	101,094	-
Total	\$ 940,961	\$ 424,968	\$ 230,745	\$ 149,400

\$444,781 and \$101,094 reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ended June 30	Primary Government	Component Unit School Board (nonprofessional)
2021	\$ 4,835	\$ 51,338
2022	7,606	(76,098)
2023	47,557	(1,022)
2024	11,214	6,033
2025	-	-
Thereafter	-	-

## COUNTY OF GREENE, VIRGINIA

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

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### Note 10—Pension Plans: (Continued)

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#### *Pension Plan Data*

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

#### Component Unit School Board (professional)

##### *Plan Description*

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

##### *Contributions*

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

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

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

# COUNTY OF GREENE, VIRGINIA

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

## Note 10—Pension Plans: (Continued)

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

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

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

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

\$2,696,332 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

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

COUNTY OF GREENE, VIRGINIA

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

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Note 10—Pension Plans: (Continued)

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*Actuarial Assumptions*

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2018, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019.

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

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

Mortality rates:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

## COUNTY OF GREENE, VIRGINIA

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

### Note 10—Pension Plans: (Continued)

#### *Actuarial Assumptions: (Continued)*

Mortality rates: (Continued)

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

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

#### *Net Pension Liability*

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67, less that system's fiduciary net position. As of June 30, 2019, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

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

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

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

COUNTY OF GREENE, VIRGINIA

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

**Note 10—Pension Plans: (Continued)**

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

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

	Rate		
	1% Decrease	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)	\$ 41,502,958	\$ 27,568,758	\$ 16,047,756

***Pension Plan Fiduciary Net Position***

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

**Primary Government and Component Unit School Board**

***Aggregate Pension Information***

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



# COUNTY OF GREENE, VIRGINIA

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

## Note 11—Interfund Balances and Transfers:

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

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

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

## Note 12—Deferred/Unavailable Revenue:

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

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

## COUNTY OF GREENE, VIRGINIA

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

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

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

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

### Note 14—Landfill Closure and Postclosure Care Costs:

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

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

### Note 15—Other Postemployment Benefits

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#### Group Life Insurance:

##### *Plan Description*

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

## COUNTY OF GREENE, VIRGINIA

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

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### Note 15—Other Postemployment Benefits: (Continued)

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#### Group Life Insurance: (Continued)

##### *Plan Description: (Continued)*

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

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

##### *Eligible Employees*

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

##### *Benefit Amounts*

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

##### *Contributions*

The contribution requirements for the Group Life Insurance Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the Group Life Insurance Plan was 1.31% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.79% ( $1.31\% \times 60\%$ ) and the employer component was 0.52% ( $1.31\% \times 40\%$ ). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2020 was 0.52% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation.

## COUNTY OF GREENE, VIRGINIA

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

### Note 15—Other Postemployment Benefits: (Continued)

#### Group Life Insurance: (Continued)

##### *Contributions: (Continued)*

as of June 30, 2017. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Plan from the County were \$30,595 and \$29,757 for the years ended June 30, 2020 and June 30, 2019, respectively, \$9,253 and \$9,030 from School Board nonprofessional, and \$93,337 and \$92,161 from School Board professional.

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

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

For the year ended June 30, 2020, the County, School Board nonprofessional and School Board professional recognized GLI OPEB expense of \$12,211, \$1,325 and \$28,310. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

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

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

COUNTY OF GREENE, VIRGINIA

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

Note 15—Other Postemployment Benefits: (Continued)

Group Life Insurance: (Continued)

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

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

## COUNTY OF GREENE, VIRGINIA

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

### Note 15—Other Postemployment Benefits: (Continued)

#### Group Life Insurance: (Continued)

\$30,595, \$9,253 and \$93,337 (County, School Board nonprofessional and School Board professional) reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

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

#### *Actuarial Assumptions*

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2018, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019. The assumptions include several employer groups as noted below. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS CAFR.

