

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**

**A G E N D A**

**MONDAY, APRIL 1, 2019**

**REGULAR SESSION AT THE CONCLUSION OF THE BOARD OF SUPERVISORS  
MEETING**

- I. CALL TO ORDER
- II. CLOSED SESSION - Section 2.2-3711 (a) 1) Personnel and 7) Legal Matters
  - A. Personnel Matters
  - B. Legal Matters
- III. RETURN TO REGULAR SESSION
- IV. CERTIFICATION OF CLOSED MEETING – Resolution #WS-19-28
- V. RECESS
- VI. RECONVENE IN REGULAR SESSION – At the conclusion of the Board of Supervisors Meeting
- VII. APPROVAL OF AGENDA
- VIII. APPROVAL OF CONSENT AGENDA
  - A. Approval of Minutes – See Attachment – E.
  - B. Warrants – See Attachment – F.
  - C. Resolution #WS-19-29 – Personnel Matters Resulting from Matters in Closed Session
- IX. PUBLIC HEARING – None
- X. ITEMS WITH APPOINTMENTS – 6:00 P.M.
  - A. Adam Duncan with Robinson Farmer Cox will be here to present the FY2018 Audit – See Attachment – G.
- XI. OLD BUSINESS - None

XII. NEW BUSINESS – None

XIII. MISCELLANEOUS MATTERS

A. Staff Work Programs

B. Staff Meeting Minutes

XIV. ADJOURNMENT

At the Regular Meeting of the Greensville County Water and Sewer Authority, Monday, March 18, 2019, with Regular Session beginning at the conclusion of the Board of Supervisors meeting, in the Board Room of the Greensville County Government Building, 1781 Greensville County Circle, Emporia, Virginia

Present: Raymond L. Bryant, Chairman  
William B. Cain  
Michael W. Ferguson

Absent: Tony M. Conwell

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Chairman Bryant called the meeting to order.

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In Re: Approval of Agenda

Mrs. Parson stated that Staff recommended approval of the Agenda with no added items.

Mr. Ferguson moved, seconded by Mr. Cain, to approve the Agenda, as submitted. Voting aye: Mr. Cain, Mr. Ferguson and Chairman Bryant.

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In Re: Approval of the Consent Agenda

Mrs. Parson stated that Staff recommended approval of the Consent Agenda containing the following items:

Supervisor Ferguson moved, seconded by Supervisor Cain, to approve the Consent Agenda. Voting aye: Mr. Cain, Mr. Ferguson and Chairman Bryant.

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In Re: Approval of Minutes for the meeting of March 4, 2019.

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Budgetary Matters consisting of the following: Fund #001 & 002 – Journal Voucher #8, in the amount of, \$209.90, which is incorporated herein by reference.

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Warrants:

Approval of Total Accounts Payable for March 18, 2019, in the amount of, \$767,479.05

Approval of General Fund, in the amount of \$381,774.61

Approval of Special Projects, in the amount of \$385,704.44

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In Re: Adam Duncan with Robinson Farmer Cox

Mrs. Parson stated that Staff recommended the Board of Supervisors defer the item until the next meeting.

Supervisor Ferguson moved, seconded by Supervisor Cain, to defer the item. Voting aye: Mr. Cain, Mr. Ferguson and Chairman Bryant.

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In Re: Skippers Wastewater Treatment Plant Project

Mr. Glen Gibson addressed the Board of Supervisors stating that the Authority started planning for this project in 2008. He stated that in 2018, a 95 acre site was purchased for the proposed facility. He also stated that the Authority would receive bids on the project on April 24, 2019, with a total project budget of \$4,860,297. He further stated that there were two proposed contracts for the wastewater treatment plant itself and the other for a pump station force main that was needed to transport the wastewater to the new facility. Mr. Gibson stated that Staff had completed its evaluation for potential funding sources. He stated that the analysis evaluated the potential loan schedule, interest rate, term and total project cost. He also stated the analysis also evaluated the pros and cons of each lender. He then asked if there were any questions regarding the analysis. There were none. Mr. Gibson stated that Staff respectfully requested the Board's concurrence with using the Virginia Resource Authority to finance the project.

Supervisor Ferguson moved, seconded by Supervisor Cain, to approve Staff's request. Voting aye: Mr. Cain, Mr. Ferguson and Chairman Bryant.

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**In Re: Adjournment**

There being no further business to discuss, Mr. Ferguson moved, seconded by Mr. Cain, to adjourn the meeting. Voting aye: Mr. Cain, Mr. Ferguson and Chairman Bryant.

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**Raymond L. Bryant, Chairman**  
**Greenville County Water and Sewer Authority**

ACCOUNTS PAYABLE LIST  
GREENSVILLE COUNTY WATER  
DEPT # - 010000 \*\*ADMINISTRATION-WATER\*\*

FROM DATE- 4/01/2019  
TO DATE- 4/01/2019  
FUND # - 801 \*\*OPERATING EXPENDITURES\*\*

VENDOR NAME	CHARGE TO	DESCRIPTION	INVOICE #	DATE	AMOUNT
**ADMINISTRATION-WATER**					
ROBINSON PARKER COX	PROF. SERVICES: AUDIT		64145	3/26/2019	6,240.00 *
SLAYTON & CLARY	PROF. SERVICES: LEGAL		13427	3/20/2019	523.60 *
BBAT VISA CARD #7826	PROF. SERVICES: TIME CLOCK	EASYTIME/516458		2/12/2019	2.00 *
TREASURER OF GREENSVILLE	PURCHASE SERVICES FROM GREENSV	16040-10/APR 19		4/01/2019	2,222.22 *
U S POSTMASTER	POSTAGE	POSTAGE/4-2019		3/25/2019	1,200.00 *
MORTE'S FLOWER SHOP, INC.	OFFICE SUPPLIES	001043		3/18/2019	8.00 *
AWLL CORPORATION	OFFICE SUPPLIES	5790616		3/13/2019	473.85 *
TOTAL					10,669.67

DEPT # - 020000 \*\*UTILITY MAINTENANCE-WATER\*\*

VENDOR NAME	CHARGE TO	DESCRIPTION	INVOICE #	DATE	AMOUNT
**UTILITY MAINTENANCE-WATER**					
GREENE'S SERVICE CENTER	REPAIR & MAINTENANCE SERVICES		10092	2/26/2019	15.60 *
MEKLENBURG ELECTRIC COUPE	ELECTRICAL SERVICES	3887600400/3-19		3/11/2019	31.36 *
MEKLENBURG ELECTRIC COUPE	ELECTRICAL SERVICES	3892000800/3-19		3/11/2019	28.49 *
MEKLENBURG ELECTRIC COUPE	ELECTRICAL SERVICES	4383300901/3-19		3/11/2019	168.09 *
MEKLENBURG ELECTRIC COUPE	ELECTRICAL SERVICES	4393600500/3-19		3/14/2019	28.49 *
MEKLENBURG ELECTRIC COUPE	ELECTRICAL SERVICES	900005178/3-19		3/18/2019	1,395.53 *
DURHAM ENERGY VIRGINIA	ELECTRICAL SERVICES	9500175006/3-19		3/14/2019	7.55 *
VERIZON	TELECOMMUNICATIONS	336-1587/3-19		3/19/2019	49.40 *
CINTAS CORPORATION #143	UNIFORM RENTAL	4018216416		3/14/2019	19.60 *
CINTAS CORPORATION #143	UNIFORM RENTAL	4018626854		3/21/2019	19.60 *
BBAT VISA CARD #1595	PERMITS AND FEES	DPUR/S. SNEWSUR		2/20/2019	39.20 *
FASANEL COMPANY	REPAIR & MAINTENANCE SUPPLIES	MCR00141337		3/22/2019	100.00 *
WATER GUARD, INC	CHEMICALS	0264006-IX		3/20/2019	100.00 *
PARKER OIL CO INC	HEAVY EQUIPMENT SUPPLIES	882936		2/26/2019	.65 *
BBAT VISA CARD #7826	C. D.: MEN ON CALL SHIRT PHONE	AM0Z0N/1095456		2/12/2019	299.20 *
BBAT VISA CARD #7826	C. H.: MEN ON CALL SHIRT PHONE	AMAZON/7830607		2/12/2019	299.20 *
TOTAL					2,187.38

ACCOUNTS PAYABLE LIST  
GREENSBORO COUNTY WATER  
DEPT # - 02000 \*\*UTILITY MAINTENANCE-WATER\*\*

FROM DATE- 4/01/2019  
TO DATE- 4/01/2019  
FUND # - 001 \*\*OPERATING EXPENDITURES\*\*

VENOR NAME	CHARGE TO	DESCRIPTION	INVOICE	DATE	AMOUNT
**WATER TREATMENT - JARRATT**					
LABELLA ASSOCIATES		CONTRACTUAL SERVICES	2190204	2/28/2019	1,300.00 *
JAMES R REED & ASSOC INC		LABORATORY SERVICES	1903047	3/12/2019	19.00
R & B CONSULTANTS, INC.		LABORATORY SERVICES	19-02-30	2/28/2019	104.00
DCLS		LABORATORY SERVICES	46599	2/28/2019	1,370.23
DCLS		LAB. SERVICES: REST AREA	46597	2/28/2019	1,493.23 *
DCLS		LAB. SERVICES: ARMORY	46594	2/28/2019	121.50 *
GRANITE TELECOMMUNICATION		TELECOMMUNICATIONS	448818899	3/01/2019	20.25 *
TEAM OF JARRATT		LEASE: FACILITIES (12-2022)	LEASE/APR 2019	4/01/2019	53.45 *
CINTAS CORPORATION #143		UNIFORM RENTAL	401797857	3/11/2019	2,299.00 *
CINTAS CORPORATION #143		UNIFORM RENTAL	4018365497	3/18/2019	2,299.00 *
BOAT VISA CARD #3862		TRAVEL AND TRAINING	NRHA/CS/42287	2/11/2019	84.92 *
BOAT VISA CARD #3862		TRAVEL AND TRAINING	NRHA/CS/46956	2/11/2019	20.00
BOAT VISA CARD #3862		TRAVEL AND TRAINING	NRHA/CS/47360	12/01/0321	20.00
BOAT VISA CARD #3862		TRAVEL AND TRAINING	NRHA/CS/49521	2/11/2019	20.00
HACH COMPANY		LAB SUPPLIES	11379594	3/13/2019	80.00 *
GRABBER, INC		REPAIR & MAINTENANCE SUPPLIES	9115962038	3/14/2019	498.74 *
CONTROL EQUIPMENT CO, INC		CHEMICALS	IMU-02221	3/19/2019	498.74 *
URIVAR USA INC		CHEMICALS	RT52373	3/19/2019	19.74 *
SHI INTERNATIONAL CORP		C.O.: COMPUTERS & MONITORS	809615396	3/05/2019	19.74 *
TOTAL					7,415.29
DEPT # - 022000 **SKIPPER'S HELL SYSTEM**					
DCLS		SKIPPER'S HELL SYSTEM**	46600	2/28/2019	145.72 *
DOMINION ENERGY VIRGINIA		ELECTRICAL SERVICES	263472630/3-19	3/14/2019	145.72 *
GRANITE TELECOMMUNICATION		TELECOMMUNICATIONS	448818899	3/01/2019	392.80 *
TOTAL					21.76 *
TOTAL					560.28

ACCOUNTS PAYABLE LIST  
GREENSVILLE COUNTY WATER  
DEPT # - 023000 \*\*SKIPPER'S WELL SYSTEM\*\*

FROM DATE- 4/01/2019  
TO DATE- 4/01/2019  
FUND # - 001 \*\*OPERATING EXPENDITURES\*\*

VENDOR NAME	CHARGE TO	DESCRIPTION	INVOICE#	INVOICE DATE	\$\$ PAY \$\$
DCLS		**JACKSON FIELD HOME WATER SYSTEM** LABORATORY SERVICES	46598	2/28/2019	60.75 *
GRANITE TELECOMMUNICATION		TELECOMMUNICATIONS	448818899	3/01/2019	57.16 *
		TOTAL			117.91

DEPT # - 025000 \*\*SERVICE LATERALS\*\*

VENDOR NAME	CHARGE TO	DESCRIPTION	INVOICE#	INVOICE DATE	\$\$ PAY \$\$
POWER PLUS SERVICES LLC		**SERVICE LATERALS** SERVAP-SERVICE LATERALS (LMI)	031819-2	3/18/2019	1,925.00
POWER PLUS SERVICES LLC		SERVAP-SERVICE LATERALS (LMI)	031819-4	3/18/2019	1,925.00
POWER PLUS SERVICES LLC		OVER 60-SERVICE LATERALS (CONR)	031819-3	3/18/2019	3,850.00 *
POWER PLUS SERVICES LLC		6CM48-SERVICE LATERALS	031819-1	3/18/2019	1,850.00 *
		TOTAL			2,250.00 *
		TOTAL			7,950.00

