



FINANCIAL REPORT
FOR YEAR ENDED JUNE 30, 2018

COUNTY OF GREENSVILLE, VIRGINIA

Financial Report
For The Year Ended June 30, 2018

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COUNTY OF GREENSVILLE, VIRGINIA

BOARD OF SUPERVISORS

Michael W. Ferguson, Chairman

Raymond L. Bryant, Jr., Vice-Chairman

Jaqueline T. Jordan

Peggy R. Wiley

COUNTY SCHOOL BOARD

Rhonda Jones-Gilliam, Chairman

Marva J. Dunn, Vice-Chairman

Janey V. Bush
Bessie Reed-Moore

Alexis E. Jones
Jason D. Rook

OTHER OFFICIALS

Judge of the Circuit Court
Clerk of the Circuit Court
Judge of the General District Court
Commonwealth's Attorney
Commissioner of the Revenue
Treasurer
Sheriff
Superintendent of Schools
Director of Public Welfare
County Administrator

Allan Sharrett
Robert C. Wrenn
Stephen D. Bloom
Patricia T. Watson
Martha S. Swenson
Pamela Lifsey
William T. Jarratt, Jr.
Dr. Angela B. Wilson
John Holtkamp
K. David Whittington

ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

To the Honorable Members of the Board of Supervisors
County of Greenville, Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Greenville, Virginia, as of and for the year ended June 30, 2018, 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 business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Greenville, Virginia, as of June 30, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 18 to the financial statements, in 2018, the County adopted new accounting guidance, GASB Statement Nos. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and 85 *Omnibus 2017*. Our opinion is not modified with respect to this matter.

Restatement of Beginning Balances

As described in Note 18 to the financial statements, in 2018, the County restated beginning balances to reflect the requirements of GASB Statement No. 75. Our opinion is not modified with respect to this matter.

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, 100-101, and 102-112 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 Greenville, 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.

Other Matters: (Continued)

Supplementary and Other Information: (Continued)

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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2019, on our consideration of the County of Greenville, 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 Greenville, 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 Greenville, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer Cox Associates
Charlottesville, Virginia
February 21, 2019

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Management's Discussion and Analysis

To the Citizens of Greensville County County of Greensville, Virginia

As management of the County of Greensville, 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, 2018.

Financial Highlights

Government-wide Financial Statements

The assets and deferred outflows of resources of the County (Governmental and Business-type activities) exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$54,647,917 (net position) compared to \$47,100,079 in the prior year, an increase of \$7,517,868.

Our combined (governmental and business-type activities) long-term obligations decreased by a net of \$4,374,117 during the current fiscal year. This decrease is due to bonds and other loans' principal being paid during the year and a decrease in the net pension liability.

Fund Financial Statements

The Governmental Funds, on a current financial resource basis, reported revenues in excess of expenditures and other financing sources by \$94,903 (Exhibit 5) after making contributions totaling \$2,326,987 (net of debt service adjustment) to the School Board. In the prior year, fund balance increased by \$2,867,897.

- As of the close of the current fiscal year; the County's funds reported ending fund balances of \$8,049,300, an increase of \$94,903 in comparison with the prior year. The major increase of fund balance can be attributed to an increase in property taxes.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$7,642,362, or 33% of total general fund expenditures.

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 comprise 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.

Overview of the Financial Statements (Continued)

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.

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 Greenville, Virginia itself (known as the primary government), but also a legally separate school district, an Industrial Development Authority, and a Joint Department of Social Services for which the County of Greenville, Virginia is financially accountable. Financial information for these component units 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 Greenville, 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 proprietary 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, reconciliation between the two methods is provided on Exhibit 4. The County has two major governmental funds - the General Fund and the Capital Projects Fund.

Proprietary funds - Proprietary funds consist of enterprise funds. Enterprise funds are established to account for the delivery of goods and services to the general public and use the accrual basis of accounting, similar to private sector business. The Solid Waste fund provides waste services to County residents. The Water and Sewer Authority provides water services to area residents. Refer to the separately issued financial statements of the Water and Sewer Authority for further analysis and note disclosures.

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 statement and accompanying notes, this report also presents in summary from the discretely presented component units: School Board, Department of Social Services, and the Industrial Development Authority. All three component units issue separate reports and therefore are presented in summary form in the Government-wide 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, (government and business-type) total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$54,617,947 at the close of the fiscal year ended June 30, 2018.

County of Greenville, Virginia's Net Position				
	Governmental Activities		Business-type Activities	
	2018	2017	2018	2017
Current and other assets	\$ 22,561,325	\$ 19,692,762	\$ 9,177,601	\$ 14,703,355
Capital assets	<u>30,955,419</u>	<u>33,019,563</u>	<u>47,150,738</u>	<u>35,808,160</u>
Total assets	<u>\$ 53,516,744</u>	<u>\$ 52,712,325</u>	<u>\$ 56,328,339</u>	<u>\$ 50,511,515</u>
Deferred outflows of resources	\$ <u>515,648</u>	\$ <u>978,152</u>	\$ <u>291,719</u>	\$ <u>206,191</u>
Long-term liabilities outstanding	\$ 23,754,193	\$ 27,662,397	\$ 15,511,966	\$ 16,927,163
Current liabilities	<u>1,635,659</u>	<u>854,364</u>	<u>1,829,045</u>	<u>575,382</u>
Total liabilities	<u>\$ 25,389,852</u>	<u>\$ 28,516,761</u>	<u>\$ 17,341,011</u>	<u>\$ 17,502,545</u>
Deferred inflows of resources	\$ <u>13,303,640</u>	\$ <u>10,687,710</u>	\$ <u>-</u>	\$ <u>87,836</u>
Net position:				
Net investment				
in capital assets	\$ 9,111,107	\$ 7,885,603	\$ 34,002,230	\$ 21,834,251
Restricted for:				
Debt Service	460,417	874,235	439,020	948,354
Unrestricted	<u>5,767,376</u>	<u>5,726,168</u>	<u>4,837,797</u>	<u>10,344,720</u>
Total net position	<u>\$ 15,338,900</u>	<u>\$ 14,486,006</u>	<u>\$ 39,279,047</u>	<u>\$ 33,127,325</u>

At the end of the current fiscal year, the County's net investment in capital assets is \$9,111,107. This increase can be attributed to the repayment of principal on outstanding bonds and notes and additional capital outlays and building projects. The unrestricted net position of governmental activities at June 30, 2018 is \$5,767,376.

Government-wide Financial Analysis (Continued)

The total net position of the County increased \$7,517,868. Key elements of this increase are as follows:

County of Greenville, Virginia's Change in Net Position				
	Governmental Activities		Business-type Activities	
	2018	2017	2018	2017
Revenues:				
Program revenues:				
Charges for services	\$ 2,237,243	\$ 2,065,895	\$ 5,656,898	\$ 5,342,606
Operating grants and contributions	4,432,428	4,197,417	-	-
Capital grants and contributions	1,326,016	1,976,603	6,051,269	5,401,031
General revenues:				
Property taxes	9,401,080	7,735,583	-	-
Other local taxes	2,782,917	4,834,302	-	-
Other revenue	639,731	579,758	31,806	50,636
Grants and other contributions unrestricted	2,152,325	1,772,668	6,038	6,192
Total revenues	\$ <u>22,971,740</u>	\$ <u>23,162,226</u>	\$ <u>11,746,011</u>	\$ <u>10,800,465</u>
Expenses:				
General government	\$ 2,334,112	\$ 2,314,178	\$ -	\$ -
Judicial administration	1,174,836	1,128,733	-	-
Public safety	4,901,315	4,448,429	-	-
Public works	1,417,381	1,361,716	5,594,289	5,627,008
Health and welfare	1,117,489	894,217	-	-
Education	3,706,698	3,786,508	-	-
Parks, recreation and culture	344,190	348,555	-	-
Community development	5,854,636	7,824,647	-	-
Interest	754,936	828,763	-	-
Total expenses	\$ <u>21,605,593</u>	\$ <u>22,935,746</u>	\$ <u>5,594,289</u>	\$ <u>5,627,008</u>
Increase (decrease) in net position	\$ 1,366,147	\$ 226,480	\$ 6,151,722	\$ 5,173,457
Net position - beginning, as restated	<u>13,972,754</u>	<u>14,259,526</u>	<u>33,127,325</u>	<u>27,953,868</u>
Net position - ending	\$ <u>15,338,901</u>	\$ <u>14,486,006</u>	\$ <u>39,279,047</u>	\$ <u>33,127,325</u>

For the most part, increases in governmental activities revenues and expenditures closely paralleled inflation and growth in the demand for services causing a net position increase of \$1,366,146 in governmental activities only. The net position of business-type activities increased \$6,151,722 due to increased capital construction and related grants.

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

The County's business-type activities experienced natural growth in expenses due to inflation and a decrease in revenues due to water-saving measures taken by a major customer.

Governmental Funds - The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable 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.

Government-wide Financial Analysis (Continued)

As of the end of the current fiscal year, the County's governmental funds reported fund balances of \$8,049,300, an increase of \$94,903 in comparison with the prior year. Approximately 95% of this total amount constitutes unassigned fund balance, which is available for spending at the County's discretion. The remainder of fund balance is restricted and committed to indicate that is not available for new spending because it has already been committed for debt service, capital projects, and education. The increase in fund balance can be attributed to an increase in fines and forfeitures revenue as well as general property taxes.

Proprietary funds

The County's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were \$2,732,977 and can be briefly summarized as follows:

- \$1,648,434 in increases in Public Safety
- \$442,383 in increases in Community Development
- \$642,160 in other budget increases and decreases

Capital Asset and Debt Administration

Capital assets - The County's investment in capital assets for its governmental operations as of June 30, 2018 amounted to \$30,955,419 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery and equipment. The following is a comparison to the prior year of net capital assets as of June 30, 2018:

County of Greenville, Virginia's Capital Assets				
	Governmental Activities		Business-type Activities	
	2018	2017	2018	2017
Land	\$ 2,106,648	\$ 2,106,648	\$ 2,505,900	\$ 2,505,900
Land and landfill improvements	-	-	1,076,107	1,076,107
Infrastructure	-	-	45,352,502	43,671,851
Land improvements	1,416,126	1,416,126	-	-
Buildings and other improvements	28,016,008	28,016,008	2,803,808	2,803,808
Equipment	4,114,144	3,899,553	2,693,973	2,628,173
Tenancy in common (buildings)	9,381,421	10,908,405	-	-
Construction in progress	-	-	13,900,887	3,086,163
Total	\$ 45,034,347	\$ 46,346,740	\$ 68,333,177	\$ 55,772,002
Less accumulated depreciation	<u>(14,078,928)</u>	<u>(13,327,177)</u>	<u>(21,182,439)</u>	<u>(19,963,842)</u>
Net capital assets	<u>\$ 30,955,419</u>	<u>\$ 33,019,563</u>	<u>\$ 47,150,738</u>	<u>\$ 35,808,160</u>

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

Capital Asset and Debt Administration: (Continued)

Long-term obligations - At the end of the current fiscal year, the County had total governmental activities obligations outstanding of \$23,754,193. Of this amount \$5,666,127 comprises debt backed by the full faith and credit of the County, (bonded debt). The remainder of the County's obligations represents bonds secured solely by specified revenue sources (i.e., revenue bonds). The following table depicts a comparison of outstanding debt to prior year.

County of Greenville, Virginia's Outstanding Long-term Obligations

	Governmental Activities		Business-type Activities	
	2018	2017	2018	2017
Literary loans	\$ 4,125,000	\$ 4,500,000	\$ -	\$ -
VPSA bonds	520,000	1,363,575	-	-
Revenue bonds	9,726,987	11,436,348	12,791,011	13,870,605
Loans payable	6,854,163	7,128,279	90,036	103,304
Landfill closure/post-closure	-	-	2,534,173	2,367,148
Note payable	182,126	227,686	-	-
Bond Premiums	436,036	478,072	-	-
Compensated absences	416,013	421,205	259,554	246,585
Interim financing	-	-	267,461	-
Net OPEB liabilities	621,224	126,700	19,900	20,300
Net pension liability	872,644	1,980,532	499,115	319,221
Total	<u>\$ 23,754,193</u>	<u>\$ 27,662,397</u>	<u>\$ 16,461,250</u>	<u>\$ 16,927,163</u>

Legislation enacted requires that debt historically reported by the School Board has been assumed by the primary government. The legislation affects the reporting of local school capital assets as well.

The County's total obligations decreased by a net of \$4,912,805 during the current fiscal year. Governmental activities debt decreased \$1,238,017 due to scheduled debt repayments while business-type activities debt decreased \$465,913 due to scheduled debt repayment of revenue bonds.

Additional information on the County of Greenville, Virginia's long-term obligations can be found in Note 6 of this report.

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for the County at June 30, 2018 was 4.0 percent, which is a decrease from a rate of 4.5 percent a year ago. This compares unfavorably to the state's average unemployment rate of 3.2 percent and is equal to the national average rate of 4.0 percent.

Inflationary trends in the region compare favorably to national indices.

The fiscal year 2019 General Fund budget increased from \$16,974,254 to \$18,192,880 or \$403,639 (7%). Fiscal year 2019 tax rates are as follows: \$0.67/\$100 Real Estate; \$5.00/\$100 Personal Property; \$4.00/\$100 Machinery and Tools; \$0.000/\$100 Aircraft.

Requests for Information

This financial report is designed to provide a general overview of the County of Greenville, 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, 1781 Greenville County Circle, Emporia, Virginia, 23847.

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements

COUNTY OF GREENSVILLE, VIRGINIA

Statement of Net Position

June 30, 2018

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 6,266,961	\$ 7,753,264	\$ 14,020,225
Receivables (net of allowance for uncollectibles):			
Taxes receivable	13,118,347	-	13,118,347
Accounts receivable	261,481	724,657	986,138
Notes receivable	-	-	-
Grant receivable	-	125,968	125,968
Loan receivable	-	37,865	37,865
Lease receivable	-	-	-
Prepaid items	12,289	-	12,289
Due from component units	189,126	-	189,126
Long-term advance to Greenville County School Board	275,000	-	275,000
Due from other governmental units	1,936,862	-	1,936,862
Due from City of Emporia, Virginia	-	-	-
Net pension asset	-	-	-
Restricted assets:			
Cash and cash equivalents	468,565	-	468,565
Other assets:			
Loan receivable	-	535,847	535,847
Investment in industrial land	-	-	-
Note receivable	-	-	-
Investment in MaMaC	32,694	-	32,694
Capital assets (net of accumulated depreciation):			
Land	2,106,648	2,505,900	4,612,548
Infrastructure	-	28,654,598	28,654,598
Buildings and other improvements	28,186,497	1,732,717	29,919,214
Machinery and equipment	662,274	356,636	1,018,910
Construction in progress	-	13,900,887	13,900,887
Total assets	\$ 53,516,744	\$ 56,328,339	\$ 109,845,083
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	\$ 478,431	\$ 291,719	\$ 770,150
OPEB related items	37,217	-	37,217
Total deferred outflows of resources	\$ 515,648	\$ 291,719	\$ 807,367
LIABILITIES			
Accounts payable	\$ 1,233,550	\$ 854,051	\$ 2,087,601
Accrued liabilities	-	-	-
Accrued interest payable	251,718	25,709	277,427
Deferred grant	234	-	234
Due to primary government	-	-	-
Long-term advance from primary government	-	-	-
Due to City of Emporia	150,157	-	150,157
Long-term advance from Emporia	-	-	-
Debt service reserve - Greenville	-	-	-
Long-term liabilities:			
Due within one year	1,620,211	954,284	2,574,495
Due in more than one year	22,133,982	15,506,967	37,640,949
Total liabilities	\$ 25,389,852	\$ 17,341,011	\$ 42,730,863
DEFERRED INFLOWS OF RESOURCES			
Deferred property tax revenue	\$ 12,804,576	\$ -	\$ 12,804,576
Pension related items	452,613	-	452,613
OPEB related items	46,451	-	46,451
Total deferred inflows of resources	\$ 13,303,640	\$ -	\$ 13,303,640
NET POSITION			
Net investment in capital assets	\$ 9,111,107	\$ 34,002,230	\$ 43,113,337
Restricted:			
Debt service	468,565	439,020	907,585
Employee benefits	-	-	-
Unrestricted	5,759,228	4,837,797	10,597,025
Total net position	\$ 15,338,900	\$ 39,279,047	\$ 54,617,947

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

Exhibit 1

Component Units		
School Board	Department of Social Services	Industrial Development Authority
\$ 3,196,044	\$ 272,863	\$ 437,132
-	-	-
-	-	-
-	-	25,170
-	-	-
-	-	-
-	-	4,627
100,004	-	-
290,941	-	-
-	-	-
940,145	162,727	-
-	331,256	-
8,948	-	-
-	730	656,499
-	-	-
-	-	18,545,963
-	-	239,238
-	-	-
437,775	-	31,705
-	-	-
12,618,431	-	804,901
2,125,405	19,190	-
-	-	3,746,015
<u>\$ 19,717,693</u>	<u>\$ 786,766</u>	<u>\$ 24,491,250</u>
\$ 2,686,631	\$ 172,418	\$ -
233,684	10,385	-
<u>\$ 2,920,315</u>	<u>\$ 182,803</u>	<u>\$ -</u>
\$ 625,866	\$ -	\$ 277,885
1,747,728	-	-
-	-	32,245
-	-	-
-	480,067	-
275,000	-	-
362,349	-	-
225,000	-	-
-	-	268,356
-	15,369	178,954
22,872,400	1,547,825	4,161,495
<u>\$ 26,108,343</u>	<u>\$ 2,043,261</u>	<u>\$ 4,918,935</u>
\$ -	\$ -	\$ -
3,355,253	113,364	-
190,000	11,266	-
<u>\$ 3,545,253</u>	<u>\$ 124,630</u>	<u>\$ -</u>
\$ 15,181,611	\$ 19,190	\$ 242,172
-	-	-
-	730	-
(22,197,199)	(1,218,242)	19,330,143
<u>\$ (7,015,588)</u>	<u>\$ (1,198,322)</u>	<u>\$ 19,572,315</u>

COUNTY OF GREENSVILLE, VIRGINIA

Statement of Activities

For the Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General government administration	\$ 2,334,112	\$ 37,515	\$ 217,236	\$ -
Judicial administration	1,174,836	175,965	1,050,677	-
Public safety	4,901,315	1,883,055	980,273	1,067
Public works	1,417,381	137,713	600,227	-
Health and welfare	1,117,489	-	-	-
Education	3,706,698	-	-	-
Parks, recreation, and cultural	344,190	-	-	-
Community development	5,854,636	2,995	1,584,015	1,324,949
Interest on long-term debt	754,936	-	-	-
Total governmental activities	<u>\$ 21,605,593</u>	<u>\$ 2,237,243</u>	<u>\$ 4,432,428</u>	<u>\$ 1,326,016</u>
Business-type activities:				
Solid Waste	\$ 1,075,589	\$ 1,206,560	\$ -	\$ -
Water and Sewer Authority	4,518,700	4,450,338	-	6,051,269
Total business-type activities	<u>\$ 5,594,289</u>	<u>\$ 5,656,898</u>	<u>\$ -</u>	<u>\$ 6,051,269</u>
Total primary government	<u>\$ 27,199,882</u>	<u>\$ 7,894,141</u>	<u>\$ 4,432,428</u>	<u>\$ 7,377,285</u>
Component Units:				
School Board	\$ 28,526,324	\$ 3,902,076	\$ 22,057,764	\$ -
Department of Social Services	2,406,548	-	2,504,821	-
Industrial Development Authority	900,220	234,888	502,500	-
Total component units	<u>\$ 31,833,092</u>	<u>\$ 4,136,964</u>	<u>\$ 25,065,085</u>	<u>\$ -</u>
General revenues:				
General property taxes				
Other local taxes:				
Consumer utility				
Local sales and use taxes				
Business license taxes				
Motor vehicle licenses				
Restaurant food tax				
Other local taxes				
Unrestricted revenues from use of money and property				
Miscellaneous				
Grants and contributions not restricted to specific programs				
Gain on disposal of capital assets				
Total general revenues				
Change in net position				
Net position - beginning, as restated				
Net position - ending				

