

**TOWN OF GREENVILLE, FLORIDA**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2018**

**TOWN OF GREENVILLE, FLORIDA  
TABLE OF CONTENTS  
SEPTEMBER 30, 2018**

	<u>Page(s)</u>
<b>Independent Auditors' Report</b>	1 – 3
<b>Management's Discussion and Analysis</b>	4 – 11
<b>Basic Financial Statements:</b>	
Government-wide Financial Statements:	
Statement of Net Position	12
Statement of Activities	13
Fund Financial Statements:	
Balance Sheet – Governmental Funds	14
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
Statement of Net Position – Proprietary Funds	17
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	18
Statement of Cash Flows – Proprietary Funds	19
Notes to Financial Statements	20 – 40
<b>Required Supplementary Information</b>	41
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	42
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Special Revenue Fund	43
Note to Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	44
Schedule of Proportionate Share of Net Pension Liability	45
Schedule of Contributions	46
<b>Additional Information</b>	47
Officials	48
<b>Schedule of Expenditures of Federal Awards</b>	49
<b>Notes to the Schedule of Expenditures of Federal Awards</b>	50
<b>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 <i>Government Auditing Standards</i></b>	51 – 52
<b>Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance with the Uniform Guidance</b>	53 – 54
<b>Schedule of Findings and Questioned Costs</b>	55 – 57

**TOWN OF GREENVILLE, FLORIDA  
TABLE OF CONTENTS  
SEPTEMBER 30, 2018**

<b>Independent Auditors' Management Letter Required by Chapter 10.550, Rules of the State of Florida, Office of the Auditor General</b>	58 – 60
<b>Independent Accountant's Examination Report</b>	61
<b>Summary Schedule of Prior Audit Findings</b>	62
<b>Corrective Action Plan</b>	63

## INDEPENDENT AUDITORS' REPORT

To the Honorable Town Council,  
Town of Greenville, Florida:

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of Town of Greenville, Florida, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise Town of Greenville, Florida'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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditor's 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 the 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 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 obtained is sufficient and appropriate to provide a basis for our (1) unmodified audit opinion on the General Fund, and aggregate remaining fund information; and (2) qualified audit opinion on the governmental activities, business-type activities, and Water and Sewer Fund.

- 1 -

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***Basis for Qualified Opinion on the Governmental Activities, Business-type Activities, and Water, Sewer and Sanitation Funds***

In addition, as discussed in Note III. D. to the financial statements, the Town has not implemented the provisions of GASB Statement No. 75, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. Accounting principles generally accepted in the United States of America require recording of an obligation for postemployment benefits other than pensions, which would increase liabilities, decrease net position, and change the expenses in the governmental activities, business-type activities, and Water, Sewer and Sanitation Funds.

The amounts by which these departures would affect the deferred inflows, liabilities, deferred outflows, net position, and expenses of the governmental activities, business-type activities, and Water, Sewer and Sanitation Funds have not been determined.

***Qualified Opinion on the Governmental Activities, Business-type Activities, and Water and Sewer Fund***

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph on the governmental activities, business-type activities and Water, Sewer and Sanitation Funds, the financial statements referred to above present fairly in all material respects, the respective financial position of the governmental activities, business-type activities, and Water, Sewer and Sanitation Funds of the Town as of September 30, 2018, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Unmodified Opinion on the General Fund and Aggregate Remaining Fund Information***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the General Fund and the aggregate remaining fund information for the Town, as of September 30, 2018, and the respective changes in financial position thereof, and where applicable cash flows, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and other pension information as listed in the table of contents 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.

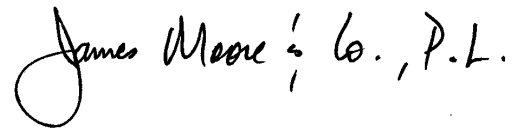
*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Town of Greenville, Florida's basic financial statements. The Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards is 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 May 20, 2019 on our consideration of Town of Greenville, Florida'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 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 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 Town of Greenville, Florida's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large, looped initial "J" and a period at the end.