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

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

COUNTY OF GREENE, VIRGINIA

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

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**Note 15—Other Postemployment Benefits: (Continued)**

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**Mortality Rates - Teachers**

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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## COUNTY OF GREENE, VIRGINIA

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

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### Note 15—Other Postemployment Benefits: (Continued)

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#### Group Life Insurance: (Continued)

##### **Mortality Rates - Teachers: (Continued)**

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

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

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

###### Pre-Retirement:

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

###### Post-Retirement:

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

###### Post-Disablement:

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



## COUNTY OF GREENE, VIRGINIA

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

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### Note 15—Other Postemployment Benefits: (Continued)

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#### Group Life Insurance: (Continued)

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

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

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

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

###### **Pre-Retirement:**

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

###### **Post-Retirement:**

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

###### **Post-Disablement:**

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

## COUNTY OF GREENE, VIRGINIA

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

### Note 15—Other Postemployment Benefits: (Continued)

#### Group Life Insurance: (Continued)

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

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

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

#### **NET GLI OPEB Liability**

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

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

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

# COUNTY OF GREENE, VIRGINIA

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

## Note 15—Other Postemployment Benefits: (Continued)

### Group Life Insurance: (Continued)

#### *Long-Term Expected Rate of Return*

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

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

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

## COUNTY OF GREENE, VIRGINIA

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

### Note 15—Other Postemployment Benefits: (Continued)

#### Group Life Insurance: (Continued)

##### *Discount Rate*

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2019, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2019 on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County's proportionate share of the Group Life Net OPEB Liability	\$ 624,017	\$ 474,999	\$ 354,149
School Board nonprofessional's proportionate share of the Group Life Insurance Program Net OPEB Liability	\$ 189,407	\$ 144,176	\$ 107,495
School Board professional's proportionate share of the Group Life Insurance Program Net OPEB Liability	\$ 1,932,765	\$ 1,471,212	\$ 1,096,905

##### *GLI Plan Fiduciary Net Position*

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

## COUNTY OF GREENE, VIRGINIA

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

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### Note 15—Other Postemployment Benefits: (Continued)

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#### **Health Insurance Credit (HIC) Plan - County:**

##### ***Plan Description***

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

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

##### ***Eligible Employees***

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

##### ***Benefit Amounts***

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

##### ***HIC Plan Notes***

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

## COUNTY OF GREENE, VIRGINIA

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

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### Note 15—Other Postemployment Benefits: (Continued)

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

##### *Employees Covered by Benefit Terms*

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

	<u>County</u>
Inactive members or their beneficiaries currently receiving benefits	<u>13</u>
Total inactive members	<u>13</u>
Active members	<u>46</u>
Total covered employees	<u>59</u>

##### *Contributions*

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The County's contractually required employer contribution rate for the year ended June 30, 2020 was .19% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the County to the HIC Plan were \$4,119 and \$3,980 for the years ended June 30, 2019 and June 30, 2018, respectively.

##### *Net HIC OPEB Liability*

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

## COUNTY OF GREENE, VIRGINIA

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

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### Note 15—Other Postemployment Benefits: (Continued)

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

##### *Actuarial Assumptions*

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2018, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019.

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

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

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

##### Pre-Retirement:

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

##### Post-Retirement:

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

##### Post-Disablement:

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

## COUNTY OF GREENE, VIRGINIA

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

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### Note 15—Other Postemployment Benefits: (Continued)

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

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

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

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

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## COUNTY OF GREENE, VIRGINIA

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

### Note 15—Other Postemployment Benefits: (Continued)

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

##### *Long-Term Expected Rate of Return*

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

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

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

##### *Discount Rate*

The discount rate used to measure the total HIC OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2019, the rate contributed by the entity for the HIC OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2019 on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

COUNTY OF GREENE, VIRGINIA

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

Note 15—Other Postemployment Benefits: (Continued)

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

Changes in Net HIC OPEB Liability

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

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County's Net HIC OPEB Liability	\$ 13,768	\$ 3,993	\$ (4,373)