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

Net (Expense) Revenue and Changes in Net Position					
Primary Government			Component Units		
Governmental Activities	Business-type Activities	Total	School Board	Department of Social Services	Industrial Development Authority
\$ (2,079,361)	\$ -	\$ (2,079,361)	\$ -	\$ -	\$ -
51,806	-	51,806	-	-	-
(2,036,920)	-	(2,036,920)	-	-	-
(679,441)	-	(679,441)	-	-	-
(1,117,489)	-	(1,117,489)	-	-	-
(3,706,698)	-	(3,706,698)	-	-	-
(344,190)	-	(344,190)	-	-	-
(2,942,677)	-	(2,942,677)	-	-	-
(754,936)	-	(754,936)	-	-	-
<u>\$ (13,609,906)</u>	<u>\$ -</u>	<u>\$ (13,609,906)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ 130,971	\$ 130,971	\$ -	\$ -	\$ -
-	5,982,907	5,982,907	-	-	-
<u>\$ -</u>	<u>\$ 6,113,878</u>	<u>\$ 6,113,878</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ (13,609,906)</u>	<u>\$ 6,113,878</u>	<u>\$ (7,496,028)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (2,566,484)	\$ -	\$ -
-	-	-	-	98,273	-
-	-	-	-	-	(162,832)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,566,484)</u>	<u>\$ 98,273</u>	<u>\$ (162,832)</u>
\$ 9,401,080	\$ -	\$ 9,401,080	\$ -	\$ -	\$ -
300,725	-	300,725	-	-	-
1,211,573	-	1,211,573	-	-	-
495,317	-	495,317	-	-	-
199,349	-	199,349	-	-	-
331,316	-	331,316	-	-	-
244,637	-	244,637	-	-	-
426,339	31,806	458,145	-	163	19,566
213,391	-	213,391	531,051	5,854	-
2,152,325	6,038	2,158,363	3,246,324	-	-
-	-	-	-	-	8,586
<u>\$ 14,976,052</u>	<u>\$ 37,844</u>	<u>\$ 15,013,896</u>	<u>\$ 3,777,375</u>	<u>\$ 6,017</u>	<u>\$ 28,152</u>
\$ 1,366,146	\$ 6,151,722	\$ 7,517,868	\$ 1,210,891	\$ 104,290	\$ (134,680)
13,972,754	33,127,325	47,100,079	(8,226,479)	(1,302,612)	19,706,995
<u>\$ 15,338,900</u>	<u>\$ 39,279,047</u>	<u>\$ 54,617,947</u>	<u>\$ (7,015,588)</u>	<u>\$ (1,198,322)</u>	<u>\$ 19,572,315</u>

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Fund Financial Statements

Balance Sheet
Governmental Funds
June 30, 2018

	General Fund	Comprehensive Services Act Fund	Capital Projects Fund	Public Transportation Fund	Total
ASSETS					
Cash and cash equivalents	\$ 6,519,820	\$ 271,211	\$ -	\$ -	\$ 6,791,031
Receivables (net of allowance for uncollectibles):					
Taxes receivable	13,118,347	-	-	-	13,118,347
Accounts receivable	261,481	-	-	-	261,481
Prepaid items	12,289	-	-	-	12,289
Due from component units	189,126	-	-	-	189,126
Advance to Component Unit - School Board	275,000	-	-	-	275,000
Due from other governmental units	1,694,499	166,509	-	75,854	1,936,862
Due from other funds	24,641	-	-	-	24,641
Restricted assets:					
Cash and cash equivalents	468,565	-	-	-	468,565
Total assets	<u>\$ 22,563,768</u>	<u>\$ 437,720</u>	<u>\$ -</u>	<u>\$ 75,854</u>	<u>\$ 23,077,342</u>
LIABILITIES					
Reconciled overdraft	\$ -	\$ -	\$ 432,009	\$ 92,061	\$ 524,070
Accounts payable	1,078,076	122,019	25,887	7,568	1,233,550
Deferred grant	234	-	-	-	234
Due to City of Emporia	-	150,157	-	-	150,157
Due to other funds	-	24,641	-	-	24,641
Total liabilities	<u>\$ 1,078,310</u>	<u>\$ 296,817</u>	<u>\$ 457,896</u>	<u>\$ 99,629</u>	<u>\$ 1,932,652</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable property tax revenue	<u>\$ 13,095,390</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,095,390</u>
FUND BALANCES:					
Nonspendable	\$ 12,289	\$ -	\$ -	\$ -	\$ 12,289
Restricted:					
Debt service	468,565	-	-	-	468,565
Education	275,000	-	-	-	275,000
Committed:					
Health and welfare expenditures	-	140,903	-	-	140,903
Unassigned	7,634,214	-	(457,896)	(23,775)	7,152,543
Total fund balances	<u>\$ 8,390,068</u>	<u>\$ 140,903</u>	<u>\$ (457,896)</u>	<u>\$ (23,775)</u>	<u>\$ 8,049,300</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 22,563,768</u>	<u>\$ 437,720</u>	<u>\$ -</u>	<u>\$ 75,854</u>	<u>\$ 23,077,342</u>

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

Reconciliation of the Balance Sheet of Governmental Funds
 To the Statement of Net Position
 June 30, 2018

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds		\$	8,049,300
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			30,955,419
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.			
Unavailable property taxes			290,814
Investment in joint venture - MaMaC			32,694
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.			
Pension related items	\$	478,431	
OPEB related items		<u>37,217</u>	515,648
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:			
Accrued interest payable	\$	(251,718)	
Long-term obligations		<u>(23,754,193)</u>	(24,005,911)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.			
Pension related items	\$	(452,613)	
OPEB related items		<u>(46,451)</u>	<u>(499,064)</u>
Net position of governmental activities		\$	<u><u>15,338,900</u></u>

The notes to the 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, 2018

	General Fund	Comprehensive Services Act Fund	Capital Projects Fund	Public Transportation Fund	Total
REVENUES					
General property taxes	\$ 9,558,501	\$ -	\$ -	\$ -	9,558,501
Other local taxes	2,782,917	-	-	-	2,782,917
Permits, privilege fees, and regulatory licenses	99,619	-	-	-	99,619
Fines and forfeitures	1,732,217	-	-	-	1,732,217
Revenue from the use of money and property	426,339	-	-	-	426,339
Charges for services	402,412	-	-	2,995	405,407
Miscellaneous	212,394	997	-	-	213,391
Recovered costs	1,553,502	124,548	-	26,614	1,704,664
Intergovernmental:					
Commonwealth	6,978,507	599,865	12,291	36,348	7,627,011
Federal	110,466	38,245	-	135,047	283,758
Total revenues	\$ 23,856,874	\$ 763,655	\$ 12,291	\$ 201,004	\$ 24,833,824
EXPENDITURES					
Current:					
General government administration	\$ 2,141,064	\$ -	\$ -	\$ -	2,141,064
Judicial administration	1,272,373	-	-	-	1,272,373
Public safety	5,602,178	-	-	-	5,602,178
Public works	1,664,249	-	-	-	1,664,249
Health and welfare	339,219	919,585	-	-	1,258,804
Education	2,452,693	-	-	-	2,452,693
Parks, recreation, and cultural	334,666	-	-	-	334,666
Community development	5,400,067	-	-	210,529	5,610,596
Capital projects	-	-	324,794	-	324,794
Debt service:					
Principal retirement	3,289,648	-	-	-	3,289,648
Interest and other fiscal charges	787,856	-	-	-	787,856
Total expenditures	\$ 23,284,013	\$ 919,585	\$ 324,794	\$ 210,529	\$ 24,738,921
Excess (deficiency) of revenues over (under) expenditures	\$ 572,861	\$ (155,930)	\$ (312,503)	\$ (9,525)	94,903
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ -	\$ 155,929	\$ 253,820	\$ -	409,749
Transfers (out)	(409,749)	-	-	-	(409,749)
Total other financing sources (uses)	\$ (409,749)	\$ 155,929	\$ 253,820	\$ -	-
Net change in fund balances	\$ 163,112	\$ (1)	\$ (58,683)	\$ (9,525)	94,903
Fund balances - beginning	8,226,956	140,904	(399,213)	(14,250)	7,954,397
Fund balances - ending	\$ 8,390,068	\$ 140,903	\$ (457,896)	\$ (23,775)	8,049,300

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

Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2018

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

Net change in fund balances - total governmental funds	\$	94,903
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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 depreciation exceeded capital outlays in the current period:

Capital asset additions	\$	214,591	
Depreciation expense		(1,265,046)	
Net transfer of assets to School Board		<u>(1,013,689)</u>	(2,064,144)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	(157,421)
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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. This amount is the net effect of these differences in the treatment of long-term obligations and related items:

Principal retirement on long-term obligations	3,289,648
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds. The following is a summary of items supporting this adjustment:

Decrease in accrued interest payable	\$	32,920	
Decrease in compensated absences		5,192	
Pension expense		155,554	
OPEB expense		<u>9,494</u>	<u>203,160</u>
Change in net position of governmental activities	\$		<u><u>1,366,146</u></u>

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

Statement of Net Position
Proprietary Funds
June 30, 2018

	Enterprise Funds		
	Solid Waste	Water & Sewer Authority	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 4,407,586	\$ 2,906,658	\$ 7,314,244
Cash - restricted	-	439,020	439,020
Accounts receivable, net of allowance for uncollectibles	116,242	608,415	724,657
Grant receivable	-	125,968	125,968
Loan receivable, current portion	-	37,865	37,865
Total current assets	\$ 4,523,828	\$ 4,117,926	\$ 8,641,754
Noncurrent assets:			
Loan receivable, net of current portion	\$ -	\$ 535,847	\$ 535,847
Capital assets:			
Land	\$ -	\$ 2,505,900	\$ 2,505,900
Infrastructure	4,729,910	41,698,699	46,428,609
Building and other improvements	-	2,803,808	2,803,808
Machinery and equipment	1,614,058	1,046,198	2,660,256
Less accumulated depreciation	(2,872,683)	(18,276,039)	(21,148,722)
Construction in progress	-	13,900,887	13,900,887
Total capital assets	\$ 3,471,285	\$ 43,679,453	\$ 47,150,738
Total noncurrent assets	\$ 3,471,285	\$ 44,215,300	\$ 47,686,585
Total assets	\$ 7,995,113	\$ 48,333,226	\$ 56,328,339
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	\$ -	\$ 291,719	\$ 291,719
Total deferred outflows of resources	\$ -	\$ 291,719	\$ 291,719
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	\$ 16,107	\$ 837,944	\$ 854,051
Accrued interest payable	25,709	-	25,709
Compensated absences - current portion	2,763	23,192	25,955
Long-term obligations - current portion	118,731	809,598	928,329
Total current liabilities	\$ 163,310	\$ 1,670,734	\$ 1,834,044
Noncurrent liabilities:			
Accrued closure and postclosure landfill costs	\$ 2,534,173	\$ -	\$ 2,534,173
Compensated absences - net of current portion	24,873	208,727	233,600
Net OPEB obligation	-	19,900	19,900
Long-term obligations - net of current portion	2,544,552	10,174,742	12,719,294
Total noncurrent liabilities	\$ 5,103,598	\$ 10,403,369	\$ 15,506,967
Total liabilities	\$ 5,266,908	\$ 12,074,103	\$ 17,341,011
NET POSITION			
Net Investment in capital assets	\$ 808,002	\$ 33,194,228	\$ 34,002,230
Restricted - debt service reserve	-	439,020	439,020
Unrestricted	1,920,203	2,917,594	4,837,797
Total net position	\$ 2,728,205	\$ 36,550,842	\$ 39,279,047

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

Statement of Revenues, Expenses, and Changes in Net Position
 Proprietary Funds
 For the Year Ended June 30, 2018

	Enterprise Funds		
	Solid Waste	Water & Sewer Authority	Total
OPERATING REVENUES			
Charges for services:			
Disposal fees	\$ 1,206,560	\$ -	\$ 1,206,560
Metered sales - water	-	1,840,738	1,840,738
User fees - sewer	-	2,387,451	2,387,451
Penalties	-	48,613	48,613
Other operating revenues	-	173,536	173,536
Total operating revenues	\$ 1,206,560	\$ 4,450,338	\$ 5,656,898
OPERATING EXPENSES			
Personnel services	\$ 168,934	\$ -	\$ 168,934
Fringe benefits	61,901	-	61,901
Contractual services	129,770	-	129,770
Internal services	71,260	-	71,260
Other charges	118,490	-	118,490
Water and sewer operations	-	3,224,866	3,224,866
Depreciation	267,899	950,698	1,218,597
Landfill closure costs	167,025	-	167,025
Total operating expenses	\$ 985,279	\$ 4,175,564	\$ 5,160,843
Operating income (loss)	\$ 221,281	\$ 274,774	\$ 496,055
NONOPERATING REVENUES (EXPENSES)			
Intergovernmental revenue	\$ 6,038	\$ -	\$ 6,038
Interest expense	(90,310)	(343,136)	(433,446)
Interest income	891	30,915	31,806
Total nonoperating revenues (expenses)	\$ (83,381)	\$ (312,221)	\$ (395,602)
Income before capital contributions	\$ 137,900	\$ (37,447)	\$ 100,453
Capital contributions and connection charges	\$ -	\$ 6,051,269	\$ 6,051,269
Total capital contributions	\$ -	\$ 6,051,269	\$ 6,051,269
Change in net position	\$ 137,900	\$ 6,013,822	\$ 6,151,722
Total net position - beginning	2,590,305	30,537,020	33,127,325
Total net position - ending	\$ 2,728,205	\$ 36,550,842	\$ 39,279,047

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

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2018

	Enterprise Funds		
	Solid Waste	Water & Sewer Authority	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 1,227,314	\$ 4,290,390	\$ 5,517,704
Payments to suppliers of goods and services	(159,314)	(1,638,285)	(1,797,599)
Payments to employees	(227,612)	(1,235,575)	(1,463,187)
Payments for interfund services used	(71,260)	-	(71,260)
Payments for other charges	(118,490)	-	(118,490)
Net cash provided by (used for) operating activities	\$ 650,638	\$ 1,416,530	\$ 2,067,168
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Nonoperating grants from Commonwealth of Virginia	\$ 6,038	\$ -	\$ 6,038
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	\$ -	\$ (12,561,175)	\$ (12,561,175)
Capital contributions and connection charges	-	56,102	56,102
Capital grants	-	5,995,167	5,995,167
Interest payments	(91,516)	(343,138)	(434,654)
Proceeds from bonds payable	-	267,461	267,461
Retirement of indebtedness	(113,731)	(979,131)	(1,092,862)
Net cash provided by (used for) capital and related financing activities	\$ (205,247)	\$ (7,564,714)	\$ (7,769,961)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	\$ 891	\$ 30,915	\$ 31,806
Principal payments received on loans receivable	-	36,458	36,458
Net cash provided by (used for) investing activities	\$ 891	\$ 67,373	\$ 68,264
Net increase (decrease) in cash and cash equivalents	\$ 452,320	\$ (6,080,811)	\$ (5,628,491)
Cash and cash equivalents - beginning	3,955,266	9,426,489	13,381,755
Cash and cash equivalents - ending	\$ 4,407,586	\$ 3,345,678	\$ 7,753,264
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ 221,281	\$ 274,774	\$ 496,055
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:			
Depreciation and amortization	\$ 267,899	\$ 950,698	\$ 1,218,597
Amortization of closure and postclosure costs	167,025	-	167,025
(Increase) decrease in accounts receivable	20,754	(33,980)	(13,226)
(Increase) decrease in grants receivable	-	(125,968)	(125,968)
Increase (decrease) in accounts payable	(29,544)	335,129	305,585
Increase (decrease) in compensated absences	3,223	9,747	12,970
Increase (decrease) in net pension liability	-	179,894	179,894
(Increase) decrease in deferred outflows of resources - pension	-	(85,528)	(85,528)
Increase (decrease) in deferred inflows of resources - pension	-	(87,836)	(87,836)
Increase (decrease) in net OPEB obligation	-	(400)	(400)
Total adjustments	\$ 429,357	\$ 1,141,756	\$ 1,571,113
Net cash provided by (used for) operating activities	\$ 650,638	\$ 1,416,530	\$ 2,067,168

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

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements As of June 30, 2018

Note 1—Summary of Significant Accounting Policies:

The County of Greenville, Virginia was formed in 1781 and is governed by an elected four 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 Greenville, 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 - GASB Statement No. 34 requires the financial statements 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 GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

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

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

Budgetary Comparison Schedules - Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in one way or another in the process of establishing the annual operating budgets of state and local governments, and have a keen interest in following the actual financial progress of their governments over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. The government has presented the original budget in addition to the final budget in comparison with 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 general purpose financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organizations 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 Greenville, 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

1. Blended Component Units

The Greenville County Water and Sewer Authority has separate corporate powers that distinguish it as being legally separate from the County of Greenville, Virginia. The Water and Sewer Authority is financially accountable to the County because the County appoints a voting majority of its governing body and has the ability to impose its will on the Authority by significantly influencing the programs, projects, activities, and level of services provided by the Authority. The governing body of the Authority is the same as the governing body of the County.

For the reasons listed above, the Greenville Water and Sewer Authority is a blended component unit of the County. The financial data of the Authority for its year ended September 30, 2017 has been included in this financial report. However, separately issued financial statements for the Authority can be obtained from the County Administrator's office located at 1781 Greenville County Circle, Emporia, Virginia 23847.

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

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

B. Individual Component Unit Disclosures (Continued)

2. Discretely Presented Component Units

The Greenville County School Board operates the elementary and secondary public schools in the County. School Board members are appointed by the County Board of Supervisors. 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 is comprised of two Governmental Funds, the School Operating and School Cafeteria; and one Capital Projects Fund, the School Capital Projects Fund. The School Board is a discretely presented component unit of the County for which separate financial statements are issued. Copies of such statements can be obtained from the School Board offices located at 105 Ruffin Street, Emporia, Virginia 23847.

The Greenville County Industrial Development Authority was created by the County to attract industry to the County and to provide financing for such industries. The Authority does have separate corporate powers that distinguish it as being legally separate from the County. The County is financially accountable for the Authority because it appoints a voting majority of the Authority's governing body and there exists a financial benefit or burden between the two entities. However, because the two governing bodies are not substantially the same, the Authority is a discretely presented component unit of the County. Separately issued financial statements for the Authority can be obtained from the County Administrator's office located at 1781 Greenville County Circle, Emporia, Virginia 23847.

The Greenville/Emporia Department of Social Services has also been determined to be a discretely presented component unit of the County. The County's Board of Supervisors appoints a voting majority of the Department's governing body, the existence of a financial benefit and burden between the County and Department, and the County is financially accountable for the Department. All of these factors require the department to be reported as a discretely presented component unit. Separate financial statements for the Department have been issued and can be obtained from their administrative offices located at P.O. Box 1136, Emporia, Virginia 23847.

C. Other Related Organizations

Included in the County's Financial Report

None

Excluded from the County's Financial Report:

Meherrin Regional Library

The Meherrin Regional Library is considered a jointly governed organization and therefore its operations are not included in the County's financial statements. The counties of Greenville, Brunswick and the City of Emporia provide the financial support for the Library and appoint its governing Board, in which is vested the ability to execute contracts and to budget and expend funds. The County appoints two (2) of the ten (10) members of the Board.

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

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

C. Other Related Organizations (Continued)

District 19 Community Services Board

The Board was created by resolution pursuant to state statute and is considered a jointly governed organization and therefore its operations are not included in the county's financial statements. The County appoints two of the Board members; however, the County cannot impose its will on the Board since it does not have the ability to modify or approve the budget or overrule or modify the decisions of the Board. The Board is fiscally independent and there is no financial benefit or burden relationship with the County.

Southside Regional Jail Authority

The Authority was created in 1995 to develop, construct, operate and maintain the regional jail known as Southside Regional Jail Authority. The Jail's service area includes the County of Greenville and the City of Emporia. The Authority is governed by a Board of Directors appointed by the Board of Supervisors of the County of Greenville and City of Emporia, Virginia. The Board of Directors has appointed the Treasurer of Greenville County to serve as fiscal agent. The Board is considered a jointly governed organization and therefore its operations are not included in the County's financial statements. The County cannot impose its will on the Board since it does not have the ability to modify or approve the budget or overrule or modify decisions of the Authority. The Authority is fiscally independent and there is not a financial benefit or burden relationship with the County.

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 provided 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.

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

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

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.

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

b. Capital Projects Fund

The Capital Projects Fund accounts for and reports all financial resources used for the acquisition or construction of major capital facilities. The Capital Projects Fund is considered a major fund for reporting purposes.

c. Comprehensive Services Act Fund

The Comprehensive Services Act Fund accounts for and reports activity of the CSA program as mandated by the Commonwealth of Virginia. The CSA fund is considered a major fund for reporting purposes.

d. Public Transportation Fund

The Public Transportation Fund accounts for and reports activity of the Greenville Emporia Transit System. The Public Transportation Fund is considered a major fund for reporting purposes.