Tallahassee, Florida  
May 20, 2019

**TOWN OF GREENVILLE, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018**

As management of the Town of Greenville, Florida, we offer readers of the Town of Greenville, Florida's financial statements this narrative overview and analysis of the financial activities of the Town of Greenville, Florida for the fiscal year ended September 30, 2018.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Town of Greenville, Florida's basic financial statements. The Town of Greenville, Florida's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The *statement of net position* presents information on all of the Town of Greenville, Florida's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town of Greenville, Florida is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the Town of Greenville, Florida that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town of Greenville, Florida include general government, public safety, transportation, and culture and recreation. The business-type activities of the Town of Greenville, Florida include water, sewer and sanitation operations.

The location of the government-wide financial statements can be found in the table of contents.

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

**TOWN OF GREENVILLE, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018**

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town of Greenville, Florida maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and special revenue fund, both of which are considered to be major funds.

The location of the basic governmental fund financial statements can be found in the table of contents.

**Proprietary funds.** The Town of Greenville, Florida maintains proprietary funds. *Proprietary funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town of Greenville, Florida uses enterprise funds to account for its water, sewer and sanitation operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer, and sanitation operations, which are considered to be major funds.

The location of the basic proprietary fund financial statements can be found in the table of contents.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The location of the notes to the financial statements can be found in the table of contents.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Town of Greenville, Florida's budgetary information. The location of the required supplementary information can be found on pages in the table of contents.



**TOWN OF GREENVILLE, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018**

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Greenville, Florida, assets and deferred outflows exceeded liabilities and deferred inflows by \$7,257,686 at the close of the most recent fiscal year.

By far the largest portion of the Town of Greenville, Florida's net position in the most recent fiscal year reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Town of Greenville, Florida uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Greenville, Florida's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Town of Greenville, Florida's Net Position**

	<b>2018</b>		
	<b>Governmental activities</b>	<b>Business- type activities</b>	<b>Total</b>
Current and other assets	\$ 228,248	\$ 422,006	\$ 650,254
Capital assets	1,036,091	6,408,967	7,445,058
Total assets	1,264,339	6,830,973	8,095,312
 Deferred Outflows	 30,936	 35,592	 66,528
 Long-term liabilities outstanding	 61,533	 496,162	 557,695
Net pension liability	78,254	90,025	168,279
Other liabilities	34,816	100,046	134,862
Total liabilities	174,603	686,233	860,836
 Deferred Inflows	 20,145	 23,173	 43,318
 Net position:			
Net investment in capital assets	1,036,091	6,007,189	7,043,280
Restricted	40,963	18,865	59,828
Unrestricted	23,473	131,105	154,578
Total net position	\$ 1,100,527	\$ 6,157,159	\$ 7,257,686

**TOWN OF GREENVILLE, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018**

**Town of Greenville, Florida's Net Position**  
(Continued)

	<b>2017</b>		
	<b>Governmental activities</b>	<b>Business- type activities</b>	<b>Total</b>
Current and other assets	\$ 269,252	\$ 1,036,147	\$ 1,305,399
Capital assets	1,088,931	5,545,338	6,634,269
Total assets	<u>1,358,183</u>	<u>6,581,485</u>	<u>7,939,668</u>
Deferred Outflows	<u>50,814</u>	<u>37,105</u>	<u>87,919</u>
Long-term liabilities outstanding	63,373	312,095	375,468
Net pension liability	119,379	87,174	206,553
Other liabilities	19,260	773,341	792,601
Total liabilities	<u>202,012</u>	<u>1,172,610</u>	<u>1,374,622</u>
Deferred Inflows	<u>12,693</u>	<u>9,269</u>	<u>21,962</u>
Net position:			
Net investment in capital assets	1,088,931	5,222,249	6,311,180
Restricted	40,454	56,157	96,611
Unrestricted	64,907	158,305	223,212
Total net position	<u>\$ 1,194,292</u>	<u>\$ 5,436,711</u>	<u>\$ 6,631,003</u>

An additional portion of the Town of Greenville, Florida's net position represents resources that are subject to external restrictions on how they may be used in the most recent fiscal year. At the end of the current fiscal year, the Town of Greenville, Florida is able to report positive balances in all three categories of net position for the government as a whole, and for its governmental and business-type activities individually.