**COUNTY OF GREENE, VIRGINIA**

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

**Note 15—Other Postemployment Benefits: (Continued)****Health Insurance Credit (HIC) Plan - County: (Continued)*****HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC Plan OPEB***

For the year ended June 30, 2020, the County recognized HIC Plan OPEB expense of (\$1,013). At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to the County's HIC Plan from the following sources:

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

\$4,119 reported as deferred outflows of resources related to the HIC OPEB resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

<b>Year Ended June 30</b>	<b>County</b>
2021	\$ (4,564)
2022	(4,565)
2023	(3,653)
2024	(2,781)
2025	(1,634)
Thereafter	-

***HIC Plan Data***

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

## COUNTY OF GREENE, VIRGINIA

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

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### Note 15—Other Postemployment Benefits: (Continued)

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#### **Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan):**

##### ***Plan Description***

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

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

##### ***Eligible Employees***

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

##### ***Benefit Amounts***

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

##### ***HIC Plan Notes***

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

## COUNTY OF GREENE, VIRGINIA

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

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### Note 15—Other Postemployment Benefits: (Continued)

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

##### *Contributions*

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

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

At June 30, 2020, the school division reported a liability of \$2,766,123 for its proportionate share of the VRS Teacher Employee HIC Plan Net OPEB Liability. The Net VRS Teacher Employee HIC Plan OPEB Liability was measured as of June 30, 2019 and the total VRS Teacher Employee HIC Plan OPEB liability used to calculate the Net VRS Teacher Employee HIC Plan OPEB Liability was determined by an actuarial valuation performed as of June 30, 2018, and rolled forward to the measurement date of June 30, 2019. The school division's proportion of the Net VRS Teacher Employee HIC Plan OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC OPEB plan for the year ended June 30, 2019 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2019, the school division's proportion of the VRS Teacher Employee HIC Plan was .21130% as compared to .21610% at June 30, 2018.

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

COUNTY OF GREENE, VIRGINIA

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

Note 15—Other Postemployment Benefits: (Continued)

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

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

At June 30, 2020, the school division reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee HIC OPEB from the following sources:

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

\$215,244 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

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

## COUNTY OF GREENE, VIRGINIA

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

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### Note 15—Other Postemployment Benefits: (Continued)

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

##### *Actuarial Assumptions*

The total Teacher Employee HIC OPEB liability for the VRS Teacher Employee Health Insurance Credit Plan was based on an actuarial valuation as of June 30, 2018, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019.

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

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

##### **Mortality Rates - Teachers**

###### Pre-Retirement:

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

###### Post-Retirement:

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

###### Post-Disablement:

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

## COUNTY OF GREENE, VIRGINIA

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

### Note 15—Other Postemployment Benefits: (Continued)

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

##### *Actuarial Assumptions: (Continued)*

##### **Mortality Rates - Teachers: (Continued)**

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

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

##### **Net Teacher Employee HIC OPEB Liability**

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

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



COUNTY OF GREENE, VIRGINIA

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

**Note 15—Other Postemployment Benefits: (Continued)**

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

***Net Teacher Employee HIC OPEB Liability: (Continued)***

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

***Long-Term Expected Rate of Return***

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

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

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

## COUNTY OF GREENE, VIRGINIA

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

### Note 15—Other Postemployment Benefits: (Continued)

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

##### *Discount Rate*

The discount rate used to measure the total Teacher Employee HIC OPEB was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2019, the rate contributed by each school division for the VRS Teacher Employee Health Insurance Credit Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2019 on, all agencies are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Teacher Employee HIC OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total Teacher Employee HIC OPEB liability.