DEPT # - 061102 \*\*MOORE'S FERRY ROAD\*\*

VENDOR NAME	CHARGE TO	DESCRIPTION	INVOICE#	INVOICE DATE	\$\$ PAY \$\$
HANKINS SUPPLY, INC.		**MOORE'S FERRY ROAD** CONSTRUCTION	87340	3/11/2019	489.93
HANKINS SUPPLY, INC.		CONSTRUCTION	87345	3/12/2019	135.00
HANKINS SUPPLY, INC.		CONSTRUCTION	87350	3/13/2019	135.00
DICKENS CONSTRUCTION INC		CONSTRUCTION	2133	3/15/2019	6,830.45
		TOTAL			7,590.38 *
		FUND TOTAL			36,490.91

ACCOUNTS PAYABLE LIST  
GREENSVILLE COUNTY WATER  
DEPT # - 010100 \*\*ADMINISTRATION-SEWER\*\*

FROM DATE- 4/01/2019  
TO DATE- 4/01/2019  
FUND # - 002

VENDOR NAME	CHARGE TO	DESCRIPTION	INVOICE#	DATE	AMOUNT
ROBINSON FARMER COX	**ADMINISTRATION-SEWER**		64145	3/20/2019	9,360.00 *
SLAYTON & CLARY	PROF. SERVICES-AUDIT		13427	3/20/2019	542.40
BART VISA CARD #7826	PROF. SERVICES-LEGAL		EASYTIME/516458	2/12/2019	542.40 *
TREASURER OF GREENSVILLE	PROF. SERVICES-TIME CLOCK				3.00 *
U S POSTMASTER	PURCHASE SERVICES FROM GREENSV		16040-10/APR 19	4/01/2019	3,333.34
WHITE'S FLOWER SHOP, INC.	POSTAGE		POSTAGE/4-2019	3/25/2019	3,333.34 *
QUILL CORPORATION	OFFICE SUPPLIES		001043	3/18/2019	1,800.00
	OFFICE SUPPLIES		5790616	3/13/2019	1,800.00 *
					11.99
					710.76
					722.75 *
					15,761.49

TOTAL

DEPT # - 020100 \*\*UTILITY MAINTENANCE-SEWER\*\*

VENDOR NAME	CHARGE TO	DESCRIPTION	INVOICE#	DATE	AMOUNT
VISU-SEWER EAST LLC	**UTILITY MAINTENANCE-SEWER**		1849	3/15/2019	1,820.00
GREENE'S SERVICE CENTER	PROF. SERVICES-MAINTENANCE		10092	2/20/2019	1,820.00 *
PURDY PUMPING LLC	REPAIR & MAINTENANCE SERVICES		00089-2	3/20/2019	23.40
MECKLENBURG ELECTRIC COUPE	REPAIR & MAINTENANCE SERVICES		339620060073-19	3/12/2019	250.00
MECKLENBURG ELECTRIC COUPE	ELECTRICAL SERVICES		388390090073-19	273.40 *	
MECKLENBURG ELECTRIC COUPE	ELECTRICAL SERVICES		388470040073-19	91.72	
MECKLENBURG ELECTRIC COUPE	ELECTRICAL SERVICES		388680100073-19	3/11/2019	35.28
MECKLENBURG ELECTRIC COUPE	ELECTRICAL SERVICES		438330101073-19	3/11/2019	235.86
MECKLENBURG ELECTRIC COUPE	ELECTRICAL SERVICES		439550070073-19	3/12/2019	275.41
MECKLENBURG ELECTRIC COUPE	ELECTRICAL SERVICES		439840050073-19	3/11/2019	146.70
MECKLENBURG ELECTRIC COUPE	ELECTRICAL SERVICES		900000581073-19	3/11/2019	36.11
DORNINGER ENERGY VIRGINIA	ELECTRICAL SERVICES		011178250473-19	3/11/2019	738.06
DORNINGER ENERGY VIRGINIA	ELECTRICAL SERVICES		023226241073-19	3/12/2019	424.68
DORNINGER ENERGY VIRGINIA	ELECTRICAL SERVICES		369179000473-19	3/12/2019	74.67
DORNINGER ENERGY VIRGINIA	ELECTRICAL SERVICES		991085197273-19	3/15/2019	408.01
VERIZON	TELECOMMUNICATIONS		336-158773-19	3/15/2019	349.34
VERIZON	TELECOMMUNICATIONS		634-971373-19	3/14/2019	319.58
VERIZON	TELECOMMUNICATIONS		634-982673-19	3/15/2019	3,135.42 *
GRANITE TELECOMMUNICATION	TELECOMMUNICATIONS		448818899	3/19/2019	49.40
GRANITE TELECOMMUNICATION	TELECOMMUNICATIONS		448818899	3/22/2019	24.95
GRANITE TELECOMMUNICATION	TELECOMMUNICATIONS		448818899	3/13/2019	24.70
GRANITE TELECOMMUNICATION	TELECOMMUNICATIONS		448818899	3/03/2019	18.96
GRANITE TELECOMMUNICATION	TELECOMMUNICATIONS		448818899	3/01/2019	21.76
GRANITE TELECOMMUNICATION	TELECOMMUNICATIONS		448818899	3/01/2019	17.79
GRANITE TELECOMMUNICATION	TELECOMMUNICATIONS		448818899	3/01/2019	57.16
GRANITE TELECOMMUNICATION	TELECOMMUNICATIONS		448818899	3/01/2019	61.84
					276.56 *

ACCOUNTS PAYABLE LIST  
 GREENSVILLE COUNTY WATER  
 DEPT # - 020100 \*UTILITY MAINTENANCE-SEWER\*\*

FROM DATE- 4/01/2019  
 TO DATE- 4/01/2019  
 FUND # - 002

INVOICE #	INVOICE DATE	INVOICE #	INVOICE DATE	\$\$\$ PAY \$\$\$
4018216416	3/14/2019	4018216416	3/14/2019	29.40
4018626854	3/21/2019	4018626854	3/21/2019	29.40
				58.80 *
38881	2/28/2019	38881	2/28/2019	714.00
HCRO161337	3/22/2019	HCRO161337	3/22/2019	.97
4550976	3/13/2019	4550976	3/13/2019	423.00
				1,137.97 *
882936	2/26/2019	882936	2/26/2019	21.36
				21.36 *
AMAZON/1095456	2/12/2019	AMAZON/1095456	2/12/2019	4.85
AMAZON/7830697	2/12/2019	AMAZON/7830697	2/12/2019	9.51
				14.36 *
TOTAL				6,737.87

DEPT # - 031000 \*\*FALLING RUN SEWAGE TREAT. PLANT\*\*

1903058	3/12/2019	1903058	3/12/2019	283.00
				283.00 *
783677	3/08/2019	783677	3/08/2019	360.00
				360.00 *
TOTAL				643.00

DEPT # - 032000 \*\*THREE CREEK SEWAGE TREAT. PLANT\*\*

1903051	3/12/2019	1903051	3/12/2019	1,108.00
				1,108.00 *
EASTIME/516458	2/12/2019	EASTIME/516458	2/12/2019	1.00
				1.00 *
SAFEWARE3689508	3/06/2019	SAFEWARE3689508	3/06/2019	495.54
75533	3/07/2019	75533	3/07/2019	275.00
021305	3/20/2019	021305	3/20/2019	285.00
				1,055.54 *
3883900100/3-19	3/12/2019	3883900100/3-19	3/12/2019	8,346.74
				8,346.74 *
634-6094/3-19	3/10/2019	634-6094/3-19	3/10/2019	24.95
				24.95 *
4018216469	3/14/2019	4018216469	3/14/2019	41.78
4018626840	3/21/2019	4018626840	3/21/2019	41.78
				83.56 *
BOJAHLES/1072	2/14/2019	BOJAHLES/1072	2/14/2019	13.95
ENHIESREST/9925	2/14/2019	ENHIESREST/9925	2/14/2019	40.17
URG/HAENS/4195	2/13/2019	URG/HAENS/4195	2/13/2019	52.00
ABC-KV/HARCUS A	2/12/2019	ABC-KV/HARCUS A	2/12/2019	100.00
ABC-KV/TRAUIS K	2/12/2019	ABC-KV/TRAUIS K	2/12/2019	100.00
				306.12 *

DEPT # - 031000 \*\*FALLING RUN SEWAGE TREAT. PLANT\*\*

JAMES R REED & ASSOC INC	LABORATORY SERVICES			
JCI JONES CHEMICALS, INC	CHEMICALS			

DEPT # - 032000 \*\*THREE CREEK SEWAGE TREAT. PLANT\*\*

JAMES R REED & ASSOC INC	LABORATORY SERVICES			
BOAT VISA CARD #7826	PRDF. SERVICES:TIME CLOCK			
BOAT VISA CARD #3862	REPAIR & MAINTENANCE SERVICES			
EDMONDS WASTE REMOVAL INC	REPAIR & MAINTENANCE SERVICES			
COLONIAL RELIABILITY	REPAIR & MAINTENANCE SERVICES			
NECKLEBURG ELECTRIC COOPE	ELECTRICAL SERVICES			
VERZEN	TELECOMMUNICATIONS			
CINTAS CORPORATION #143	UNIFORM RENTAL			
CINTAS CORPORATION #143	UNIFORM RENTAL			
BOAT VISA CARD #3862	TRAVEL AND TRAINING			
BOAT VISA CARD #3862	TRAVEL AND TRAINING			
BOAT VISA CARD #3862	TRAVEL AND TRAINING			
BOAT VISA CARD #1595	TRAVEL AND TRAINING			
BOAT VISA CARD #1595	TRAVEL AND TRAINING			

ACCOUNTS PAYABLE LIST  
GREENSVILLE COUNTY WATER  
DEPT # - 032000 \*\*THREE CREEK SEWAGE TREAT. PLANT\*\*

3/26/2019 FROM DATE- 4/01/2019  
89375 TO DATE- 4/01/2019  
FUND # - 002

VENDOR NAME	CHARGE TO	DESCRIPTION	INVOICE#	INVOICE DATE	\$\$\$ PAY \$\$\$
WALMART COMMUNITY/SYNOB	OFFICE SUPPLIES		TR401257	3/04/2019	227.70
					227.70 *
GRANINGER, INC	REPAIR & MAINTENANCE SUPPLIES		9103508900	3/04/2019	410.53
ELECTRICAL EQUIPMENT	REPAIR & MAINTENANCE SUPPLIES		3804096-00	3/04/2019	42.14
BAKERS WASTE EQUIPMENT INC	REPAIR & MAINTENANCE SUPPLIES		96373	3/06/2019	196.00
BAKERS WASTE EQUIPMENT INC	REPAIR & MAINTENANCE SUPPLIES		96374	3/06/2019	6,566.00
					7,214.87 *
JCI JONES CHEMICALS, INC	CHEMICALS		783676	3/08/2019	1,098.00
					1,098.00 *
B & H TRUCK REPAIRS LLC	HEAVY EQUIPMENT SUPPLIES		242429	3/07/2019	128.95
					128.95 *
		TOTAL			19,595.23

DEPT # - 034000 \*\*JARRATT SEWAGE TREAT. PLANT\*\*

JAMES R REED & ASSOC INC	LABORATORY SERVICES		1903049	3/12/2019	468.00
					468.00 *
GRANITE TELECOMMUNICATION	TELECOMMUNICATIONS		448818899	3/01/2019	28.92
					28.92 *
SUNSHINE FILTERS OF FINELL	REPAIR & MAINTENANCE SUPPLIES		134466	3/12/2019	133.13
					133.13 *
UNITVAR USA INC	CHEMICALS		81752363	3/19/2019	721.34
					721.34 *
		TOTAL			1,351.39

DEPT # - 035800 \*\*SKIPPER'S SEWAGE TREAT. PLANT\*\*

JAMES R REED & ASSOC INC	LABORATORY SERVICES		1903048	3/12/2019	84.00
					84.00 *
LARRY CARPENTER'S SEPTIC T	REPAIR & MAINTENANCE SERVICES		4480	2/27/2019	840.00
					840.00 *
DOMINION ENERGY VIRGINIA	ELECTRICAL SERVICES		55589786273-19	3/14/2019	1,048.58
					1,048.58 *
PARKER OIL CO INC	REPAIR & MAINTENANCE SUPPLIES		903268	2/25/2019	167.81
					167.81 *
		TOTAL			2,140.39