**Governmental activities.** Governmental activities decreased the Town of Greenville, Florida's net position by \$93,765 in the most recent fiscal year.

Key elements of this change include: In the prior year we had a couple of repaving projects that were funded by grants. Those projects were capitalized. We did not receive similar grants or additional funding in this fiscal year.

**TOWN OF GREENVILLE, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018**

**Business-type activities.** In the most recent fiscal year, business-type activities increased the Town of Greenville, Florida's net position by \$720,448.

Key elements of this change include: We received capital grants and contributions for sewer projects.

**Town of Greenville, Florida's Changes in Net Position**

	<b>2018</b>		
	<b>Governmental activities</b>	<b>Business- type activities</b>	<b>Total</b>
Revenues:			
Program revenues:			
Charges for services	\$ 3,860	\$ 393,707	\$ 397,567
Operating grants and contributions	146,799	-	146,799
Capital grants and contributions	-	898,177	898,177
General revenues:			
Property taxes	116,004	-	116,004
Intergovernmental and other	178,104	(11,963)	166,141
Total revenues	<u>444,767</u>	<u>1,279,921</u>	<u>1,724,688</u>
Expenses:			
General government	280,402	-	280,402
Public safety	52,442	-	52,442
Transportation	150,689	-	150,689
Culture and recreation	30,707	-	30,707
Sewer	-	223,163	223,163
Water	-	266,040	266,040
Sanitation	-	94,562	94,562
Total expenses	<u>514,240</u>	<u>583,765</u>	<u>1,098,005</u>
Transfers in	18	25,908	25,926
Transfers out	(24,310)	(1,616)	(25,926)
Total transfers	<u>(24,292)</u>	<u>24,292</u>	<u>-</u>
Change in net position	<u>(93,765)</u>	<u>720,448</u>	<u>626,683</u>
Net position, beginning of year	1,194,292	5,436,711	6,631,003
Net position, end of year	<u>\$ 1,100,527</u>	<u>\$ 6,157,159</u>	<u>\$ 7,257,686</u>

**TOWN OF GREENVILLE, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018**

**Town of Greenville, Florida's Changes in Net Position**  
(Continued)

	<b>2017</b>		
	<b>Governmental activities</b>	<b>Business- type activities</b>	<b>Total</b>
Revenues:			
Program revenues:			
Charges for services	\$ 4,468	\$ 381,426	\$ 385,894
Operating grants and contributions	143,642	-	143,642
Capital grants and contributions	-	1,137,855	1,137,855
General revenues:			
Property taxes	103,823	-	103,823
Intergovernmental and other	179,993	(9,930)	170,063
Total revenues	<u>431,926</u>	<u>1,509,351</u>	<u>1,941,277</u>
Expenses:			
General government	167,235	-	167,235
Public safety	27,274	-	27,274
Transportation	180,797	-	180,797
Culture and recreation	30,095	-	30,095
Sewer	-	225,315	225,315
Water	-	205,954	205,954
Sanitation	-	69,813	69,813
Total expenses	<u>405,401</u>	<u>501,082</u>	<u>906,483</u>
Transfers in	14,993	63,411	78,404
Transfers out	(23,627)	(54,777)	(78,404)
Total transfers	<u>(8,634)</u>	<u>8,634</u>	<u>-</u>
Change in net position	<u>17,891</u>	<u>1,016,903</u>	<u>1,034,794</u>
<b>Net position</b> , beginning of year	<u>1,176,401</u>	<u>4,419,808</u>	<u>5,596,209</u>
<b>Net position</b> , end of year	<u>\$ 1,194,292</u>	<u>\$ 5,436,711</u>	<u>\$ 6,631,003</u>

**Financial Analysis of the Government's Funds**

As noted earlier, the Town of Greenville, Florida uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**TOWN OF GREENVILLE, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018**

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

As of the end of the current fiscal year, the Town of Greenville, Florida's governmental funds reported combined ending fund balances of \$201,432, a decrease of 57,560, in comparison with the prior year. Of this total amount, \$160,469 constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *restricted* to indicate that it is not available for new spending because it has already been committed to generate income to pay for the perpetual care of the municipal cemetery or a variety of other restricted purposes.