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

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

2. Proprietary Funds

The Proprietary Funds account for operations that are financed in a manner similar to private business enterprises. The Proprietary Funds measurement focus is upon determination of net income, financial position, and cash flow. The Proprietary Funds consists of the Enterprise Funds.

The Enterprise Funds account for the financing of services to the general public where all or most of the operating expenses involved are recorded in the form of charges to users of such services. The Solid Waste Fund and Water and Sewer Authority (blended component unit) are Enterprise Funds.

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

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, Public Transportation Fund and the Capital Projects Funds of the primary government and the School Fund, School Cafeteria Fund and School Capital Projects of the 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 GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

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

F. Cash and Cash Equivalents

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

G. Investments

Money market investments, participating interest-earning investment contracts (repurchase agreements) that have a remaining maturity at time of purchase of one year or less, nonparticipating interest-earning investment contracts (nonnegotiable certificates of deposit (CDs)) and external investment pools are measured at amortized cost. All other investments are reported at fair value. Investments in custody of others include unspent bond proceeds and accumulated interest that the County intends to use for capital projects.

H. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “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 \$210,839 at June 30, 2018 and is comprised solely 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 December 5th. The County bills and collects its own property taxes.

I. Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure, are reported in the columns in the government-wide financial statements. Capital assets are defined by the County 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.

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

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

I. Capital Assets: (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Interest attributable to capitalized assets as of June 30, 2018 was immaterial.

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

<u>Assets</u>	<u>Years</u>
Infrastructure	30
Buildings and improvements	20-40
Machinery and equipment	3-8
Land Improvements	20

J. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources are reported as an expenditure and a fund liability of the governmental fund that will pay the leave. 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. In accordance with the provisions of Government Accounting Standards No. 16, Accounting for Compensated Absences, 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 is reported as other financing sources while discounts on debt issuances are reported as other financing uses.

L. Use of Estimates

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

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

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

M. Restricted Cash

General Fund:

The County maintains a Debt Service Reserve Fund restricted for future required debt service payments on the following debt issues:

Series 2015 Lease Revenue Bond	\$ 382,607
Series 2011 Lease Revenue Bond	<u>85,958</u>
Total restricted cash, Exhibit 3	\$ <u>468,565</u>
Total restricted cash, Exhibit 1	\$ <u><u>468,565</u></u>

N. Fund Balances

Financial Policies

The Board of Supervisors meets on a monthly basis to manage and review cash financial activities and to ensure compliance with established policies. It is the County's policy to fund current expenditures with current revenues and the County's mission is to strive to maintain a diversified and stable revenue stream to protect the government from problematic fluctuations in any single revenue source and provide stability to ongoing services. The County's unassigned General Fund balance will be maintained to provide the County with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing.

Under GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances are required to be reported according to the following classifications:

Nonspendable fund balance - Includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes inventories, prepaid amounts, assets held for sale, and long-term receivables.

Restricted fund balance - Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation).

Committed fund balance - Amounts that can only be used for specific purposes because of a formal action (resolution or ordinance) by the government's highest level of decision-making authority.

Assigned fund balance - Amounts that are constrained by the County's intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body, another body (such as a Finance Committee), or by an official to whom that authority has been given. With the exception of the General Fund, this is the residual fund balance classification for all governmental funds with positive balances.

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

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

N. Fund Balances: (Continued)

Unassigned fund balance – This is the residual classification of the General Fund. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification, as the result of overspending for specific purposes for which amounts had been restricted, committed or assigned.

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.

O. Designated Cash

The County designates cash in the Solid Waste Fund for the following purposes:

Designated for new equipment	\$ 140,460
Designated for new cell development	371,000
Designated for postclosure monitoring	1,559,332
Designated for landfill closure	<u>1,661,611</u>
Total designated cash	<u>\$ 3,732,403</u>

P. Net Position

Net Position is the difference between a) assets and deferred outflows of resources and b) liabilities and deferred inflows of resources. Net investment in capital assets represents capital assets, less accumulated depreciation, less any outstanding debt related 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 also included in this component of net position.

Q. Net Position Flow Assumption

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.

R. 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 one item that qualifies for reporting in this category. It is comprised of certain items related to the measurement of the net pension liability and net OPEB liabilities and contributions to the pension and OPEB plans made during the current year and subsequent to the net pension liability and net OPEB liabilities measurement date. For more detailed information on these items, reference the related notes.

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

R. 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 multiple items that qualify for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30, 2nd half installments levied during the fiscal year but due after June 30th, and amounts prepaid on the 2nd half installments and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, 2nd half installments levied during the fiscal year but due after June 30th and amounts prepaid on the 2nd half installments are reported as deferred inflows of resources. In addition, certain items related to the measurement of the net pension liability and net OPEB liabilities are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

S. 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 Retirement Plan and the additions to/deductions from the County'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.

T. Other Postemployment Benefits (OPEB)

Group Life Insurance

The Virginia Retirement System (VRS) Group Life Insurance (GLI) Program provides coverage to state employees, teachers, and employees of participating political subdivisions. The GLI Program 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. The GLI Program is a defined benefit plan that provides a basic group life insurance benefit for employees of participating employers. For purposes of measuring the net GLI Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the GLI OPEB, and GLI OPEB expense, information about the fiduciary net position of the VRS GLI Program OPEB and the additions to/deductions from the VRS GLI OPEB's 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.

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

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

T. Other Postemployment Benefits (OPEB): (Continued)

Health Insurance Credit Program

The County Health Insurance Credit (HIC) Program 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. For purposes of measuring the net HIC OPEB liability, deferred outflows of resources and deferred inflows of resources related to the HIC OPEB, and the related HIC OPEB expense, information about the fiduciary net position of the Virginia Retirement System (VRS) Political Subdivision HIC Program, and the additions to/deductions from the VRS Political Subdivision HIC Program's net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 2—Deposits and Investments:

Deposits

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the "Act") Section 2.2-4400 et. seq. of the Code of Virginia. Under the Act, banks and savings institutions holding public deposits 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 the County 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 and certain corporate notes, banker's acceptances, repurchase agreements and the State Treasurer's Local Government Investment Pool (LGIP).

The County has no formal investment policy addressing the various risks related to investments.

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 2—Deposits and Investments: (Continued)

Credit Risk of Debt Securities

The County's rated debt investments as of June 30, 2018 were rated by Standard & Poor's and the ratings are presented below using Standard & Poor's rating scale.

County's Rated Debt Investments' Values			
Rated Debt Investments		Fair Quality Ratings	
		AAA	AAAm
U.S. Agencies Money Market Funds	\$	-	\$ 421,478
Virginia State Non-Arbitrage Pool		-	85,958
Local Government Investment Pool		-	5,475,817
Total	\$	-	\$ 5,983,253

Interest Rate Risk

The County reports the following investment maturities:

Investment Maturities (in years)		
Investment Type	Fair Value	Less Than 1 Year
Local Government Investment Pool (LGIP)	\$ 5,475,817	\$ 5,475,817
SNAP	85,958	85,958
Total	\$ 5,561,775	\$ 5,561,775

External Investment Pools

The value of the positions in the external investment pools (Local Government Investment Pool and State Non-Arbitrage Pool) is the same as the value of the pool shares. As LGIP and SNAP are not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury. LGIP and SNAP are amortized cost basis portfolios under the provisions of GASB Statement No. 79. There are no withdrawal limitations or restrictions imposed on participants.

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 2—Deposits and Investments: (Continued)

External Investment Pools: (Continued)

Other

Discretely Presented Component Unit-Greenville/Emporia Department of Social Services

All funds of the Department are in the custody of the Treasurer of the County.

Discretely Presented Component Unit-Greenville County Industrial Development Authority

All funds of the Authority are in the custody of the Authority's Treasurer.

Note 3—Fair Value Measurements:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The County maximizes the use of observable inputs and minimizes the use of unobservable inputs. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

- Level 1. Quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at a measurement date
- Level 2. Directly or indirectly observable inputs for the asset or liability other than quoted prices
- Level 3. Unobservable inputs that are supported by little or no market activity for the asset or liability

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk.

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 3—Fair Value Measurements: (Continued)

The County has the following recurring fair value measurements as of June 30, 2018:

<u>Investment</u>	<u>June 30, 2018</u>	<u>Fair Value Measurement Using Quoted Prices in Active Markets for Identical Assets (Level 1)</u>
U.S. Agencies Money Market Funds	\$ 421,478	\$ 421,478
Total	\$ 421,478	\$ 421,478

Note 4—Due From/To Other Governmental Units:

At June 30, 2018, the County has receivables from other governments as follows:

Primary Government:

Commonwealth of Virginia:

Local Sales Tax	\$ 138,376
Communications Tax	26,022
Comprehensive Services Act	166,509
Highway funds	1,330,426
Other State Funds	210,139
Total due from Commonwealth of Virginia	\$ 1,871,472

Federal government:

Transportation	\$ 65,390
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Total Due From Other Governmental Units \$ 1,936,862

Discretely Presented Component Units:

School Board:

State Sales Tax	\$ 319,662
Other State School Funds	13,186
Federal School Funds	607,297
Total School Board	\$ 940,145

Department of Social Services:

State Public assistance	\$ 51,029
Federal Public assistance	111,698

Total Department of Social Services \$ 162,727

Total Discretely Presented Component Units \$ 1,102,872

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 5—Capital Assets:

Primary Government:

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 2,106,648	\$ -	\$ -	\$ 2,106,648
Total capital assets not being depreciated	\$ 2,106,648	\$ -	\$ -	\$ 2,106,648
Capital assets being depreciated:				
Buildings and improvements	\$ 28,016,008	\$ -	\$ -	\$ 28,016,008
Land Improvements	1,416,126	-	-	1,416,126
Machinery and Equipment	3,899,553	214,591	-	4,114,144
Jointly owned assets	10,908,405	-	1,526,984	9,381,421
Total capital assets being depreciated	\$ 44,240,092	\$ 214,591	\$ 1,526,984	\$ 42,927,699
Accumulated depreciation:				
Buildings and improvements	\$ 6,860,330	\$ 702,570	\$ -	\$ 7,562,900
Land Improvements	697,910	70,806	-	768,716
Machinery and Equipment	3,185,848	266,022	-	3,451,870
Jointly owned assets	2,583,089	225,648	513,295	2,295,442
Total accumulated depreciation	\$ 13,327,177	\$ 1,265,046	\$ 513,295	\$ 14,078,928
Total capital assets being depreciated, net	\$ 30,912,915	\$ (1,050,455)	\$ 1,013,689	\$ 28,848,771
Governmental activities capital assets, net	\$ 33,019,563	\$ (1,050,455)	\$ 1,013,689	\$ 30,955,419
Business-type Activities:				
Capital assets not being depreciated:				
Land	\$ 2,505,900	\$ -	\$ -	\$ 2,505,900
Construction in progress	3,086,163	12,495,376	1,680,652	13,900,887
Total capital assets not being depreciated	\$ 5,592,063	\$ 12,495,376	\$ 1,680,652	\$ 16,406,787
Capital assets being depreciated:				
Infrastructure	\$ 44,747,958	\$ 1,680,651	\$ -	\$ 46,428,609
Buildings and other improvements	2,803,808	-	-	2,803,808
Machinery and Equipment	2,628,173	65,800	-	2,693,973
Total capital assets being depreciated	\$ 50,179,939	\$ 1,746,451	\$ -	\$ 51,926,390
Accumulated depreciation:				
Infrastructure	\$ 16,790,399	\$ 983,612	\$ -	\$ 17,774,011
Buildings and other improvements	985,877	85,214	-	1,071,091
Machinery and Equipment	2,187,566	149,771	-	2,337,337
Total accumulated depreciation	\$ 19,963,842	\$ 1,218,597	\$ -	\$ 21,182,439
Total capital assets being depreciated, net	\$ 30,216,097	\$ 527,854	\$ -	\$ 30,743,951
Business-type activities, net	\$ 35,808,160	\$ 13,023,230	\$ 1,680,652	\$ 47,150,738

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 5—Capital Assets: (Continued)

Discretely Presented Component Unit School Board:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Capital assets not being depreciated:				
Land	\$ 442,775	\$ -	\$ 5,000	\$ 437,775
Total capital assets not being depreciated	\$ 442,775	\$ -	\$ 5,000	\$ 437,775
Capital assets being depreciated:				
Buildings and improvements	\$ 35,835,487	\$ -	\$ 62,688	\$ 35,772,799
Machinery and equipment	6,529,363	252,512	1,223,240	5,558,635
Jointly owned assets	(10,908,405)	1,526,984	-	(9,381,421)
Total capital assets being depreciated	\$ 31,456,445	\$ 1,779,496	\$ 1,285,928	\$ 31,950,013
Accumulated depreciation:				
Buildings and improvements	\$ 15,265,718	\$ 865,359	\$ 62,688	\$ 16,068,389
Machinery and equipment	4,267,440	372,172	1,206,382	3,433,230
Jointly owned assets	(2,583,089)	513,295	225,648	(2,295,442)
Total accumulated depreciation	\$ 16,950,069	\$ 1,750,826	\$ 1,494,718	\$ 17,206,177
Total capital assets being depreciated, net	\$ 14,506,376	\$ 28,670	\$ (208,790)	\$ 14,743,836
Governmental activities capital assets, net	\$ 14,949,151	\$ 28,670	\$ (203,790)	\$ 15,181,611

Discretely Presented Component Unit Department of Social Services:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Capital assets being depreciated:				
Machinery and equipment	\$ 87,183	\$ 23,988	\$ -	\$ 111,171
Accumulated depreciation:				
Machinery and equipment	\$ 87,183	\$ 4,798	\$ -	\$ 91,981
Total capital assets being depreciated, net	\$ -	\$ 19,190	\$ -	\$ 19,190

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 5—Capital Assets: (Continued)

Discretely Presented Component Unit Industrial Development Authority:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Capital assets not being depreciated:				
Land	\$ 31,705	\$ -	\$ -	\$ 31,705
Construction in progress	-	3,746,015	-	3,746,015
Total capital assets not being depreciated	\$ 31,705	\$ 3,746,015	\$ -	\$ 3,777,720
Capital assets being depreciated:				
Buildings	\$ 4,077,940	\$ -	\$ 2,413,498	\$ 1,664,442
Accumulated depreciation:				
Buildings	\$ 2,046,774	\$ 95,706	\$ 1,282,939	\$ 859,541
Total accumulated depreciation	\$ 2,046,774	\$ 95,706	\$ 1,282,939	\$ 859,541
Total capital assets being depreciated, net	\$ 2,062,871	\$ 3,650,309	\$ 1,130,559	\$ 4,582,621

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

Primary Government:
Governmental activities:

General government administration	\$ 487,673
Judicial administration	54,563
Public safety	134,286
Public works	97,757
Education	250,114
Parks and recreation	11,146
Community development	229,507
Total governmental activities	\$ 1,265,046
Business-type activities	\$ 1,218,597
Component Unit-School Board	\$ 1,750,826
Component Unit-Department of Social Services	\$ 4,798
Component Unit-Industrial Development Authority	\$ 95,706

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 6—Due To/From Primary Government/Component Units:

<u>Fund</u>	<u>Due From Primary Government/ Component Unit</u>	<u>Due To Primary Government/ Component Unit</u>
Primary Government:		
Governmental Funds	\$ 189,126	\$ -
Discretely Presented Component Units:		
School Board:		
School Operating Fund	290,941	-
Department of Social Services:		
Virginia Public Assistance Fund	-	480,067
Total	\$ <u>480,067</u>	\$ <u>480,067</u>
Interfund Transfers:		
<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
General Fund	\$ -	\$ 409,749
Comprehensive Services Act Fund	155,929	-
Capital Projects Fund	253,820	-
Total	\$ <u>409,749</u>	\$ <u>409,749</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.

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 7—Long-term Obligations:

Changes in Long-term Obligations:

The following is a summary of long-term obligations transactions of the County and Component Units for the year ended June 30, 2018:

	Restated Balance July 1, 2017	Issuances/ Additions	Retirements/ Deletions	Balance June 30, 2018	Due Within One Year
Primary Government:					
<u>Governmental Activities</u>					
Revenue bonds	\$ 11,436,348	\$ -	\$ 1,709,361	\$ 9,726,987	\$ 702,834
Premium on bonds	478,072	-	42,036	436,036	42,036
USDA loans	6,026,270	-	193,234	5,833,036	167,359
Note payable	1,102,009	-	80,882	1,021,127	84,303
Loans payable	227,686	-	45,560	182,126	47,078
Literary fund loans	4,500,000	-	375,000	4,125,000	375,000
VPSA bonds	1,363,575	-	843,575	520,000	160,000
Net OPEB liabilities	665,388	43,904	88,068	621,224	-
Net pension liability	1,980,532	1,663,598	2,771,486	872,644	-
Compensated absences	421,205	-	5,192	416,013	41,601
Total Governmental Activities	<u>\$ 28,201,085</u>	<u>\$ 1,707,502</u>	<u>\$ 6,154,394</u>	<u>\$ 23,754,193</u>	<u>\$ 1,620,211</u>
<u>Business-type Activities</u>					
Revenue bonds	\$ 12,520,000	\$ -	\$ 990,000	\$ 11,530,000	\$ 825,000
Interim Financing	-	267,461	-	267,461	-
Premium on bonds	1,350,605	-	89,594	1,261,011	89,594
Loan payable	103,304	-	13,268	90,036	13,735
Landfill closure and postclosure liability	2,367,148	167,025	-	2,534,173	-
Net OPEB obligation	20,300	3,700	4,100	19,900	-
Net pension liability	319,221	376,794	196,900	499,115	-
Compensated absences	246,585	12,970	-	259,555	25,955
Total Business-type Activities	<u>\$ 16,927,163</u>	<u>\$ 827,950</u>	<u>\$ 1,293,862</u>	<u>\$ 16,461,251</u>	<u>\$ 954,284</u>
Component Unit Industrial Development Authority					
Notes payable	<u>\$ 1,507,956</u>	<u>\$ 3,795,000</u>	<u>\$ 962,507</u>	<u>\$ 4,340,449</u>	<u>\$ 178,954</u>
Component Unit Department of Social Services					
Compensated absences	\$ 149,810	\$ 3,880	\$ -	\$ 153,690	\$ 15,369
Net OPEB liabilities	168,931	3,012	21,077	150,866	-
Net pension liability	1,523,706	621,670	886,738	1,258,638	-
Total Department of Social Services	<u>\$ 1,842,447</u>	<u>\$ 628,562</u>	<u>\$ 907,815</u>	<u>\$ 1,563,194</u>	<u>\$ 15,369</u>
Component Unit School Board					
Net OPEB liabilities	\$ 3,897,200	\$ 218,085	\$ 426,885	\$ 3,688,400	\$ -
Net pension liability	22,448,000	3,459,000	6,723,000	19,184,000	-
Total School Board	<u>\$ 26,345,200</u>	<u>\$ 3,677,085</u>	<u>\$ 7,149,885</u>	<u>\$ 22,872,400</u>	<u>\$ -</u>

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 7—Long-term Obligations: (Continued)

Primary Government—Governmental Activities:

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

Year Ending June 30,	Primary Government					
	Revenue Bonds		VPSA Bonds		Note payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 702,834	\$ 364,915	\$ 160,000	\$ 43,289	\$ 84,303	\$ 40,785
2020	725,425	338,681	45,000	40,356	87,869	37,219
2021	750,141	311,491	45,000	40,356	91,586	33,503
2022	777,987	281,454	45,000	40,356	95,460	29,629
2023	813,971	250,090	45,000	40,356	99,498	25,591
2024	844,098	217,280	45,000	40,356	103,706	21,382
2025	835,531	183,655	45,000	40,356	108,093	16,996
2026	847,000	150,899	45,000	40,356	112,665	12,423
2027	880,000	117,011	45,000	40,356	117,431	7,658
2028	908,000	85,509	-	-	120,516	417
2029	552,000	62,722	-	-	-	-
2030	60,000	45,569	-	-	-	-
2031	70,000	42,981	-	-	-	-
2032	70,000	40,272	-	-	-	-
2033	75,000	37,303	-	-	-	-
2034	75,000	34,059	-	-	-	-
2035	80,000	30,675	-	-	-	-
2036	80,000	27,175	-	-	-	-
2037	85,000	23,559	-	-	-	-
2038	90,000	19,713	-	-	-	-
2039	95,000	15,659	-	-	-	-
2040	100,000	11,400	-	-	-	-
2041	105,000	6,909	-	-	-	-
2042	105,000	2,303	-	-	-	-
Total	<u>\$ 9,726,987</u>	<u>\$ 2,701,284</u>	<u>\$ 520,000</u>	<u>\$ 366,137</u>	<u>\$ 1,021,127</u>	<u>\$ 225,603</u>

