

GREENSVILLE-EMPORIA
DEPARTMENT OF SOCIAL SERVICES
(A Component Unit of Greensville County, Virginia)
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2025

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GREENSVILLE-EMPORIA DEPARTMENT OF SOCIAL SERVICES
(A Component Unit of Greensville County, Virginia)

Board of Social Services

James R. Brown, Chair

William E. Johnson, Vice-Chair

Belinda Astrop

Mark Lilly

Gary Cifers

Officers

Steven M. Hawley, Jr., Director

Pamela Lifsey, District Fiscal Officer



Independent Auditors' Report

**To the Board of Directors
Greensville-Emporia Department of Social Services
Emporia, Virginia**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Greensville-Emporia Department of Social Services, a component unit of Greensville County, Virginia, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Greensville-Emporia Department of Social Services' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Greensville-Emporia Department of Social Services, as of and for the year ended June 30, 2025, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Principles

As described in Note 15 to the financial statements, in 2025, the Department adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Restatement of Beginning Balances

As described in Note 14 to the financial statements, in 2025, the Department restated beginning balances to reflect the requirements of GASB Statement No. 101. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Greenville-Emporia Department of Social Services' basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2025 on our consideration of Greenville-Emporia Department of Social Services' 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 Greenville-Emporia Department of Social Services' 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 Greenville-Emporia Department of Social Services' internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
November 28, 2025

Management's Discussion and Analysis

As management of Greenville-Emporia Department of Social Services (the Department) we offer this narrative overview and analysis of the financial performance of the Department's financial activities for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented herein in connection with the Department's basic financial statements.

Financial Highlights

The liabilities and deferred inflows of resources of the Department exceed its assets and deferred outflows of resources (net position) at the close of the most recent fiscal year by \$1,285,713.

The Department's increase in net position was \$123,188 for the current year.

The Department is run as a governmental entity. The department expenditures are offset by local monies from the County of Greenville and the City of Emporia to reduce the change in fund balance to zero each year.

Overview of the Financial Statements

This management discussion and analysis is intended to serve as an introduction to the department's basic financial statements. Since the Department is engaged only in governmental and fiduciary activities, its basic financial statements are comprised of four components: 1) government-wide financial statements 2) governmental fund financial statements 3) fiduciary fund financial statements and 4) notes to the financial statements.

General Fund

The General Fund accounts for and reports the operations of the social services function of the department.

Special Welfare Fund

The Special Welfare fund is money held by the department on behalf of clients. These funds are not included in the government-wide statements because they are not used to finance the operations of the department.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

Financial Analysis of the Department as a Whole

Statement of Net Position

A summary of the Department's Statement of Net Position for June 30, 2025 and 2024 is presented below:

<u>Summary of Statement of Net Position</u>		
	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Current and other assets	\$ 1,858,812	\$ 1,572,873
Capital assets	8,848,486	9,015,749
Total assets	<u>\$ 10,707,298</u>	<u>\$ 10,588,622</u>
Deferred outflow of resources	\$ 320,943	\$ 165,983
Due to governmental entities	\$ 1,571,303	\$ 1,285,364
Current portion of long-term liabilities	207,271	190,527
Long-term liabilities	10,313,250	10,298,647
Total liabilities	<u>\$ 12,091,824</u>	<u>\$ 11,774,538</u>
Deferred inflows of resources	\$ 222,130	\$ 286,568
Net position:		
Net Investment in capital assets	\$ (209,666)	\$ (216,926)
Restricted for employee benefits	730	730
Unrestricted/(deficit)	<u>(1,076,777)</u>	<u>(1,090,305)</u>
Total net position/(deficit)	<u><u>\$ (1,285,713)</u></u>	<u><u>\$ (1,306,501)</u></u>

The Department's net position increased by \$123,188 during the year.

A summary of the Department's revenues, expenses, and changes in net position for June 30, 2025 and 2024 is presented below:

<u>Summary of Statement of Activities</u>		
	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Revenues:		
Interest	\$ 35,247	\$ 1,694
Operating grants	3,308,918	3,006,171
Other revenue	12,727	24,827
Total revenues	<u>\$ 3,356,892</u>	<u>\$ 3,032,692</u>
Expenses:		
Administration	\$ 2,561,060	\$ 2,341,164
Public assistance	672,644	596,213
Total expenses	<u>\$ 3,233,704</u>	<u>\$ 2,937,377</u>
Increase (decrease) in net position	\$ 123,188	\$ 95,315
Net position/(deficit), beginning of year, as originally reported	<u>\$ (1,306,501)</u>	<u>\$ (1,401,816)</u>
Resatement for implementation of GASB 101	\$ (102,400)	\$ -
Net position/(deficit), beginning of year, as restated	<u>(1,408,901)</u>	<u>(1,401,816)</u>
Net position/(deficit), end of year	<u><u>\$ (1,285,713)</u></u>	<u><u>\$ (1,306,501)</u></u>

Capital Assets

The Department's investment in capital assets as of June 30, 2025 amounts to \$8,848,486 (net of accumulated depreciation). Below are items that makeup capital assets as of June 30, 2025 and 2024.

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Vehicles and equipment (net)	\$ 96,788	\$ 14,003
Lease building (net)	<u>8,751,698</u>	<u>9,001,746</u>
Total	<u>\$ 8,848,486</u>	<u>\$ 9,015,749</u>

Additional information on capital assets can be found in Note 5.

Long-term Obligations

The Department's long-term obligations as of June 30, 2025 were \$10,520,521. Below are items that make up the Department's long-term obligations as of June 30, 2025 and 2024.

	<u>Outstanding Long-term Obligations</u>	
	<u>2025</u>	<u>2024</u>
Compensated absences	\$ 291,018	\$ 160,047
Lease liability	9,058,152	9,232,675
Net OPEB liabilities	110,735	122,080
Net pension liability	<u>1,060,616</u>	<u>974,372</u>
Total	<u>\$ 10,520,521</u>	<u>\$ 10,489,174</u>

Additional information on long-term obligations can be found in Note 9.

Economic Factors and Review of Operations

The Greenville-Emporia Department of Social Services is an organization dedicated to providing social services to the citizens of Greenville County and City of Emporia. The Department is governed by a Board of Directors appointed by the Board of Supervisors of Greenville County, Virginia, and the City of Emporia, Virginia.

Contacting the Department's Financial Management

This financial report is designed to provide a general overview of the Department's finances for those with an interest in the government's finances. Questions concerning any of the information provided in the report or requests for additional financial information should be directed to the Department's Treasurer, Greenville-Emporia Department of Social Services, 1748 East Atlantic Street, Emporia, VA 23847-1136.

Basic Financial Statements

- *Government-wide Financial Statements* -

Statement of Net Position
At June 30, 2025

	<u>Governmental Activities</u>
ASSETS	
Cash in custody of fiscal agent	\$ 1,633,391
Due from other governmental units	224,691
Restricted assets:	
Cash and cash equivalents	730
Capital assets (net of accumulated depreciation):	
Lease building	8,751,698
Vehicles and equipment	<u>96,788</u>
Total assets	<u>\$ 10,707,298</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related items	\$ 297,481
OPEB related items	<u>23,462</u>
Total deferred outflows of resources	<u>\$ 320,943</u>
LIABILITIES	
Due to City of Emporia	\$ 262,610
Due to County of Greensville	1,308,693
Current portion of long-term liabilities	207,271
Long-term liabilities:	
Due in more than one year	<u>10,313,250</u>
Total liabilities	<u>\$ 12,091,824</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related items	\$ 198,464
OPEB related items	<u>23,666</u>
Total deferred inflows of resources	<u>\$ 222,130</u>
NET POSITION	
Net investment in capital assets	\$ (209,666)
Restricted for employee benefits	730
Unrestricted/(Deficit)	<u>(1,076,777)</u>
Total net position/(Deficit)	<u><u>\$ (1,285,713)</u></u>