The general fund is the chief operating fund of the Town of Greenville, Florida. At the end of the current fiscal year, unassigned and total fund balances of the general fund were \$160,469 and \$171,245, respectively. As a measure of the general fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Fund balance represents 36 percent of total general fund expenditures.

The fund balance of the Town of Greenville, Florida's general fund decreased by \$57,650 during the current fiscal year.

**Proprietary funds.** The Town of Greenville, Florida's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Sanitation, Sewer, and Water funds at the end of the year amounted to \$(42,768), \$49,662, and \$124,211, respectively. The total increase in net position for the funds was \$720,448. Other factors concerning the finances of these three funds have already been addressed in the discussion of the Town of Greenville, Florida's business-type activities.

### **General Fund Budgetary Highlights**

The general fund budget was amended during the current fiscal year for the following reason: We created the budget before we hired a new town attorney and that amount increased along with the amount of legal work. We also decided to codify our ordinances and that was a significant increase in legal expenses. We also had increases to contract services as we hired an architect to create plans for a new youth/senior center and the Town Council voted to increase the Town Manager's salary.

**Capital assets.** The Town of Greenville, Florida's investment in capital assets for its governmental and business type activities as of September 30, 2018, amounts to \$7,445,058 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities and roads.

Additional information on the Town of Greenville, Florida's capital assets can be found in Note II. C. on page 28-29 of this report.

**Long-term debt.** At the end of the current fiscal year, the Town of Greenville, Florida had capital improvement debt outstanding of \$61,000. The remainder of the Town of Greenville, Florida's bonded debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

**TOWN OF GREENVILLE, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2018**

**Town of Greenville, Florida's Outstanding Debt  
Capital Improvement and Revenue Bonds**

	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Total</u>
Capital improvement bonds	\$ 61,000	\$ –	\$ 61,000
State Revolving Fund Construction Loan	–	158,378	158,378
Capital lease	–	137,558	137,558
Revenue bonds	–	238,300	238,300
Total	<u>\$ 61,000</u>	<u>\$ 534,236</u>	<u>\$ 595,236</u>

Additional information on the Town of Greenville, Florida's long-term debt can be found in Note II.E. on pages 29 - 33 of this report.

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

We expect/ do not expect major changes and estimations based on the fact that we have adhered to the budget and made amendments as necessary. We do not anticipate any significant rate increases.

This factor was considered in preparing the Town of Greenville, Florida's budget for the 2018/2019 fiscal year.

**Requests for Information**

This financial report is designed to provide a general overview of the Town of Greenville, Florida's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Town Clerk, Post Office Box 235, Greenville, Florida 32331.

**TOWN OF GREENVILLE, FLORIDA  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2018**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 154,983	\$ 350,336	\$ 505,319
Certificates of deposit	7,471	9,250	16,721
Receivables, net	24,831	19,013	43,844
Restricted assets:			
Cash and cash equivalents	40,963	18,865	59,828
Certificates of deposit		24,542	24,542
Capital assets, not being depreciated	39,919	98,889	138,808
Capital assets, being depreciated, net	996,172	6,310,078	7,306,250
<b>Total assets</b>	<u>\$ 1,264,339</u>	<u>\$ 6,830,973</u>	<u>\$ 8,095,312</u>
<b>DEFERRED OUTFLOWS</b>			
Deferred outflows related to pensions	<u>\$ 30,936</u>	<u>\$ 35,592</u>	<u>\$ 66,528</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 26,816	\$ 52,862	\$ 79,678
Net pension liability	78,254	90,025	168,279
Noncurrent liabilities			
Due within one year	8,000	47,184	55,184
Due in more than one year	61,533	496,162	557,695
<b>Total liabilities</b>	<u>\$ 174,603</u>	<u>\$ 686,233</u>	<u>\$ 860,836</u>
<b>DEFERRED INFLOWS</b>			
Deferred inflows related to pensions	<u>\$ 20,145</u>	<u>\$ 23,173</u>	<u>\$ 43,318</u>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 1,036,091	\$ 6,007,189	\$ 7,043,280
Restricted for:			
Debt service	10,776	18,865	29,641
Cemetery	30,187	-	30,187
Unrestricted	23,473	131,105	154,578
<b>Total net position</b>	<u>\$ 1,100,527</u>	<u>\$ 6,157,159</u>	<u>\$ 7,257,686</u>