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 7—Long-term Obligations: (Continued)

Primary Government—Governmental Activities: (Continued)

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

Year Ending June 30,	Primary Government					
	Loans Payable		Literary Loans		USDA Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 47,078	\$ 1,243	\$ 375,000	\$ 82,500	\$ 167,359	\$ 224,082
2020	48,648	939	375,000	75,000	153,639	217,799
2021	50,274	628	375,000	67,500	159,323	212,115
2022	29,863	310	375,000	60,000	165,293	206,145
2023	6,263	34	375,000	52,500	171,450	199,988
2024	-	-	375,000	45,000	177,838	193,600
2025	-	-	375,000	37,500	184,432	187,006
2026	-	-	375,000	30,000	191,341	180,097
2027	-	-	375,000	22,500	198,476	172,962
2028	-	-	375,000	15,000	205,879	165,559
2029	-	-	375,000	7,500	213,529	157,909
2030	-	-	-	-	221,528	149,910
2031	-	-	-	-	229,797	141,641
2032	-	-	-	-	234,620	132,962
2033	-	-	-	-	216,537	127,642
2034	-	-	-	-	132,948	115,552
2035	-	-	-	-	135,499	110,814
2036	-	-	-	-	121,693	105,020
2037	-	-	-	-	126,445	100,269
2038	-	-	-	-	131,431	95,282
2039	-	-	-	-	136,591	90,122
2040	-	-	-	-	141,957	84,756
2041	-	-	-	-	147,518	79,195
2042	-	-	-	-	153,335	73,378
2043	-	-	-	-	159,366	67,347
2044	-	-	-	-	165,637	61,076
2045	-	-	-	-	172,145	54,568
2046	-	-	-	-	178,936	47,777
2047	-	-	-	-	185,986	40,727
2048	-	-	-	-	193,316	33,397
2049	-	-	-	-	200,932	25,781
2050	-	-	-	-	176,558	20,576
2051	-	-	-	-	143,752	10,748
2052	-	-	-	-	125,204	5,321
2053	-	-	-	-	12,746	2,183
Total	\$ <u>182,126</u>	\$ <u>3,154</u>	\$ <u>4,125,000</u>	\$ <u>495,000</u>	\$ <u>5,833,036</u>	\$ <u>3,893,306</u>

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 7—Long-term Obligations: (Continued)

Primary Government—Business-type Activities:

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

Year Ended Sept. 30,	Water and Sewer Revenue Bonds									
	2014 Refunding		2013 Refunding		2012B		2016B		2011B	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 70,000	\$ 86,469	\$ 365,000	\$ 25,425	\$ 5,000	\$ 8,706	\$ 35,000	\$ 76,575	\$ 65,000	\$ 63,019
2019	75,000	82,881	375,000	15,469	5,000	8,450	40,000	75,181	70,000	60,588
2020	80,000	79,038	-	-	5,000	8,194	40,000	73,731	70,000	57,450
2021	80,000	75,388	-	-	10,000	7,938	40,000	71,931	75,000	54,363
2022	85,000	71,288	-	-	10,000	7,425	45,000	70,131	80,000	50,519
2023	95,000	66,931	-	-	10,000	6,913	45,000	67,825	85,000	46,419
2024	100,000	62,063	-	-	10,000	6,400	50,000	65,519	90,000	42,063
2025	100,000	56,938	-	-	10,000	5,938	50,000	63,156	95,000	37,450
2026	105,000	51,813	-	-	10,000	5,475	50,000	61,094	95,000	32,581
2027	110,000	46,781	-	-	10,000	5,038	55,000	59,031	100,000	27,713
2028	110,000	41,494	-	-	10,000	4,650	55,000	56,363	110,000	22,588
2029	115,000	36,156	-	-	10,000	4,263	60,000	53,994	115,000	17,300
2030	125,000	32,213	-	-	10,000	3,875	60,000	51,369	120,000	11,756
2031	130,000	26,206	-	-	10,000	3,550	65,000	49,156	125,000	6,006
2032	140,000	19,944	-	-	15,000	3,225	65,000	46,825	-	-
2033	145,000	13,169	-	-	15,000	2,719	70,000	44,469	-	-
2034	150,000	6,188	-	-	15,000	2,175	70,000	41,956	-	-
2035	-	-	-	-	15,000	1,631	75,000	39,369	-	-
2036	-	-	-	-	15,000	1,088	75,000	37,338	-	-
2037	-	-	-	-	15,000	544	80,000	35,231	-	-
2038	-	-	-	-	-	-	80,000	31,806	-	-
2039	-	-	-	-	-	-	85,000	28,269	-	-
2040	-	-	-	-	-	-	90,000	24,475	-	-
2041	-	-	-	-	-	-	95,000	20,363	-	-
2042	-	-	-	-	-	-	95,000	16,094	-	-
2043	-	-	-	-	-	-	100,000	13,125	-	-
2044	-	-	-	-	-	-	105,000	10,000	-	-
2045	-	-	-	-	-	-	105,000	6,719	-	-
2046	-	-	-	-	-	-	110,000	3,438	-	-
Total	\$ 1,815,000	\$ 854,960	\$ 740,000	\$ 40,894	\$ 215,000	\$ 98,197	\$ 1,990,000	\$ 1,294,533	\$ 1,295,000	\$ 529,815
Premium on bonds	283,009		44,315		-		211,288		152,924	
Total	\$ 2,098,009		\$ 784,315		\$ 215,000		\$ 2,201,288		\$ 1,447,924	

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 7—Long-term Obligations: (Continued)

Primary Government—Business-type Activities: (Continued)

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

Year Ended Sept. 30,	Infrastructure Revenue Bonds		Note Payable		Interim Financing	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 180,000	\$ 151,416	\$ 13,735	\$ 3,032	-	\$ -
2019	190,000	143,056	14,220	2,547	-	-
2020	200,000	133,726	14,722	2,045	267,461	-
2021	205,000	126,226	15,242	1,525	-	-
2022	220,000	117,854	15,780	987	-	-
2023	230,000	107,633	16,337	372	-	-
2024	235,000	96,898	-	-	-	-
2025	250,000	85,815	-	-	-	-
2026	265,000	73,940	-	-	-	-
2027	275,000	61,360	-	-	-	-
2028	285,000	47,060	-	-	-	-
2029	300,000	32,240	-	-	-	-
2030	320,000	16,640	-	-	-	-
Total	\$ 3,155,000	\$ 1,193,864	\$ 90,036	\$ 10,508	\$ 267,461	\$ -
Premium on bonds	226,192					
Total	\$ 3,381,192					

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 7—Long-term Obligations: (Continued)

Primary Government—Business-type Activities: (Continued)

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

Ended June 30,	2013A	
	Principal	Interest
2019	\$ 105,000	\$ 100,669
2020	105,000	95,963
2021	110,000	90,754
2022	115,000	86,513
2023	120,000	82,041
2024	125,000	76,113
2025	135,000	70,201
2026	140,000	64,348
2027	145,000	58,163
2028	150,000	51,554
2029	160,000	44,560
2030	165,000	37,182
2031	175,000	29,469
2032	180,000	21,391
2033	190,000	12,874
2034	<u>200,000</u>	<u>4,250</u>
Total	\$ 2,320,000	\$ <u>926,045</u>
Premium on bonds	<u>343,283</u>	
Total	\$ <u>2,663,283</u>	

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 7—Long-term Obligations: (Continued)

Details of Long-term Indebtedness:

	<u>Amount Outstanding</u>
<u>Primary Government--Governmental Activities:</u>	
<u>State Literary Fund Loans:</u>	
Authorized \$7,500,000, issued February 2009, payable annually at \$375,000 principal over 20 years through 2029, plus interest payable at 2%	\$ <u>4,125,000</u>
Total State Literary Fund Loans	\$ <u>4,125,000</u>
<u>Virginia Public School Authority Bonds:</u>	
Authorized \$760,000 QSC Bonds, Series 2010-1, issued July 1, 2010, payable annually at \$85,356 annually through 2027, plus interest paid semi-annually and reimbursed by a federal tax credit equal to the interest paid of 5.31%	\$ 405,000
Authorized \$2,300,000, issued April 1998, with principal of \$115,000 payable annually from July 15, 1999 through July 15, 2018, interest paid semi-annually at various interest rates from 4.10% to 5.35%	<u>115,000</u>
Total Virginia Public School Authority Bonds	\$ <u>520,000</u>
<u>Revenue Bonds:</u>	
Authorized \$6,440,000 refunding revenue bonds, issued December 20, 2013, payable at various amounts from \$505,484 to \$507,289 annually through fiscal year 2029, interest at 2.93%	\$ 4,705,000
Authorized \$516,000 lease revenue bonds, issued September 15, 2009, payable in monthly installments of \$4,003 through fiscal year 2025, interest at 4.71%	259,631

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 7—Long-term Obligations: (Continued)

Details of Long-term Indebtedness: (Continued)

	<u>Amount Outstanding</u>
<u>Primary Government--Governmental Activities: (Continued)</u>	
<u>Revenue Bonds: (Continued)</u>	
Authorized \$243,175 lease revenue bonds, issued September 15, 2009, payable in monthly installments of \$1,886 through fiscal year 2025, interest at 4.71%	\$ 122,356
Authorized \$1,355,000 2011A VRA bonds, issued May 18, 2011, payable at various amounts from \$20,000 to \$80,000 annually through fiscal year 2042, plus interest at 4.62%	1,215,000
Authorized \$700,000 lease revenue bonds, issued August 2, 2012, payable at various amounts from \$23,694 to \$28,881 annually through fiscal year 2042, plus interest at 3.625% - 5.125%	410,000
Authorized \$3,690,000 lease revenue bonds, issued May 28, 2015, payable at various amounts from \$375,344 to \$380,788 annually through fiscal year 2028, plus interest at 2.78%	<u>3,015,000</u>
Total Revenue Bonds	<u>\$ 9,726,987</u>
<u>USDA Loans:</u>	
Authorized \$1,345,650 USDA Rural Development bonds, issued June 30, 2009, payable at \$72,531 annually through fiscal year 2049, plus interest paid at 4.375%	\$ 1,207,977
Authorized \$371,530 USDA Rural Development bonds, issued September 17, 2010, payable in installments of \$18,975 annually through fiscal year 2051, interest at 4.00%	344,247
Authorized \$1,425,600 USDA Rural Development bonds, issued December 1, 2010, payable at yearly installments of \$70,154 annually through fiscal year 2050 and a balloon payment of \$891,143 due in FY 2051, interest at 4.5%	1,315,469
Authorized \$442,720 USDA Rural Development bonds, issued December 8, 2011, payable at \$21,787 annually through fiscal year 2053 plus interest paid at 3.75%	266,683
Authorized \$482,000 USDA Rural Development bonds, issued November 16, 2012, payable at \$33,919 annually through fiscal year 2028, interest at 3.50%	370,458
Authorized \$90,000 USDA Rural Development bonds, issued August 27, 2013, payable at \$19,935 annually through fiscal year 2019, interest at 3.50%	19,233
Authorized \$1,265,000 USDA Rural Development bonds, issued November 16, 2012, payable at \$89,019 annually through fiscal year 2034 plus interest paid at 3.50%	1,011,128
Authorized \$1,399,273 USDA Rural Development bonds, issued June 1, 2012, payable at \$65,053 annually through fiscal year 2053, plus interest paid at 3.375%	<u>1,297,841</u>
Total USDA Loans	<u>\$ 5,833,036</u>

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 7—Long-term Obligations: (Continued)

Details of Long-term Indebtedness: (Continued)

	<u>Amount Outstanding</u>
<u>Primary Government--Governmental Activities: (Continued)</u>	
<u>Note Payable:</u>	
Note payable dated November 1, 2006 with First Community Bank, drawdowns not to exceed \$1,700,000, principal and interest due semi-annually, total annual payments of \$125,088, interest at 4.15%	\$ 1,021,127
Total Note Payable	<u>\$ 1,021,127</u>
<u>Loans Payable:</u>	
Loan payable dated November 17, 2015 to City of Emporia, VA of \$98,070, principal and interest due in monthly installments of \$1,259.47 through November 2022, interest at 2.17%. The County is responsible for 65.38% of the total note of \$150,000	\$ 63,598
Loan payable dated November 3, 2011 to City of Emporia, VA of \$308,675, principal and interest due in monthly installments of \$3,090.38 through November 2021, interest at 3.75%. The County is responsible for 67.08% of the total note of \$460,160	118,528
Total Loans Payable	<u>\$ 182,126</u>
Compensated Absences	<u>\$ 416,013</u>
Premium on bonds	<u>\$ 436,036</u>
Net pension liability	<u>\$ 872,644</u>
Net OPEB liabilities	<u>\$ 621,224</u>
Total Primary Government-Governmental Activities	<u><u>\$ 23,754,193</u></u>
<u>Primary Government--Business-type Activities:</u>	
<u>Solid Waste Fund:</u>	
Landfill closure and postclosure liability	\$ 2,534,173
<u>Revenue Bonds:</u>	
Authorized \$2,695,000 lease revenue bonds, issued August 2, 2012, payable at various amounts from \$200,754 to \$205,669 annually through fiscal year 2034, plus interest at 3.124% - 4.845%	\$ 2,320,000
Premium on bonds	<u>\$ 343,283</u>
Compensated absences	<u>\$ 27,635</u>

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 7—Long-term Obligations: (Continued)

Details of Long-term Indebtedness: (Continued)

	<u>Amount Outstanding</u>
<u>Primary Government--Business-type Activities: (Continued)</u>	
<u>Water and Sewer Authority:</u>	
<u>Note Payable:</u>	
\$235,629 Water & Sewer loan payable issued May 30, 2003, due in semi-annual payments of principal and interest of \$8,387, through September 1, 2023, interest at 3.50%	\$ 90,036
Interim Financing:	\$ 267,461
<u>Revenue Bonds:</u>	
\$2,105,000 Water & Sewer Refunding Revenue Bonds series 2013C issued November 6, 2013, due in various semi-annual installments of principal and interest through October 1, 2019, interest of 1.74% payable semi-annually	\$ 740,000
Premiums on bonds	917,728
\$240,000 Water & Sewer Refunding Revenue Bonds Series 2012B, issued July 12, 2012, due in various semi-annual payments of principal and interest through October 1, 2037, variable interest of 3.125% -5.125% and payable semi-annually.	215,000
\$1,640,000 Water & Sewer Refunding Revenue Bonds Series 2011, issued October 15, 2011, due in various semi-annual payments of principal and interest through November 1, 2031, interest of 5.5% and payable semi-annually.	1,295,000
\$4,435,000 Water & Sewer Refunding Revenue Bonds Series 2010, issued June 16, 2010, due in various semi-annual payments of principal and interest through October 1, 2030, variable interest of 2.2% - 5.2% and payable semi-annually.	3,155,000
\$2,025,000 Water & Sewer Revenue Bonds series 2016B issued July 27, 2016, due in various semi-annual payments of principal and interest through October 1, 2046, interest payable semi-annually at 3.17%.	1,990,000
\$365,000 Water and Sewer Refunding Revenue Bonds Series 2014C, issued November 5, 2014, due in various semi-annual payments of principal and interest through October 1, 2034, interest payable semi-annually at 3.50%.	320,000
\$2,175,000 Water and Sewer Refunding Revenue Bonds Series 2014C, issued November 5, 2014, due in various semi-annual payments of principal and interest through October 1, 2034, interest payable semi-annually at 3.26%.	1,495,000
Total revenue bonds	\$ 10,127,728
Net OPEB obligation	\$ 19,900
Net pension liability	\$ 499,115
Compensated absences	\$ 231,919
Total Primary Government--Business-type Activities	\$ 16,461,250
Total Primary Government	\$ 40,215,443

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 7—Long-term Obligations: (Continued)

Details of Long-term Indebtedness: (Continued)

	<u>Amount Outstanding</u>
<u>Discretely Presented Component Unit-Greenville County School Board</u>	
Net OPEB liabilities	\$ 3,688,400
Net pension liability	<u>19,184,000</u>
Total School Board	<u>\$ 22,872,400</u>
<u>Discretely Presented Component Unit-Greenville/Emporia</u>	
<u>Department of Social Services:</u>	
Compensated absences	\$ 153,690
Net OPEB liabilities	150,866
Net pension liability	<u>1,258,638</u>
Total Department of Social Services	<u>\$ 1,563,194</u>
<u>Discretely Presented Component Unit-Industrial</u>	
<u>Development Authority of Greenville County, Virginia:</u>	
<u>Notes Payable:</u>	
On August 2, 2017, the Authority issued Series 2017B lease revenue taxable bonds in the amount of \$3,795,000. Principal is payable annually on October 1st starting October 1, 2018 through October 1, 2037 in varying amounts with interest payable semi-annually at rates from 1.774% to 4.053%.	\$ 3,795,000
On July 19, 2010, the Authority entered in a note payable agreement in the amount of \$825,000 with the Greenville County Water and Sewer Authority. The proceeds were used to refinance the note payable agreement dated February 11, 2005 with an outstanding balance of \$820,594. Payments are due monthly in the amount of \$4,913 through July 15, 2030, interest at 5.0%.	<u>545,449</u>
Total Industrial Development Authority	<u>\$ 4,340,449</u>
Total long-term obligations, reporting entity	<u>\$ 68,991,487</u>

The County is paying \$3,090 monthly to the City of Emporia for their portion of a note payable for a fire truck. The City of Emporia owns the truck. The County began paying on December 3, 2011 and will complete payment requirements on November 3, 2021. The total cost to the County is \$370,846, interest at 3.75%.

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 8—Pension Plan:

Plan Description

All full-time, salaried permanent employees of the County 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.

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. The specific information for each plan and the eligibility for covered groups within each plan are set out in the table below:

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
About Plan 1 Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula.	About Plan 2 Plan 2 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula.	About the Hybrid Retirement Plan The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. <ul style="list-style-type: none">• The defined benefit is based on a member's age, creditable service and average final compensation at retirement using a formula.• The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions.

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 8—Pension Plan: (Continued)

Plan Description: (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
About Plan 1 (Cont.)	About Plan 2 (Cont.)	<p>About the Hybrid Retirement Plan (Cont.)</p> <ul style="list-style-type: none"> In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.
<p>Eligible Members Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013, and they have not taken a refund.</p> <p>Hybrid Opt-In Election VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p>	<p>Eligible Members Employees are in Plan 2 if their membership date is 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.</p> <p>Hybrid Opt-In Election Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p>	<p>Eligible Members Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:</p> <ul style="list-style-type: none"> Political subdivision employees* School division employees Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan's effective date for opt-in members was July 1, 2014. <p>*Non-Eligible Members Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:</p> <ul style="list-style-type: none"> Political subdivision employees who are covered by enhanced benefits for hazardous duty employees.

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 8—Pension Plan: (Continued)

Plan Description: (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Hybrid Opt-In Election (Cont.) Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP.</p>	<p>Hybrid Opt-In Election (Cont.) Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP.</p>	<p>*Non-Eligible Members (Cont.) Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.</p>
<p>Retirement Contributions Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.</p>	<p>Retirement Contributions Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction.</p>	<p>Retirement Contributions A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.</p>

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 8—Pension Plan: (Continued)

Plan Description: (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Creditable Service Creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p>	<p>Creditable Service Same as Plan 1.</p>	<p>Creditable Service <u>Defined Benefit Component:</u> Under the defined benefit component of the plan, creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p> <p><u>Defined Contribution Component:</u> Under the defined contribution component, creditable service is used to determine vesting for the employer contribution portion of the plan.</p>

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 8—Pension Plan: (Continued)

Plan Description: (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Vesting Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of creditable service. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund.</p> <p>Members are always 100% vested in the contributions that they make.</p>	<p>Vesting Same as Plan 1.</p>	<p>Vesting <u>Defined Benefit Component:</u> Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of creditable service. Plan 1 or Plan 2 members with at least five years (60 months) of creditable service who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.</p> <p><u>Defined Contribution Component:</u> Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan.</p> <p>Members are always 100% vested in the contributions that they make.</p> <p>Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.</p> <ul style="list-style-type: none"> • After two years, a member is 50% vested and may withdraw 50% of employer contributions.