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

Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Health and welfare:					
Administration	\$ 2,561,060	\$ -	\$ 2,620,629	\$ -	\$ 59,569
Public assistance	<u>672,644</u>	<u>-</u>	<u>688,289</u>	<u>-</u>	<u>15,645</u>
Total governmental activities	\$ <u>3,233,704</u>	\$ <u>-</u>	\$ <u>3,308,918</u>	\$ <u>-</u>	\$ <u>75,214</u>
General revenues:					
Unrestricted revenues from use of money				\$	35,247
Miscellaneous					<u>12,727</u>
Total general revenues				\$	<u>47,974</u>
Change in net position				\$	<u>123,188</u>
Net position/(deficit), beginning of year, as originally reported				\$	<u>(1,306,501)</u>
Restatement for change in accounting principle					<u>(102,400)</u>
Net position/(deficit), beginning of year, as restated				\$	<u>(1,408,901)</u>
Net position/(deficit), end of year				\$	<u><u>(1,285,713)</u></u>

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

Basic Financial Statements

- *Fund Financial Statements* -

GREENSVILLE-EMPORIA DEPARTMENT OF SOCIAL SERVICES
(A Component Unit of Greenville County, Virginia)

Exhibit 3

Balance Sheet
At June 30, 2025

ASSETS

Cash in custody of fiscal agent (Note 3)	\$ 1,633,391
Due from other governmental units (Note 4)	224,691
Restricted assets:	
Cash and cash equivalents	<u>730</u>
Total assets	<u>\$ 1,858,812</u>

LIABILITIES

Due to participating jurisdictions:	
City of Emporia	\$ 262,610
County of Greenville	<u>1,308,693</u>
Total liabilities	<u>\$ 1,571,303</u>

FUND BALANCES

Restricted:	
Public assistance	\$ 286,779
Employee benefits funds	<u>730</u>
Total fund balances	<u>\$ 287,509</u>
Total liabilities and fund balances	<u>\$ 1,858,812</u>

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

Reconciliation of the Balance Sheet of the Governmental Funds
to the Statement of Net Position
At June 30, 2025

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

Total fund balance per Exhibit 3 - Balance Sheet - Governmental Funds	\$	287,509	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			8,848,486
Deferred outflows of resources are not available to pay for current period expenditures and, therefore, are not reported in the funds.			
Pension related items	\$	297,481	
OPEB related items		<u>23,462</u>	320,943
Long-term liabilities, are not due and payable in the current period and, therefore, are not reported in the funds.			
Compensated absences	\$	(291,018)	
Lease liability		(9,058,152)	
Net pension liability		(1,060,616)	
Net OPEB liabilities		<u>(110,735)</u>	(10,520,521)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.			
Pension related items	\$	(198,464)	
OPEB related items		<u>(23,666)</u>	(222,130)
Net position of governmental activities			<u>\$ (1,285,713)</u>

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

GREENSVILLE-EMPORIA DEPARTMENT OF SOCIAL SERVICES
(A Component Unit of Greensville County, Virginia)

Exhibit 5

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

Revenues:

Revenue from local sources:	
Revenue from use of money:	
Interest income	\$ 35,247
Miscellaneous	<u>12,727</u>
Total revenue from local sources	<u>\$ 47,974</u>
Intergovernmental:	
Contributions from participating jurisdictions:	
County of Greensville - regular operating (Schedule 1)	\$ 146,305
City of Emporia - regular operating (Schedule 1)	<u>175,137</u>
Total intergovernmental	<u>\$ 321,442</u>
Revenue from the Commonwealth:	
Public assistance grants	<u>\$ 1,036,845</u>
Total revenue from the Commonwealth	<u>\$ 1,036,845</u>
Revenue from the federal government:	
Public assistance grants	\$ 1,828,769
Cost allocation reimbursement	<u>121,862</u>
Total revenue from the federal government	<u>\$ 1,950,631</u>
Total revenues	<u>\$ 3,356,892</u>

Expenditures:

Health and welfare:	
Administration	\$ 2,684,248
Public assistance	<u>672,644</u>
Total expenditures	<u>\$ 3,356,892</u>
Change in fund balances	\$ -
Fund balances, beginning of year	<u>287,509</u>
Fund balances, end of year	<u>\$ 287,509</u>

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

Reconciliation of Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2025

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

Net change in fund balance - total governmental funds	\$	-
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period:

Depreciation expense on capital assets	\$ (258,421)	
Capital asset additions	<u>91,158</u>	(167,263)

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

Principal payments:	
Lease liability	174,523

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.

Change in pension related items	134,992	
Change in OPEB related items	9,507	
Change in compensated absences	<u>(28,571)</u>	

Change in net position of governmental activities	\$	<u><u>123,188</u></u>
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The notes to the financial statements are an integral part of this statement.

**GREENSVILLE-EMPORIA DEPARTMENT OF SOCIAL SERVICES
(A Component Unit of Greensville County, Virginia)**

Exhibit 7

**Statement of Fiduciary Net Position
Fiduciary Fund
For the Year Ended June 30, 2025**

	<u>Custodial Fund</u>
	<u>Special Welfare</u>
Assets	
Cash and cash equivalents	\$ <u>1,613</u>
Net Position	
Restricted:	
Amounts held for individuals	\$ <u>1,613</u>

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

Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended June 30, 2025

	<u>Custodial Fund</u>
	<u>Special Welfare</u>
Additions	
Miscellaneous	\$ <u>393</u>
Deductions	
Recipient payments	\$ <u>1,308</u>
Net increase (decrease) in fiduciary net position	\$ (915)
Net position, beginning of year	<u>2,528</u>
Net position, end of year	<u><u>\$ 1,613</u></u>

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

GREENSVILLE-EMPORIA DEPARTMENT OF SOCIAL SERVICES
(A Component Unit of Greensville County, Virginia)

Notes to Financial Statements
At June 30, 2025

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Organization and Purpose:

Greensville-Emporia Department of Social Services was organized in 1935. The Department was established because of the Social Security Act of 1935. The Department became a district office in 1972 after Emporia became a city and was required by the state to provide social services for its residents.

The purpose of the Department is to provide social services to the residents of Greensville County and the City of Emporia. These programs include benefit programs such as food stamps and medical and service programs such as day care and companion services.

B. Financial Reporting Entity:

The Department has determined that it is a discretely presented component unit of the County of Greensville, Virginia for financial reporting purposes. The Board of Supervisors of the County appoints a voting majority of the Department's governing body, there exists a financial benefit and burden relationship between the County and the Department, and the County is financially accountable for the Department. For these reasons, Greensville-Emporia Department of Social Services has been determined to be a component unit of the County of Greensville, Virginia.

C. Financial Statement Presentation:

Government-wide and Fund Financial Statements

Government-wide Financial Statements:

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. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers 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 the financial position of the Department. Governments will report all capital assets in the Statement of Net Position and will report depreciation expense - the cost of "using up" capital assets - in the Statement of Activities. The net position of a government will be broken down into three categories: 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

**GREENSVILLE-EMPORIA DEPARTMENT OF SOCIAL SERVICES
(A Component Unit of Greenville County, Virginia)**

Notes to Financial Statements
At June 30, 2025 (Continued)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

C. Financial Statement Presentation: (Continued)

Statement of Activities:

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

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

Fund Financial Statements:

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 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 budgetary comparison schedules present the original budget, the final budget, and the actual activity of the major governmental funds.

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.

D. Basis of Accounting:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**GREENSVILLE-EMPORIA DEPARTMENT OF SOCIAL SERVICES
(A Component Unit of Greensville County, Virginia)**

Notes to Financial Statements
At June 30, 2025 (Continued)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

D. Basis of Accounting: (Continued)

The government-wide Statement of Activities reflects both the gross and net cost per functional category (administration and public assistance) which are otherwise being supported by intergovernmental revenues and grants. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions.