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

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

		Rate		
		1% Decrease	Current Discount	1% Increase
		(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan				
Net HIC OPEB Liability	\$	3,095,762	\$ 2,766,123	\$ 2,486,095

##### *Teacher Employee HIC OPEB Fiduciary Net Position*

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

## COUNTY OF GREENE, VIRGINIA

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

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### Note 15—Other Postemployment Benefits: (Continued)

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#### Health Insurance (Single-employer Defined Benefit Plan)

##### *Plan Description*

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

##### *Benefits Provided*

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

##### *Plan Membership*

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

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

##### *Contributions*

The County and School Board do not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the County and School Board. The amount paid by the County and School Board for OPEB as the benefits came due during the year ended June 30, 2020 was \$17,420 and \$134,671.

## COUNTY OF GREENE, VIRGINIA

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

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### Note 15—Other Postemployment Benefits: (Continued)

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

##### *Total OPEB Liability*

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

##### *Actuarial Assumptions*

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

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

COUNTY OF GREENE, VIRGINIA

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

Note 15—Other Postemployment Benefits: (Continued)

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

*Discount Rate*

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

*Changes in Total OPEB Liability*

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

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

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

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

COUNTY OF GREENE, VIRGINIA

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

**Note 15—Other Postemployment Benefits: (Continued)**

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

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

The following presents the total OPEB liabilities of the County and School Board, as well as what the total OPEB liabilities would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rate used of 6.2% for the County and 5.3% for the School Board:

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

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

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

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

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

## COUNTY OF GREENE, VIRGINIA

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

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### Note 15—Other Postemployment Benefits: (Continued)

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

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

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

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

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

##### *Plan Description*

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

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

##### *Eligible Employees*

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

## COUNTY OF GREENE, VIRGINIA

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

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### Note 15—Other Postemployment Benefits: (Continued)

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

##### ***Benefit Amounts:***

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

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

##### ***Contributions***

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

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

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

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



COUNTY OF GREENE, VIRGINIA

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

Note 15—Other Postemployment Benefits: (Continued)

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

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

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

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

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

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

COUNTY OF GREENE, VIRGINIA

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

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Note 15—Other Postemployment Benefits: (Continued)

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

*Actuarial Assumptions*

The total LODA OPEB liability was based on an actuarial valuation as of June 30, 2018, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019. The assumptions include several employer groups as noted below. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS CAFR.

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

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

## COUNTY OF GREENE, VIRGINIA

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

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### Note 15—Other Postemployment Benefits: (Continued)

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

##### *Actuarial Assumptions: (Continued)*

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

###### Pre-Retirement:

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

###### Post-Retirement:

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

###### Post-Disablement:

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

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

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

COUNTY OF GREENE, VIRGINIA

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

Note 15—Other Postemployment Benefits: (Continued)

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

Net LODA OPEB Liability

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

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

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

Long-Term Expected Rate of Return

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

Discount Rate

The discount rate used to measure the total LODA OPEB liability was 3.50%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made per the VRS Statutes and that they will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2019, the rate contributed by participating employers to the LODA OPEB Program will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly.

**COUNTY OF GREENE, VIRGINIA**

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

**Note 15—Other Postemployment Benefits: (Continued)****Line of Duty Act (LODA) Program: (Continued)*****Sensitivity of the Covered Employer's Proportionate Share of the Net LODA OPEB Liability to Changes in the Discount Rate***

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

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

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

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

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

***LODA OPEB Fiduciary Net Position***

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

# COUNTY OF GREENE, VIRGINIA

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

## Note 15—Other Postemployment Benefits: (Continued)

### Primary Government and Component Unit School Board

#### Aggregate OPEB Information

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

## Note 16—Upcoming Pronouncements:

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

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

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

## COUNTY OF GREENE, VIRGINIA

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

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### Note 16—Upcoming Pronouncements: (Continued)

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

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

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

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

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

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

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

## COUNTY OF GREENE, VIRGINIA

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

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### **Note 17—COVID-19 Pandemic Subsequent Event:**

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



### **Required Supplementary Information**



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

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

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

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

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

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

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

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

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

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

## Schedule of Changes in Net Pension Liability and Related Ratios

Primary Government

Pension Plans

For the Measurement Dates of June 30, 2014 through June 30, 2019

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

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



Schedule of Changes in Net Pension Liability and Related Ratios  
Component Unit School Board (nonprofessional)  
Pension Plans  
For the Measurement Dates of June 30, 2014 through June 30, 2019