DEPT # - 061100 \*\*CAPITAL PROJECTS - SEWER\*\*

SLAYTON & CLARY	SKIPPERS RD PUMP STATION #3 RE		13427	3/28/2019	18.00
					18.00 *
		TOTAL			18.00

DEPT # - 061102 \*\*SKIPPER'S WWT\*\*

B & B CONSULTANTS, INC.	PROF. SERVICES-ENGINEERING		23058	3/21/2019	1,035.00
					1,035.00 *

ACCOUNTS PAYABLE LIST  
GREENSVILLE COUNTY WATER  
DEPT # - 061102 \*\*SKIFFERS UNIT\*\*

FROM DATE- 4/01/2019  
TO DATE- 4/01/2019  
FUND # - 602

VENDOR NAME	CHARGE TO	DESCRIPTION	INVOICE#	INVOICE DATE	\$\$\$ PAY \$\$\$
SLAYTON & CLARY	PROF. SERVICES:LEGAL		13427	3/20/2019	2,988.00
				TOTAL	2,988.00 *
					4,023.00
DEPT # - 061103 **ROSS RR PUMP STATION**					
B & B CONSULTANTS, INC.	**ROSS RR PUMP STATION**		23003	3/21/2019	175.00
	PROF. SERVICES:ENGINEERING				175.00 *
				TOTAL	175.00
DEPT # - 061104 **HAMAC OFF-SITE WASTEWATER SYS**					
TIMMERS GROUP	**HAMAC OFF-SITE WASTEWATER SYS**		219221	3/12/2019	1,000.00
TIMMERS GROUP	PROF. SERVICES:ENGINEERING		219221	3/12/2019	39,210.00
	PROF. SERVICES:ENGINEERING				40,210.00 *
TIMMERS GROUP	EASEMENT PURCHASE FOR SEWER		219221	3/12/2019	1,362.50
					1,362.50 *
				TOTAL	41,572.50
				FUND TOTAL	92,017.87
				TOTAL DUE	128,508.78

Approved \_\_\_\_\_  
Signed Debra Whitting 3/26/19  
Title Finance Manager Date

ACCOUNTS PAYABLE CHECKS  
GREENSVILLE COUNTY WATER

FROM DATE- 4/01/2019  
TO DATE- 4/01/2019

\$\$\$ PAY \$\$\$  
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536,490.91  
572,017.87  
128,506.78

3/26/2019

FUND NO. DESCRIPTION  
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001 \*\*\*OPERATING EXPENDITURES\*\*\*  
002  
TOTAL

3/26/2019 FROM DATE- 4/01/2019  
 89375 TO DATE- 4/01/2019  
 FUND # - 001 \*\*\*EXPENDITURES\*\*\*

ACCOUNTS PAYABLE LIST  
 GREENSVILLE CO W&S AUTH  
 DEPT # - 076000 \*\*INTAKE AND PUMP STATIONS\*\*

VENOR NAME	CHARGE TO	DESCRIPTION	INVOICE#	INVOICE DATE	PUB	CHECK DATE	\$\$\$ PAY \$\$\$
------------	-----------	-------------	----------	--------------	-----	------------	-------------------

DEPT # - 076000 \*\*INTAKE AND PUMP STATIONS\*\*

B & B CONSULTANTS INC	**INTAKE AND PUMP STATIONS**	23002	3/21/2019	4/01/2019		883.54	
	PROF. SERVICES:ENGINEERING					883.54 *	
T A LEVINE COMPANY	CONSTRUCTION	CONTRACT F#14	3/12/2019	4/01/2019		54,271.12	
						54,271.12 *	
B & B CONSULTANTS INC	INSPECTION	23002	3/21/2019	4/01/2019		3,120.00	
						3,120.00 *	
		TOTAL				58,274.66	

DEPT # - 077000 \*\*RESERVOIR/INTER. PUMP STATION\*\*

B & B CONSULTANTS INC	**RESERVOIR/INTER. PUMP STATION**	23002	3/21/2019	4/01/2019		2,070.02	
	PROF. SERVICES:ENGINEERING					2,070.02	
B & B CONSULTANTS INC	CONSTRUCTION	23002	3/21/2019	4/01/2019		4,995.02	
						4,995.02 *	
B & B CONSULTANTS INC	INSPECTION	23002	3/21/2019	4/01/2019		12,025.00	
						12,025.00 *	
		TOTAL				17,020.02	

DEPT # - 078000 \*\*RAW WATER MAINS\*\*

B & B CONSULTANTS INC	**RAW WATER MAINS**	23002	3/21/2019	4/01/2019		100.98	
	PROF. SERVICES:ENGINEERING					100.98 *	
B & B CONSULTANTS INC	INSPECTION	23002	3/21/2019	4/01/2019		1,218.75	
						1,218.75 *	
		TOTAL				1,319.73	
		FUND TOTAL				76,614.41	
		TOTAL DUE				76,614.41	

Signed Chris Whitley Title Finance Manager Date 3/26/19

FUND NO.	DESCRIPTION	\$\$\$ PAY \$\$\$
001	***EXPENDITURES***	576,614.41
	TOTAL	76,614.41

# ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

## Communication with Those Charged with Governance

### To the Board of Directors Greenville County Water and Sewer Authority

We have audited the financial statements of financial statements of Greenville County Water and Sewer Authority for the year ended September 30, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 17, 2018. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Matters

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Greenville County Water and Sewer Authority are described in Note 1 to the financial statements. As described in Note 13 to the financial statements, Greenville County Water and Sewer Authority changed accounting policies related to other postemployment benefits by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and No. 85 *Omnibus 2017*. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the Statement of Net Position. We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Authority's financial statements were:

Management's estimate of the useful lives of depreciable assets is based on industry standards. Pension and OPEB estimates were determined by valuations performed by actuaries. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

##### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated March 11, 2019.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

We applied certain limited procedures to the schedules related to pension and OPEB funding, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Other Matters: (Continued)

We were engaged to report on the schedule of expenditures of federal awards, which accompany the financial statements but are not RSI. With respect to the schedule of expenditures of federal awards, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the schedule of expenditures of federal awards to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of Greensville County Water and Sewer Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

*Robinson, Farmer, Cox Associates*

Charlottesville, Virginia

March 11, 2019

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
**(A Component Unit of the County of Greenville, Virginia)**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
**(A Component Unit of the County of Greenville, Virginia)**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

**Members**

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Raymond L. Bryant, Jr., Chairman

Jacqueline T. Jordan, Vice-Chairman

Peggy R. Wiley

Michael W. Ferguson

K. David Whittington, Director

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# ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

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## Independent Auditors' Report

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To the Board of Directors  
Greensville County Water and Sewer Authority  
Emporia, Virginia

### Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Greensville County Water and Sewer Authority, a component unit of the County of Greensville, Virginia, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

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

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

### *Auditors' Responsibility*

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

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

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

## ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Greenville County Water and Sewer Authority, as of September 30, 2018, and the respective changes in financial position, and, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Change in Accounting Principle***

As described in Note 13 to the financial statements, in 2018, the Authority adopted new accounting guidance, GASB Statement Nos. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and GASB Statement Nos. 85 *Omnibus 2017*. Our opinion is not modified with respect to this matter.

## ***Restatement of Beginning Balances***

As described in Note 13 to the financial statements, in 2018, the Authority restated beginning balances to reflect the requirements of GASB Statement No. 75. Our opinion is not modified with respect to this matter.

## ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the schedules related to pension and OPEB funding on pages 65-74 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the missing information.

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

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Greenville County Water and Sewer Authority's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

**Other Matters: (Continued)**

**Supplementary and Other Information: (Continued)**

The schedule of expenditures of federal awards 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the schedule of expenditures of federal awards 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 March 11, 2019, on our consideration of Greenville County Water and Sewer Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Greenville County Water and Sewer Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Greenville County Water and Sewer Authority's internal control over financial reporting and compliance.

*Robinson, Farmer & Associates*  
Charlottesville, Virginia  
March 11, 2019

**- Financial Statements -**

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
(A Component Unit of the County of Greenville, Virginia)

Statement of Net Position  
At September 30, 2018

<b>ASSETS</b>	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
<b>Current assets:</b>			
Cash and cash equivalents	\$ 6,351,961	\$ 1,569,930	\$ 7,921,891
Cash - restricted	408,485	160,926	569,411
Accounts receivable	239,750	257,541	497,291
Grant receivable	405,460	-	405,460
Loans receivable, current portion	19,662	19,662	39,324
Total current assets	\$ 7,425,318	\$ 2,008,059	\$ 9,433,377
<b>Noncurrent assets:</b>			
<b>Capital assets:</b>			
Land and land rights	\$ 2,171,350	\$ 681,402	\$ 2,852,752
Buildings, plant and equipment, net of accumulated depreciation	23,686,959	15,209,676	38,896,635
Construction in progress	15,388,221	71,162	15,459,383
Total capital assets	\$ 41,246,530	\$ 15,962,240	\$ 57,208,770
Loans receivable, long-term portion	248,262	248,262	496,524
Total noncurrent assets	\$ 41,494,792	\$ 16,210,502	\$ 57,705,294
<b>Total assets</b>	\$ 48,920,110	\$ 18,218,561	\$ 67,138,671
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related items	\$ 70,571	\$ 95,483	\$ 166,054
OPEB related items	3,691	4,878	8,569
Total deferred outflows of resources	\$ 74,262	\$ 100,361	\$ 174,623
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts payable and accrued expenses	\$ 1,947,318	\$ 87,096	\$ 2,034,414
Current portion of long-term obligations	445,805	422,347	868,152
Total current liabilities	\$ 2,393,123	\$ 509,443	\$ 2,902,566
<b>Noncurrent liabilities:</b>			
Noncurrent portion of long-term obligations	\$ 15,844,175	\$ 3,050,954	\$ 18,895,129
<b>Total liabilities</b>	\$ 18,237,298	\$ 3,560,397	\$ 21,797,695
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related items	\$ 69,690	\$ 94,290	\$ 163,980
OPEB related items	6,455	8,535	14,990
Total deferred inflows of resources	\$ 76,145	\$ 102,825	\$ 178,970
<b>NET POSITION</b>			
Net investment in capital assets	\$ 25,207,993	\$ 12,792,143	\$ 38,000,136
Restricted - debt service reserve	408,485	160,926	569,411
Unrestricted net position	5,064,451	1,702,631	6,767,082
Total net position	\$ 30,680,929	\$ 14,655,700	\$ 45,336,629

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

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
**(A Component Unit of the County of Greenville, Virginia)**

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

	Water	Sewer	Total
Operating revenues:			
Metered sales--water	\$ 2,052,900	\$ -	\$ 2,052,900
User fees--sewer	-	2,502,229	2,502,229
Penalties	(5,232)	33,221	27,989
Other operating revenues	338,825	74,092	412,917
Total operating revenues	<u>\$ 2,386,493</u>	<u>\$ 2,609,542</u>	<u>\$ 4,996,035</u>
Operating expenses:			
Administration	\$ 178,713	\$ 237,809	\$ 416,522
Authority Board	10,430	15,645	26,075
Maintenance	298,661	656,424	955,085
Water treatment-Northampton	189,810	-	189,810
Water treatment-Jarratt	775,224	-	775,224
Econo lodge well system	12,106	-	12,106
Jackson Field water system	3,839	-	3,839
Falling run sewage treatment plant	-	72,817	72,817
Three creek sewage treatment plant	-	713,966	713,966
Sewage treatment -Emporia/Northampton	-	48,797	48,797
Sewage treatment-Jarratt	-	92,123	92,123
Skippers sewage treatment plant	-	76,474	76,474
Depreciation	667,417	520,647	1,188,064
Total operating expenses	<u>\$ 2,136,200</u>	<u>\$ 2,434,702</u>	<u>\$ 4,570,902</u>
Operating income	<u>\$ 250,293</u>	<u>\$ 174,840</u>	<u>\$ 425,133</u>
Nonoperating revenues (expenses):			
Interest income	\$ (855)	\$ 15,883	\$ 15,028
Transfers	208,960	(208,960)	-
Interest expense	(312,569)	(110,717)	(423,286)
Total nonoperating revenues (expenses)	<u>\$ (104,464)</u>	<u>\$ (303,794)</u>	<u>\$ (408,258)</u>
Income (loss) before grants, capital contributions and connection charges	<u>\$ 145,829</u>	<u>\$ (128,954)</u>	<u>\$ 16,875</u>
Capital grants	\$ 5,589,263	\$ 391,061	\$ 5,980,324
Federal water grants	2,894,040	-	2,894,040
Connection charges	(585)	(1,298)	(1,883)
Total grants, capital contributions and connection charges	<u>\$ 8,482,718</u>	<u>\$ 389,763</u>	<u>\$ 8,872,481</u>
Change in net position	<u>\$ 8,628,547</u>	<u>\$ 260,809</u>	<u>\$ 8,889,356</u>
Net position - beginning of year, as restated	22,052,382	14,394,891	36,447,273
Net position - end of year	<u><u>\$ 30,680,929</u></u>	<u><u>\$ 14,655,700</u></u>	<u><u>\$ 45,336,629</u></u>

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

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
(A Component Unit of the County of Greenville, Virginia)