1. **Governmental Funds:** Governmental Funds utilize the modified accrual basis of accounting under which revenue and related assets are recorded when measurable and available to finance operations during the year. Intergovernmental revenues, consisting primarily of federal, state, and other grants for the purpose of funding specific expenditures, are recognized when earned or at the time of the specific expenditure.
2. **Fiduciary Funds:** Fiduciary Funds account for assets held by the Department in a trustee capacity or as a custodian for individuals, private organizations, other governmental units, or other funds. These funds include Custodial Funds, which consist of the Special Welfare Fund. Fiduciary funds are not included in the government-wide financial statements.

E. Cash and Cash Equivalents:

The Department's cash and cash equivalents consist of cash on hand, demand deposits, certificates of deposit and short-term investments with original maturities of three months or less from the date of acquisition.

F. Capital Assets:

Capital assets are tangible and intangible assets, which include property, equipment, and lease assets and are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the Department as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of one year.

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

Land and construction in progress are not depreciated. The other tangible and intangible property, equipment, and lease assets, of the Department are depreciated/amortized using the straight-line method over the following estimated useful lives (or life of the associated contract for lease assets):

<u>Assets</u>	<u>Years</u>
Lease building	40
Vehicles	5

**GREENSVILLE-EMPORIA DEPARTMENT OF SOCIAL SERVICES
(A Component Unit of Greenville County, Virginia)**

Notes to Financial Statements
At June 30, 2025 (Continued)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

G. Compensated Absences:

The Department recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences vacation and sick leave. The liability for compensated absences is reported as incurred in the government-wide financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

H. Use of Estimates:

The preparation of financial statements in conformity with U.S. 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.

I. Net Position:

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

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

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

**GREENSVILLE-EMPORIA DEPARTMENT OF SOCIAL SERVICES
(A Component Unit of Greenville County, Virginia)**

Notes to Financial Statements
At June 30, 2025 (Continued)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

J. Fund Balance:

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

- Nonspendable fund balance - amounts that are either not in spendable form (such as inventory and prepaids) or are legally or contractually required to be maintained intact (corpus of a permanent fund).
- Restricted fund balance - amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors or enabling federal, state, or local legislation. Restrictions may be changed or lifted only with the consent of the resource providers.
- Committed fund balance - amounts that can be used only for the specific purposes determined by the adoption of an ordinance committing fund balance for a specified purpose by the Department board prior to the end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until the resources have been spent for the specified purpose, or the Board adopts another ordinance to remove or revise the limitation.
- Assigned fund balance - amounts a government intends to use for a specific purpose but do not meet the criteria to be classified as committed; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.
- Unassigned fund balance amounts that are available for any purpose; positive amounts are only reported in the general fund. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

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

The Board establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment, which does not lapse at year end, is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Director, who has been given the delegated authority to assign amounts by the Board.

**GREENSVILLE-EMPORIA DEPARTMENT OF SOCIAL SERVICES
(A Component Unit of Greenville County, Virginia)**

Notes to Financial Statements
At June 30, 2025 (Continued)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

K. Deferred Outflows/Inflows of Resources:

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Department has one item that qualifies for reporting in this category. It is comprised of certain items related to pension and OPEB. For more detailed information on this item, reference the related notes.

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

L. 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 Department's Retirement Plan and the additions to/deductions from the Department'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.

M. Other Postemployment Benefits (OPEB)

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

N. Leases

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

GREENSVILLE-EMPORIA DEPARTMENT OF SOCIAL SERVICES
(A Component Unit of Greenville County, Virginia)

Notes to Financial Statements
At June 30, 2025 (Continued)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

N. Leases: (Continued)

Lessee

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

Key Estimates and Judgments

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

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

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

O. Deficit Net Position

A net position deficit of \$1,285,713 exists in governmental activities. The deficit results primarily from there being a greater amount of long-term outstanding obligations than capital assets which are included in the government-wide conversions.

GREENSVILLE-EMPORIA DEPARTMENT OF SOCIAL SERVICES
(A Component Unit of Greensville County, Virginia)

Notes to Financial Statements
 At June 30, 2025 (Continued)

NOTE 2—DEPOSITS AND INVESTMENTS:

Deposits

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

Investments

The Department held no investments as of June 30, 2025.

NOTE 3—FISCAL AGENT:

All Department funds are in the custody of the fiscal agent, the Treasurer of the County of Greensville, Virginia.

NOTE 4—DUE FROM/TO OTHER GOVERNMENTAL UNITS:

The following represent amounts due from (to) other governmental units on June 30, 2025:

Commonwealth of Virginia:		
Public Assistance Grants	\$	84,826
Federal Government:		
Public Assistance Grants		<u>139,865</u>
Total due from other governments	\$	<u><u>224,691</u></u>

NOTE 5—CAPITAL ASSETS:

Changes in capital assets for the year ended June 30, 2025 are as follows:

	<u>Balance</u>				<u>Balance</u>
	<u>July 1, 2024</u>	<u>Additions</u>	<u>Subtractions</u>		<u>June 30, 2025</u>
Vehicles and equipment	\$ 134,510	\$ 91,158	\$ -	\$	225,668
Less accumulated depreciation	(120,507)	(8,373)	-		(128,880)
Lease building	9,751,891	-	-		9,751,891
Less accumulated depreciation	<u>(750,145)</u>	<u>(250,048)</u>	-		<u>(1,000,193)</u>
Net capital assets	<u>\$ 9,015,749</u>	<u>\$ (167,263)</u>	<u>\$ -</u>	\$	<u><u>8,848,486</u></u>

**GREENSVILLE-EMPORIA DEPARTMENT OF SOCIAL SERVICES
(A Component Unit of Greensville County, Virginia)**

Notes to Financial Statements
At June 30, 2025 (Continued)

NOTE 6—ALLOCATION OF COSTS:

The County and the City participate in Greensville-Emporia Department of Social Services (“DSS”) pursuant to Va. Code § 63.2-306, and its statutory predecessors. Va. Code § 63.2-306 authorizes localities participating in a multi-locality district to provide by agreement for the allocation of administrative costs between the participating localities. The County, the City, and the DSS are parties to the Cost Sharing Agreement for Social Services Programs Between and Among Greensville County, the City of Emporia, and the Greensville-Emporia Department of Social Services, dated as of December 15, 2014 (the “Cost Sharing Agreement”).

The Cost Sharing Agreement provides for:

1. The resolution of amounts reported as due to the County and due from the City for DSS social services programs costs as had accumulated over several years, including the payment of certain funds to the County over a period of years.
2. The preparation of an Annual Financial Report for the DSS.
3. The participation of the DSS in the annual budget processes of the County and the City.
4. The maintenance of base working capital for the DSS, including appropriations by the County and the City when needed.
5. The County Treasurer to serve as the DSS Fiscal Officer pursuant to Va. Code § 63.2-311.
6. Limitations on DSS expenditures.
7. The allocation of Administrative Costs, Miscellaneous Expenses, Reimbursement Revenues, and Miscellaneous Revenues between the County and the City.
8. The allocation of Net Local Costs between the County and the City.
9. The annual reconciliation of any amounts due to or from the County or the City.
10. Planning for a new DSS facility.
11. The governance of the DSS by a five-member district board.
12. The duration of the Agreement until June 30, 2022 automatically extends yearly until agreed upon otherwise.

Schedule 2 (Schedule of Cost Sharing Allocation for the Year Ended June 30, 2025) applies the allocation provisions of the Cost Sharing Agreement. At June 30, 2025, the Department owed \$1,308,693 to the County of Greensville and \$262,610 to the City of Emporia.