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 8—Pension Plan: (Continued)

Plan Description: (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Vesting (Cont.)	Vesting (Cont.)	<p>Vesting (Cont.) <u>Defined Contribution Component: (Cont.)</u></p> <ul style="list-style-type: none"> • After three years, a member is 75% vested and may withdraw 75% of employer contributions. • After four or more years, a member is 100% vested and may withdraw 100% of employer contributions. <p>Distribution is not required by law until age 70½.</p>
<p>Calculating the Benefit The Basic Benefit is calculated based on a formula using the member's average final compensation, a retirement multiplier and total service credit at retirement. It is one of the benefit payout options available to a member at retirement.</p> <p>An early retirement reduction factor is applied to the Basic Benefit if the member retires with a reduced retirement benefit or selects a benefit payout option other than the Basic Benefit.</p>	<p>Calculating the Benefit See definition under Plan 1.</p>	<p>Calculating the Benefit <u>Defined Benefit Component:</u> See definition under Plan 1.</p> <p><u>Defined Contribution Component:</u> The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.</p>
<p>Average Final Compensation A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.</p>	<p>Average Final Compensation A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.</p>	<p>Average Final Compensation Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.</p>

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 8—Pension Plan: (Continued)

Plan Description: (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Service Retirement Multiplier VRS: The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%.</p> <p>Sheriffs and regional jail superintendents: The retirement multiplier for sheriffs and regional jail superintendents is 1.85%.</p> <p>Political subdivision hazardous duty employees: The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.70% or 1.85% as elected by the employer.</p>	<p>Service Retirement Multiplier VRS: Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for creditable service earned, purchased or granted on or after January 1, 2013.</p> <p>Sheriffs and regional jail superintendents: Same as Plan 1.</p> <p>Political subdivision hazardous duty employees: Same as Plan 1.</p>	<p>Service Retirement Multiplier Defined Benefit Component: VRS: The retirement multiplier for the defined benefit component is 1.00%.</p> <p>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.</p> <p>Sheriffs and regional jail superintendents: Not applicable.</p> <p>Political subdivision hazardous duty employees: Not applicable.</p> <p>Defined Contribution Component: Not applicable.</p>
<p>Normal Retirement Age VRS: Age 65.</p> <p>Political subdivisions hazardous duty employees: Age 60.</p>	<p>Normal Retirement Age VRS: Normal Social Security retirement age.</p> <p>Political subdivisions hazardous duty employees: Same as Plan 1.</p>	<p>Normal Retirement Age Defined Benefit Component: VRS: Same as Plan 2.</p> <p>Political subdivisions hazardous duty employees: Not applicable.</p> <p>Defined Contribution Component: Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 8—Pension Plan: (Continued)

Plan Description: (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Earliest Unreduced Retirement Eligibility VRS: Age 65 with at least five years (60 months) of creditable service or at age 50 with at least 30 years of creditable service.</p> <p>Political subdivisions hazardous duty employees: Age 60 with at least five years of creditable service or age 50 with at least 25 years of creditable service.</p>	<p>Earliest Unreduced Retirement Eligibility VRS: Normal Social Security retirement age with at least five years (60 months) of creditable service or when their age and service equal 90.</p> <p>Political subdivisions hazardous duty employees: Same as Plan 1.</p>	<p>Earliest Unreduced Retirement Eligibility <u>Defined Benefit Component:</u> VRS: Normal Social Security retirement age and have at least five years (60 months) of creditable service or when their age and service equal 90.</p> <p>Political subdivisions hazardous duty employees: Not applicable.</p> <p><u>Defined Contribution Component:</u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p>Earliest Reduced Retirement Eligibility VRS: Age 55 with at least five years (60 months) of creditable service or age 50 with at least 10 years of creditable service.</p> <p>Political subdivisions hazardous duty employees: 50 with at least five years of creditable service.</p>	<p>Earliest Reduced Retirement Eligibility VRS: Age 60 with at least five years (60 months) of creditable service.</p> <p>Political subdivisions hazardous duty employees: Same as Plan 1.</p>	<p>Earliest Reduced Retirement Eligibility <u>Defined Benefit Component:</u> VRS: Age 60 with at least five years (60 months) of creditable service.</p> <p>Political subdivisions hazardous duty employees: Not applicable.</p> <p><u>Defined Contribution Component:</u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 8—Pension Plan: (Continued)

Plan Description: (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.</p> <p><u>Eligibility:</u> For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of creditable service, the COLA will go into effect on July 1 after one full calendar year from the retirement date.</p> <p>For members who retire with a reduced benefit and who have less than 20 years of creditable service, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.</p> <p><u>Exceptions to COLA Effective Dates:</u> The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:</p> <ul style="list-style-type: none"> • The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. • The member retires on disability. 	<p>Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.</p> <p><u>Eligibility:</u> Same as Plan 1.</p> <p><u>Exceptions to COLA Effective Dates:</u> Same as Plan 1.</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement <u>Defined Benefit Component:</u> Same as Plan 2.</p> <p><u>Defined Contribution Component:</u> Not applicable.</p> <p><u>Eligibility:</u> Same as Plan 1 and Plan 2.</p> <p><u>Exceptions to COLA Effective Dates:</u> Same as Plan 1 and Plan 2.</p>

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 8—Pension Plan: (Continued)

Plan Description: (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Cost-of-Living Adjustment (COLA) in Retirement (Cont.)</p> <p><u>Exceptions to COLA Effective Dates: (Cont.)</u></p> <ul style="list-style-type: none"> • The member retires directly from short-term or long-term disability under the Virginia Sickness and Disability Program (VSDP). • The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program. • The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins. 	<p>Cost-of-Living Adjustment (COLA) in Retirement (Cont.)</p> <p><u>Exceptions to COLA Effective Dates: (Cont.)</u></p>	<p>Cost-of-Living Adjustment (COLA) in Retirement (Cont.)</p> <p><u>Exceptions to COLA Effective Dates: (Cont.)</u></p>
<p>Disability Coverage Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service, regardless of when it was earned, purchased or granted.</p>	<p>Disability Coverage Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.</p>	<p>Disability Coverage Employees of political subdivisions and School divisions (including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members.</p>

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 8—Pension Plan: (Continued)

Plan Description: (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Disability Coverage (Cont.)	Disability Coverage (Cont.)	Disability Coverage (Cont.) Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.
Purchase of Prior Service Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as creditable service in their plan. Prior creditable service counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.	Purchase of Prior Service Same as Plan 1.	Purchase of Prior Service <u>Defined Benefit Component:</u> Same as Plan 1, with the following exceptions: <ul style="list-style-type: none"> Hybrid Retirement Plan members are ineligible for ported service. <u>Defined Contribution Component:</u> Not applicable.

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2017 Comprehensive Annual Financial Report (CAFR). A copy of the 2017 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2017-annual-report-pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 8—Pension Plan: (Continued)

Employees Covered by Benefit Terms

As of the June 30, 2016 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Primary Government
Inactive members or their beneficiaries currently receiving benefits	72
Inactive members:	
Vested inactive members	11
Non-vested inactive members	11
Inactive members active elsewhere in VRS	62
Total inactive members	84
Active members	92
Total covered employees	248

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. Prior to July 1, 2012, all or part of the 5.00% member contribution may have been assumed by the employer. Beginning July 1, 2012, new employees were required to pay the 5% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5.00% member contribution. This could be phased in over a period of up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution.

The County's contractually required employer contribution rate for the year ended June 30, 2018 was 7.82% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2015.

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 \$361,497 and \$346,788 for the years ended June 30, 2018 and June 30, 2017.

Note 8—Pension Plan: (Continued)

Net Pension Liability

The County’s net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2016, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2017.

Actuarial Assumptions - General Employees

The total pension liability for General Employees in the County’s Retirement Plan was based on an actuarial valuation as of June 30, 2016, 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, 2017.

Inflation	2.5%
Salary increases, including inflation	3.5% - 5.35%
Investment rate of return	7.0%, 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 7.0%. However, since the difference was minimal, and a more conservative 7.0% 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 7.0% to simplify preparation of pension liabilities.

Mortality rates:

Largest 10 - Non-Hazardous Duty: 20% 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 GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 8—Pension Plan: (Continued)

Actuarial Assumptions - General Employees (Continued)

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.

The actuarial assumptions used in the June 30, 2016 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:

Largest 10 - 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% to 20%

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% to 15%

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 8—Pension Plan: (Continued)

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the County's Retirement Plan was based on an actuarial valuation as of June 30, 2016, 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, 2017.

Inflation	2.5%
Salary increases, including inflation	3.5% - 4.75%
Investment rate of return	7.0%, 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 7.0%. However, since the difference was minimal, and a more conservative 7.0% 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 7.0% to simplify preparation of pension liabilities.

Mortality rates:

Largest 10 - Hazardous Duty: 70% 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.

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.

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 8—Pension Plan: (Continued)

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

The actuarial assumptions used in the June 30, 2016 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:

Largest 10 - 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
Withdrawal Rates	Adjusted rates to better fit experience
Disability Rates	Increased rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 70%

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% to 45%

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 8—Pension Plan: (Continued)

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return
Public Equity	40.00%	4.54%	1.82%
Fixed Income	15.00%	0.69%	0.10%
Credit Strategies	15.00%	3.96%	0.59%
Real Assets	15.00%	5.76%	0.86%
Private Equity	15.00%	9.53%	1.43%
Total	100.00%		4.80%
		Inflation	2.50%
		*Expected arithmetic nominal return	7.30%

* The above allocation provides a one-year return of 7.30%. 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 6.83%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. 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. Through the fiscal year ending June 30, 2019, the rate contributed by the employer for the County Retirement Plans 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, participating employers are assumed 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.

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 8—Pension Plan: (Continued)

Changes in Net Pension Liability

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2016	\$ 21,227,101	\$ 19,246,569	\$ 1,980,532
Changes for the year:			
Service cost	\$ 473,179	\$ -	\$ 473,179
Interest	1,453,548	-	1,453,548
Differences between expected and actual experience	70,577	-	70,577
Assumption changes	(213,835)	-	(213,835)
Contributions - employer	-	346,929	(346,929)
Contributions - employee	-	224,034	(224,034)
Net investment income	-	2,336,043	(2,336,043)
Benefit payments, including refunds	(924,273)	(924,273)	-
Administrative expenses	-	(13,576)	13,576
Other changes	-	(2,073)	2,073
Net changes	\$ 859,196	\$ 1,967,084	\$ (1,107,888)
Balances at June 30, 2017	\$ 22,086,297	\$ 21,213,653	\$ 872,644

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

The following presents the net pension liability of the County using the discount rate of 7.00%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	Rate		
	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
County's Net Pension Liability (Asset)	\$ 3,660,979	\$ 872,644	\$ (1,449,606)

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 8—Pension Plan: (Continued)

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

For the year ended June 30, 2018, the County recognized pension expense of \$206,084. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 116,934	\$ -
Change in assumptions	-	141,593
Net difference between projected and actual earnings on pension plan investments	-	311,020
Employer contributions subsequent to the measurement date	361,497	-
Total	<u>\$ 478,431</u>	<u>\$ 452,613</u>

\$361,497 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2019. 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
2019	\$ (187,719)
2020	52,819
2021	(438)
2022	(200,341)
2023	-
Thereafter	-

Note 9—Deferred/Unavailable/Revenue:

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

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 9—Deferred/Unavailable/Revenue: (Continued)

The following is a summary of deferred/unavailable revenue for the year ended June 30, 2018:

	Government- wide Statements Governmental Activities	Balance Sheet Governmental Funds
Primary Government:		
General Fund:		
Deferred/Unavailable property tax revenue:		
Unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures	\$ -	\$ 290,814
2018 assessments due in December 2018	12,766,044	12,766,044
Prepaid property taxes due in December 2018, but paid in advance by the taxpayers	38,532	38,532
Total deferred/unavailable revenue	\$ 12,804,576	\$ 13,095,390

Note 10—Landfill Closure and Postclosure Care Cost:

State and federal laws and regulations require the County to place a final cover on its Greenville landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as each balance sheet date. The \$2,534,173 reported as landfill closure and postclosure care liability at June 30, 2018 represents the cumulative amount reported based on the use of 38.7 percent of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$4,014,078 as the remaining estimated capacity is filled. The County expects to close the landfill in the year 2025. Actual cost may be higher due to inflation, changes in technology, or changes in regulations. The County intends to fund these costs from tipping fee revenues.

The County has demonstrated financial assurance requirements for closure and postclosure care 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. Also, \$3,220,943 has been designated in the Solid Waste Fund for payment of future closure and postclosure care costs.

Note 11—Risk Management:

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County joined together with other local governments in Virginia to form the Virginia Association of Counties Risk Management Program, a public entity risk pool currently operating as a common risk management and insurance program for participating local governments. The County pays an annual premium to the association for its workers compensation insurance, and general liability insurance.

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 11—Risk Management: (Continued)

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

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

Note 12—Litigation:

At June 30, 2018, 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 13—City/County School Cost Agreement:

The City of Emporia and the County of Greenville are parties to an agreement that contains provisions for cost sharing, representation and other matters relating to the Greenville County Public School System. The current agreement expires June 30, 2018. The City and County are currently negotiating a new agreement.

Note 14—Surety Bonds:

	<u>Amount</u>
Fidelity and Deposit Company of Maryland - Surety	
Robert C. Wrenn, Clerk of the Circuit Court	\$ 25,000
Pamela Lifsey, Treasurer	300,000
Martha S. Swenson, Commissioner of the Revenue	3,000
William T. Jarratt, Jr., Sheriff	30,000
Above constitutional officers' employees - blanket bond	50,000
Hartford Accident & Indemnity Company - Surety:	
Dr. Angela B. Wilson, Superintendent of Schools	10,000
Alicia M. Hargrove, Deputy Clerk of the School Board	10,000
Paige Crewe, Clerk of the School Board	10,000
Amber P. Barbour, Bookkeeper	10,000
LaTina Stephens, Payroll Clerk	10,000

By order dated December 31, 1983, the Judge of the Circuit Court ruled that no bond shall be required for any member of the Greenville County Board of Supervisors.

Note 15—Other Postemployment Benefits: (Continued)

Health Insurance (Single-employer Defined Benefit Plan)

Plan Description

The County provides postemployment medical coverage for retired employees through a single-employer defined benefit plan. The County 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 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 July 1, 2017 (measurement date), the following employees were covered by the benefit terms:

	<u>County</u>
Total active employees with coverage	109
Total inactive employees or retirees with coverage	<u>2</u>
Total	<u><u>111</u></u>

Contributions

The County does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the County. The amount paid by the County for OPEB as the benefits came due during the year ended June 30, 2017 was \$9,400.

Total OPEB Liability

The County’s total OPEB liability was measured as of July 1, 2017. The total OPEB liability was determined by an actuarial valuation as of July 1, 2016.

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

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

Actuarial Assumptions

The total OPEB liability in the July 1, 2017 actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry age actuarial cost method
Discount Rate	3.56%
Healthcare Trend Rate	11.10% for fiscal year end 2017 (to reflect actual experience), reverting back to 6.50% for fiscal year end 2018, decreasing 0.50% per year to an ultimate rate of 5.00%.
Salary Increase Rates	2.50%
Retirement Age	Reduced: Age 50 and 10 years of service or Age 55 and 5 years of service; Unreduced: Age 65 and 5 years of service or Age 50 with 30 years of service
Mortality Rates	RP-2014 mortality table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2017

Discount Rate

The discount rate has been set equal to 3.56% and represents the Municipal GO AA 20-year curve rate as of June 30, 2017.

Changes in Total OPEB Liability

	<u>County Total OPEB Liability</u>
Balances at June 30, 2017	\$ 233,400
Changes for the year:	
Service cost	11,700
Interest	8,600
Contributions - employer	(9,400)
Net changes	\$ 10,900
Balances at June 30, 2018	\$ 244,300

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (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 Discount Rate

The following amounts present the total OPEB liability of the County, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.56%) or one percentage point higher (4.56%) than the current discount rate:

	Rate		
	1% Decrease (2.56%)	Current Discount Rate (3.56%)	1% Increase (4.56%)
County's Total OPEB Liability	\$ 267,300	\$ 244,300	\$ 223,300

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

The following presents the total OPEB liability of the County, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (5.50% decreasing by .50% annually to an ultimate rate of 4.00%) or one percentage point higher (7.50% decreasing by .50% annually to an ultimate rate of 6.00%) than the current healthcare cost trend rates:

	Rates		
	1% Decrease (5.50% decreasing to 4.00%)	Healthcare Cost Trend (6.50% decreasing to 5.00%)	1% Increase (7.50% decreasing to 6.00%)
County's Total OPEB Liability	\$ 216,200	\$ 244,300	\$ 277,200

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

For the year ended June 30, 2018, the County recognized OPEB expense in the amount of \$20,300. At June 30, 2018, the County did not have deferred outflows of resources or deferred inflows of resources related to OPEB.

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

Note 15—Other Postemployment Benefits: (Continued)

Group Life Insurance:

Plan Description

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

In addition to the Basic Group Life Insurance benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional Group Life Insurance Program. 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 program, it is not included as part of the Group Life Insurance Program OPEB.

The specific information for Group Life Insurance Program OPEB, including eligibility, coverage and benefits is set out in the table below:

GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS
<p>Eligible Employees</p> <p>The Group Life Insurance Program was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program, including the following employers that do not participate in VRS for retirement:</p> <ul style="list-style-type: none"> • City of Richmond • City of Portsmouth • City of Roanoke • City of Norfolk • Roanoke City School Board <p>Basic group life insurance coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their member contributions and accrued interest.</p>

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

Group Life Insurance: (Continued)

Plan Description (Continued)

GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS (CONTINUED)
Benefit Amounts <p>The benefits payable under the Group Life Insurance Program have several components.</p> <ul style="list-style-type: none">• <u>Natural Death Benefit</u> - The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled.• <u>Accidental Death Benefit</u> - The accidental death benefit is double the natural death benefit.• <u>Other Benefit Provisions</u> - In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include:<ul style="list-style-type: none">○ Accidental dismemberment benefit○ Safety belt benefit○ Repatriation benefit○ Felonious assault benefit○ Accelerated death benefit option
Reduction in Benefit Amounts <p>The benefit amounts provided to members covered under the Group Life Insurance Program 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.</p>
Minimum Benefit Amount and Cost-of-Living Adjustment (COLA) <p>For covered members with at least 30 years of creditable service, there is a minimum benefit payable under the Group Life Insurance Program. The minimum benefit was set at \$8,000 by statute. The amount is increased annually based on the VRS Plan 2 cost-of-living adjustment and is currently \$8,111.</p>

Contributions

The contribution requirements for the Group Life Insurance Program 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 Program was 1.31% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.79% (1.31% x 60%) and the employer component was 0.52% (1.31% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2018 was 0.52% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2015. 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 Program from the County were \$24,506 and \$23,378 for the years ended June 30, 2018 and June 30, 2017, respectively.

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (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 Program OPEB

At June 30, 2018, the County reported a liability of \$367,000 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2017 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation as of that date. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the Group Life Insurance Program for the year ended June 30, 2017 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2017, the participating employer's proportion for the County was .02437% as compared to .02373% at June 30, 2016.

For the year ended June 30, 2018, the County recognized GLI OPEB expense of \$6,000. 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, 2018, 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>
Differences between expected and actual experience	\$ -	\$ 8,000
Net difference between projected and actual earnings on GLI OPEB program investments	-	14,000
Change in assumptions	-	19,000
Changes in proportion	9,000	-
Employer contributions subsequent to the measurement date	24,506	-
Total	<u>\$ 33,506</u>	<u>\$ 41,000</u>

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (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 Program OPEB (Continued)

\$24,506 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, 2019. 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>	
2019	\$ (6,000)
2020	(6,000)
2021	(6,000)
2022	(6,000)
2023	(4,000)
Thereafter	(4,000)

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2016, 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, 2017.

Inflation	2.5%
Salary increases, including inflation:	
General state employees	3.5% - 5.35%
Teachers	3.5%-5.95%
SPORS employees	3.5%-4.75%
VaLORS employees	3.5%-4.75%
JRS employees	4.5%
Locality - General employees	3.5%-5.35%
Locality - Hazardous Duty employees	3.5%-4.75%
Investment rate of return	7.0%, 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 7.0%. However, since the difference was minimal, and a more conservative 7.0% 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 7.0% to simplify preparation of OPEB liabilities.

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

Group Life Insurance: (Continued)

Actuarial Assumptions: (Continued)

Mortality Rates - General State Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males set back 1 year, 85% of rates; females set back 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; females set back 1 year with 1.5% increase compounded from ages 70 to 85.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males 115% of rates; females 130% of rates.

The actuarial assumptions used in the June 30, 2016 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	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
Line of Duty Disability	Increased rate from 14% to 25%

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

Group Life Insurance: (Continued)

Actuarial Assumptions: (Continued)

Mortality Rates - Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

The actuarial assumptions used in the June 30, 2016 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	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

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

Group Life Insurance: (Continued)

Actuarial Assumptions: (Continued)

Mortality Rates - SPORS 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.

The actuarial assumptions used in the June 30, 2016 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 and reduced margin for future improvement in accordance with experience
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 85%

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

Group Life Insurance: (Continued)

Actuarial Assumptions: (Continued)

Mortality Rates - VaLORS 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.