Statement of Cash Flows  
For the Year Ended September 30, 2018

	Water	Sewer	Total
Cash flows from operating activities:			
Receipts from customers and users	\$ 2,147,596	\$ 2,680,071	\$ 4,827,667
Payments to suppliers of goods and services	455,478	(1,043,741)	(588,263)
Payments to and on behalf of employees	(686,627)	(915,269)	(1,601,896)
Net cash provided by (used for) operating activities	<u>\$ 1,916,447</u>	<u>\$ 721,061</u>	<u>\$ 2,637,508</u>
Cash flows from noncapital financing activities:			
Transfers	<u>\$ 208,960</u>	<u>\$ (208,960)</u>	<u>\$ -</u>
Cash flows from capital and related financing activities:			
Interest paid on debt	\$ (312,569)	\$ (110,717)	\$ (423,286)
Connection charges	(585)	(1,298)	(1,883)
Capital grants and federal water grants received	8,483,303	391,061	8,874,364
Additions to capital assets and construction in progress	(14,046,385)	(670,996)	(14,717,381)
Loan proceeds received	19,332,539	-	19,332,539
Retirement of indebtedness	(10,214,494)	(394,635)	(10,609,129)
Net cash provided by (used for) capital and related financing activities	<u>\$ 3,241,809</u>	<u>\$ (786,585)</u>	<u>\$ 2,455,224</u>
Cash flows from investing activities:			
Interest earned	\$ (855)	\$ 15,883	\$ 15,028
Principal payments received on loans receivable	18,932	18,932	37,864
Net cash provided by (used for) investing activities	<u>\$ 18,077</u>	<u>\$ 34,815</u>	<u>\$ 52,892</u>
Increase (decrease) in cash and cash equivalents for the year	<u>\$ 5,385,293</u>	<u>\$ (239,669)</u>	<u>\$ 5,145,624</u>
Cash and cash equivalents at beginning of year, including \$439,020 of cash in hands of trustee	<u>1,375,153</u>	<u>1,970,525</u>	<u>3,345,678</u>
Cash and cash equivalents at end of year, including \$569,411 of cash in hands of trustee	<u>\$ 6,760,446</u>	<u>\$ 1,730,856</u>	<u>\$ 8,491,302</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income	\$ 250,293	\$ 174,840	\$ 425,133
Adjustments to reconcile net income (loss) to net cash provided by (used for) operating activities:			
Depreciation	667,417	520,647	1,188,064
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:			
Decrease in accounts receivable	40,595	70,529	111,124
(Increase) in grant receivable	(279,492)	-	(279,492)
Increase (decrease) in accounts payable and other accrued liabilities	1,236,818	(40,348)	1,196,470
Increase (decrease) in compensated absences	1,924	(3,152)	(1,228)
(Decrease) in net pension liability	(122,891)	(166,270)	(289,161)
Decrease in deferred outflows of resources - pension related	53,407	72,258	125,665
Decrease in deferred outflows of resources - OPEB related	50	68	118
Increase in deferred inflows of resources - pension related	69,690	94,290	163,980
Increase in deferred inflows of resources - OPEB related	6,455	8,535	14,990
(Decrease) in net OPEB liabilities	(7,819)	(10,336)	(18,155)
Net cash provided by (used for) operating activities	<u>\$ 1,916,447</u>	<u>\$ 721,061</u>	<u>\$ 2,637,508</u>

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

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
**(A Component Unit of the County of Greenville, Virginia)**

Notes to Financial Statements  
As of September 30, 2018

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**A. Organization and Purpose:**

The Greenville County Water and Sewer Authority was created by the Greenville County Board of Supervisors on February 21, 1978, pursuant to the provisions of the Virginia Water and Sewer Authorities Act, Section 15.2-5100 through Section 15.2-5158 of the Code of Virginia, 1950, as amended. The County of Greenville, Virginia serves as the fiscal agent for the Authority.

The bylaws and rules for the business transactions of the Greenville County Water and Sewer Authority are made pursuant to the authority vested in this Authority by Section 15.2-5114(b), Code of Virginia, 1950, as amended and in accordance with the general provisions of the Virginia Water and Sewer Authorities Act.

**B. Financial Reporting Entity:**

The Greenville County Water and Sewer Authority is reported as a blended component unit of the County of Greenville, Virginia. The Authority is governed by a Board comprised of the County's elected supervisors.

The financial statements of the Authority are prepared as an "enterprise" commercial unit to conform to financial reporting practices as recommended in *Water Utility Accounting* published jointly by the Governmental Finance Officers Association and The American Water Works Association.

**C. Basic Financial Statements:**

For the Authority, the basic financial statements and required supplementary information consist of:

- Management's discussion and analysis (management has elected to omit this from report)
- Enterprise fund financial statements
  - Statement of Net Position
  - Statement of Revenues, Expenses and Changes in Net Position
  - Statement of Cash Flows
  - Notes to Financial Statements
- Required Supplementary Information
  - Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
  - Schedule of Employer Contributions - Pension
  - Notes to Required Supplementary Information - Pension
  - Schedule of Changes in the Authority's Net OPEB Liability and Related Ratios
    - Health Insurance Credit Program
  - Schedule of Employer Contributions - Health Insurance Credit Program
  - Notes to Required Supplementary Information - Health Insurance Credit Program
  - Schedule of Authority's Share of Net OPEB Liability - Group Life Insurance Program
  - Schedule of Employer Contributions - Group Life Insurance Program
  - Notes to Required Supplementary Information - Group Life Insurance Program

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
**(A Component Unit of the County of Greenville, Virginia)**

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

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

**D. Basis of Accounting:**

The accounts of the Authority are accounted for using the economic resources measurement focus and utilize the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The accompanying financial statements are prepared in accordance with pronouncements issued by the Governmental Accounting Standards Board. The principles prescribed by GASB represent generally accepted accounting principles applicable to governmental units.

The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Authority's principal ongoing operations. The principal operating revenues of the Authority are charges to customers for sales and services. The Authority also recognizes as operating revenue the portion of availability charges intended to recover the cost of connecting new customers to the system. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**E. Cash and Cash Equivalents:**

For purposes of the statement of cash flows, the Authority considers all highly liquid investments (including restricted assets) with an original maturity of three months or less from the date of purchase to be cash equivalents.

**F. Allowance for Uncollectible Accounts:**

The Authority calculates its allowance for specific accounts using historical collection data and, in certain cases, specific account analysis. Historical collection data indicates that any uncollectible amounts would be negligible. Accordingly, no allowance for uncollectible accounts has been established.

**G. Capital Assets and Depreciation:**

The Authority's capital assets consist of office and computer equipment, transportation equipment and utility plant in service. Capital assets are defined by the Authority as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. All additions to utility lines are capitalized. Depreciation expense is computed by the straight-line method using the following estimated useful lives as a basis:

<u>Items</u>	<u>Years</u>
Source of supply structures	50
Water pumping equipment	20
Transmission mains and accessories	50 to 66-2/3
Meters	66-2/3
Hydrant and accessories	5
Other general equipment	3
Motor vehicles	5

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
**(A Component Unit of the County of Greenville, Virginia)**

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

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

**G. Capital Assets and Depreciation: (Continued)**

No depreciation is taken on assets until the first year following the date placed in service.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Interest attributable to capitalized assets as of September 30, 2018 was \$35,543.

**H. Use of Estimates:**

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

**I. Compensated Absences:**

The Authority has a policy which allows for the accumulation and vesting of limited amounts of vacation leave until termination or retirement.

**J. Deferred Outflows/Inflows of Resources:**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Authority has one item that qualifies for reporting in this category. It is comprised of certain items related to the measurement of the net pension liability and net OPEB liabilities and contributions to the net pension and OPEB plans made during the current year and subsequent to the net pension liability and net OPEB liability measurement date. For more detailed information on these items, reference the related notes.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Certain items related to the measurement of the net pension liability and net OPEB liability(ies) are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
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Notes to Financial Statements  
As of September 30, 2018 (Continued)

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

K. Net Position:

Net Position is the difference between a) assets and deferred outflows of resources and b) liabilities and deferred inflows of resources. Net investment in capital assets represents capital assets, less accumulated depreciation, less any outstanding debt related to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

L. Net Position Flow Assumption:

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

M. 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 Authority's Retirement Plan and the additions to/deductions from the Authority'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 benefit terms. Investments are reported at fair value.

N. Other Postemployment Benefits (OPEB):

*Group Life Insurance*

The Virginia Retirement System (VRS) Group Life Insurance Program provides coverage to state employees, teachers, and employees of participating political subdivisions. The Group Life Insurance Program was established pursuant to §51.1-500 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. The Group Life Insurance Program is a defined benefit plan that provides a basic group life insurance benefit for employees of participating employers. For purposes of measuring the net Group Life Insurance Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the Group Life Insurance Program OPEB, and Group Life Insurance Program OPEB expense, information about the fiduciary net position of the Virginia Retirement System (VRS) Group Life Insurance program OPEB and the additions to/deductions from the VRS Group Life Insurance Program OPEB's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY  
(A Component Unit of the County of Greenville, Virginia)**

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

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

**N. Other Postemployment Benefits (OPEB): (Continued)**

*Health Insurance Credit Program*

The Authority Health Insurance Credit (HIC) Program was established pursuant to §51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. For purposes of measuring the net HIC OPEB liability, deferred outflows of resources and deferred inflows of resources related to the HIC OPEB, and the related HIC OPEB expense, information about the fiduciary net position of the Virginia Retirement System (VRS) Political Subdivision HIC Program, and the additions to/deductions from the VRS Political Subdivision HIC Program's net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**NOTE 2 - DEPOSITS AND INVESTMENTS:**

**Deposits:**

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

**Investments:**

Statutes authorize the Authority to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper and certain corporate notes, banker's acceptances, repurchase agreements and the State Treasurer's Local Government Investment Pool (LGIP).

The Authority has not adopted a formal investment policy as of September 30, 2018.

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
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Notes to Financial Statements  
As of September 30, 2018 (Continued)

**NOTE 2 - DEPOSITS AND INVESTMENTS: (CONTINUED)**

**Credit Risk of Debt Securities**

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

<b>Authority's Rated Debt Investment Value</b>	
<b>Rated Debt Investments</b>	<b>Fair Quality Ratings</b>
	<b>AAAm</b>
Local Government Investment Pool	\$ 122,212
Virginia State Non-Arbitrage Pool	12,456
Total	\$ <u>134,668</u>

**Interest Rate Risk**

<b>Investment Maturities (in years)</b>		
<b>Investment Type</b>	<b>Fair Value</b>	<b>Less Than 1 Year</b>
Local Government Investment Pool	\$ 122,212	\$ 122,212
Virginia State Non-Arbitrage Pool	<u>12,456</u>	<u>12,456</u>
Total	\$ <u>134,668</u>	\$ <u>134,668</u>

**External Investment Pools**

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

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
**(A Component Unit of the County of Greenville, Virginia)**

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

**NOTE 3 - CAPITAL ASSETS:**

A summary of changes in capital assets for the year is presented as follows:

	Balance October 1, 2017	Additions	Deletions	Balance September 30, 2018
Capital assets not being depreciated:				
Land and land rights	\$ 2,505,900	\$ 346,852	\$ -	\$ 2,852,752
Construction in progress	13,900,887	14,370,527	12,812,031	15,459,383
Total capital assets not being depreciated	\$ 16,406,787	\$ 14,717,379	\$ 12,812,031	\$ 18,312,135
Capital assets being depreciated:				
Buildings and plant	\$ 44,502,507	\$ 12,812,033	\$ -	\$ 57,314,540
Equipment	1,046,198	-	-	1,046,198
Total capital assets being depreciated	\$ 45,548,705	\$ 12,812,033	\$ -	\$ 58,360,738
Accumulated depreciation:				
Buildings, plant, and equipment	\$ (18,276,039)	\$ (1,188,064)	\$ -	\$ (19,464,103)
Total capital assets being depreciated, net	\$ 27,272,666	\$ 11,623,969	\$ -	\$ 38,896,635
Capital assets, net	\$ 43,679,453	\$ 26,341,348	\$ 12,812,031	\$ 57,208,770

Depreciation expense for the year totaled \$1,188,064.

**NOTE 4 - CONSTRUCTION IN PROGRESS:**

Details of construction work in progress for the fiscal year ended September 30, 2018 are as follows:

Project	Balance October 1, 2017	Additions	Deletions	Balance September 30, 2018
Exit 4 Potable Well Integration	\$ 180,765	\$ -	\$ -	\$ 180,765
Skippers Waste Water Treatment	-	71,162	-	71,162
High Hills Sewer PS replace	113,243	9,604	122,847	-
Dominion VA Power Water	10,104,326	14,007,106	8,903,976	15,207,456
Dominion VA Power Sewer	2,868,226	243,375	3,111,601	-
Jarratt WTP Sludge Handling	634,327	39,280	673,607	-
Total	\$ 13,900,887	\$ 14,370,527	\$ 12,812,031	\$ 15,459,383

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
**(A Component Unit of the County of Greenville, Virginia)**

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

**NOTE 5 - COMPENSATED ABSENCES:**

The Authority has accrued the liability arising from outstanding compensated absences. Authority employees earn vacation and sick leave at the rate of one day for each per month. All accumulated vacation is paid upon termination. 25% of sick leave up to \$5,000 is paid upon termination if employed by the Authority for at least five years. The Authority has outstanding accrued vacation and sick pay totaling \$230,691.