**GREENSVILLE-EMPORIA DEPARTMENT OF SOCIAL SERVICES
(A Component Unit of Greensville County, Virginia)**

Notes to Financial Statements
At June 30, 2025 (Continued)

NOTE 7—PENSION PLAN:

Plan Description

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

Benefit Structures

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

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

**GREENSVILLE-EMPORIA DEPARTMENT OF SOCIAL SERVICES
(A Component Unit of Greensville County, Virginia)**

Notes to Financial Statements
At June 30, 2025 (Continued)

NOTE 7—PENSION PLAN: (Continued)

Average Final Compensation and Service Retirement Multiplier

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

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

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

Employees Covered by Benefit Terms

As of the June 30, 2023 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	33
Inactive members:	
Vested inactive members	7
Non-vested inactive members	11
Inactive members active elsewhere in VRS	<u>26</u>
Total inactive members	44
Active members	<u>22</u>
Total covered employees	<u><u>99</u></u>

**GREENSVILLE-EMPORIA DEPARTMENT OF SOCIAL SERVICES
(A Component Unit of Greensville County, Virginia)**

Notes to Financial Statements
At June 30, 2025 (Continued)

NOTE 7—PENSION PLAN: (Continued)

Contributions

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

The Department’s contractually required employer contribution rate for the year ended June 30, 2025 was 12.59% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

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 Department were \$159,143 and \$141,212 for the years ended June 30, 2025 and June 30, 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$6,614 for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled \$3,904 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$661,438 for the year ended June 30, 2025.

Net Pension Liability

The net pension liability (NPL) is calculated separately for each employer and represents that employer’s total pension liability determined in accordance with GASB Statement No. 68, less that employer’s fiduciary net position. The Department’s net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2023 and rolled forward to the measurement date of June 30, 2024.

Actuarial Assumptions - General Employees

The total pension liability for General Employees in the Department’s Retirement Plan was based on an actuarial valuation as of June 30, 2023, 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, 2024.

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

**GREENSVILLE-EMPORIA DEPARTMENT OF SOCIAL SERVICES
(A Component Unit of Greenville County, Virginia)**

Notes to Financial Statements
At June 30, 2025 (Continued)

NOTE 7—PENSION PLAN: (Continued)

Actuarial Assumptions - General Employees (Continued)

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions because of the experience study and VRS Board action are as follows:

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

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

GREENSVILLE-EMPORIA DEPARTMENT OF SOCIAL SERVICES
(A Component Unit of Greensville County, Virginia)

Notes to Financial Statements
 At June 30, 2025 (Continued)

NOTE 7—PENSION PLAN: (Continued)

Long-term Expected Rate of Return

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

Asset Class (Strategy)	Long-term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnerships	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
Total	100.00%		7.07%
	Expected arithmetic nominal return**		7.07%

*The above allocation provides a one-year expected return of 7.07% (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%.

**On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.10%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. For the year ended June 30, 2024, the employer contribution rate was 100%

GREENSVILLE-EMPORIA DEPARTMENT OF SOCIAL SERVICES
(A Component Unit of Greenville County, Virginia)

Notes to Financial Statements
 At June 30, 2025 (Continued)

NOTE 7—PENSION PLAN: (Continued)

Discount Rate: (Continued)

of the actuarially determined employer contribution rate from the June 30, 2023 actuarial valuations. From July 1, 2024 on, participating employers and school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2023	\$ 7,920,253	\$ 6,945,881	\$ 974,372
Changes for the year:			
Service cost	\$ 77,227	\$ -	\$ 77,227
Interest	521,791	-	521,791
Differences between expected and actual experience	335,964	-	335,964
Contributions - employer	-	140,150	(140,150)
Contributions - employee	-	52,092	(52,092)
Net investment income	-	661,005	(661,005)
Benefit payments, including refunds	(534,476)	(534,476)	-
Administrative expenses	-	(4,638)	4,638
Other changes	-	129	(129)
Net changes	\$ 400,506	\$ 314,262	\$ 86,244
Balances at June 30, 2024	\$ 8,320,759	\$ 7,260,143	\$ 1,060,616

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Greenville-Emporia Social Services Net Pension Liability	\$ 2,028,663	\$ 1,060,616	\$ 259,576

GREENSVILLE-EMPORIA DEPARTMENT OF SOCIAL SERVICES
(A Component Unit of Greenville County, Virginia)

Notes to Financial Statements
 At June 30, 2025 (Continued)

NOTE 7—PENSION PLAN: (Continued)

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

For the year ended June 30, 2025, the Department recognized pension expense of \$23,089. On June 30, 2025, the Department and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 138,338	\$ -
Net difference between projected and actual earnings on pension plan investments	-	198,464
Employer contributions subsequent to the measurement date	<u>159,143</u>	<u>-</u>
Total	<u>\$ 297,481</u>	<u>\$ 198,464</u>

\$159,143 reported as deferred outflows of resources related to pensions resulting from the Department’s contributions after the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year ended June 30</u>	
2026	\$ (39,543)
2027	57,172
2028	(36,982)
2029	(40,773)
2030	-
Thereafter	-

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2024-annual-report.pdf> or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

**GREENSVILLE-EMPORIA DEPARTMENT OF SOCIAL SERVICES
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Notes to Financial Statements
At June 30, 2025 (Continued)

NOTE 8—CONTINGENT LIABILITIES:

Federal programs in which the Department participates were audited in accordance with the provisions of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). While no matters of noncompliance were disclosed by the audit, the federal government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, any future disallowance of current grant program expenditures, if any, would be immaterial. More information regarding the federal programs which were audited can be found in the County of Greensville’s (primary government’s) audited financial statements.

NOTE 9—LONG-TERM LIABILITIES:

Changes in long-term liabilities for the year ended June 30, 2025 are as follows:

	Balance July 1, 2024	Restatement for GASB 101	Balance July 1, 2024 as restated	Additions	Subtractions	Balance June 30, 2025	Due within one year
Compensated absences* \$	160,047	\$ 102,400	\$ 262,447	\$ 28,571	\$ -	\$ 291,018	\$ 29,102
Lease liability	9,232,675	-	9,232,675	-	174,523	9,058,152	178,169
Net OPEB liabilities	122,080	-	122,080	34,628	45,973	110,735	-
Net pension liability	974,372	-	974,372	939,620	853,376	1,060,616	-
Total	\$ 10,489,174	\$ 102,400	\$ 10,591,574	\$ 1,002,819	\$ 1,073,872	\$ 10,520,521	\$ 207,271

*The change in compensated absences above is a net change for the year

The Department leases office space from the County of Greensville, Virginia. The lease has a discount rate of 2.07%, payable in monthly installments of \$30,332 through June 1, 2060. Future payments are detailed below:

Year Ended June 30,	Lease Liability	
	Principal	Interest
2026	\$ 178,169	\$ 185,820
2027	181,893	182,096
2028	185,694	178,295
2029	189,574	174,415
2030	193,536	170,453
2031-2035	1,030,063	789,882
2036-2040	1,142,285	677,660
2041-2045	1,266,734	553,211
2046-2050	1,404,740	415,205
2051-2055	1,557,783	262,163
2056-2060	1,727,681	92,264
Total	\$ 9,058,152	\$ 3,681,464

**GREENSVILLE-EMPORIA DEPARTMENT OF SOCIAL SERVICES
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Notes to Financial Statements
At June 30, 2025 (Continued)

NOTE 10—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN):

Plan Description

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

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

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

Eligible Employees

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

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$9,532 as of June 30, 2025.

**GREENSVILLE-EMPORIA DEPARTMENT OF SOCIAL SERVICES
(A Component Unit of Greenville County, Virginia)**

Notes to Financial Statements
At June 30, 2025 (Continued)

NOTE 10—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (Continued)

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.18% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.71% (1.18 % x 60%) and the employer component was 0.47% (1.18% 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, 2025 was 0.47% of covered employee compensation. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Program from the entity were \$5,965 and \$6,199 for the years ended June 30, 2025 and June 30, 2024, respectively.

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

At June 30, 2025, the entity reported a liability of \$49,882 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2024 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Program for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. On June 30, 2024, the participating employer's proportion was .00447% as compared to .00483% on June 30, 2023.