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

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

Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan  
Pension Plans  
For the Measurement Dates of June 30, 2014 through June 30, 2019

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

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

## Schedule of Employer Contributions

## Pension Plans

For the Years Ended June 30, 2011 through June 30, 2020

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Employee Payroll (5)
<b>Primary Government</b>					
2020	\$ 444,781	\$ 444,781	\$ -	\$ 5,883,682	7.56%
2019	433,401	433,401	-	5,722,529	7.57%
2018	494,434	494,434	-	5,442,647	9.08%
2017	497,024	497,024	-	5,392,875	9.22%
2016	530,209	530,209	-	5,152,664	10.29%
2015	521,150	521,150	-	5,064,627	10.29%
2014	514,085	514,085	-	4,782,184	10.75%
2013	517,848	517,848	-	4,817,190	10.75%
2012	379,987	379,987	-	4,611,496	8.24%
2011	365,916	365,916	-	4,440,726	8.24%
<b>Component Unit School Board (nonprofessional)</b>					
2020	\$ 101,094	\$ 101,094	\$ -	\$ 1,777,266	5.69%
2019	99,907	99,907	-	1,736,515	5.75%
2018	107,551	107,551	-	1,724,445	6.24%
2017	112,642	112,642	-	1,782,774	6.32%
2016	170,446	170,446	-	1,749,954	9.74%
2015	181,721	181,721	-	1,865,716	9.74%
2014	162,137	162,137	-	1,775,867	9.13%
2013	157,288	157,288	-	1,722,757	9.13%
2012	126,647	126,647	-	1,686,384	7.51%
2011	126,754	126,754	-	1,687,804	7.51%
<b>Component Unit School Board (professional)</b>					
2020	\$ 2,696,332	\$ 2,696,332	\$ -	\$ 17,936,997	15.03%
2019	2,577,175	2,577,175	-	17,390,744	14.82%
2018	2,777,888	2,777,888	-	17,476,871	15.89%
2017	2,466,470	2,466,470	-	17,188,041	14.35%
2016	2,317,645	2,317,645	-	16,647,396	13.92%
2015	2,294,610	2,294,610	-	15,942,460	14.39%
2014	2,100,800	2,100,800	-	14,910,035	14.09%
2013	1,756,255	1,756,255	-	15,062,224	11.66%
2012	1,714,645	1,714,645	-	15,133,669	11.33%
2011	1,328,309	1,328,309	-	14,830,772	8.96%

All contributions are from County and School Board records.

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

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

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

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

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

All Others (Non 10 Largest) - Hazardous Duty:

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

Component Unit School Board - Professional Employees

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

## Schedule of County's Share of Net OPEB Liability

Group Life Insurance (GLI) Plan

For the Measurement Dates of June 30, 2017 through June 30, 2019

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
<b>Primary Government:</b>					
2019	0.02919%	\$ 474,999	\$ 5,722,529	8.30%	52.00%
2018	0.02865%	435,000	5,448,831	7.98%	51.22%
2017	0.02924%	440,000	5,392,875	8.16%	48.86%
<b>Component Unit - School Board (nonprofessional):</b>					
2019	0.00886%	\$ 144,176	\$ 1,736,515	8.30%	52.00%
2018	0.00907%	137,000	1,724,445	7.94%	51.22%
2017	0.00967%	146,000	1,782,774	8.19%	48.86%
<b>Component Unit - School Board (professional):</b>					
2019	0.09041%	\$ 1,471,212	\$ 17,723,233	8.30%	52.00%
2018	0.09191%	1,396,000	17,476,871	7.99%	51.22%
2017	0.09318%	1,402,000	17,188,041	8.16%	48.86%