**NOTE 6 - LONG-TERM OBLIGATIONS:**

The following is a summary of long-term obligation transactions of the Authority for the fiscal year ended September 30, 2018:

	Restated Balance Beginning of Year	Issuances/ Increases	Retirements/ Decreases	Balance End of Year	Current Portion
Loan payable	\$ 90,036	\$ -	\$ 13,266	\$ 76,770	\$ 14,220
Interim Financing	267,461	9,532,539	9,800,000	-	-
Rural development loan	-	9,800,000	-	9,800,000	-
2014 Revenue Refunding Bonds	1,815,000	-	70,000	1,745,000	75,000
2013 Revenue Refunding Bonds	740,000	-	365,000	375,000	375,000
2010 Revenue Refunding Bonds	3,155,000	-	180,000	2,975,000	190,000
2011 Revenue Bonds	1,295,000	-	65,000	1,230,000	70,000
2012 Revenue Bonds	215,000	-	5,000	210,000	5,000
2016 Revenue Bonds	1,990,000	-	35,000	1,955,000	40,000
Premiums on bonds payable	917,728	-	75,863	841,865	75,863
Net OPEB liabilities	132,156	9,095	27,250	114,001	-
Net Pension Liability	499,115	389,253	678,414	209,954	-
Compensated absences	231,919	-	1,228	230,691	23,069
<b>Total</b>	<b>\$ 11,348,415</b>	<b>\$ 19,730,887</b>	<b>\$ 11,316,021</b>	<b>\$ 19,763,281</b>	<b>\$ 868,152</b>

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
**(A Component Unit of the County of Greenville, Virginia)**

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

**NOTE 6 - LONG-TERM OBLIGATIONS: (CONTINUED)**

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

Year Ended September 30,	Water and Sewer Revenue Bonds									
	2016B		2013 Refunding		2014		2012B		2011B	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 40,000	\$ 75,181	\$ 375,000	\$ 15,469	\$ 75,000	\$ 82,881	\$ 5,000	\$ 8,450	\$ 70,000	\$ 60,588
2020	40,000	73,731	-	-	80,000	79,038	5,000	8,194	70,000	57,450
2021	40,000	71,931	-	-	80,000	75,388	10,000	7,938	75,000	54,363
2022	45,000	70,131	-	-	85,000	71,288	10,000	7,425	80,000	50,519
2023	45,000	67,825	-	-	95,000	66,931	10,000	6,913	85,000	46,419
2024	50,000	65,519	-	-	100,000	62,063	10,000	6,400	90,000	42,063
2025	50,000	63,156	-	-	100,000	56,938	10,000	5,938	95,000	37,450
2026	50,000	61,094	-	-	105,000	51,813	10,000	5,475	95,000	32,581
2027	55,000	59,031	-	-	110,000	46,781	10,000	5,038	100,000	27,713
2028	55,000	56,363	-	-	110,000	41,494	10,000	4,650	110,000	22,588
2029	60,000	53,994	-	-	115,000	36,156	10,000	4,263	115,000	17,300
2030	60,000	51,369	-	-	125,000	32,213	10,000	3,875	120,000	11,756
2031	65,000	49,156	-	-	130,000	26,206	10,000	3,550	125,000	6,006
2032	65,000	46,825	-	-	140,000	19,944	15,000	3,225	-	-
2033	70,000	44,469	-	-	145,000	13,169	15,000	2,719	-	-
2034	70,000	41,956	-	-	150,000	6,188	15,000	2,175	-	-
2035	75,000	39,369	-	-	-	-	15,000	1,631	-	-
2036	75,000	37,338	-	-	-	-	15,000	1,088	-	-
2037	80,000	35,231	-	-	-	-	15,000	544	-	-
2038	80,000	31,806	-	-	-	-	-	-	-	-
2039	85,000	28,269	-	-	-	-	-	-	-	-
2040	90,000	24,475	-	-	-	-	-	-	-	-
2041	95,000	20,363	-	-	-	-	-	-	-	-
2042	95,000	16,094	-	-	-	-	-	-	-	-
2043	100,000	13,125	-	-	-	-	-	-	-	-
2044	105,000	10,000	-	-	-	-	-	-	-	-
2045	105,000	6,719	-	-	-	-	-	-	-	-
2046	110,000	3,438	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 1,955,000</b>	<b>\$ 1,217,958</b>	<b>\$ 375,000</b>	<b>\$ 15,469</b>	<b>\$ 1,745,000</b>	<b>\$ 768,491</b>	<b>\$ 210,000</b>	<b>\$ 89,491</b>	<b>\$ 1,230,000</b>	<b>\$ 466,796</b>

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
**(A Component Unit of the County of Greenville, Virginia)**

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

**NOTE 6 - LONG-TERM OBLIGATIONS: (CONTINUED)**

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

Year Ended September 30,	Rural Development		2010 Refunding		Loan Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ -	\$ 222,788	\$ 190,000	\$ 143,056	\$ 14,220	\$ 2,547
2020	-	222,788	200,000	133,726	14,722	2,045
2021	165,090	222,788	205,000	126,226	15,242	1,525
2022	168,843	219,035	220,000	117,854	15,780	987
2023	172,682	215,197	230,000	107,633	16,806	372
2024	176,607	211,271	235,000	96,898	-	-
2025	180,622	207,256	250,000	85,815	-	-
2026	184,729	203,150	265,000	73,940	-	-
2027	188,928	198,950	275,000	61,360	-	-
2028	193,223	194,655	285,000	47,060	-	-
2029	197,616	190,263	300,000	32,240	-	-
2030	202,108	185,770	320,000	16,640	-	-
2031	206,703	181,176	-	-	-	-
2032	211,402	176,477	-	-	-	-
2033	216,208	171,671	-	-	-	-
2034	221,123	166,756	-	-	-	-
2035	226,150	161,729	-	-	-	-
2036	231,291	156,587	-	-	-	-
2037	236,549	151,329	-	-	-	-
2038	241,927	145,952	-	-	-	-
2039	247,426	140,452	-	-	-	-
2040	253,051	134,827	-	-	-	-
2041	258,804	129,074	-	-	-	-
2042	264,688	123,191	-	-	-	-
2043	270,705	117,174	-	-	-	-
2044	276,859	111,020	-	-	-	-
2045	283,153	104,726	-	-	-	-
2046	289,590	98,289	-	-	-	-
2047	296,173	91,705	-	-	-	-
2048	302,906	84,972	-	-	-	-
2049	309,793	78,086	-	-	-	-
2050	316,835	71,043	-	-	-	-
2051	324,038	63,841	-	-	-	-
2052	331,404	56,474	-	-	-	-
2053	338,938	48,940	-	-	-	-
2054	346,644	41,235	-	-	-	-
2055	354,524	33,354	-	-	-	-
2056	362,584	25,295	-	-	-	-
2057	370,826	17,052	-	-	-	-
2058	379,258	8,622	-	-	-	-
Total	\$ 9,800,000	\$ 5,384,960	\$ 2,975,000	\$ 1,042,448	\$ 76,770	\$ 7,476

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
**(A Component Unit of the County of Greenville, Virginia)**

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

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**NOTE 6 - LONG-TERM OBLIGATIONS: (CONTINUED)**

Details of Long-term Obligations:

Compensated absences	\$ <u>230,691</u>
Net OPEB liabilities	\$ <u>114,001</u>
Net Pension Liability	\$ <u>209,954</u>
Loan Payable:	
\$235,629 Water & Sewer loan payable issued May 30, 2003, due in semi-annual payments of principal and interest of \$8,387, through September 1, 2023, interest at 3.50%.	\$ <u>76,770</u>
Revenue Bonds:	
\$2,105,000 Water & Sewer Refunding Revenue Bonds series 2013C issued November 6, 2013, due in various semi-annual payments of principal and interest through October 1, 2019, interest payable semi-annually at 1.74%.	\$ 375,000
Premiums on bonds payable	841,865
\$2,175,000 Water & Sewer Refunding Revenue Bonds series 2014C issued November 5, 2014, due in various semi-annual payments of principal and interest through October 1, 2034, interest payable semi-annually at 3.26%.	1,440,000
\$365,000 Water & Sewer Refunding Revenue Bonds series 2014C issued November 5, 2014, due in various semi-annual payments of principal and interest through October 1, 2034, interest payable semi-annually at 3.50%.	305,000
\$240,000 Water & Sewer Refunding Revenue Bonds series 2012B issued July 12, 2012, due in various semi-annual payments of principal and interest through October 1, 2037, interest payable semi-annually at 3.83%.	210,000

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
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Notes to Financial Statements  
As of September 30, 2018 (Continued)

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**NOTE 6 - LONG-TERM OBLIGATIONS: (CONTINUED)**

Details of Long-term Obligations: (continued)

Revenue Bonds: (continued)

\$1,640,000 Water & Sewer Refunding Revenue Bonds series 2011B issued October 15, 2011, due in various semi-annual payments of principal and interest through October 1, 2031, interest payable semi-annually at 5.5%. \$ 1,230,000

\$2,025,000 Water & Sewer Revenue Bonds series 2016B issued July 27, 2016, due in various semi-annual payments of principal and interest through October 1, 2046, interest payable semi-annually at 3.17%. 1,955,000

\$4,435,000 Water & Sewer Refunding Revenue Bonds series 2010 issued June 16, 2010, due in various semi-annual payments of principal and interest through October 1, 2030, interest payable semi-annually at 3.98%. 2,975,000

Total revenue bonds \$ 9,331,865

\$9,800,000 Rural development loan series 2018A issued September 20, 2018, due in annual payments of principal and interest through September 20, 2058, interest payable at 2.25%. \$ 9,800,000

Total long-term obligations \$ 19,763,281

Less current portion 868,152

Total noncurrent obligations \$ 18,895,129

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
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Notes to Financial Statements  
As of September 30, 2018 (Continued)

**NOTE 7 - PENSION PLAN:**

***Plan Description***

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

The System administers three different benefit structures for covered employees - Plan 1, Plan 2, and Hybrid. Each of these benefit structures has different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are set out in the table below:

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

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
**(A Component Unit of the County of Greenville, Virginia)**

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

**NOTE 7 - PENSION PLAN: (CONTINUED)**

*Plan Description (continued)*

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

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**NOTE 7 - PENSION PLAN: (CONTINUED)**

*Plan Description (continued)*

<b>RETIREMENT PLAN PROVISIONS (CONTINUED)</b>		
<b>PLAN 1</b>	<b>PLAN 2</b>	<b>HYBRID RETIREMENT PLAN</b>
<p><b>Hybrid Opt-In Election (Cont.)</b>  Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP.</p>	<p><b>Hybrid Opt-In Election (Cont.)</b>  Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP.</p>	<p><b>*Non-Eligible Members</b>  Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:</p> <ul style="list-style-type: none"> <li>• Political subdivision employees who are covered by enhanced benefits for hazardous duty employees.</li> </ul> <p>Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.</p>
<p><b>Retirement Contributions</b>  Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.</p>	<p><b>Retirement Contributions</b>  Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction.</p>	<p><b>Retirement Contributions</b>  A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.</p>

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

**NOTE 7 - PENSION PLAN: (CONTINUED)**

*Plan Description (continued)*

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

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
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Notes to Financial Statements  
As of September 30, 2018 (Continued)

**NOTE 7 - PENSION PLAN: (CONTINUED)**

*Plan Description (continued)*

<b>RETIREMENT PLAN PROVISIONS (CONTINUED)</b>		
<b>PLAN 1</b>	<b>PLAN 2</b>	<b>HYBRID RETIREMENT PLAN</b>
<p><b>Vesting</b>  Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of creditable service. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund.</p> <p>Members are always 100% vested in the contributions that they make.</p>	<p><b>Vesting</b>  Same as Plan 1.</p>	<p><b>Vesting</b>  <u><b>Defined Benefit Component:</b></u>  Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of creditable service. Plan 1 or Plan 2 members with at least five years (60 months) of creditable service who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.</p> <p><u><b>Defined Contribution Component:</b></u>  Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan.</p> <p>Members are always 100% vested in the contributions that they make.</p>

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
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Notes to Financial Statements  
As of September 30, 2018 (Continued)

**NOTE 7 - PENSION PLAN: (CONTINUED)**

*Plan Description (continued)*

<b>RETIREMENT PLAN PROVISIONS (CONTINUED)</b>		
<b>PLAN 1</b>	<b>PLAN 2</b>	<b>HYBRID RETIREMENT PLAN</b>
<p><b>Vesting (Cont.)</b></p>	<p><b>Vesting (Cont.)</b></p>	<p><b>Vesting (Cont.)</b>  <u><b>Defined Contribution Component: (Cont.)</b></u>  Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.</p> <ul style="list-style-type: none"> <li>• After two years, a member is 50% vested and may withdraw 50% of employer contributions.</li> <li>• After three years, a member is 75% vested and may withdraw 75% of employer contributions.</li> <li>• After four or more years, a member is 100% vested and may withdraw 100% of employer contributions.</li> </ul> <p>Distribution is not required by law until age 70½.</p>
<p><b>Calculating the Benefit</b>  The Basic Benefit is calculated based on a formula using the member's average final compensation, a retirement multiplier and total service credit at retirement. It is one of the benefit payout options available to a member at retirement.</p>	<p><b>Calculating the Benefit</b>  See definition under Plan 1.</p>	<p><b>Calculating the Benefit</b>  <u><b>Defined Benefit Component:</b></u>  See definition under Plan 1.</p>