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

**TOWN OF GREENVILLE, FLORIDA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

Functions/Programs	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental activities:							
General government	\$ 280,402	\$ 3,860	\$ -	\$ -	\$ (276,542)	\$ -	\$ (276,542)
Public safety	52,442	-	-	-	(52,442)	-	(52,442)
Transportation	150,689	-	143,713	-	(6,976)	-	(6,976)
Culture and recreation	30,707	-	3,086	-	(27,621)	-	(27,621)
Total governmental activities	<u>514,240</u>	<u>3,860</u>	<u>146,799</u>	<u>-</u>	<u>(363,581)</u>	<u>-</u>	<u>(363,581)</u>
Business-type activities:							
Sewer	223,163	120,993	-	898,177	-	796,007	796,007
Water	266,040	191,657	-	-	-	(74,383)	(74,383)
Sanitation	94,562	81,057	-	-	-	(13,505)	(13,505)
Total business-type activities	<u>583,765</u>	<u>393,707</u>	<u>-</u>	<u>898,177</u>	<u>-</u>	<u>708,119</u>	<u>708,119</u>
Total government	<u>\$ 1,098,005</u>	<u>\$ 397,567</u>	<u>\$ 146,799</u>	<u>\$ 898,177</u>	<u>(363,581)</u>	<u>708,119</u>	<u>344,538</u>
			General revenues:				
			Property taxes		116,004	-	116,004
			Intergovernmental revenue		149,985	-	149,985
			Other		28,119	-	28,119
			Unrestricted investment earnings		-	(11,963)	(11,963)
			Total general revenues		<u>294,108</u>	<u>(11,963)</u>	<u>282,145</u>
			Transfers in		18	25,908	25,926
			Transfers out		(24,310)	(1,616)	(25,926)
			Change in net position		<u>(93,765)</u>	<u>720,448</u>	<u>626,683</u>
			<b>Net position, beginning of year</b>		1,194,292	5,436,711	6,631,003
			<b>Net position, end of year</b>		<u>\$ 1,100,527</u>	<u>\$ 6,157,159</u>	<u>\$ 7,257,686</u>

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



**TOWN OF GREENVILLE, FLORIDA  
BALANCE SHEET –  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2018**

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 165,532	\$ 30,414	\$ 195,946
Certificate of deposit	7,471	-	7,471
Due from other governments	24,831	-	24,831
<b>Total Assets</b>	<b>\$ 197,834</b>	<b>\$ 30,414</b>	<b>\$ 228,248</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable and accrued expenses	\$ 26,589	\$ 227	\$ 26,816
Total liabilities	<b>\$ 26,589</b>	<b>\$ 227</b>	<b>\$ 26,816</b>
Fund Balance:			
Restricted for:			
Debt service	\$ 10,776	\$ -	\$ 10,776
Cemetery	-	30,187	30,187
Unassigned	160,469	-	160,469
Total fund balances	<b>171,245</b>	<b>30,187</b>	<b>201,432</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 197,834</b>	<b>\$ 30,414</b>	
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
			1,036,091
Net pension liability and related deferred inflows/outflows are not due and payable in the current period and, therefore, are not reported in the funds.			
	Deferred outflows	30,936	
	Net pension liability	(78,254)	
	Deferred inflows	(20,145)	(67,463)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.			
			(69,533)
Net position of governmental activities			<b>\$ 1,100,527</b>

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

**TOWN OF GREENVILLE, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>			
Taxes, licenses and permits	\$ 130,619	\$ -	\$ 130,619
Intergovernmental	282,943	-	282,943
Other	28,042	3,163	31,205
Total revenues	<u>441,604</u>	<u>3,163</u>	<u>444,767</u>
<b>Expenditures</b>			
General government	286,930	-	286,930
Public safety	41,035	-	41,035
Public works	136,305	-	136,305
Culture and recreation	4,635	3,090	7,725
Debt service:			
Principal	3,000	-	3,000
Interest	3,040	-	3,040
Total expenditures	<u>474,945</u>	<u>3,090</u>	<u>478,035</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(33,341)</u>	<u>73</u>	<u>(33,268)</u>
<b>Other Financing Sources (uses)</b>			
Transfer in	-	18	18
Transfers out	(24,310)	-	(24,310)
Total other financing sources	<u>(24,310)</u>	<u>18</u>	<u>(24,292)</u>
<b>Change in fund balances</b>	<u>(57,651)</u>	<u>91</u>	<u>(57,560)</u>
<b>Fund balances, beginning of year</b>	228,896	30,096	258,992
<b>Fund balances, end of year</b>	<u>\$ 171,245</u>	<u>\$ 30,187</u>	<u>\$ 201,432</u>