For the year ended June 30, 2025, the participating employer recognized GLI OPEB expense of (\$1,191). Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

GREENSVILLE-EMPORIA DEPARTMENT OF SOCIAL SERVICES
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Notes to Financial Statements
At June 30, 2025 (Continued)

NOTE 10—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (Continued)

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

At June 30, 2025, 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	\$ 7,867	\$ 1,218
Net difference between projected and actual earnings on GLI OPEB plan investments	-	4,205
Change in assumptions	284	2,472
Changes in proportionate share	1,721	12,579
Employer contributions subsequent to the measurement date	<u>5,965</u>	<u>-</u>
Total	<u>\$ 15,837</u>	<u>\$ 20,474</u>

\$5,965 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions after the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2026. 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>	
2026	\$ (4,960)
2027	(1,573)
2028	(2,095)
2029	(2,094)
2030	120
Thereafter	-

**GREENSVILLE-EMPORIA DEPARTMENT OF SOCIAL SERVICES
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Notes to Financial Statements
At June 30, 2025 (Continued)

NOTE 10—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (Continued)

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2023, 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, 2024.

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

**GREENSVILLE-EMPORIA DEPARTMENT OF SOCIAL SERVICES
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Notes to Financial Statements
At June 30, 2025 (Continued)

NOTE 10—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (Continued)

Actuarial Assumptions: (Continued)

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions because of the experience study and VRS Board action are as follows:

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

NET GLI OPEB Liability

The net OPEB liability (NOL) for the GLI Plan represents the plan’s total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2024, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

	<u>GLI OPEB Plan</u>
Total GLI OPEB Liability	\$ 4,196,055
Plan Fiduciary Net Position	3,080,133
GLI Net OPEB Liability (Asset)	<u>\$ 1,115,922</u>
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	73.41%

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

**GREENSVILLE-EMPORIA DEPARTMENT OF SOCIAL SERVICES
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Notes to Financial Statements
At June 30, 2025 (Continued)

NOTE 10—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (Continued)

Long-term Expected Rate of Return

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

<u>Asset Class (Strategy)</u>	<u>Long-term Target Asset Allocation</u>	<u>Arithmetic Long-term Expected Rate of Return</u>	<u>Weighted Average Long-term Expected Rate of Return*</u>
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnership	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
Total	100.00%		7.07%
	Expected arithmetic nominal return**		7.07%

*The above allocation provides a one-year expected return of 7.07% (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%.

** On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2024, the rate contributed by the entity for the

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Notes to Financial Statements
At June 30, 2025 (Continued)

NOTE 10—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (Continued)

Discount Rate: (Continued)

GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2024 on, Employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB’s fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

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

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

	Rate		
	<u>1% Decrease</u> <u>(5.75%)</u>	<u>Current Discount</u> <u>(6.75%)</u>	<u>1% Increase</u> <u>(7.75%)</u>
Department's proportionate share of the GLI Plan Net OPEB Liability	\$ 77,573	\$ 49,882	\$ 27,511

GLI Plan Fiduciary Net Position

Detailed information about the GLI Plan’s Fiduciary Net Position is available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2024-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

NOTE 11—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):

Plan Description

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

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Notes to Financial Statements
At June 30, 2025 (Continued)

NOTE 11—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (Continued)

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

Employees Covered by Benefit Terms

As of the June 30, 2023 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan:

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	19
Inactive members:	
Vested inactive members	1
Inactive members active elsewhere in VRS	26
Total inactive members	<u>27</u>
Active members	<u>22</u>
Total covered employees	<u><u>68</u></u>

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Notes to Financial Statements
At June 30, 2025 (Continued)

NOTE 11—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (Continued)

Contributions

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted because of funding options provided to political subdivisions by the Virginia General Assembly. The Department’s contractually required employer contribution rate for the year ended June 30, 2025 was .49% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. 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 Department to the HIC Plan were \$6,194 and \$5,625 for the years ended June 30, 2025 and June 30, 2024, respectively.

Net HIC OPEB Liability

The Department’s net HIC OPEB liability was measured as of June 30, 2024. The total HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2023, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2023, 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, 2024.

Inflation	2.50%
Salary increases, including inflation:	
Locality - General employees	3.5%-5.35%
Investment rate of return	6.75%, net of investment expenses, including inflation

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Notes to Financial Statements
At June 30, 2025 (Continued)

NOTE 11—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (Continued)

Actuarial Assumptions: (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions because of the experience study and VRS Board action are as follows:

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

**GREENSVILLE-EMPORIA DEPARTMENT OF SOCIAL SERVICES
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Notes to Financial Statements
At June 30, 2025 (Continued)

NOTE 11—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (Continued)

Long-term Expected Rate of Return

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

Asset Class (Strategy)	Long-term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnerships	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
Total	100.00%		7.07%
	Expected arithmetic nominal return**		7.07%

*The above allocation provides a one-year expected return of 7.07% (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%.

**On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total HIC OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2024, the rate contributed by the entity for the HIC OPEB was 100% of the actuarially determined contribution rate. From July 1, 2024 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB’s fiduciary net position was

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Notes to Financial Statements
At June 30, 2025 (Continued)

NOTE 11—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (Continued)

Discount Rate: (Continued)

projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

Changes in Net HIC OPEB Liability

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2023	\$ 87,287	\$ 23,134	\$ 64,153
Changes for the year:			
Service cost	\$ 460	\$ -	\$ 460
Interest	5,721	-	5,721
Differences between expected and actual experience	(1,709)	-	(1,709)
Contributions - employer	-	5,625	(5,625)
Net investment income	-	2,176	(2,176)
Benefit payments	(5,982)	(5,982)	-
Administrative expenses	-	(30)	30
Other changes	-	1	(1)
Net changes	\$ (1,510)	\$ 1,790	\$ (3,300)
Balances at June 30, 2024	\$ 85,777	\$ 24,924	\$ 60,853

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Department's Net HIC OPEB Liability	\$ 69,691	\$ 60,853	\$ 53,367

**GREENSVILLE-EMPORIA DEPARTMENT OF SOCIAL SERVICES
(A Component Unit of Greenville County, Virginia)**

Notes to Financial Statements
At June 30, 2025 (Continued)

NOTE 11—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (Continued)

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

For the year ended June 30, 2025, the Department recognized HIC Plan OPEB expense of \$3,842. On June 30, 2025, the Department reported deferred outflows of resources and deferred inflows of resources related to the Department’s HIC Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 856	\$ 2,757
Net difference between projected and actual earnings on HIC OPEB plan investments	-	435
Changes of assumptions	575	-
Employer contributions subsequent to the measurement date	6,194	-
Total	<u>\$ 7,625</u>	<u>\$ 3,192</u>

\$6,194 reported as deferred outflows of resources related to the HIC OPEB resulting from the Department’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, 2026. 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>	
2026	\$ (890)
2027	(670)
2028	(74)
2029	(127)
2030	-
Thereafter	-

HIC Plan Data

Information about the VRS Political Subdivision HIC Plan is available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2024-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

GREENSVILLE-EMPORIA DEPARTMENT OF SOCIAL SERVICES
(A Component Unit of Greenville County, Virginia)

Notes to Financial Statements
 At June 30, 2025 (Continued)

NOTE 12—AGGREGATE OPEB INFORMATION:

Aggregate OPEB information is presented below:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Net OPEB Liabilities</u>	<u>OPEB Expense</u>
VRS OPEB Plans:				
Group Life Insurance Plan (Note 11)	\$ 15,837	\$ 20,474	\$ 49,882	\$ (1,191)
Health Insurance Credit Plan (Note 12)	7,625	3,192	60,853	3,842
Totals	<u>\$ 23,462</u>	<u>\$ 23,666</u>	<u>\$ 110,735</u>	<u>\$ 2,651</u>

NOTE 13—UPCOMING PRONOUNCEMENTS:

Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

Statement No. 104, *Disclosure of Certain Capital Assets*, requires certain types of assets (lease assets, subscription assets, intangible right-to-use assets, and other intangible assets) to be disclosed separately in the capital asset note disclosures by major class of underlying asset. It also requires additional disclosures for capital assets held for sale. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

Implementation Guide No. 2025-1, *Implementation Guidance Update—2025*, effective for fiscal years beginning after June 15, 2025.