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

**NOTE 7 - PENSION PLAN: (CONTINUED)**

***Plan Description (continued)***

<b>RETIREMENT PLAN PROVISIONS (CONTINUED)</b>		
<b>PLAN 1</b>	<b>PLAN 2</b>	<b>HYBRID RETIREMENT PLAN</b>
<p><b>Calculating the Benefit (Cont.)</b>  An early retirement reduction factor is applied to the Basic Benefit if the member retires with a reduced retirement benefit or selects a benefit payout option other than the Basic Benefit.</p>	<p><b>Calculating the Benefit (Cont.)</b></p>	<p><b>Calculating the Benefit (Cont.)</b>  <u><b>Defined Contribution Component:</b></u>  The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.</p>
<p><b>Average Final Compensation</b>  A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.</p>	<p><b>Average Final Compensation</b>  A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.</p>	<p><b>Average Final Compensation</b>  Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.</p>
<p><b>Service Retirement Multiplier</b>  <b>VRS:</b> The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%.</p> <p><b>Sheriffs and regional jail superintendents:</b> The retirement multiplier for sheriffs and regional jail superintendents is 1.85%.</p> <p><b>Political subdivision hazardous duty employees:</b> The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.70% or 1.85% as elected by the employer.</p>	<p><b>Service Retirement Multiplier</b>  <b>VRS:</b> Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for creditable service earned, purchased or granted on or after January 1, 2013.</p> <p><b>Sheriffs and regional jail superintendents:</b> Same as Plan 1.</p> <p><b>Political subdivision hazardous duty employees:</b> Same as Plan 1.</p>	<p><b>Service Retirement Multiplier</b>  <u><b>Defined Benefit Component:</b></u>  <b>VRS:</b> The retirement multiplier for the defined benefit component is 1.00%.</p> <p>For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.</p> <p><b>Sheriffs and regional jail superintendents:</b> Not applicable.</p> <p><b>Political subdivision hazardous duty employees:</b> Not applicable.</p> <p><u><b>Defined Contribution Component:</b></u>  Not applicable.</p>

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
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Notes to Financial Statements  
As of September 30, 2018 (Continued)

**NOTE 7 - PENSION PLAN: (CONTINUED)**

*Plan Description (continued)*

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

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

**NOTE 7 - PENSION PLAN: (CONTINUED)**

***Plan Description (continued)***

<b>RETIREMENT PLAN PROVISIONS (CONTINUED)</b>		
<b>PLAN 1</b>	<b>PLAN 2</b>	<b>HYBRID RETIREMENT PLAN</b>
<p><b>Earliest Reduced Retirement Eligibility (Cont.)</b></p> <p>Political subdivisions hazardous duty employees: 50 with at least five years of creditable service.</p>	<p><b>Earliest Reduced Retirement Eligibility (Cont.)</b></p> <p>Political subdivisions hazardous duty employees: Same as Plan 1.</p>	<p><b>Earliest Reduced Retirement Eligibility (Cont.)</b></p> <p>Political subdivisions hazardous duty employees: Not applicable.</p> <p><b><u>Defined Contribution Component:</u></b>  Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p><b>Cost-of-Living Adjustment (COLA) in Retirement</b>  The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.</p> <p><b><u>Eligibility:</u></b>  For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of creditable service, the COLA will go into effect on July 1 after one full calendar year from the retirement date.</p> <p>For members who retire with a reduced benefit and who have less than 20 years of creditable service, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.</p>	<p><b>Cost-of-Living Adjustment (COLA) in Retirement</b>  The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.</p> <p><b><u>Eligibility:</u></b>  Same as Plan 1.</p>	<p><b>Cost-of-Living Adjustment (COLA) in Retirement</b>  <b><u>Defined Benefit Component:</u></b>  Same as Plan 2.</p> <p><b><u>Defined Contribution Component:</u></b>  Not applicable.</p> <p><b><u>Eligibility:</u></b>  Same as Plan 1 and Plan 2.</p>

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

**NOTE 7 - PENSION PLAN: (CONTINUED)**

*Plan Description (continued)*

<b>RETIREMENT PLAN PROVISIONS (CONTINUED)</b>		
<b>PLAN 1</b>	<b>PLAN 2</b>	<b>HYBRID RETIREMENT PLAN</b>
<p><b>Cost-of-Living Adjustment (COLA) in Retirement (Cont.)</b></p> <p><b><u>Exceptions to COLA Effective Dates:</u></b>  The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:</p> <ul style="list-style-type: none"> <li>• The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013.</li> <li>• The member retires on disability.</li> <li>• The member retires directly from short-term or long-term disability under the Virginia Sickness and Disability Program (VSDP).</li> <li>• The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program.</li> <li>• The member dies in service and the member’s survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins.</li> </ul>	<p><b>Cost-of-Living Adjustment (COLA) in Retirement (Cont.)</b></p> <p><b><u>Exceptions to COLA Effective Dates:</u></b>  Same as Plan 1.</p>	<p><b>Cost-of-Living Adjustment (COLA) in Retirement (Cont.)</b></p> <p><b><u>Exceptions to COLA Effective Dates:</u></b>  Same as Plan 1 and Plan 2.</p>

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

**NOTE 7 - PENSION PLAN: (CONTINUED)**

***Plan Description (continued)***

<b>RETIREMENT PLAN PROVISIONS (CONTINUED)</b>		
<b>PLAN 1</b>	<b>PLAN 2</b>	<b>HYBRID RETIREMENT PLAN</b>
<p><b>Disability Coverage</b>  Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service, regardless of when it was earned, purchased or granted.</p>	<p><b>Disability Coverage</b>  Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.</p>	<p><b>Disability Coverage</b>  Employees of political subdivisions (including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members.</p> <p>Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.</p>
<p><b>Purchase of Prior Service</b>  Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as creditable service in their plan. Prior creditable service counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.</p>	<p><b>Purchase of Prior Service</b>  Same as Plan 1.</p>	<p><b>Purchase of Prior Service</b>  <u><b>Defined Benefit Component:</b></u>  Same as Plan 1, with the following exceptions:</p> <ul style="list-style-type: none"> <li>• Hybrid Retirement Plan members are ineligible for ported service.</li> </ul> <p><u><b>Defined Contribution Component:</b></u>  Not applicable.</p>

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

**NOTE 7 - PENSION PLAN: (CONTINUED)**

***Pension Plan Data***

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

***Employees Covered by Benefit Terms***

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

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	7
Inactive members:	
Vested inactive members	3
Non-vested inactive members	1
Inactive members active elsewhere in VRS	<u>7</u>
Total inactive members	11
Active members	<u>23</u>
Total covered employees	<u><u>41</u></u>

***Contributions***

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Prior to July 1, 2012, all or part of the 5.00% member contribution may have been assumed by the employer. Beginning July 1, 2012 new employees were required to pay the 5% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5.00% member contribution. This could be phased in over a period of up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution.

The Authority's contractually required employer contribution rate for the year ended June 30, 2018 was 7.05% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2015.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Authority were \$78,019 and \$82,375 for the years ended June 30, 2018 and June 30, 2017, respectively.

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

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**NOTE 7 - PENSION PLAN: (CONTINUED)**

***Net Pension Liability***

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

***Actuarial Assumptions - General Employees***

The total pension liability for General Employees in the Authority's Retirement Plan was based on an actuarial valuation as of June 30, 2016, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2017.

Inflation	2.5%
Salary increases, including inflation	3.5% - 5.35%
Investment rate of return	7.0%, net of pension plan investment expense, including inflation*

\* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 7.0%. However, since the difference was minimal, and a more conservative 7.0% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 7.0% to simplify preparation of pension liabilities.

**Mortality rates:**

**Largest 10 - Non-Hazardous Duty: 20% of deaths are assumed to be service related**

**Pre-Retirement:**

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

**Post-Retirement:**

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

**Post-Disablement:**

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

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

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**NOTE 7 - PENSION PLAN: (CONTINUED)**

***Actuarial Assumptions - General Employees (Continued)***

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

**Largest 10 - Non-Hazardous Duty:**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 20%

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY  
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Notes to Financial Statements  
As of September 30, 2018 (Continued)

**NOTE 7 - PENSION PLAN: (CONTINUED)**

***Actuarial Assumptions - General Employees (Continued)***

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%

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

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the Authority's Retirement Plan was based on an actuarial valuation as of June 30, 2016, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2017.

Inflation	2.5%
Salary increases, including inflation	3.5% - 4.75%
Investment rate of return	7.0%, net of pension plan investment expense, including inflation*

\* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 7.0%. However, since the difference was minimal, and a more conservative 7.0% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 7.0% to simplify preparation of pension liabilities.

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

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

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**NOTE 7 - PENSION PLAN: (CONTINUED)**

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

Mortality rates:

Largest 10 - Hazardous Duty: 70% of deaths are assumed to be service related

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
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Notes to Financial Statements  
As of September 30, 2018 (Continued)

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**NOTE 7 - PENSION PLAN: (CONTINUED)**

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

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

**Largest 10 - Hazardous Duty:**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience
Disability Rates	Increased rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 70%

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates, and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better fit experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60% to 45%

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
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Notes to Financial Statements  
As of September 30, 2018 (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:

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

\* The above allocation provides a one-year return of 7.30%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.83%, including expected inflation of 2.50%.

***Discount Rate***

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2019, the rate contributed by the employer for the Authority Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2019 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
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Notes to Financial Statements  
As of September 30, 2018 (Continued)

**NOTE 7 - PENSION PLAN: (CONTINUED)**

***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, 2016	\$ 4,106,683	\$ 3,607,568	\$ 499,115
Changes for the year:			
Service cost	\$ 104,118	\$ -	\$ 104,118
Interest	284,667	-	284,667
Changes in assumptions	(131,732)	-	(131,732)
Differences between expected and actual experience	36,682	-	36,682
Contributions - employer	-	81,262	(81,262)
Contributions - employee	-	57,533	(57,533)
Net investment income	-	446,980	(446,980)
Benefit payments, including refunds of employee contributions	(80,026)	(80,026)	-
Administrative expenses	-	(2,477)	2,477
Other changes	-	(402)	402
Net changes	\$ 213,709	\$ 502,870	\$ (289,161)
Balances at June 30, 2017	\$ 4,320,392	\$ 4,110,438	\$ 209,954

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

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

	Rate		
	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
Greenville County Water and Sewer Authority's Net Pension Liability (Asset)	\$ 843,219	\$ 209,954	\$ (310,919)

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
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Notes to Financial Statements  
As of September 30, 2018 (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, 2018, the Authority recognized pension expense of \$58,466. At June 30, 2018, the Authority 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	\$ 88,035	\$ -
Change in assumptions	-	101,518
Net difference between projected and actual earnings on pension plan investments	-	62,462
Employer contributions subsequent to the measurement date	78,019	-
Total	<u>\$ 166,054</u>	<u>\$ 163,980</u>

\$78,019 reported as deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year ended June 30</u>	
2019	\$ (21,181)
2020	14,298
2021	(22,718)
2022	(46,344)
2023	-
Thereafter	-

**NOTE 8 - RISK MANAGEMENT:**

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority joined together with other local governments in the State to form the Virginia Municipal Group Self Insurance Association, a public entity risk pool currently operating as a common risk management and insurance program for member governments. The Authority pays an annual premium to the pool for its workers' compensation coverage. The Agreement for Formation of the association provides that the association will be self-sustaining through member premiums.

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
**(A Component Unit of the County of Greenville, Virginia)**

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

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**NOTE 8 - RISK MANAGEMENT: (CONTINUED)**

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

**NOTE 9 - ECONOMIC DEPENDENCY:**

For the fiscal year ended September 30, 2018, the Commonwealth of Virginia-Department of Corrections was billed \$1,962,432 for services, which constitutes approximately 39% of total operating revenues. Boar's Head Provisions Company, Inc. was billed \$738,249 for services, which constitutes approximately 15% of total operating revenues.

**NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS:**

**Health Insurance Credit (HIC) Program:**

***Plan Description***

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

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

<b>POLITICAL SUBDIVISION HEALTH INSURANCE CREDIT PROGRAM PLAN PROVISIONS</b>
<p><b>Eligible Employees</b> The Political Subdivision Retiree Health Insurance Credit Program was established July 1, 1993 for retired political subdivision employees of employers who elect the benefit and who retire with at least 15 years of service credit.</p> <p>Eligible employees of participating employers are enrolled automatically upon employment. They include:</p> <ul style="list-style-type: none"><li>• Full-time permanent salaried employees of the participating political subdivision who are covered under the VRS pension plan.</li></ul>

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
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Notes to Financial Statements  
As of September 30, 2018 (Continued)

**NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)**

**Health Insurance Credit (HIC) Program: (Continued)**

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

<b>POLITICAL SUBDIVISION HEALTH INSURANCE CREDIT PROGRAM PLAN PROVISIONS (CONTINUED)</b>	
<b>Benefit Amounts</b>	
The political subdivision's Retiree Health Insurance Credit Program provides the following benefits for eligible employees:	
<ul style="list-style-type: none"> <li>• <b><u>At Retirement</u></b> - 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.</li> <li>• <b><u>Disability Retirement</u></b>- 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.</li> </ul>	
<b>Health Insurance Credit Program Notes:</b>	
<ul style="list-style-type: none"> <li>• The monthly Health Insurance Credit benefit cannot exceed the individual premium amount.</li> <li>• No health insurance credit for premiums paid and qualified under LODA; however, the employee may receive the credit for premiums paid for other qualified health plans.</li> <li>• Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the health insurance credit as a retiree.</li> </ul>	

***Employees Covered by Benefit Terms***

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

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	3
Inactive members:	
Vested inactive members	<u>3</u>
Total inactive members	<u>6</u>
Active members	<u>23</u>
Total covered employees	<u><u>29</u></u>

***Contributions***

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The Authority's contractually required employer contribution rate for the year ended June 30, 2018 was .19% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2015. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the Authority to the Health Insurance Credit Program were \$2,628 and \$2,687 for the years ended June 30, 2018 and June 30, 2017.

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
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Notes to Financial Statements  
As of September 30, 2018 (Continued)

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**NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)**

**Health Insurance Credit (HIC) Program: (Continued)**

***Net HIC OPEB Liability***

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

***Actuarial Assumptions***

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2016, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2017.

Inflation	2.5%
Salary increases, including inflation:	
Locality - General employees	3.5%-5.35%
Locality - Hazardous Duty employees	3.5%-4.75%
Investment rate of return	7.0%, net of investment expenses, including inflation*

\*Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 7.0%. However, since the difference was minimal, and a more conservative 7.0% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 7.0% to simplify preparation of the OPEB liabilities.

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
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Notes to Financial Statements  
As of September 30, 2018 (Continued)

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**NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)**

**Health Insurance Credit (HIC) Program: (Continued)**

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

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

**Pre-Retirement:**

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

**Post-Retirement:**

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

**Post-Disablement:**

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 20%

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
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Notes to Financial Statements  
As of September 30, 2018 (Continued)

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**NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)**

**Health Insurance Credit (HIC) Program: (Continued)**

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

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

**Pre-Retirement:**

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

**Post-Retirement:**

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

**Post-Disablement:**

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
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Notes to Financial Statements  
As of September 30, 2018 (Continued)

**NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)**

**Health Insurance Credit (HIC) Program: (Continued)**

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

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

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

\*The above allocation provides a one-year return of 7.30%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.83%, including expected inflation of 2.50%.

***Discount Rate***

The discount rate used to measure the total HIC OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2019, the rate contributed by the entity for the HIC OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2019 on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
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Notes to Financial Statements  
As of September 30, 2018 (Continued)

**NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)**

**Health Insurance Credit (HIC) Program: (Continued)**

***Changes in Net HIC OPEB Liability***

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2016	\$ 58,840	\$ 34,684	\$ 24,156
Changes for the year:			
Service cost	\$ 906	\$ -	\$ 906
Interest	4,117	-	4,117
Assumption changes	(3,160)	-	(3,160)
Contributions - employer	-	2,687	(2,687)
Net investment income	-	4,201	(4,201)
Benefit payments	(65)	(65)	-
Administrative expenses	-	(72)	72
Other changes	-	202	(202)
Net changes	\$ 1,798	\$ 6,953	\$ (5,155)
Balances at June 30, 2017	\$ 60,638	\$ 41,637	\$ 19,001

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

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

	Rate		
	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
Net HIC OPEB Liability	\$ 25,726	\$ 19,001	\$ 13,310

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
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Notes to Financial Statements  
As of September 30, 2018 (Continued)

**NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)**

**Health Insurance Credit (HIC) Program: (Continued)**

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

For the year ended June 30, 2018, the Authority recognized Health Insurance Credit Program OPEB expense of \$1,522. At June 30, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to the Authority's Health Insurance Credit Program from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on HIC OPEB plan investments	\$ -	\$ 1,342
Change in assumptions	-	2,648
Employer contributions subsequent to the measurement date	<u>2,628</u>	<u>-</u>
Total	<u>\$ 2,628</u>	<u>\$ 3,990</u>

\$2,628 reported as deferred outflows of resources related to the HIC OPEB resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2019	\$ 847
2020	847
2021	847
2022	849
2023	512
Thereafter	88

***Health Insurance Credit Program Plan Data***

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

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY  
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Notes to Financial Statements  
As of September 30, 2018 (Continued)

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**NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)**

**Group Life Insurance (GLI) Program (OPEB Plan):**

***Plan Description***

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

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

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

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

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY  
(A Component Unit of the County of Greenville, Virginia)**

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

**NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)**

**Group Life Insurance (GLI) Program (OPEB Plan):**

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

<b>GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS (CONTINUED)</b>
<p><b>Benefit Amounts</b></p> <p>The benefits payable under the Group Life Insurance Program have several components.</p> <ul style="list-style-type: none"> <li>• <b><u>Natural Death Benefit</u></b> - The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled.</li> <li>• <b><u>Accidental Death Benefit</u></b> - The accidental death benefit is double the natural death benefit.</li> <li>• <b><u>Other Benefit Provisions</u></b> - In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include:               <ul style="list-style-type: none"> <li>○ Accidental dismemberment benefit</li> <li>○ Safety belt benefit</li> <li>○ Repatriation benefit</li> <li>○ Felonious assault benefit</li> <li>○ Accelerated death benefit option</li> </ul> </li> </ul>
<p><b>Reduction in Benefit Amounts</b></p> <p>The benefit amounts provided to members covered under the Group Life Insurance Program are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.</p>
<p><b>Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)</b></p> <p>For covered members with at least 30 years of creditable service, there is a minimum benefit payable under the Group Life Insurance Program. The minimum benefit was set at \$8,000 by statute. The amount is increased annually based on the VRS Plan 2 cost-of-living adjustment and is currently \$8,111.</p>

***Contributions***

The contribution requirements for the Group Life Insurance Program are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the Group Life Insurance Program was 1.31% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.79% (1.31% x 60%) and the employer component was 0.52% (1.31% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2018 was 0.52% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2015. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Program from the entity were \$5,941 and \$6,076 for the years ended June 30, 2018 and June 30, 2017, respectively.

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As of September 30, 2018 (Continued)

**NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)**

**Group Life Insurance (GLI) Program (OPEB Plan): (Continued)**

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

At June 30, 2018, the entity reported a liability of \$95,000 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2017 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation as of that date. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the Group Life Insurance Program for the year ended June 30, 2017 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2017, the participating employer's proportion was .00633% as compared to .00616% at June 30, 2016.

For the year ended June 30, 2018, the participating employer recognized GLI OPEB expense of \$4,000. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2018, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 2,000
Net difference between projected and actual earnings on GLI OPEB program investments	-	4,000
Change in assumptions	-	5,000
Employer contributions subsequent to the measurement date	<u>5,941</u>	<u>-</u>
Total	<u>\$ 5,941</u>	<u>\$ 11,000</u>

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**NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)**

**Group Life Insurance (GLI) Program (OPEB Plan): (Continued)**

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

\$5,941 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>		
2019	\$	2,000
2020		2,000
2021		2,000
2022		2,000
2023		1,000
Thereafter		2,000

***Actuarial Assumptions***

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2016, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2017.

Inflation	2.5%
Salary increases, including inflation:	
General state employees	3.5% - 5.35%
Teachers	3.5%-5.95%
SPORS employees	3.5%-4.75%
VaLORS employees	3.5%-4.75%
JRS employees	4.5%
Locality - General employees	3.5%-5.35%
Locality - Hazardous Duty employees	3.5%-4.75%
Investment rate of return	7.0%, net of investment expenses, including inflation*

\*Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 7.0%. However, since the difference was minimal, and a more conservative 7.0% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 7.0% to simplify preparation of OPEB liabilities.

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

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**NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)**

**Group Life Insurance (GLI) Program (OPEB Plan): (Continued)**

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

**Mortality Rates - General State Employees**

**Pre-Retirement:**

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

**Post-Retirement:**

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year; females set back 1 year with 1.5% increase compounded from ages 70 to 85.

**Post-Disablement:**

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 25%

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
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Notes to Financial Statements  
As of September 30, 2018 (Continued)

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**NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)**

**Group Life Insurance (GLI) Program (OPEB Plan): (Continued)**

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

**Mortality Rates - Teachers**

**Pre-Retirement:**

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

**Post-Retirement:**

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

**Post-Disablement:**

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

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

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

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
**(A Component Unit of the County of Greenville, Virginia)**

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

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**NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)**

**Group Life Insurance (GLI) Program (OPEB Plan): (Continued)**

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

**Mortality Rates - SPORS Employees**

**Pre-Retirement:**

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

**Post-Retirement:**

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

**Post-Disablement:**

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

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

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

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
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Notes to Financial Statements  
As of September 30, 2018 (Continued)

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**NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)**

**Group Life Insurance (GLI) Program (OPEB Plan): (Continued)**

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

**Mortality Rates - VaLORS Employees**

**Pre-Retirement:**

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

**Post-Retirement:**

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

**Post-Disablement:**

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020 and reduced margin for future improvement in accordance with experience
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 50% to 35%

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
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Notes to Financial Statements  
As of September 30, 2018 (Continued)

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**NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)**

**Group Life Insurance (GLI) Program (OPEB Plan): (Continued)**

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

**Mortality Rates - JRS Employees**

**Pre-Retirement:**

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

**Post-Retirement:**

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year; females set back 1 year with 1.5% compounding increase from ages 70 to 85.

**Post-Disablement:**

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

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

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

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

**Pre-Retirement:**

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

**Post-Retirement:**

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

**Post-Disablement:**

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

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
**(A Component Unit of the County of Greenville, Virginia)**

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

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**NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)**

**Group Life Insurance (GLI) Program (OPEB Plan): (Continued)**

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

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 20%

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

**Pre-Retirement:**

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

**Post-Retirement:**

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

**Post-Disablement:**

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

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
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Notes to Financial Statements  
As of September 30, 2018 (Continued)

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**NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)**

**Group Life Insurance (GLI) Program (OPEB Plan): (Continued)**

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%

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

**Pre-Retirement:**

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

**Post-Retirement:**

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

**Post-Disablement:**

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

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

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**NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)**

**Group Life Insurance (GLI) Program (OPEB Plan): (Continued)**

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Increased disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 70%

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

**Pre-Retirement:**

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

**Post-Retirement:**

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

**Post-Disablement:**

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

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

**NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)**

**Group Life Insurance (GLI) Program (OPEB Plan): (Continued)**

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

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60% to 45%

***NET GLI OPEB Liability***

The net OPEB liability (NOL) for the Group Life Insurance Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2017, NOL amounts for the Group Life Insurance Program is as follows (amounts expressed in thousands):

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

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

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

**NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)**

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

\*The above allocation provides a one-year return of 7.30%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.83%, including expected inflation of 2.50%.

***Discount Rate***

The discount rate used to measure the total GLI OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2019, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2019 on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB’s fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
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Notes to Financial Statements  
As of September 30, 2018 (Continued)

**NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)**

**Group Life Insurance (GLI) Program (OPEB Plan): (Continued)**

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

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

	Rate		
	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
Authority's proportionate share of the Group Life Insurance Program Net OPEB Liability	\$ 123,000	\$ 95,000	\$ 73,000

***Group Life Insurance Program Fiduciary Net Position***

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

**NOTE 11 - LOAN TO IDA OF GREENSVILLE, VIRGINIA:**

The Authority has made the following loan to the Greenville County Industrial Development Authority:

On July 19, 2010, the Authority entered into a note receivable agreement in the amount of \$825,000 with the Greenville County IDA. The proceeds were used to refinance the note payable agreement dated February 11, 2005 with an outstanding balance of \$820,594. Payments are due monthly in the amount of \$4,913 through November 15, 2029, interest at 3.80%. The outstanding balance of this note at September 30, 2018 was \$535,848.