The actuarial assumptions used in the June 30, 2016 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 and reduced margin for future improvement in accordance with experience
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 match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 50% to 35%

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

Group Life Insurance: (Continued)

Actuarial Assumptions: (Continued)

Mortality Rates - JRS Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males set back 1 year, 85% of rates; females set back 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; females set back 1 year with 1.5% compounding increase from ages 70 to 85.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males 115% of rates; females 130% of rates.

The actuarial assumptions used in the June 30, 2016 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	Decreased rates at first retirement eligibility
Withdrawal Rates	No change
Disability Rates	Removed disability rates
Salary Scale	No change

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

Group Life Insurance: (Continued)

Actuarial Assumptions: (Continued)

Mortality Rates - 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.

The actuarial assumptions used in the June 30, 2016 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	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% to 20%

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

Group Life Insurance: (Continued)

Actuarial Assumptions: (Continued)

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.

The actuarial assumptions used in the June 30, 2016 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	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% to 15%

Mortality Rates - 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 GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

Group Life Insurance: (Continued)

Actuarial Assumptions: (Continued)

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

The actuarial assumptions used in the June 30, 2016 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	Lowered retirement rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Increased disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 70%

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 GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

Group Life Insurance: (Continued)

Actuarial Assumptions: (Continued)

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

The actuarial assumptions used in the June 30, 2016 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% to 45%

NET GLI OPEB Liability

The net OPEB liability (NOL) for the Group Life Insurance 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, 2017, NOL amounts for the Group Life Insurance Program is as follows (amounts expressed in thousands):

		Group Life Insurance OPEB Program
Total GLI OPEB Liability	\$	2,942,426
Plan Fiduciary Net Position		1,437,586
Employers' Net GLI OPEB Liability (Asset)	\$	<u>1,504,840</u>
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		48.86%

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 GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (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:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return
Public Equity	40.00%	4.54%	1.82%
Fixed Income	15.00%	0.69%	0.10%
Credit Strategies	15.00%	3.96%	0.59%
Real Assets	15.00%	5.76%	0.86%
Private Equity	15.00%	9.53%	1.43%
Total	100.00%		4.80%
		Inflation	2.50%
		*Expected arithmetic nominal return	7.30%

*The above allocation provides a one-year return of 7.30%. 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 6.83%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 7.00%. 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.

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

Group Life Insurance: (Continued)

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

The following presents the employer's proportionate share of the net GLI OPEB liability using the discount rate of 7.00%, 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 (6.00%) or one percentage point higher (8.00%) than the current rate:

	Rate		
	1% Decrease	Current Discount	1% Increase
	(6.00%)	(7.00%)	(8.00%)
County's proportionate share of the Group Life Insurance Program			
Net OPEB Liability	\$ 475,000	\$ 367,000	\$ 280,000

Group Life Insurance Program Fiduciary Net Position

Detailed information about the Group Life Insurance Program's Fiduciary Net Position is available in the separately issued VRS 2017 Comprehensive Annual Financial Report (CAFR). A copy of the 2017 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2017-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Health Insurance Credit (HIC) Program - County:

Plan Description

All full-time, salaried permanent employees of participating political subdivisions are automatically covered by the VRS Political Subdivision Health Insurance Credit Program 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 health insurance credit 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.

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

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

Plan Description: (Continued)

The specific information about the Political Subdivision Health Insurance Credit Program OPEB, including eligibility, coverage and benefits is set out in the table below:

POLITICAL SUBDIVISION HEALTH INSURANCE CREDIT PROGRAM PLAN PROVISIONS	
Eligible Employees	<p>The Political Subdivision Retiree Health Insurance Credit Program was established July 1, 1993 for retired political subdivision employees of employers who elect the benefit and who retire with at least 15 years of service credit.</p> <p>Eligible employees of participating employers are enrolled automatically upon employment. They include:</p> <ul style="list-style-type: none"> • Full-time permanent salaried employees of the participating political subdivision who are covered under the VRS pension plan.
Benefit Amounts	<p>The political subdivision's Retiree Health Insurance Credit Program provides the following benefits for eligible employees:</p> <ul style="list-style-type: none"> • <u>At Retirement</u> - 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. • <u>Disability Retirement</u>- 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.
Health Insurance Credit Program Notes:	<ul style="list-style-type: none"> • The monthly Health Insurance Credit benefit cannot exceed the individual premium amount. • No health insurance credit 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 health insurance credit as a retiree.

Employees Covered by Benefit Terms

As of the June 30, 2016 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan:

Inactive members or their beneficiaries currently receiving benefits	11
Total inactive members	11
Active members	40
Total covered employees	51

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

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

Contributions

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The County's contractually required employer contribution rate for the year ended June 30, 2018 was .17% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2015. 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 Health Insurance Credit Program were \$3,711 and \$3,436 for the years ended June 30, 2018 and June 30, 2017.

Net HIC OPEB Liability

The County's net Health Insurance Credit OPEB liability was measured as of June 30, 2017. The total Health Insurance Credit OPEB liability was determined by an actuarial valuation performed as of June 30, 2016, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2017.

Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2016, 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, 2017.

Inflation	2.5%
Salary increases, including inflation:	
Locality - General employees	3.5%-5.35%
Locality - Hazardous Duty employees	3.5%-4.75%
Investment rate of return	7.0%, 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 7.0%. However, since the difference was minimal, and a more conservative 7.0% 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 7.0% to simplify preparation of the OPEB liabilities.

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

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

Mortality Rates - 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.

The actuarial assumptions used in the June 30, 2016 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	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% to 20%

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

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

Actuarial Assumptions: (Continued)

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.

The actuarial assumptions used in the June 30, 2016 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	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% to 15%

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

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

Long-Term Expected Rate of Return

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

<u>Asset Class (Strategy)</u>	<u>Target Allocation</u>	<u>Arithmetic Long-term Expected Rate of Return</u>	<u>Weighted Average Long-term Expected Rate of Return</u>
Public Equity	40.00%	4.54%	1.82%
Fixed Income	15.00%	0.69%	0.10%
Credit Strategies	15.00%	3.96%	0.59%
Real Assets	15.00%	5.76%	0.86%
Private Equity	15.00%	9.53%	1.43%
Total	100.00%		4.80%
		Inflation	2.50%
		*Expected arithmetic nominal return	7.30%

*The above allocation provides a one-year return of 7.30%. 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 6.83%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total HIC OPEB liability was 7.00%. 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 GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

Health Insurance Credit (HIC) Program - 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, 2016	\$ 89,204	\$ 72,216	\$ 16,988
Changes for the year:			
Service cost	\$ 2,343	\$ -	\$ 2,343
Interest	6,125	-	6,125
Assumption changes	(3,438)	-	(3,438)
Contributions - employer	-	3,436	(3,436)
Net investment income	-	8,370	(8,370)
Benefit payments	(3,406)	(3,406)	-
Administrative expenses	-	(136)	136
Other changes	-	424	(424)
Net changes	\$ 1,624	\$ 8,688	\$ (7,064)
Balances at June 30, 2017	\$ 90,828	\$ 80,904	\$ 9,924

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

The following presents the County's Health Insurance Credit Program net HIC OPEB liability using the discount rate of 7.00%, 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 (6.00%) or one percentage point higher (8.00%) than the current rate:

	Rate		
	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
County's Net HIC OPEB Liability	\$ 18,722	\$ 9,924	\$ 2,337

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 15—Other Postemployment Benefits: (Continued)

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

Health Insurance Credit Program OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Health Insurance Credit Program OPEB

For the year ended June 30, 2018, the County recognized Health Insurance Credit Program OPEB expense of \$1,823. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to the County's Health Insurance Credit Program from the following sources:

<u>County:</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on HIC OPEB plan investments	\$ -	\$ 2,643
Change in assumptions	-	2,808
Employer contributions subsequent to the measurement date	3,711	-
Total	<u>\$ 3,711</u>	<u>\$ 5,451</u>

\$3,711 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	<u>County</u>
2019	\$ (1,291)
2020	(1,291)
2021	(1,291)
2022	(1,290)
2023	(288)
Thereafter	-

Health Insurance Credit Program Plan Data

Information about the VRS Political Subdivision Health Insurance Credit Program is available in the separately issued VRS 2017 Comprehensive Annual Financial Report (CAFR). A copy of the 2017 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2017-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 16—Commitments and Contingencies:

Federal programs in which the County and discretely presented component units 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 test which may result in disallowed expenditures. In the opinion of management, any future disallowance of current grant program expenditures, if any, would be immaterial.

Note 17—Upcoming Pronouncements:

Statement No. 83, *Certain Asset Retirement Obligations*, addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

Statement No. 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

Statement No. 87, *Leases*, increases the usefulness of governments' financial statements by requiring 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. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

Note 17—Upcoming Pronouncements: (Continued)

Statement No. 88, *Certain Disclosures Related to Debt*, Including Direct Borrowings and Direct Placements, clarifies which liabilities governments should include when disclosing information related to debt. It defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. The Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, it requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, enhances the relevance and comparability of information about 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. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

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

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Financial Statements As of June 30, 2018 (Continued)

Note 18—Adoption of Accounting Principles:

The County implemented the financial reporting provisions of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* during the fiscal year ended June 30, 2018. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to postemployment benefits other than pensions (other postemployment benefits or OPEB). Note disclosure and required supplementary information requirements about OPEB are also addressed. The requirements of this Statement will improve accounting and financial reporting by state and local governments for OPEB. In addition, the County, Library and School Board implemented Governmental Accounting Standards Board Statement No. 85, *Omnibus 2017* during the fiscal year ended June 30, 2018. This Statement addresses practice issues identified during implementation and application of certain GASB statements for a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits (OPEB)). The implementation of these Statements resulted in the following restatement of net position:

	Governmental Activities	School Board	Department of Social Services
Net Position as reported at June 30, 2017	\$ 14,486,006	\$ (4,790,864)	\$ (1,143,492)
To remove OPEB health insurance obligation as reported under GASB 45	126,700	256,200	-
OPEB liability restated as of July 1, 2017 - health insurance	(233,400)	(593,200)	-
OPEB liability restated as of July 1, 2017 - health insurance credit - VRS	(13,552)	(1,894,615)	(100,000)
OPEB liability restated as of July 1, 2017 - group life insurance	(393,000)	(1,204,000)	(59,120)
Net Position as restated at June 30, 2017	<u>\$ 13,972,754</u>	<u>\$ (8,226,479)</u>	<u>\$ (1,302,612)</u>

Note 19—Greensville County Water and Sewer Authority:

The Greensville County Water and Sewer Authority is reported as of fiscal year end September 30, 2017. Therefore, the Authority is still under the reporting requirements of GASB 45. The Authority will adopt GASB 75 reporting requirements for fiscal year ending September 30, 2018.

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REQUIRED SUPPLEMENTARY INFORMATION

Note to Required Supplementary Information:

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

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
General property taxes	\$ 8,151,492	\$ 8,762,316	\$ 9,558,501	\$ 796,185
Other local taxes	2,131,000	2,131,000	2,782,917	651,917
Permits, privilege fees, and regulatory licenses	45,000	53,056	99,619	46,563
Fines and forfeitures	1,327,000	1,327,000	1,732,217	405,217
Revenue from the use of money and property	340,260	340,260	426,339	86,079
Charges for services	458,709	462,295	402,412	(59,883)
Miscellaneous	243,732	260,982	212,394	(48,588)
Recovered costs	1,342,853	1,488,882	1,553,502	64,620
Intergovernmental:				
Commonwealth	3,133,279	4,181,333	6,978,507	2,797,174
Federal	-	160,818	110,466	(50,352)
Total revenues	\$ 17,173,325	\$ 19,167,942	\$ 23,856,874	\$ 4,688,932
EXPENDITURES				
Current:				
General government administration	\$ 1,928,292	\$ 2,199,993	\$ 2,141,064	\$ 58,929
Judicial administration	1,327,624	1,331,388	1,272,373	59,015
Public safety	4,337,291	5,985,725	5,602,178	383,547
Public works	1,609,969	1,681,106	1,664,249	16,857
Health and welfare	411,114	413,657	339,219	74,438
Education	2,594,164	2,599,272	2,452,693	146,579
Parks, recreation, and cultural	397,032	334,945	334,666	279
Community development	988,442	1,430,825	5,400,067	(3,969,242)
Debt service:				
Principal retirement	1,628,774	1,628,774	3,289,648	(1,660,874)
Interest and other fiscal charges	1,329,983	1,679,977	787,856	892,121
Total expenditures	\$ 16,552,685	\$ 19,285,662	\$ 23,284,013	\$ (3,998,351)
Excess (deficiency) of revenues over (under) expenditures	\$ 620,640	\$ (117,720)	\$ 572,861	\$ 690,581
OTHER FINANCING SOURCES (USES)				
Transfers (out)	\$ (620,640)	\$ (580,662)	\$ (409,749)	\$ 170,913
Total other financing sources (uses)	\$ (620,640)	\$ (580,662)	\$ (409,749)	\$ 170,913
Net change in fund balances	\$ -	\$ (698,382)	\$ 163,112	\$ 861,494
Fund balances - beginning	-	698,382	8,226,956	7,528,574
Fund balances - ending	\$ -	\$ -	\$ 8,390,068	\$ 8,390,068

Schedule of Changes in Net Pension Liability and Related Ratios
Primary Government
For the Years Ended June 30, 2015 through June 30, 2018

	2017	2016	2015	2014
Total pension liability				
Service cost	\$ 473,179	\$ 476,999	\$ 473,858	\$ 473,859
Interest	1,453,548	1,373,724	1,305,833	1,239,710
Differences between expected and actual experience	70,577	171,367	47,885	-
Changes in assumptions	(213,835)	-	-	-
Benefit payments, including refunds of employee contributions	(924,273)	(839,230)	(876,186)	(661,734)
Net change in total pension liability	\$ 859,196	\$ 1,182,860	\$ 951,390	\$ 1,051,835
Total pension liability - beginning	21,227,101	20,044,241	19,092,851	18,041,016
Total pension liability - ending (a)	\$ 22,086,297	\$ 21,227,101	\$ 20,044,241	\$ 19,092,851
Plan fiduciary net position				
Contributions - employer	\$ 346,929	\$ 420,229	\$ 422,174	\$ 438,233
Contributions - employee	224,034	218,347	212,789	211,106
Net investment income	2,336,043	331,958	852,949	2,537,289
Benefit payments, including refunds of employee contributions	(924,273)	(839,230)	(876,186)	(661,734)
Administrative expense	(13,576)	(11,912)	(11,733)	(13,550)
Other	(2,073)	(141)	(178)	134
Net change in plan fiduciary net position	\$ 1,967,084	\$ 119,251	\$ 599,815	\$ 2,511,478
Plan fiduciary net position - beginning	19,246,569	19,127,318	18,527,503	16,016,025
Plan fiduciary net position - ending (b)	\$ 21,213,653	\$ 19,246,569	\$ 19,127,318	\$ 18,527,503
County's net pension liability - ending (a) - (b)	\$ 872,644	\$ 1,980,532	\$ 916,923	\$ 565,348
Plan fiduciary net position as a percentage of the total pension liability	96.05%	90.67%	95.43%	97.04%
Covered payroll	\$ 4,495,740	\$ 4,264,434	\$ 4,273,150	\$ 4,194,830
County's net pension liability as a percentage of covered payroll	19.41%	46.44%	21.46%	13.48%

#REF!

Schedule of Employer Contributions - Pension

For the Years Ended June 30, 2009 through June 30, 2018

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Employee Payroll (5)
Primary Government					
2018	\$ 361,497	\$ 361,497	\$ -	\$ 4,712,785	7.67%
2017	346,788	346,788	-	4,495,740	7.71%
2016	422,179	422,179	-	4,264,434	9.90%
2015	423,042	423,042	-	4,273,150	9.90%
2014	438,360	438,360	-	4,194,830	10.45%
2013	408,560	408,560	-	3,909,662	10.45%
2012	261,068	261,068	-	3,850,561	6.78%
2011	263,601	263,601	-	3,887,920	6.78%
2010	118,826	118,826	-	3,883,202	3.06%
2009	120,279	120,279	-	3,930,671	3.06%

All contributions are from County records.

Notes to Required Supplementary Information - Pension
For the Year Ended June 30, 2018

Changes of benefit terms - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation. The 2014 valuation includes Hybrid Retirement Plan members for the first time. The hybrid plan applies to most new employees hired on or after January 1, 2014 and not covered by enhanced hazardous duty benefits. Because this is a fairly new benefit and the number of participants was relatively small, the impact on the liabilities as of the measurement date of June 30, 2017 are not material.

Changes of assumptions - The following changes in actuarial assumptions were made effective June 30, 2016 based on the most recent experience study of the System for the four-year period ending June 30, 2016:

Largest 10 - 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% to 20%

Largest 10 - 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
Withdrawal Rates	Adjusted rates to better fit experience
Disability Rates	Increased rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 70%

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% to 15%

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% to 45%

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

Schedule of County's Share of Net OPEB Liability
 Group Life Insurance Program
 For the Year Ended June 30, 2018

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

Primary Government:

2017	0.02437%	\$ 367,000	\$ 4,495,740	8.16%	48.86%
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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 Program

For the Years Ended June 30, 2009 through June 30, 2018

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
County:					
2018	\$ 24,506	\$ 24,506	\$ -	\$ 4,712,785	0.52%
2017	23,378	23,378	-	4,495,740	0.52%
2016	20,469	20,469	-	4,264,434	0.48%
2015	20,511	20,511	-	4,273,150	0.48%
2014	20,135	20,135	-	4,194,830	0.48%
2013	18,766	18,766	-	3,909,662	0.48%
2012	10,782	10,782	-	3,850,561	0.28%
2011	10,886	10,886	-	3,887,920	0.28%
2010	7,914	7,914	-	2,931,190	0.27%
2009	10,613	10,613	-	3,930,671	0.27%

Notes to Required Supplementary Information
Group Life Insurance Program
For the Year Ended June 30, 2018

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 following changes in actuarial assumptions were made effective June 30, 2016 based on the most recent experience study of the System for the four-year period ending June 30, 2016:

General State 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
Line of Duty Disability	Increased rate from 14% to 25%

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

SPORS Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020 and reduced margin for future improvement in accordance with experience
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 85%

VaLORS Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020 and reduced margin for future improvement in accordance with experience
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 50% to 35%

Notes to Required Supplementary Information
Group Life Insurance Program
For the Year Ended June 30, 2018 (Continued)

JRS Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Decreased rates at first retirement eligibility
Withdrawal Rates	No change
Disability Rates	Removed disability rates
Salary Scale	No change

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% to 20%

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% to 15%

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
Retirement Rates	Lowered retirement rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Increased disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 70%

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% to 45%

Schedule of Changes in Net OPEB Liability and Related Ratios
Health Insurance Credit Program (HIC)
For the Year Ended June 30, 2018

	<u>2017</u>
Total HIC OPEB Liability	
Service cost	\$ 2,343
Interest	6,125
Changes in assumptions	(3,438)
Benefit payments	(3,406)
Net change in total HIC OPEB liability	\$ 1,624
Total HIC OPEB Liability - beginning	89,204
Total HIC OPEB Liability - ending (a)	\$ 90,828
 Plan fiduciary net position	
Contributions - employer	\$ 3,436
Net investment income	8,370
Benefit payments	(3,406)
Administrative expense	(136)
Other	424
Net change in plan fiduciary net position	\$ 8,688
Plan fiduciary net position - beginning	72,216
Plan fiduciary net position - ending (b)	\$ 80,904
 County's net HIC OPEB liability - ending (a) - (b)	\$ 9,924
 Plan fiduciary net position as a percentage of the total HIC OPEB liability	 89.07%
 Covered payroll	 \$ 2,021,155
 County's net HIC OPEB liability as a percentage of covered payroll	 0.49%

Schedule is intended to show information for 10 years. Information prior to the 2018 valuation is not available. However, additional years will be included as they become available.