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

NOTE 14—RESTATEMENT OF BEGINNING BALANCES:

	<u>Amount</u>
Net Position as of June 30, 2024, previously reported	\$ (1,306,501)
Restatement of compensated absences in accordance with GASB Statement No. 101	<u>(102,400)</u>
Net Position as of June 30, 2024, as restated	<u>\$ (1,408,901)</u>

NOTE 15—ADOPTION OF ACCOUNTING PRINCIPLES FOR GASB 101:

During fiscal year 2025, the Department implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. GASB 101 establishes recognition and measurement guidance for compensated absences, such as vacation and sick leave, to enhance the consistency and comparability of financial reporting. The implementation of this standard resulted in a restatement of beginning balances.

Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios
For the Measurement Dates of June 30, 2015 through June 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total pension liability					
Service cost	\$ 77,227	\$ 95,630	\$ 89,383	\$ 92,715	\$ 99,136
Interest	521,791	533,755	521,601	486,475	492,553
Differences between expected and actual experience	335,964	(297,244)	33,874	52,474	(233,563)
Assumption changes	-	-	-	272,180	-
Benefit payments	(534,476)	(447,478)	(494,629)	(451,038)	(445,305)
Net change in total pension liability	<u>\$ 400,506</u>	<u>\$ (115,337)</u>	<u>\$ 150,229</u>	<u>\$ 452,806</u>	<u>\$ (87,179)</u>
Total pension liability - beginning	<u>7,920,253</u>	<u>8,035,590</u>	<u>7,885,361</u>	<u>7,432,555</u>	<u>7,519,734</u>
Total pension liability - ending (a)	<u><u>\$ 8,320,759</u></u>	<u><u>\$ 7,920,253</u></u>	<u><u>\$ 8,035,590</u></u>	<u><u>\$ 7,885,361</u></u>	<u><u>\$ 7,432,555</u></u>
Plan fiduciary net position					
Contributions - employer	\$ 140,150	\$ 139,047	\$ 133,637	\$ 122,669	\$ 132,795
Contributions - employee	52,092	52,086	57,323	52,871	52,270
Net investment income	661,005	429,688	(2,765)	1,557,955	112,563
Benefit payments	(534,476)	(447,478)	(494,629)	(451,038)	(445,305)
Administrative expense	(4,638)	(4,413)	(4,478)	(4,041)	(3,984)
Other	129	172	159	145	(131)
Net change in plan fiduciary net position	<u>\$ 314,262</u>	<u>\$ 169,102</u>	<u>\$ (310,753)</u>	<u>\$ 1,278,561</u>	<u>\$ (151,792)</u>
Plan fiduciary net position - beginning	<u>6,945,881</u>	<u>6,776,779</u>	<u>7,087,532</u>	<u>5,808,971</u>	<u>5,960,763</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 7,260,143</u></u>	<u><u>\$ 6,945,881</u></u>	<u><u>\$ 6,776,779</u></u>	<u><u>\$ 7,087,532</u></u>	<u><u>\$ 5,808,971</u></u>
Department's net pension liability - ending (a) - (b)	\$ 1,060,616	\$ 974,372	\$ 1,258,811	\$ 797,829	\$ 1,623,584
Plan fiduciary net position as a percentage of the total pension liability	87.25%	87.70%	84.33%	89.88%	78.16%
Covered payroll	\$ 1,147,941	\$ 1,138,392	\$ 1,242,642	\$ 1,140,143	\$ 1,121,065
Department's net pension liability as a percentage of covered payroll	92.39%	85.59%	101.30%	69.98%	144.83%

Schedule of Changes in Net Pension Liability and Related Ratios
For the Measurement Dates of June 30, 2015 through June 30, 2024

	2019	2018	2017	2016	2015
Total pension liability					
Service cost	\$ 85,063	\$ 94,425	\$ 112,964	\$ 115,531	\$ 113,324
Interest	486,194	470,535	462,778	452,168	452,747
Differences between expected and actual experience	28,857	99,220	(54,985)	39,748	(163,634)
Assumption changes	196,426	-	41,540	-	-
Benefit payments	(444,872)	(436,093)	(466,853)	(444,919)	(376,475)
Net change in total pension liability	<u>\$ 351,668</u>	<u>\$ 228,087</u>	<u>\$ 95,444</u>	<u>\$ 162,528</u>	<u>\$ 25,962</u>
Total pension liability - beginning	<u>7,168,066</u>	<u>6,939,979</u>	<u>6,844,535</u>	<u>6,682,007</u>	<u>6,656,045</u>
Total pension liability - ending (a)	<u><u>\$ 7,519,734</u></u>	<u><u>\$ 7,168,066</u></u>	<u><u>\$ 6,939,979</u></u>	<u><u>\$ 6,844,535</u></u>	<u><u>\$ 6,682,007</u></u>
Plan fiduciary net position					
Contributions - employer	\$ 134,995	\$ 133,018	\$ 134,044	\$ 156,189	\$ 149,160
Contributions - employee	54,627	53,016	65,784	52,675	50,593
Net investment income	379,000	413,968	631,925	88,614	243,138
Benefit payments	(444,872)	(436,093)	(466,853)	(444,919)	(376,475)
Administrative expense	(3,926)	(3,710)	(3,833)	(3,496)	(3,455)
Other	(238)	(363)	(555)	(39)	(49)
Net change in plan fiduciary net position	<u>\$ 119,586</u>	<u>\$ 159,836</u>	<u>\$ 360,512</u>	<u>\$ (150,976)</u>	<u>\$ 62,912</u>
Plan fiduciary net position - beginning	<u>5,841,177</u>	<u>5,681,341</u>	<u>5,320,829</u>	<u>5,471,805</u>	<u>5,408,893</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 5,960,763</u></u>	<u><u>\$ 5,841,177</u></u>	<u><u>\$ 5,681,341</u></u>	<u><u>\$ 5,320,829</u></u>	<u><u>\$ 5,471,805</u></u>
Department's net pension liability - ending (a) - (b)	<u>\$ 1,558,971</u>	<u>\$ 1,326,889</u>	<u>\$ 1,258,638</u>	<u>\$ 1,523,706</u>	<u>\$ 1,210,202</u>
Plan fiduciary net position as a percentage of the total pension liability	79.27%	81.49%	81.86%	77.74%	81.89%
Covered payroll	<u>\$ 1,137,283</u>	<u>\$ 1,066,183</u>	<u>\$ 1,069,098</u>	<u>\$ 1,068,685</u>	<u>\$ 1,016,142</u>
Department's net pension liability as a percentage of covered payroll	137.08%	124.45%	117.73%	142.58%	119.10%

GREENSVILLE-EMPORIA DEPARTMENT OF SOCIAL SERVICES
(A Component Unit of Greenville County, Virginia)

Exhibit 10

Schedule of Employer Contributions - Pension Plan
For the Years Ended June 30, 2016 through June 30, 2025

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)
2025	\$ 159,143	\$ 159,143	\$ -	\$ 1,264,046	12.59%
2024	141,212	141,212	-	1,147,941	12.30%
2023	139,807	139,807	-	1,138,392	12.28%
2022	134,505	134,505	-	1,242,642	10.82%
2021	122,878	122,878	-	1,140,143	10.78%
2020	133,089	133,089	-	1,121,065	11.87%
2019	134,994	134,994	-	1,137,283	11.87%
2018	133,135	133,135	-	1,066,183	12.49%
2017	134,045	134,045	-	1,069,098	12.54%
2016	157,097	157,097	-	1,068,685	14.70%