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
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Notes to Financial Statements  
As of September 30, 2018 (Continued)

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**NOTE 11 - LOAN TO IDA AND COUNTY OF GREENSVILLE, VIRGINIA: (CONTINUED)**

Annual repayments of principal and interest are as follows:

	<u>IDA Refinance</u>	
	<u>Principal</u>	<u>Interest</u>
2019	\$ 39,324	\$ 19,630
2020	40,840	18,114
2021	42,415	16,539
2022	44,051	14,903
2023	45,750	13,204
2024	47,514	11,440
2025	49,347	9,607
2026	51,250	7,704
2027	53,226	5,728
2028	53,279	3,675
2029	59,411	1,543
2030	9,441	44
Total	<u>\$ 535,848</u>	<u>\$ 122,131</u>

**NOTE 12 - UPCOMING PRONOUNCEMENTS:**

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

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

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
**(A Component Unit of the County of Greenville, Virginia)**

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

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**NOTE 12 - UPCOMING PRONOUNCEMENTS: (CONTINUED)**

Statement No. 87, *Leases*, increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

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

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

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

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
**(A Component Unit of the County of Greenville, Virginia)**

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

**NOTE 13 - ADOPTION OF ACCOUNTING PRINCIPLES: (CONTINUED)**

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

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Net Position as of October 1, 2017, previously reported	\$ 22,097,003	\$ 14,453,839	\$ 36,550,842
To remove OPEB health insurance obligation as reported under GASB 45	8,558	11,342	19,900
OPEB liability restated as of October 1, 2017 - health insurance credit - VRS	(9,247)	(12,222)	(21,469)
OPEB liability restated as of October 1, 2017 - group life insurance	<u>(43,932)</u>	<u>(58,068)</u>	<u>(102,000)</u>
Net Position as of October 1, 2017, as restated	<u>\$ 22,052,382</u>	<u>\$ 14,394,891</u>	<u>\$ 36,447,273</u>

**- Required Supplementary Information -**

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
**(A Component Unit of the County of Greenville, Virginia)**

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total pension liability</b>				
Service cost	\$ 104,118	\$ 103,433	\$ 103,615	\$ 115,718
Interest	284,667	264,821	235,966	217,736
Differences between expected and actual experience	36,682	6,359	162,821	-
Changes in assumptions	(131,732)	-	-	-
Benefit payments, including refunds of employee contributions	(80,026)	(102,185)	(78,182)	(67,871)
<b>Net change in total pension liability</b>	<b>\$ 213,709</b>	<b>\$ 272,428</b>	<b>\$ 424,220</b>	<b>\$ 265,583</b>
<b>Total pension liability - beginning</b>	<b>4,106,683</b>	<b>3,834,255</b>	<b>3,410,035</b>	<b>3,144,452</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 4,320,392</b>	<b>\$ 4,106,683</b>	<b>\$ 3,834,255</b>	<b>\$ 3,410,035</b>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 81,262	\$ 78,575	\$ 75,055	\$ 80,168
Contributions - employee	57,533	54,998	52,633	51,522
Net investment income	446,980	63,327	154,360	450,281
Benefit payments, including refunds of employee contributions	(80,026)	(102,185)	(78,182)	(67,871)
Administrative expense	(2,477)	(2,155)	(2,033)	(2,348)
Other	(402)	(26)	(33)	24
<b>Net change in plan fiduciary net position</b>	<b>\$ 502,870</b>	<b>\$ 92,534</b>	<b>\$ 201,800</b>	<b>\$ 511,776</b>
<b>Plan fiduciary net position - beginning</b>	<b>3,607,568</b>	<b>3,515,034</b>	<b>3,313,234</b>	<b>2,801,458</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 4,110,438</b>	<b>\$ 3,607,568</b>	<b>\$ 3,515,034</b>	<b>\$ 3,313,234</b>
<b>Authority's net pension liability - ending (a) - (b)</b>	<b>\$ 209,954</b>	<b>\$ 499,115</b>	<b>\$ 319,221</b>	<b>\$ 96,801</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>95.14%</b>	<b>87.85%</b>	<b>91.67%</b>	<b>97.16%</b>
<b>Covered payroll</b>	<b>\$ 1,168,444</b>	<b>\$ 1,106,867</b>	<b>\$ 1,052,653</b>	<b>\$ 1,030,441</b>
<b>Authority's net pension liability as a percentage of covered payroll</b>	<b>17.97%</b>	<b>45.09%</b>	<b>30.33%</b>	<b>9.39%</b>

This schedule is intended to report information for 10 years. Information prior to the 2014 valuation is not available. Additional years will be included when available.

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
**(A Component Unit of the County of Greenville, Virginia)**

Schedule of Employer Contributions - Pension  
For the Years Ended June 30, 2009 through June 30, 2018

Fiscal Year	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)
2018	\$ 78,019	\$ 78,019	\$ -	\$ 1,142,430	6.83%
2017	82,375	82,375	-	1,168,444	7.05%
2016	78,920	78,920	-	1,106,867	7.13%
2015	75,054	75,054	-	1,052,653	7.13%
2014	80,168	80,168	-	1,030,441	7.78%
2013	80,556	80,556	-	1,035,420	7.78%
2012	52,825	52,825	-	963,954	5.48%
2011	50,841	50,841	-	927,764	5.48%
2010	53,009	53,009	-	939,870	5.64%
2009	52,751	52,751	-	935,298	5.64%

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
**(A Component Unit of the County of Greenville, Virginia)**

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

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

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

**Largest 10 - Non-Hazardous Duty:**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 20%

**Largest 10 - Hazardous Duty:**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience
Disability Rates	Increased rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 70%

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates, and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better fit experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60% to 45%

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
**(A Component Unit of the County of Greenville, Virginia)**

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

	<u>2017</u>
<b>Total HIC OPEB Liability</b>	
Service cost	\$ 906
Interest	4,117
Changes in assumptions	(3,160)
Benefit payments	(65)
<b>Net change in total HIC OPEB liability</b>	<u>\$ 1,798</u>
<b>Total HIC OPEB Liability - beginning</b>	<u>58,840</u>
<b>Total HIC OPEB Liability - ending (a)</b>	<u><u>\$ 60,638</u></u>
<b>Plan fiduciary net position</b>	
Contributions - employer	\$ 2,687
Net investment income	4,201
Benefit payments	(65)
Administrative expense	(72)
Other	202
<b>Net change in plan fiduciary net position</b>	<u>\$ 6,953</u>
<b>Plan fiduciary net position - beginning</b>	<u>34,684</u>
<b>Plan fiduciary net position - ending (b)</b>	<u><u>\$ 41,637</u></u>
<b>Authority's net HIC OPEB liability - ending (a) - (b)</b>	\$ 19,001
<b>Plan fiduciary net position as a percentage of the total HIC OPEB liability</b>	68.66%
<b>Covered payroll</b>	\$ 1,168,444
<b>Authority's net HIC OPEB liability as a percentage of covered payroll</b>	1.63%

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

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
**(A Component Unit of the County of Greenville, Virginia)**

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

<u>Date</u>	<u>Contractually Required Contribution (1)</u>	<u>Contributions in Relation to Contractually Required Contribution (2)</u>	<u>Contribution Deficiency (Excess) (3)</u>	<u>Employer's Covered Payroll (4)</u>	<u>Contributions as a % of Covered Payroll (5)</u>
2018	\$ 2,628	\$ 2,628	\$ -	\$ 1,142,430	0.23%
2017	2,687	2,687	-	1,168,444	0.23%
2016	2,656	2,656	-	1,106,867	0.24%
2015	2,526	2,526	-	1,052,653	0.24%
2014	3,297	3,297	-	1,030,441	0.32%
2013	3,313	3,313	-	1,035,420	0.32%
2012	2,988	2,988	-	963,954	0.31%
2011	2,876	2,876	-	927,764	0.31%
2010	2,820	2,820	-	939,870	0.30%
2009	2,806	2,806	-	935,298	0.30%

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
**(A Component Unit of the County of Greenville, Virginia)**

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

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

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

**Largest Ten Locality Employers - General Employees**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 20%

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
**(A Component Unit of the County of Greenville, Virginia)**

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

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
2017	0.00633%	\$ 95,000	\$ 1,168,444	8.13%	48.86%

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

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
**(A Component Unit of the County of Greenville, Virginia)**

Schedule of Employer Contributions

Group Life Insurance Program

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

<u>Date</u>	<u>Contractually Required Contribution (1)</u>	<u>Contributions in Relation to Contractually Required Contribution (2)</u>	<u>Contribution Deficiency (Excess) (3)</u>	<u>Employer's Covered Payroll (4)</u>	<u>Contributions as a % of Covered Payroll (5)</u>
2018	\$ 5,941	\$ 5,941	\$ -	\$ 1,142,430	0.52%
2017	6,076	6,076	-	1,168,444	0.52%
2016	5,313	5,313	-	1,106,867	0.48%
2015	5,053	5,053	-	1,052,653	0.48%
2014	4,946	4,946	-	1,030,441	0.48%
2013	4,970	4,970	-	1,035,420	0.48%
2012	2,699	2,699	-	963,954	0.28%
2011	2,598	2,598	-	927,764	0.28%
2010	1,896	1,896	-	702,249	0.27%
2009	2,525	2,525	-	935,298	0.27%

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

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

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

**General State Employees**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 25%

**Teachers**

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

**SPORS Employees**

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

**ValORS Employees**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020 and reduced margin for future improvement in accordance with experience
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better fit experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 50% to 35%

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

**JRS Employees**

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

**Largest Ten Locality Employers - General Employees**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 20%

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Increased disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 70%

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60% to 45%

- Compliance -

# ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

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

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To the Board of Directors  
Greensville County Water and Sewer Authority  
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 Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the business-type activities of Greensville County Water and Sewer Authority as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Greensville County Water and Sewer Authority's basic financial statements and have issued our report thereon dated March 11, 2019.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Greensville County Water and Sewer Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Greensville County Water and Sewer Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Greensville County Water and Sewer Authority's internal control.

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

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

## Compliance and Other Matters

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

## Purpose of this Report

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

*Robinson, Farmer, Cox Associates*  
Charlottesville, Virginia  
March 11, 2019

# ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

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To the Board of Directors  
Greensville County Water and Sewer Authority  
Emporia, Virginia

### Report on Compliance for Each Major Federal Program

We have audited the Greensville County Water and Sewer Authority's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Greensville County Water and Sewer Authority's major federal programs for the year ended September 30, 2018. Greensville County Water and Sewer Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### *Management's Responsibility*

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on compliance for each of the Greensville County Water and Sewer Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Greensville County Water and Sewer Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Greensville County Water and Sewer Authority's compliance.

### Opinion on Each Major Federal Program

In our opinion, the Greensville County Water and Sewer Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2018.

## Report on Internal Control over Compliance

Management of the Greenville County Water and Sewer Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Greenville County Water and Sewer Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Greenville County Water and Sewer Authority's internal control over compliance.

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

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

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

*Robinson, Farmer, Cox Associates*  
Charlottesville, Virginia  
March 11, 2019

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
 (A Component Unit of the County of Greenville, Virginia)

Schedule of Expenditures of Federal Awards  
 Year Ended September 30, 2018

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>Department of Agriculture</b>			
Direct payments:			
Water and Waste Disposal Systems for Rural Communities	10.760	N/A	\$ 11,980,000
<b>Economic Development Administration</b>			
Direct payments:			
Department of Commerce			
Investments for Public Works and Economic Development Facilities	11.300	N/A	<u>714,040</u>
Total expenditures of federal awards			<u>\$ 12,694,040</u>

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
**(A Component Unit of the County of Greenville, Virginia)**

Notes to Schedule of Expenditures of Federal Awards  
Year Ended September 30, 2018

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**Note 1- Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Greenville County Water & Sewer Authority under programs of the federal government for the year ended September 30, 2018. The information in this Schedule is presented in accordance with reporting requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of operations of Greenville County Water & Sewer Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of Greenville County Water & Sewer Authority.

**Note 2 - Basis of Accounting**

(1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) Pass-through entity identifying numbers were not applicable for presentation.

**Note 3 - De Minimis Cost Rate**

The Authority did not elect to use the ten percent de minimis indirect cost rate allowed under Uniform Guidance.

**Note 4 - Subrecipients**

No awards were passed through to subrecipients.

**Note 5 - Relationship to Financial Statements**

Federal expenditures, revenues and capital contributions are reported in the Authority's financial statements as follows:

Federal capital grants	\$ 2,894,040
Loan proceeds	<u>9,800,000</u>
Total federal expenditures per the Schedule of Expenditures of Federal Awards	<u>\$ 12,694,040</u>

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**  
 (A Component Unit of the County of Greenville, Virginia)

Schedule of Findings and Questioned Costs  
 Year Ended September 30, 2018

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**Section I - Summary of Auditors' Results**

**Financial Statements**

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

**Federal Awards**

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Type for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	No

Identification of major programs:

<u>CFDA #</u>	<u>Name of Federal Program</u>
10.760	Water and Waste Disposal Systems for Rural Communities

Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
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Auditee qualified as low-risk auditee?	No
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**Section II - Financial Statement Findings**

There are no financial statement findings to report.

**Section III - Federal Award Findings and Questioned Costs**

There are no federal award findings and questioned costs to report.

**Section IV - Prior Year Audit Findings**

There were no prior year audit findings.