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

## Schedule of Employer Contributions

## Group Life Insurance (GLI) Plan

For the Years Ended June 30, 2011 through June 30, 2020

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
<b>County:</b>					
2020	\$ 30,595	\$ 30,595	\$ -	\$ 5,883,682	0.52%
2019	29,757	29,757	-	5,722,529	0.52%
2018	28,552	28,552	-	5,448,831	0.52%
2017	28,000	28,000	-	5,392,875	0.52%
2016	24,747	24,747	-	5,155,725	0.48%
2015	24,310	24,310	-	5,064,627	0.48%
2014	22,971	22,971	-	4,785,524	0.48%
2013	23,123	23,123	-	4,817,190	0.48%
2012	12,912	12,912	-	4,611,496	0.28%
2011	12,434	12,434	-	4,440,726	0.28%
<b>Component Unit - School Board (nonprofessional):</b>					
2020	\$ 9,253	\$ 9,253	\$ -	\$ 1,779,515	0.52%
2019	9,030	9,030	-	1,736,515	0.52%
2018	9,036	9,036	-	1,724,445	0.52%
2017	9,270	9,270	-	1,782,774	0.52%
2016	8,400	8,400	-	1,749,954	0.48%
2015	8,955	8,955	-	1,865,716	0.48%
2014	8,524	8,524	-	1,775,867	0.48%
2013	8,269	8,269	-	1,722,757	0.48%
2012	4,722	4,722	-	1,686,384	0.28%
2011	4,726	4,726	-	1,687,804	0.28%
<b>Component Unit - School Board (professional):</b>					
2020	\$ 93,337	\$ 93,337	\$ -	\$ 17,949,478	0.52%
2019	92,161	92,161	-	17,723,233	0.52%
2018	91,606	91,606	-	17,476,871	0.52%
2017	89,378	89,378	-	17,188,041	0.52%
2016	79,854	79,854	-	16,636,220	0.48%
2015	76,535	76,535	-	15,944,776	0.48%
2014	71,639	71,639	-	14,924,718	0.48%
2013	72,278	72,278	-	15,057,891	0.48%
2012	42,369	42,369	-	15,131,763	0.28%
2011	41,513	41,513	-	14,825,938	0.28%

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

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

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

**Teachers**

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

**Non-Largest Ten Locality Employers - General Employees**

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

**Non-Largest Ten Locality Employers - Hazardous Duty Employees**

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

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

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

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



Schedule of School Board's Share of Net OPEB Liability  
Teacher Employee Health Insurance Credit (HIC) Plan  
For the Measurement Dates of June 30, 2017 through June 30, 2019

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

2019	0.21130%	\$ 2,766,123	\$ 17,723,233	15.61%	8.97%
2018	0.21610%	2,744,000	17,476,871	15.70%	8.08%
2017	0.21779%	2,763,000	17,188,041	16.08%	7.04%

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

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

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

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

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

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

**Health Insurance Credit Program - Primary Government:**

**Non-Largest Ten Locality Employers - General Employees**

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

**Teacher Health Insurance Credit Program - School Board - Professional:**

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

## OPEB - Health Insurance Plan

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

For the Years Ended June 30, 2018 through June 30, 2020

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

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

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

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

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

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

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

## Schedule of Employer's Share of Net LODA OPEB Liability

## Line of Duty Act (LODA) Program

For the Measurement Dates of June 30, 2017 through June 30, 2019

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

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

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

## Schedule of Employer Contributions

## Line of Duty Act (LODA) Program

For the Years Ended June 30, 2016 through June 30, 2020

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

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

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

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

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

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

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

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



## Other Supplementary Information



## **Combining and Individual Fund Financial Statements and Schedules**



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

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

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

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

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

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

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

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



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

		Component Unit School Board
Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	\$	(40,270)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which depreciation exceeded capital outlays in the current period is computed as follows:		
Capital additions	\$ 422,581	
Transfer of joint tenancy assets from Primary Government to the Component Unit	581,875	
Depreciation expense	<u>(1,016,805)</u>	(12,349)
The issuance of capital leases provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. A summary of items supporting this adjustment is as follows:		
Capital lease proceeds	\$ (339,886)	
Principal retired on capital lease obligations	<u>320,183</u>	(19,703)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds. This amount reflects the changes in compensated absences, net OPEB liabilities, and accrued interest payable, etc.		
Change in compensated absences	\$ 3,662	
Change in pension related items	(239,682)	
Change in OPEB related items	<u>(106,412)</u>	(342,432)
Change in net position of governmental activities	\$	<u>(414,754)</u>