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

Notes to Required Supplementary Information - Pension Plan
 For the Year Ended June 30, 2025

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

Changes of assumptions - The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

Schedule of Department's Share of Net OPEB Liability
Group Life Insurance (GLI) Plan
For the Measurement Dates of June 30, 2017 through June 30, 2024

Date (1)	Employer's Proportion of of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (3)	Employer's Covered Payroll (4)	Employer's	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
				Proportionate Share of the Net GLI OPEB Liability as a Percentage of Covered Payroll (3)/(4) (5)	
2024	0.00447%	\$ 49,882	\$ 1,147,941	4.35%	73.41%
2023	0.00483%	57,927	1,138,392	5.09%	69.30%
2022	0.00570%	69,115	1,242,642	5.56%	67.21%
2021	0.00550%	64,267	1,140,143	5.64%	67.45%
2020	0.00560%	93,121	1,121,065	8.31%	52.64%
2019	0.00582%	94,707	1,137,283	8.33%	52.00%
2018	0.00561%	86,000	1,066,183	8.07%	51.22%
2017	0.00584%	88,000	1,069,098	8.23%	48.86%

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

GREENSVILLE-EMPORIA DEPARTMENT OF SOCIAL SERVICES
(A Component Unit of Greensville County, Virginia)

Exhibit 13

Schedule of Employer Contributions
Group Life Insurance (GLI) Plan
For the Years Ended June 30, 2016 through June 30, 2025

Date	Contributions in Relation to			Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
	Contractually Required Contribution (1)	Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)		
2025	\$ 5,965	\$ 5,965	\$ -	\$ 1,269,111	0.47%
2024	6,199	6,199	-	1,147,941	0.54%
2023	6,147	6,147	-	1,138,392	0.54%
2022	6,745	6,745	-	1,242,642	0.54%
2021	6,157	6,157	-	1,140,143	0.54%
2020	5,969	5,969	-	1,121,065	0.53%
2019	5,927	5,927	-	1,137,283	0.52%
2018	5,587	5,587	-	1,066,183	0.52%
2017	5,000	5,000	-	1,069,098	0.47%
2016	5,172	5,172	-	1,068,685	0.48%

Notes to Required Supplementary Information
 Group Life Insurance (GLI) Plan
 For the Year Ended June 30, 2025

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

Changes of assumptions - The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Non-Largest Ten Locality Employers - General Employees

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

Schedule of Changes in the Department's Net OPEB Liability and Related Ratios
Health Insurance Credit (HIC) Plan
For the Measurement Dates of June 30, 2017 through June 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total HIC OPEB Liability				
Service cost	\$ 460	\$ 532	\$ 539	\$ 733
Interest	5,721	5,572	5,809	5,597
Differences between expected and actual experience	(1,709)	2,147	(4,689)	2,197
Changes of assumptions	-	-	1,189	957
Benefit payments	(5,982)	(5,964)	(6,732)	(7,016)
Net change in total HIC OPEB liability	<u>\$ (1,510)</u>	<u>\$ 2,287</u>	<u>\$ (3,884)</u>	<u>\$ 2,468</u>
Total HIC OPEB Liability - beginning	87,287	85,000	88,884	86,416
Total HIC OPEB Liability - ending (a)	<u><u>\$ 85,777</u></u>	<u><u>\$ 87,287</u></u>	<u><u>\$ 85,000</u></u>	<u><u>\$ 88,884</u></u>
Plan fiduciary net position				
Contributions - employer	\$ 5,625	\$ 5,579	\$ 6,089	\$ 5,587
Net investment income	2,176	1,234	20	4,486
Benefit payments	(5,982)	(5,964)	(6,732)	(7,016)
Administrator charges	(30)	(28)	(38)	(50)
Other	1	95	1,783	-
Net change in plan fiduciary net position	<u>\$ 1,790</u>	<u>\$ 916</u>	<u>\$ 1,122</u>	<u>\$ 3,007</u>
Plan fiduciary net position - beginning	23,134	22,218	21,096	18,089
Plan fiduciary net position - ending (b)	<u><u>\$ 24,924</u></u>	<u><u>\$ 23,134</u></u>	<u><u>\$ 22,218</u></u>	<u><u>\$ 21,096</u></u>
Department's net HIC OPEB liability - ending (a) - (b)	\$ 60,853	\$ 64,153	\$ 62,782	\$ 67,788
Plan fiduciary net position as a percentage of the total HIC OPEB liability	29.06%	26.50%	26.14%	23.73%
Covered payroll	\$ 1,147,941	\$ 1,138,392	\$ 1,242,642	\$ 1,140,143
Department's net HIC OPEB liability as a percentage of covered payroll	5.30%	5.64%	5.05%	5.95%

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 Changes in the Department's Net OPEB Liability and Related Ratios
Health Insurance Credit (HIC) Plan
For the Measurement Dates of June 30, 2017 through June 30, 2024

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total HIC OPEB Liability				
Service cost	\$ 678	\$ 667	\$ 871	\$ 1,109
Interest	5,856	5,806	5,631	5,686
Differences between expected and actual experience	(3,261)	2,469	3,198	-
Changes of assumptions	-	1,963	-	(699)
Benefit payments	(7,214)	(6,968)	(7,445)	(6,338)
Net change in total HIC OPEB liability	<u>\$ (3,941)</u>	<u>\$ 3,937</u>	<u>\$ 2,255</u>	<u>\$ (242)</u>
Total HIC OPEB Liability - beginning	90,357	86,420	84,165	84,407
Total HIC OPEB Liability - ending (a)	<u><u>\$ 86,416</u></u>	<u><u>\$ 90,357</u></u>	<u><u>\$ 86,420</u></u>	<u><u>\$ 84,165</u></u>
Plan fiduciary net position				
Contributions - employer	\$ 5,381	\$ 5,459	\$ 4,798	\$ 4,811
Net investment income	375	1,188	1,428	2,263
Benefit payments	(7,214)	(6,968)	(7,445)	(6,338)
Administrator charges	(34)	(25)	(31)	(34)
Other	-	(1)	(121)	121
Net change in plan fiduciary net position	<u>\$ (1,492)</u>	<u>\$ (347)</u>	<u>\$ (1,371)</u>	<u>\$ 823</u>
Plan fiduciary net position - beginning	19,581	19,928	21,299	20,476
Plan fiduciary net position - ending (b)	<u><u>\$ 18,089</u></u>	<u><u>\$ 19,581</u></u>	<u><u>\$ 19,928</u></u>	<u><u>\$ 21,299</u></u>
Department's net HIC OPEB liability - ending (a) - (b)	\$ 68,327	\$ 70,776	\$ 66,492	\$ 62,866
Plan fiduciary net position as a percentage of the total HIC OPEB liability	20.93%	21.67%	23.06%	25.31%
Covered payroll	\$ 1,121,065	\$ 1,137,283	\$ 1,066,183	\$ 1,069,098
Department's net HIC OPEB liability as a percentage of covered payroll	6.09%	6.22%	6.24%	5.88%

GREENSVILLE-EMPORIA DEPARTMENT OF SOCIAL SERVICES
(A Component Unit of Greensville County, Virginia)

Exhibit 16

Schedule of Employer Contributions
 Health Insurance Credit (HIC) Plan
 For the Years Ended June 30, 2016 through June 30, 2025

Date	Contributions in Relation to			Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
	Contractually Required Contribution (1)	Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)		
2025	\$ 6,194	\$ 6,194	\$ -	\$ 1,264,046	0.49%
2024	5,625	5,625	-	1,147,941	0.49%
2023	5,578	5,578	-	1,138,392	0.49%
2022	6,089	6,089	-	1,242,642	0.49%
2021	5,587	5,587	-	1,140,143	0.49%
2020	5,381	5,381	-	1,121,065	0.48%
2019	5,459	5,459	-	1,137,283	0.48%
2018	4,798	4,798	-	1,066,183	0.45%
2017	4,811	4,811	-	1,069,098	0.45%
2016	4,702	4,702	-	1,068,685	0.44%