Schedule of Employer Contributions
 Health Insurance Credit Program (HIC)
 For the Years Ended June 30, 2009 through June 30, 2018

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government:					
2018	\$ 3,711	\$ 3,711	\$ -	\$ 2,182,914	0.17%
2017	3,436	3,436	-	2,021,155	0.17%
2016	3,041	3,041	-	1,900,507	0.16%
2015	3,039	3,039	-	1,899,376	0.16%
2014	1,283	1,283	-	1,833,548	0.07%
2013	2,737	2,737	-	3,909,662	0.07%
2012	3,080	3,080	-	3,850,561	0.08%
2011	3,110	3,110	-	3,887,920	0.08%
2010	7,378	7,378	-	3,883,202	0.19%
2009	7,468	7,468	-	3,930,671	0.19%

Notes to Required Supplementary Information
 Health Insurance Credit Programs (HIC)
 For the Year Ended June 30, 2018

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 following changes in actuarial assumptions were made effective June 30, 2016 based on the most recent experience study of the System for the four-year period ending June 30, 2016:

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% to 20%

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% to 15%

OPEB - Health Insurance Plan

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

For the Year Ended June 30, 2018

	<u>2018</u>
Total OPEB liability	
Service cost	\$ 11,700
Interest	8,600
Benefit payments	(9,400)
Net change in total OPEB liability	<u>\$ 10,900</u>
Total OPEB liability - beginning	233,400
Total OPEB liability - ending	<u><u>\$ 244,300</u></u>
 Covered employee payroll	 \$ 5,484,800
 County's total OPEB liability (asset) as a percentage of covered employee payroll	 4.5%

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, 2018

Valuation Date: 7/1/2016

Measurement Date: 7/1/2017

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

Methods and assumptions used to determine OPEB liability

Actuarial Cost Method	Entry age actuarial cost method
Discount Rate	3.56%
Healthcare Trend Rate	11.10% for fiscal year end 2017 (to reflect actual experience), reverting back to 6.50% for fiscal year end 2018, decreasing 0.50% per year to an ultimate rate of 5.00%.
Salary Increase Rates	2.50%
Retirement Age	Reduced: Age 50 and 10 years of service or Age 55 and 5 years of service; Unreduced: Age 65 and 5 years of service or Age 50 with 30 years of service
Mortality Rates	RP-2014 mortality table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2017

OTHER SUPPLEMENTARY INFORMATION

Comprehensive Services Act Fund

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

For the Year Ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 997	\$ 997
Recovered costs	-	-	124,548	124,548
Intergovernmental:				
Commonwealth	-	-	599,865	599,865
Federal	-	-	38,245	38,245
Total revenues	\$ -	\$ -	\$ 763,655	\$ 763,655
EXPENDITURES				
Health and welfare	\$ -	\$ -	\$ 919,585	\$ (919,585)
Total expenditures	\$ -	\$ -	\$ 919,585	\$ (919,585)
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ (155,930)	\$ (155,930)
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ 155,929	\$ 155,929
Total other financing sources (uses)	\$ -	\$ -	\$ 155,929	\$ 155,929
Net change in fund balances	\$ -	\$ -	\$ (1)	\$ (1)
Fund balances - beginning	-	-	140,904	140,904
Fund balances - ending	\$ -	\$ -	\$ 140,903	\$ 140,903

Capital Projects Fund

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

For the Year Ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Intergovernmental:				
Commonwealth	\$ 451,280	\$ 451,280	\$ 12,291	\$ (438,989)
Total revenues	\$ 451,280	\$ 451,280	\$ 12,291	\$ (438,989)
EXPENDITURES				
Capital projects	\$ 6,720,100	\$ 7,238,764	\$ 324,794	\$ 6,913,970
Total expenditures	\$ 6,720,100	\$ 7,238,764	\$ 324,794	\$ 6,913,970
Excess (deficiency) of revenues over (under) expenditures	\$ (6,268,820)	\$ (6,787,484)	\$ (312,503)	\$ 6,474,981
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 253,820	\$ 253,820	\$ 253,820	\$ -
Issuance of bond anticipation notes	6,015,000	6,015,000	-	(6,015,000)
Total other financing sources (uses)	\$ 6,268,820	\$ 6,268,820	\$ 253,820	\$ (6,015,000)
Net change in fund balances	\$ -	\$ (518,664)	\$ (58,683)	\$ 459,981
Fund balances - beginning	-	518,664	(399,213)	(917,877)
Fund balances - ending	\$ -	\$ -	\$ (457,896)	\$ (457,896)

Public Transportation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Charges for services	\$ 11,000	\$ 11,000	\$ 2,995	\$ (8,005)
Recovered costs	72,040	78,055	26,614	(51,441)
Intergovernmental:				
Commonwealth	71,924	65,909	36,348	(29,561)
Federal	296,949	296,949	135,047	(161,902)
Total revenues	<u>\$ 451,913</u>	<u>\$ 451,913</u>	<u>\$ 201,004</u>	<u>\$ (250,909)</u>
EXPENDITURES				
Community development - transportation	<u>\$ 451,913</u>	<u>\$ 464,922</u>	<u>\$ 210,529</u>	<u>\$ 254,393</u>
Total expenditures	<u>\$ 451,913</u>	<u>\$ 464,922</u>	<u>\$ 210,529</u>	<u>\$ 254,393</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (13,009)</u>	<u>\$ (9,525)</u>	<u>\$ 3,484</u>
Net change in fund balances	\$ -	\$ (13,009)	\$ (9,525)	\$ 3,484
Fund balances - beginning	<u>-</u>	<u>13,009</u>	<u>(14,250)</u>	<u>(27,259)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (23,775)</u>	<u>\$ (23,775)</u>

Supporting Schedules

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Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2018

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 4,175,000	\$ 4,175,000	\$ 3,964,099	\$ (210,901)
Real and personal public service corporation taxes	773,492	1,384,316	2,147,475	763,159
Personal property taxes	1,925,000	1,925,000	1,991,437	66,437
Mobile home taxes	33,000	33,000	37,202	4,202
Machinery and tools taxes	1,014,000	1,014,000	1,188,598	174,598
Penalties	140,000	140,000	142,526	2,526
Interest	57,000	57,000	57,799	799
Administrative fee	34,000	34,000	29,365	(4,635)
Total general property taxes	\$ 8,151,492	\$ 8,762,316	\$ 9,558,501	\$ 796,185
Other local taxes:				
Local sales and use taxes	\$ 775,000	\$ 775,000	\$ 1,211,573	\$ 436,573
Consumers' utility taxes	300,000	300,000	300,725	725
Business license taxes	410,000	410,000	495,317	85,317
Motor vehicle licenses	200,000	200,000	199,349	(651)
Taxes on recordation and wills	41,000	41,000	71,269	30,269
E-911 taxes	35,000	35,000	43,544	8,544
Utility consumption taxes	50,000	50,000	40,691	(9,309)
Restaurant food taxes	250,000	250,000	331,316	81,316
Transient lodging tax	70,000	70,000	89,133	19,133
Total other local taxes	\$ 2,131,000	\$ 2,131,000	\$ 2,782,917	\$ 651,917
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 5,000	\$ 5,000	\$ 4,380	\$ (620)
Building permits	30,000	30,000	66,130	36,130
Transfer fees	-	-	323	323
Permits and other licenses	10,000	18,056	28,786	10,730
Total permits, privilege fees, and regulatory licenses	\$ 45,000	\$ 53,056	\$ 99,619	\$ 46,563
Fines and forfeitures:				
Court fines and forfeitures	\$ 1,320,000	\$ 1,320,000	\$ 1,723,221	\$ 403,221
Collections interest	7,000	7,000	8,996	1,996
Total fines and forfeitures	\$ 1,327,000	\$ 1,327,000	\$ 1,732,217	\$ 405,217
Revenue from use of money and property:				
Revenue from use of money	\$ 11,000	\$ 11,000	\$ 85,330	\$ 74,330
Revenue from use of property	329,260	329,260	341,009	11,749
Total revenue from use of money and property	\$ 340,260	\$ 340,260	\$ 426,339	\$ 86,079

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2018 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Charges for services:				
Data processing reimbursement	\$ 8,000	\$ 8,000	\$ 7,814	\$ (186)
Landfill administration	71,260	71,260	71,260	-
Courthouse maintenance fees	35,000	35,000	28,527	(6,473)
Courthouse security fees	160,000	160,000	142,354	(17,646)
Regional jail fiscal agent fees	30,000	30,000	30,000	-
Sheriff's fees	1,117	1,117	56	(1,061)
DSS cost allocation	45,000	45,000	-	(45,000)
Law library fees	-	1,043	1,255	212
Charges for Commonwealth's Attorney	2,000	2,000	2,301	301
Jail admission	2,000	2,000	1,528	(472)
Fire and rescue	103,022	103,022	87,616	(15,406)
Other charges	1,310	3,853	29,701	25,848
Total charges for services	\$ 458,709	\$ 462,295	\$ 402,412	\$ (59,883)
Miscellaneous:				
Other	\$ 166,500	\$ 166,500	\$ 112,120	\$ (54,380)
CSA reimbursement	77,232	77,232	83,349	6,117
Probation fees	-	17,250	16,925	(325)
Total miscellaneous	\$ 243,732	\$ 260,982	\$ 212,394	\$ (48,588)
Recovered costs:				
Reimbursement regional jail authority	\$ 3,000	\$ 3,000	\$ 4,560	\$ 1,560
School resource officer	133,953	133,953	137,664	3,711
Shared expenses City of Emporia	1,071,640	1,071,640	1,067,938	(3,702)
Circuit court salaries	42,285	42,285	40,365	(1,920)
Collection disposal fees - Schools	10,000	10,000	9,798	(202)
Collection disposal fees - Department of Social Services	2,100	2,100	2,103	3
Other recovered costs	79,875	225,904	291,074	65,170
Total recovered costs	\$ 1,342,853	\$ 1,488,882	\$ 1,553,502	\$ 64,620
Total revenue from local sources	\$ 14,040,046	\$ 14,825,791	\$ 16,767,901	\$ 1,942,110
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Payment in lieu of taxes	\$ 20,000	\$ 20,000	\$ 19,606	\$ (394)

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2018 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Noncategorical aid:				
Mobile home titling tax	\$ 12,000	\$ 12,000	\$ 20,170	\$ 8,170
Railroad rolling stock taxes	45,000	45,000	45,031	31
State recordation tax	20,000	20,000	15,320	(4,680)
Communication sales and use taxes	175,000	175,000	162,044	(12,956)
Personal property tax relief funds	1,065,419	1,065,419	1,065,419	-
Total noncategorical aid	\$ 1,317,419	\$ 1,317,419	\$ 1,307,984	\$ (9,435)
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 451,055	\$ 451,055	\$ 448,995	\$ (2,060)
Sheriff	770,494	770,494	779,235	8,741
Commissioner of revenue	97,278	97,278	98,653	1,375
Treasurer	81,290	81,290	81,184	(106)
Registrar/electoral board	36,000	36,000	37,399	1,399
Clerk of the Circuit Court	246,194	246,194	246,972	778
Total shared expenses	\$ 1,682,311	\$ 1,682,311	\$ 1,692,438	\$ 10,127
Other categorical aid:				
Animal sterilization	\$ -	\$ -	\$ 168	\$ 168
Southside Pretrial Services & Community Corrections	-	335,046	335,046	-
Jury reimbursement	11,000	11,000	15,180	4,180
Tobacco funds	-	-	1,223,197	1,223,197
Victim witness	2,000	2,000	2,339	339
Challenge grant	4,500	4,500	4,500	-
DMV vehicle registration	-	8,121	8,121	-
Crime	-	-	1,076	1,076
Rail and public transportation	-	-	428,832	428,832
Fire programs funds	96,049	183,128	179,459	(3,669)
Other funds	-	452,401	-	(452,401)
Communications	-	162,334	174,334	12,000
Emergency management	-	-	3,500	3,500
Records preservation grant	-	2,145	2,145	-
VDOT grant	-	-	1,579,515	1,579,515
Asset forfeiture funds	-	928	1,067	139
Total other categorical aid	\$ 113,549	\$ 1,161,603	\$ 3,958,479	\$ 2,796,876
Total categorical aid	\$ 1,795,860	\$ 2,843,914	\$ 5,650,917	\$ 2,807,003
Total revenue from the Commonwealth	\$ 3,133,279	\$ 4,181,333	\$ 6,978,507	\$ 2,797,174
Revenue from the federal government:				
Categorical aid:				
Byrne grant	\$ -	\$ 1,214	\$ 1,214	\$ -
Community development block grant	-	159,604	101,752	(57,852)
State and community highway safety grants	-	-	7,500	7,500
Total categorical aid	\$ -	\$ 160,818	\$ 110,466	\$ (50,352)
Total revenue from the federal government	\$ -	\$ 160,818	\$ 110,466	\$ (50,352)
Total General Fund	\$ 17,173,325	\$ 19,167,942	\$ 23,856,874	\$ 4,688,932

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2018 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Comprehensive Services Act Fund:				
Miscellaneous:				
Other miscellaneous	\$ -	\$ -	\$ 997	\$ 997
Recovered cost:				
City of Emporia	\$ -	\$ -	\$ 124,548	\$ 124,548
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Comprehensive services act	\$ -	\$ -	\$ 599,865	\$ 599,865
Revenue from the federal government:				
Noncategorical aid:				
Comprehensive services act	\$ -	\$ -	\$ 38,245	\$ 38,245
Total Comprehensive Services Act Fund	\$ -	\$ -	\$ 763,655	\$ 763,655
Capital Projects Fund:				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Miscellaneous	\$ 451,280	\$ 451,280	\$ 12,291	\$ (438,989)
Total categorical aid	\$ 451,280	\$ 451,280	\$ 12,291	\$ (438,989)
Total revenue from the Commonwealth	\$ 451,280	\$ 451,280	\$ 12,291	\$ (438,989)
Total Capital Projects Fund	\$ 451,280	\$ 451,280	\$ 12,291	\$ (438,989)
Public Transportation Fund:				
Revenue from local sources:				
Charges for services:				
Fares	\$ 11,000	\$ 11,000	\$ 2,995	\$ (8,005)
Recovered costs:				
Various	\$ 72,040	\$ 78,055	\$ 26,614	\$ (51,441)
Total revenue from local sources	\$ 83,040	\$ 89,055	\$ 29,609	\$ (59,446)
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
DRPT	\$ 71,924	\$ 65,909	\$ 36,348	\$ (29,561)
Revenue from the federal government:				
Categorical aid:				
Transportation	\$ 296,949	\$ 296,949	\$ 135,047	\$ (161,902)
Total Public Transportation Fund	\$ 451,913	\$ 451,913	\$ 201,004	\$ (250,909)
Total Primary Government	\$ 18,076,518	\$ 20,071,135	\$ 24,833,824	\$ 4,762,689

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2018

Fund, Function, Activity, and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 87,132	\$ 128,143	\$ 132,744	\$ (4,601)
General and financial administration:				
County administrator	\$ 611,718	\$ 764,042	\$ 609,459	\$ 154,583
Information technology	145,864	182,908	178,808	4,100
Commissioner of revenue	297,862	305,048	286,383	18,665
Reassessment	-	-	1,001	(1,001)
Treasurer	313,258	311,791	312,929	(1,138)
Accounting	297,197	298,602	385,751	(87,149)
County attorney	62,050	87,464	108,546	(21,082)
Total general and financial administration	\$ 1,727,949	\$ 1,949,855	\$ 1,882,877	\$ 66,978
Board of elections:				
Electoral board and officials	\$ 113,211	\$ 121,995	\$ 125,443	\$ (3,448)
Total general government administration	\$ 1,928,292	\$ 2,199,993	\$ 2,141,064	\$ 58,929
Judicial administration:				
Courts:				
Circuit court	\$ 85,467	\$ 85,467	\$ 79,903	\$ 5,564
General district court	29,750	25,901	25,018	883
Courthouse security	198,696	198,696	164,175	34,521
Law library	-	1,076	1,287	(211)
Special magistrates	2,177	2,177	2,181	(4)
Clerk of the circuit court	339,358	344,616	343,250	1,366
Total courts	\$ 655,448	\$ 657,933	\$ 615,814	\$ 42,119
Commonwealth's attorney:				
Commonwealth's attorney	\$ 672,176	\$ 673,455	\$ 656,559	\$ 16,896
Total judicial administration	\$ 1,327,624	\$ 1,331,388	\$ 1,272,373	\$ 59,015
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 2,230,754	\$ 2,952,815	\$ 2,946,951	\$ 5,864
School resource officer	178,603	182,654	182,651	3
Asset Forfeiture	-	157,272	17,276	139,996
Selective enforcement	343,803	374,656	375,824	(1,168)
Total law enforcement and traffic control	\$ 2,753,160	\$ 3,667,397	\$ 3,522,702	\$ 144,695
Fire and rescue services:				
Fire and rescue	\$ 42,600	\$ 50,721	\$ 77,825	\$ (27,104)
Greensville fire and rescue	332,912	492,115	294,377	197,738
Contributions to squads	9,150	51,713	51,360	353
Total fire and rescue services	\$ 384,662	\$ 594,549	\$ 423,562	\$ 170,987

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2018 (Continued)

Fund, Function, Activity, and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Public safety: (Continued)				
Correction and detention:				
Jail	\$ 845,964	\$ 845,964	\$ 848,914	\$ (2,950)
Juvenile probation	32,750	118,242	109,973	8,269
Community corrections grant	-	433,452	365,994	67,458
Total correction and detention	<u>\$ 878,714</u>	<u>\$ 1,397,658</u>	<u>\$ 1,324,881</u>	<u>\$ 72,777</u>
Inspections:				
Building	<u>\$ 157,158</u>	<u>\$ 157,063</u>	<u>\$ 155,987</u>	<u>\$ 1,076</u>
Other protection:				
Animal control	\$ 120,651	\$ 120,651	\$ 113,508	\$ 7,143
E-911	42,946	48,407	61,538	(13,131)
Total other protection	<u>\$ 163,597</u>	<u>\$ 169,058</u>	<u>\$ 175,046</u>	<u>\$ (5,988)</u>
Total public safety	<u>\$ 4,337,291</u>	<u>\$ 5,985,725</u>	<u>\$ 5,602,178</u>	<u>\$ 383,547</u>
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Highways, streets, bridges and sidewalks	<u>\$ 31,820</u>	<u>\$ 27,102</u>	<u>\$ 26,304</u>	<u>\$ 798</u>
Sanitation and waste removal:				
Refuse collection and disposal	\$ 162,020	\$ 177,740	\$ 193,124	\$ (15,384)
Dumpster site maintenance	388,002	370,771	363,079	7,692
Total sanitation and waste removal	<u>\$ 550,022</u>	<u>\$ 548,511</u>	<u>\$ 556,203</u>	<u>\$ (7,692)</u>
Maintenance of general buildings and grounds:				
General properties	<u>\$ 1,028,127</u>	<u>\$ 1,105,493</u>	<u>\$ 1,081,742</u>	<u>\$ 23,751</u>
Total public works	<u>\$ 1,609,969</u>	<u>\$ 1,681,106</u>	<u>\$ 1,664,249</u>	<u>\$ 16,857</u>
Health and welfare:				
Health:				
Supplement of local health department	<u>\$ 97,410</u>	<u>\$ 99,953</u>	<u>\$ 100,246</u>	<u>\$ (293)</u>
Mental health and mental retardation:				
Chapter X board	<u>\$ 55,112</u>	<u>\$ 55,112</u>	<u>\$ 55,112</u>	<u>\$ -</u>

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2018 (Continued)

Fund, Function, Activity, and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Health and welfare: (Continued)				
Welfare:				
Welfare administration	\$ 258,592	\$ 258,592	\$ 183,861	\$ 74,731
Total welfare	\$ 258,592	\$ 258,592	\$ 183,861	\$ 74,731
Total health and welfare	\$ 411,114	\$ 413,657	\$ 339,219	\$ 74,438
Education:				
Other instructional costs:				
Contributions to community colleges	\$ 16,615	\$ 21,723	\$ 21,723	\$ -
Contribution to County school board	2,473,566	2,473,566	2,326,987	146,579
EAGLE scholarship	10,000	10,000	10,000	-
Workforce development center	73,983	73,983	73,983	-
Head Start program	20,000	20,000	20,000	-
Total education	\$ 2,594,164	\$ 2,599,272	\$ 2,452,693	\$ 146,579
Parks, recreation, and cultural:				
Parks and recreation:				
Recreational facilities	\$ 173,434	\$ 104,847	\$ 105,174	\$ (327)
Golden leaf commons	78,581	85,081	84,547	534
Total parks and recreation	\$ 252,015	\$ 189,928	\$ 189,721	\$ 207
Cultural enrichment:				
Meherrin River Arts Council	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Library:				
Contribution to regional library	\$ 135,017	\$ 135,017	\$ 134,945	\$ 72
Total parks, recreation, and cultural	\$ 397,032	\$ 334,945	\$ 334,666	\$ 279
Community development:				
Planning and community development:				
Planning	\$ 182,332	\$ 341,470	\$ 339,830	\$ 1,640
Housing - local contributions	33,707	32,371	25,355	7,016
Industrial Development Authority	288,864	288,864	-	288,864
Economic development	344,243	628,847	620,666	8,181
MAMAC	-	-	4,293,355	(4,293,355)
Geographic information systems	68,418	68,395	68,511	(116)
Total planning and community development	\$ 917,564	\$ 1,359,947	\$ 5,347,717	\$ (3,987,770)
Environmental management:				
Other environmental management	\$ 14,495	\$ 14,495	\$ 14,495	\$ -