COUNTY OF GREENE, VIRGINIA

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

Discretely Presented Component Unit - School Board

For the Year Ended June 30, 2020

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

Exhibit 30

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

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## **Supporting Schedule**



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

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

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

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



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

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

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

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

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

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

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

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

## Statistical Information

COUNTY OF GREENE, VIRGINIA

Government-Wide Expenses by Function  
Last Ten Fiscal Years

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

Table 1

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

COUNTY OF GREENE, VIRGINIA

Government-Wide Revenues

Last Ten Fiscal Years

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



Table 2

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

# COUNTY OF GREENE, VIRGINIA

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

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

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

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

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

Table 3

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

COUNTY OF GREENE, VIRGINIA

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

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

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

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

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

Table 4

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

Property Tax Levies and Collections  
Last Ten Fiscal Years

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

(1) Exclusive of penalties and interest.

(2) Does not include land redemptions.

Assessed Value of Taxable Property  
Last Ten Fiscal Years

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

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

Property Tax Rates (1)  
Last Ten Fiscal Years

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

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



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

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

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

(2) From Table 6.

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



## Compliance





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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Greene, Virginia, as of and for the year June 30, 2020, and the related notes to the financial statements, which collectively comprise the County of Greene, Virginia's basic financial statements and have issued our report thereon dated December 14, 2020.

**Internal Control over Financial Reporting**

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

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

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

## Compliance and Other Matters

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

### Purpose of this Report

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

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



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

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

**Report on Compliance for Each Major Federal Program**

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

***Management's Responsibility***

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

***Auditors' Responsibility***

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

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

***Opinion on Each Major Federal Program***

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

## Report on Internal Control over Compliance

Management of the County of Greene, Virginia is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County of Greene, Virginia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County of Greene, Virginia's internal control over compliance.

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

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

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

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



COUNTY OF GREENE, VIRGINIA

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

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

COUNTY OF GREENE, VIRGINIA

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

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

See accompanying notes to schedule of expenditures of federal awards.

## COUNTY OF GREENE, VIRGINIA

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

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#### Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the County of Greene, Virginia under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County of Greene, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County of Greene, Virginia.

#### Note 2 - Summary of Significant Accounting Policies

(1) Expenditures on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) Pass-through entity identifying numbers are presented where available.

#### Note 3 - Food Donation

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

#### Note 4 - De Minimis Cost Rate

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

#### Note 5 - Subrecipients

No awards were passed through to subrecipients.

#### Note 6 - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:

Primary government:

General Fund	\$ 1,980,376
Less Payment in lieu of taxes	(47,825)
Temporary loan financing - anticipation of federal grant	<u>1,040,000</u>
Total primary government	<u>\$ 2,972,551</u>

Component Unit School Board:

School Operating Fund	\$ 2,253,621
Less BAB subsidy	<u>(123,901)</u>
Total component unit school board	<u>\$ 2,129,720</u>

Total federal expenditures per basic financial statements	<u>\$ 5,102,271</u>
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Total federal expenditures per the Schedule of Expenditures of Federal Awards	<u><u>\$ 5,102,271</u></u>
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## COUNTY OF GREENE, VIRGINIA

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

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#### Section I - Summary of Auditors' Results

##### Financial Statements

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

##### Federal Awards

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

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

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

#### Section II - Financial Statement Findings

There are no financial statement findings to report.

#### Section III - Federal Award Findings and Questioned Costs

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

#### Section IV - Prior Year Audit Findings

There are no prior year audit findings to report.