Notes to Required Supplementary Information
 Health Insurance Credit (HIC) Plan
 For the Year Ended June 30, 2025

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

Changes of assumptions - The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Non-Largest Ten Locality Employers - General Employees

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

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2025

	Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues:				
Revenue from local sources:				
Revenue from use of money:				
Interest income	\$ -	\$ -	\$ 35,247	\$ 35,247
Miscellaneous	\$ -	\$ -	\$ 12,727	\$ 12,727
Total revenue from local sources	\$ -	\$ -	\$ 47,974	\$ 47,974
Intergovernmental:				
Contributions from participating jurisdictions:				
County of Greensville - regular operating	\$ 448,075	\$ 448,075	\$ 146,305	\$ (301,770)
City of Emporia - regular operating	241,272	241,272	175,137	(66,135)
Total intergovernmental	\$ 689,347	\$ 689,347	\$ 321,442	\$ (367,905)
Revenue from the Commonwealth:				
Public assistance grants	\$ 1,118,837	\$ 1,118,837	\$ 1,036,845	\$ (81,992)
Total revenue from the Commonwealth	\$ 1,118,837	\$ 1,118,837	\$ 1,036,845	\$ (81,992)
Revenue from the federal government:				
Public assistance grants	\$ 1,507,332	\$ 1,507,332	\$ 1,828,769	\$ 321,437
Cost allocation reimbursement	50,000	50,000	121,862	71,862
Total revenue from the federal government	\$ 1,557,332	\$ 1,557,332	\$ 1,950,631	\$ 393,299
Total revenues	\$ 3,365,516	\$ 3,365,516	\$ 3,356,892	\$ (8,624)
Expenditures:				
Health and welfare:				
Administration	\$ 2,745,124	\$ 2,745,124	\$ 2,684,248	\$ 60,876
Public assistance	620,392	620,392	672,644	(52,252)
Total expenditures	\$ 3,365,516	\$ 3,365,516	\$ 3,356,892	\$ 8,624
Change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, beginning of year	-	-	287,509	287,509
Fund balance, end of year	\$ -	\$ -	\$ 287,509	\$ 287,509

Other Supplementary Information

- *Supporting Schedules* -

Schedule of Amounts Due to/from Participating Jurisdictions
At June 30, 2025

	<u>County of Greensville</u>	<u>City of Emporia</u>	<u>Total</u>
Due to (from), July 1, 2024	\$ 1,112,950	\$ 172,414	\$ 1,285,364
Amounts received from jurisdictions:			
Regular operating	\$ 471,704	\$ 265,333	\$ 737,037
Total amounts received from jurisdictions	\$ 471,704	\$ 265,333	\$ 737,037
Total receipts and balance	\$ 1,584,654	\$ 437,747	\$ 2,022,401
Deductions:			
Share of net costs - VPA (Schedule 2)	\$ 268,167	\$ 175,137	\$ 443,304
Cost allocation net difference in received and paid	7,794	-	7,794
Total deductions	\$ 275,961	\$ 175,137	\$ 451,098
Due to (from), June 30, 2025 (1)	<u>\$ 1,308,693</u>	<u>\$ 262,610</u>	<u>\$ 1,571,303</u>
Reconciliation of reported contribution (Exhibit 5) to actual contribution:			
Actual cash contribution	\$ 471,704	\$ 265,333	\$ 737,037
Reconciling transactions:			
Return of cost allocation plan revenue per agreement	(129,656)	-	(129,656)
Cost allocation net difference in received and paid	7,794	-	7,794
Allocation of current year deficit (surplus)	(203,537)	(90,196)	(293,733)
Contribution per audit	<u>\$ 146,305</u>	<u>\$ 175,137</u>	<u>\$ 321,442</u>

1 The balances reported are based on the provisions of the December 15, 2014 Cost Sharing Agreement described in Note 6.

Schedule of Cost Sharing Allocation
For the Year Ended June 30, 2025

	<u>County of Greenville</u>	<u>City of Emporia</u>	<u>Total</u>
Population	8,126	5,630	13,756
Population %	<u>59.0724%</u>	<u>40.9276%</u>	<u>100.00%</u>
Case load	4,433	2,727	7,160
Case load %	<u>61.9134%</u>	<u>38.0866%</u>	<u>100.00%</u>
Total allocation - equal population and case load weight	<u><u>60.49%</u></u>	<u><u>39.51%</u></u>	<u><u>100.00%</u></u>
Expenditures (Schedule 3):			
Administration	\$ 1,623,780	\$ 1,060,468	\$ 2,684,248
Public assistance and services	<u>406,902</u>	<u>265,742</u>	<u>672,644</u>
Total expenditures	<u>\$ 2,030,682</u>	<u>\$ 1,326,210</u>	<u>\$ 3,356,892</u>
Less: Revenues other than from participating jurisdictions:			
Revenue from use of money	\$ 21,322	\$ 13,925	\$ 35,247
Miscellaneous	7,699	5,028	12,727
State and federal:			
Public assistance grants	<u>1,733,493</u>	<u>1,132,121</u>	<u>2,865,614</u>
Total revenues other than from participating jurisdictions	<u>\$ 1,762,514</u>	<u>\$ 1,151,074</u>	<u>\$ 2,913,588</u>
Net costs allocated	<u><u>\$ 268,167</u></u>	<u><u>\$ 175,137</u></u>	<u><u>\$ 443,304</u></u>

Analysis of Expenditures by Activity
Governmental Funds
For the Year Ended June 30, 2025

<u>General Fund:</u>	<u>County of</u> <u>Greensville</u>	<u>City of</u> <u>Emporia</u>	<u>Totals</u>
<u>Health and welfare:</u>			
Administration:			
Personnel services	\$ 895,873	\$ 585,082	\$ 1,480,955
Fringe benefits	316,558	206,740	523,298
Contractual services	88,457	57,770	146,227
Other charges	75,319	49,189	124,508
Capital outlay	88,172	57,584	145,756
Interest	92,470	60,390	152,860
Rentals	66,932	43,712	110,644
Total administration	<u>\$ 1,623,781</u>	<u>\$ 1,060,467</u>	<u>\$ 2,684,248</u>
Public assistance and services:			
Auxiliary grant - aged and disabled	\$ 67,764	\$ 44,255	\$ 112,019
AFDC - foster care	96,244	62,856	159,100
Subsidized adoption	191,415	125,011	316,426
Family preservation	3,971	2,594	6,565
Adult protective services	3,843	2,509	6,352
Independent living	12,754	8,330	21,084
Adult services - hb sup companion	3,380	2,207	5,587
Promoting safe and stable families	7,464	4,874	12,338
Other purchased services	1,776	1,160	2,936
VIEW - jobs support - AFDC	10,883	7,107	17,990
VIEW - jobs purch- AFDC	7,408	4,839	12,247
Total public assistance and services	<u>\$ 406,902</u>	<u>\$ 265,742</u>	<u>\$ 672,644</u>
Total expenditures - general fund	<u><u>\$ 2,030,683</u></u>	<u><u>\$ 1,326,209</u></u>	<u><u>\$ 3,356,892</u></u>

Compliance



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

To the Board of Directors
Greensville-Emporia Department of Social Services
Emporia, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Greensville-Emporia Department of Social Services as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Greensville-Emporia Department of Social Services' basic financial statements and have issued our report thereon dated November 28, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Greensville-Emporia Department of Social Services' internal control over financial reporting (internal control) as a basis for designing 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 Greensville-Emporia Department of Social Services' internal control. Accordingly, we do not express an opinion on the effectiveness of Greensville-Emporia Department of Social Services' internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Greenville-Emporia Department of Social Services' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
November 28, 2025