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2018 (Continued)

Fund, Function, Activity, and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Community development: (Continued)				
Cooperative extension program:				
Extension office	\$ 56,383	\$ 56,383	\$ 37,855	\$ 18,528
Total community development	\$ 988,442	\$ 1,430,825	\$ 5,400,067	\$ (3,969,242)
Debt service:				
Principal retirement	\$ 1,628,774	\$ 1,628,774	\$ 3,289,648	\$ (1,660,874)
Interest and other fiscal charges	1,329,983	1,679,977	787,856	892,121
Total debt service	\$ 2,958,757	\$ 3,308,751	\$ 4,077,504	\$ (768,753)
Total General Fund	\$ 16,552,685	\$ 19,285,662	\$ 23,284,013	\$ (3,998,351)
Comprehensive Services Act Fund:				
Health and welfare expenditures:				
Comprehensive services act	\$ -	\$ -	\$ 919,585	\$ (919,585)
Capital Projects Fund:				
Capital projects expenditures:				
Courthouse security	\$ 1,325,000	\$ 1,325,000	\$ 5,563	\$ 1,319,437
301 N Sidewalk	564,100	1,082,764	12,122	1,070,642
Other	36,000	2,193	10,608	(8,415)
Sheriff office expansion	1,700,000	1,700,000	52,439	1,647,561
Building improvements	105,000	138,807	118,366	20,441
Social services building	2,990,000	2,990,000	125,696	2,864,304
Total capital projects fund	\$ 6,720,100	\$ 7,238,764	\$ 324,794	\$ 6,913,970
Public Transportation Fund:				
Community development expenditures:				
Public transportation	\$ 451,913	\$ 464,922	\$ 210,529	\$ 254,393
Total Primary Government	\$ 23,724,698	\$ 26,989,348	\$ 24,738,921	\$ 2,250,427

STATISTICAL INFORMATION

COUNTY OF GREENSVILLE, VIRGINIA

Government-Wide Expenses by Function
Last Ten Fiscal Years

Fiscal Year	General Government		Health and Welfare			Parks, Recreation, and Cultural	Community Develop- ment	Interest on Long- Term Debt	Total	
	Administration	Judicial Administration	Public Safety	Public Works	Education					
2008-09	\$	902,157 \$	912,115 \$	2,896,672 \$	555,967 \$	5,009,079 \$	237,994 \$	2,123,911 \$	1,334,775 \$	15,611,605
2009-10		462,287	933,390	3,731,815	1,209,307	3,080,160	230,567	2,746,961	1,146,754	14,809,752
2010-11		2,056,841	885,693	3,323,733	370,846	3,527,147	246,825	1,684,446	1,173,277	14,710,141
2011-12		1,674,569	1,044,243	3,879,456	382,157	2,952,059	304,729	1,244,873	1,209,331	14,009,107
2012-13		2,201,469	1,099,081	3,761,338	519,193	3,115,786	328,495	1,048,990	1,236,692	14,590,456
2013-14		2,145,815	986,086	3,797,846	622,999	3,026,037	397,328	1,162,375	1,296,837	14,671,385
2014-15		2,097,464	969,469	3,684,666	1,163,185	3,428,331	390,015	1,293,747	1,190,406	15,486,859
2015-16		2,154,890	934,265	3,719,480	1,011,069	3,407,368	372,911	1,065,247	832,205	14,642,507
2016-17		2,314,178	1,128,733	4,448,429	894,217	3,786,508	348,555	7,824,647	828,763	22,935,746
2017-18		2,334,112	1,174,836	4,901,315	1,117,489	3,706,698	344,190	5,854,636	754,936	21,605,593

COUNTY OF GREENSVILLE, VIRGINIA

Table 2

Government-Wide Revenues
Last Ten Fiscal Years

Fiscal Year	PROGRAM REVENUES				GENERAL REVENUES					Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs		
2008-09	\$ 1,709,835	\$ 1,699,926	\$ 1,547,855	\$ 5,665,479	\$ 1,692,677	\$ 182,891	\$ 128,258	\$ 2,182,844	\$ 14,809,765	
2009-10	1,780,329	1,678,137	1,985,897	5,807,692	1,447,080	151,347	264,794	2,228,992	15,344,268	
2010-11	1,589,597	1,585,577	408,865	5,933,804	1,486,613	142,470	178,946	2,063,837	13,389,709	
2011-12	1,872,491	2,184,346	620,578	6,362,075	1,678,114	243,219	300,124	1,338,942	14,599,889	
2012-13	2,214,438	2,406,121	1,926,310	6,903,717	1,773,341	226,704	241,080	1,309,447	17,001,158	
2013-14	1,997,115	2,539,221	1,663,397	7,173,293	2,004,316	282,595	197,154	1,334,540	17,191,631	
2014-15	1,859,966	2,117,437	715,698	7,483,451	2,311,528	307,672	334,407	2,070,660	17,200,819	
2015-16	1,793,211	2,955,368	1,026,393	7,765,676	1,939,553	327,958	229,951	1,871,925	17,910,035	
2016-17	2,065,895	4,197,417	1,976,603	7,735,583	4,834,302	357,803	221,955	1,772,668	23,162,226	
2017-18	2,237,243	4,432,428	1,326,016	9,401,080	2,782,917	426,339	213,391	2,152,325	22,971,739	

COUNTY OF GREENSVILLE, VIRGINIA

Table 3

General Governmental Expenditures by Function (1)
Last Ten Fiscal Years

Fiscal Year	General Government		Judicial Administration	Public Safety		Public Works	Health and Welfare	Education (2)	Parks, Recreation, and Cultural	Community Development	Non-departmental	Debt Service		Total		
	Administration															
2008-09	\$	1,537,628	\$	1,141,513	\$	3,534,309	\$	1,474,351	\$	3,544,821	\$	26,343,618	\$	2,874,859	\$	43,619,074
2009-10		1,689,087		1,054,084		3,754,715		1,459,859		4,027,198		27,114,386		230,567		45,001,056
2010-11		1,603,288		1,136,318		3,725,758		1,460,968		3,687,030		26,849,683		246,825		44,727,634
2011-12		1,637,251		1,151,701		4,061,946		1,511,530		3,248,235		25,418,468		292,125		42,640,790
2012-13		1,779,391		1,174,347		4,274,177		1,422,787		3,583,620		25,411,243		317,265		42,670,812
2013-14		1,692,499		1,244,857		4,211,852		1,429,729		3,898,595		25,862,158		340,361		45,252,239
2014-15		1,709,267		1,192,644		4,360,275		1,513,883		3,483,280		26,946,844		363,576		44,934,388
2015-16		1,828,733		1,229,937		4,399,342		1,440,389		3,447,821		26,865,296		363,589		46,189,483
2016-17		2,019,239		1,258,025		4,972,888		1,539,768		3,417,941		27,850,660		337,745		49,436,224
2017-18		2,141,064		1,272,373		5,602,178		1,664,249		3,769,642		28,470,363		334,666		53,632,326

(1) Includes General and Debt Service funds of the Primary Government and Its Discretely Presented Component Units.

(2) Excludes contribution from Primary Government to Discretely Presented Component Unit - School Board.
Excludes Capital Projects Fund.

COUNTY OF GREENSVILLE, VIRGINIA

Table 4

General Governmental Revenues by Source (1)
Last Ten Fiscal Years

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental (2)	Total
2008-09	\$ 5,696,735	\$ 1,692,677	\$ 78,980	\$ 1,240,094	\$ 181,078	\$ 3,930,112	\$ 500,218	\$ 1,559,297	\$ 28,788,113	\$ 43,667,304
2009-10	5,739,894	1,447,080	42,772	1,329,899	158,930	4,348,497	533,177	1,128,192	30,007,828	44,736,269
2010-11	5,922,517	1,448,405	45,532	1,167,244	162,709	4,470,397	492,145	1,148,196	34,865,887	49,723,032
2011-12	6,302,857	1,678,114	49,705	1,471,648	258,075	4,296,821	453,643	1,274,732	26,912,024	42,697,619
2012-13	6,892,518	1,773,341	45,108	1,754,597	236,571	4,472,707	479,551	1,088,594	36,748,245	53,491,232
2013-14	7,108,436	2,004,316	58,067	1,530,075	282,934	4,856,227	465,031	1,255,018	27,622,033	45,182,137
2014-15	7,563,155	2,311,528	65,548	1,352,443	308,195	4,928,638	441,573	1,521,241	27,093,259	45,585,580
2015-16	7,653,587	1,939,553	70,691	1,354,736	328,660	4,719,517	559,261	1,415,533	28,186,392	46,227,930
2016-17	7,684,548	4,834,302	96,288	1,582,348	358,544	4,524,653	541,091	1,374,978	31,111,566	52,108,318
2017-18	9,558,501	2,782,917	99,619	1,732,217	446,068	4,542,371	758,882	1,704,664	32,279,561	53,904,800

(1) Includes General and Debt Service funds of the Primary Government and its Discretely Presented Component Units.

(2) Excludes contribution from Primary Government to Discretely Presented Component Unit - School Board.
Excludes Capital Projects Fund.

COUNTY OF GREENSVILLE, VIRGINIA

Table 5

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)		Total Tax Collections	Percent of Total Tax Collections to Tax Levy		Outstanding Delinquent Taxes (1,2)	Percent of Delinquent Taxes to Tax Levy
2008-09	\$ 6,691,466	\$ 6,488,394	96.97%	\$	117,942	\$ 6,606,336	98.73%	\$	470,991	7.04%
2009-10	6,552,012	6,476,081	98.84%		153,431	6,629,512	101.18%		505,872	7.72%
2010-11	6,910,694	6,662,097	96.40%		164,312	6,826,409	98.78%		544,724	7.88%
2011-12	7,080,936	7,016,273	99.09%		152,103	7,168,376	101.23%		536,343	7.57%
2012-13	7,900,801	7,482,747	94.71%		249,606	7,732,353	97.87%		565,854	7.16%
2013-14	8,093,243	7,697,196	95.11%		242,640	7,939,836	98.10%		645,192	7.97%
2014-15	8,497,798	8,136,780	95.75%		273,026	8,409,806	98.96%		602,049	7.08%
2015-16	8,631,781	8,194,244	94.93%		285,496	8,479,740	98.24%		651,079	7.54%
2016-17	8,676,021	8,299,625	95.66%		227,992	8,527,617	98.29%		665,205	7.67%
2017-18	10,552,933	10,111,407	95.82%		282,823	10,394,230	98.50%		563,143	5.34%

(1) Exclusive of penalties and interest.

(2) Includes three most current delinquent tax years. Beginning in fiscal year 2006 the outstanding PPTRA is due from the taxpayer.

COUNTY OF GREENSVILLE, VIRGINIA

Table 6

Assessed Value of Taxable Property

Last Ten Fiscal Years

Fiscal Year	Real Estate (1)	Personal Property	Mobile Homes	Aircraft	Machinery and Tools		Public Utility (2)	Total
2008-09	\$ 673,068,000	\$ 52,308,630	\$ 5,636,734	\$ 81,500	\$ 25,196,000	\$	43,288,438	\$ 799,579,302
2009-10	668,105,000	47,708,720	5,602,340	81,500	27,584,810		42,194,732	791,277,102
2010-11	673,975,450	51,182,826	5,601,644	81,500	32,030,360		46,278,980	809,150,760
2011-12	674,656,600	52,453,750	5,460,730	81,500	30,960,340		48,186,374	811,799,294
2012-13	691,379,490	54,566,540	5,639,760	145,000	32,605,610		49,274,748	833,611,148
2013-14	693,196,100	56,440,707	5,463,675	142,460	25,280,610		51,493,338	832,016,890
2014-15	608,734,100	59,208,760	5,208,150	79,410	25,284,460		52,610,221	751,125,101
2015-16	613,995,732	60,267,310	5,121,320	-	26,035,940		56,083,112	761,503,414
2016-17	615,211,900	61,384,840	5,116,530	-	24,816,710		59,317,977	765,847,957
2017-18	604,911,050	62,300,810	5,213,250	-	29,621,210		315,427,940	1,017,474,260

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

(2) Assessed values are established by the State Corporation Commission.

COUNTY OF GREENSVILLE, VIRGINIA

Table 7

Property Tax Rates (1)
Last Ten Fiscal Years

Fiscal Year	Real Estate	Personal Property	Mobile Homes	Machinery and Tools	Aircraft
2008-09	\$ 0.45	\$ 4.50	\$ 0.45	\$ 4.00	0.50
2009-10	0.45	4.50	0.45	4.00	0.50
2010-11	0.45	4.50	0.45	4.00	0.50
2011-12	0.47	4.50	0.47	4.00	0.50
2012-13	0.51	5.00	0.51	4.00	0.50
2013-14	0.56	5.00	0.56	4.00	0.50
2014-15	0.67	5.00	0.67	4.00	0.10
2015-16	0.67	5.00	0.67	4.00	n/a
2016-17	0.67	5.00	0.67	4.00	n/a
2017-18	0.67	5.00	0.67	4.00	n/a

(1) Per \$100 of assessed value.

COUNTY OF GREENSVILLE, VIRGINIA

Table 8

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

Fiscal Year	Population (1)	Assessed Value (in thousands) (2)	Gross Bonded Debt (3)	Less:		Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
				Debt Service Monies Available	Net Bonded Debt		
2008-09	12,511	\$ 799,579	\$ 16,656,103	-	\$ 16,656,103	2.08%	1,331
2009-10	12,511	791,277	15,280,738	-	15,280,738	1.93%	1,221
2010-11	12,257	809,151	14,718,795	-	14,718,795	1.82%	1,201
2011-12	12,257	811,799	13,551,672	-	13,551,672	1.67%	1,106
2012-13	12,136	833,611	12,200,986	-	12,200,986	1.46%	1,005
2013-14	11,581	832,017	10,789,239	-	10,789,239	1.30%	932
2014-15	11,605	751,125	9,526,498	-	9,526,498	1.27%	821
2015-16	11,804	761,503	8,252,155	-	8,252,155	1.08%	699
2016-17	11,804	765,848	6,965,584	-	6,965,584	0.91%	590
2017-18	11,473	1,017,474	5,666,127	-	5,666,127	0.56%	494

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

(2) Real property assessed at 100% of fair market value.

(3) Includes all long-term general obligation bonded debt, bonded anticipation notes, and literary fund loans.
Excludes revenue bonds, landfill closure/postclosure care liability, capital leases, compensated absences,
and net OPEB obligation.

COMPLIANCE

ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

To the Honorable Members of
the Board of Supervisors
County of Greensville, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Greensville, Virginia, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the County of Greensville, Virginia's basic financial statements, and have issued our report thereon dated February 21, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered County of Greensville, Virginia's internal control over financial reporting (internal control) to determine the 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 County of Greensville, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of County of Greensville, Virginia's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether County of Greenville, 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 determination of financial statement amounts. 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, Farney Cox Associates
Charlottesville, Virginia
February 21, 2019

ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

To the Honorable Members of
the Board of Supervisors
County of Greenville, Virginia

Report on Compliance for Each Major Federal Program

We have audited the County of Greenville, 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 Greenville, Virginia's major federal programs for the year ended June 30, 2018. County of Greenville, 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 Greenville, 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 Greenville, 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 Greenville, Virginia's compliance.

Opinion on Each Major Federal Program

In our opinion, the County of Greenville, 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, 2018.

Report on Internal Control over Compliance

Management of the County of Greenville, 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 Greenville, 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 Greenville, 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
February 21, 2019

COUNTY OF GREENSVILLE, VIRGINIA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Health and Human Services:			
Pass Through Payments:			
Department of Social Services:			
Promoting Safe and Stable Families	93.556	0950116/17	\$ 13,195
Temporary Assistance for Needy Families	93.558	0400117/18	309,996
Refugee and Entrant Assistance - State Administered Programs	93.566	0500117/18	386
Low-Income Home Energy Assistance	93.568	0600417/18	36,346
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760117/18	42,589
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900116/17	877
Foster Care - Title IV-E	93.658	1100117/18	182,942
Adoption Assistance	93.659	1120117/18	61,936
Social Services Block Grant	93.667	1000117/18	220,706
Chafee Foster Care Independence Program	93.674	9150117/18	1,611
Children's Health Insurance Program	93.767	0540117/18	11,857
Medical Assistance Program	93.778	1200117/18	301,781
Total Department of Health and Human Services			\$ 1,184,222
Department of Agriculture:			
Pass Through Payments:			
Child Nutrition Cluster:			
Virginia Department of Agriculture and Consumer Services:			
Child Nutrition Discretionary Grants Limited Availability	10.579	Unknown	\$ 72,906
Fresh Fruit and Vegetables	10.582	201717L190341, 201817L160341	83,174
Food Commodities Distribution	10.555	Unknown	\$ 78,068
Department of Education:			
National School Lunch Program	10.555	17/18N109941	857,130 935,198
School Breakfast Program	10.553	17/18N109941	406,988
Summer Food Service Program for Children	10.559	Unknown	2,206
Subtotal - Child Nutrition Cluster			1,344,392
Department of Social Services:			
Pilot Projects to Reduce Dependency and Increase Work Requirements and Work Effort under SNAP	10.596	0060115	26,753
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0010117/18, 0040117/18, 0050117/18	294,662
Total Department of Agriculture			\$ 1,821,887
Department of Housing and Urban Development			
Pass Through Payments:			
Virginia Department of Housing and Community Development Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	CAMS 1610	\$ 101,752

COUNTY OF GREENSVILLE, VIRGINIA

Schedule of Expenditures of Federal Awards (Continued)

For the Year Ended June 30, 2018

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Justice: Pass Through Payments: Virginia Department of Criminal Justice: Edward Byrne Memorial Justice Assistance Grant Program	16.738	17-S1126L016	\$ 1,214
Department of Transportation Pass Through Payments: Virginia Department of Transportation: Formula Grants for Rural Areas	20.509	Unknown	\$ 135,047
Department of Homeland Security Pass Through Payments: Department of Emergency Management: Emergency Management Performance Grants	97.042	77501-52708/52709	\$ 7,500
Department of Defense: Direct Payments: ROTC	12.000	N/A	\$ 32,105
Department of Education: Pass Through Payments: Department of Education: Title I Grants to Local Educational Agencies	84.010	S010A160046/17	\$ 1,269,395
Special Education Cluster (IDEA): Special Education - Grants to States	84.027	H027A160107/17	540,382
Special Education - Preschool Grants	84.173	H173A160112/17	7,402
Subtotal - Special Education Cluster (IDEA)			547,784
Twenty-First Century Community Learning Centers	84.287	S287C160047/17	527,165
Supporting Effective Instruction State Grant	84.367	S367S160044/17	220,739
Career and Technical Education - Basic Grants to States	84.048	V048A160046/17	41,883
Rural Education	84.358	S358B160046/17	6,729
English Language Acquisition State Grants	84.365	Unknown	4,946
Total Department of Education			\$ 2,618,641
Total Expenditures of Federal Awards			\$ 5,902,368

COUNTY OF GREENSVILLE, VIRGINIA

Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2018

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the County of Greenville, Virginia under programs of the federal government for the year ended June 30, 2018. 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 Greenville, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County of Greenville, Virginia.

Note 2 - Summary of Significant Accounting Policies

(1) Expenditures on the Schedule are reported on the accrual basis of accounting. 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 is reported in the schedule at fair market value of the commodities received and distributed.

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	\$ 110,466
CSA Fund	38,245
Public Transportation Fund	135,047
Total primary government	<u>\$ 283,758</u>

Component Unit School Board:

School Operating Fund	\$ 2,650,746
School Cafeteria Fund	1,500,472
Total component unit school board	<u>\$ 4,151,218</u>

Component Unit Department of Social Services	<u>\$ 1,467,392</u>
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Total expenditures of federal awards per the Schedule of Expenditures of Federal Awards	<u><u>\$ 5,902,368</u></u>
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COUNTY OF GREENSVILLE, VIRGINIA

Schedule of Findings and Questioned Costs
For The Year Ended June 30, 2018

Section I - Summary of Auditors' Results

Financial Statements

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

Federal Awards

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

<u>CFDA #</u>	<u>Name of Federal Program or Cluster</u>
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10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
84.010	Title I Grants to Local Educational Agencies

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.

COUNTY OF GREENSVILLE, VIRGINIA

Summary Schedule of Prior Audit Findings
For The Year Ended June 30, 2018

There were no items reported in the prior year.

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