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

**TOWN OF GREENVILLE, FLORIDA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL  
FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

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

Net change in fund balances-total governmental funds	\$	(57,560)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Depreciation expense	(60,987)	
Capital outlay	8,147	(52,840)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. Changes in:</p>		
Net pension liability	41,125	
Deferred outflows related to pensions	(19,878)	
Deferred inflows related to pensions	(7,452)	13,795
<p>The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
Payment on capital improvement bonds		3,000
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Compensated absences and other		(160)
Change in net position of governmental activities	\$	(93,765)

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

**TOWN OF GREENVILLE, FLORIDA  
STATEMENT OF NET POSITION –  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2018**

	<u>Sanitation Fund</u>	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$ 116,247	\$ 69,634	\$ 164,455	\$ 350,336
Certificate of deposit	-	-	9,250	9,250
Receivables, net of allowance for uncollectible accounts	<u>2,525</u>	<u>10,457</u>	<u>6,031</u>	<u>19,013</u>
<b>Total current assets</b>	<u>118,772</u>	<u>80,091</u>	<u>179,736</u>	<u>378,599</u>
<b>Noncurrent assets:</b>				
Restricted assets:				
Cash and cash equivalents	-	-	18,865	18,865
Certificate of deposit	-	-	24,542	24,542
Capital assets, not being depreciated	-	94,539	4,350	98,889
Capital assets, net of accumulated depreciation	<u>142,851</u>	<u>4,211,774</u>	<u>1,955,453</u>	<u>6,310,078</u>
<b>Total noncurrent assets</b>	<u>142,851</u>	<u>4,306,313</u>	<u>2,003,210</u>	<u>6,452,374</u>
<b>Total assets</b>	<u>\$ 261,623</u>	<u>\$ 4,386,404</u>	<u>\$ 2,182,946</u>	<u>\$ 6,830,973</u>
<b>DEFERRED OUTFLOWS</b>				
Deferred outflows related to pensions	<u>\$ 7,801</u>	<u>\$ 9,559</u>	<u>\$ 18,232</u>	<u>\$ 35,592</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued expenses	\$ 2,131	\$ 10,860	\$ 14,347	\$ 27,338
Payable from restricted assets:				
Current portion of long-term debt	28,220	6,464	12,500	47,184
Accrued interest on bonds payable	-	-	982	982
Customer deposits	-	-	24,542	24,542
Noncurrent liabilities:				
Net pension liability	19,619	23,326	47,080	90,025
Capital lease payable	109,337	-	-	109,337
Revenue bonds payable and compensated absences, long-term portion	<u>4,011</u>	<u>151,914</u>	<u>230,900</u>	<u>386,825</u>
<b>Total liabilities</b>	<u>\$ 163,318</u>	<u>\$ 192,564</u>	<u>\$ 330,351</u>	<u>\$ 686,233</u>
<b>DEFERRED INFLOWS</b>				
Deferred inflows related to pensions	<u>\$ 6,023</u>	<u>\$ 5,802</u>	<u>\$ 11,348</u>	<u>\$ 23,173</u>
<b>NET POSITION</b>				
Net investment in capital assets	\$ 142,851	\$ 4,147,935	\$ 1,716,403	\$ 6,007,189
Restricted	-	-	18,865	18,865
Unrestricted	<u>(42,768)</u>	<u>49,662</u>	<u>124,211</u>	<u>131,105</u>
<b>Total net position</b>	<u>\$ 100,083</u>	<u>\$ 4,197,597</u>	<u>\$ 1,859,479</u>	<u>\$ 6,157,159</u>

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

**TOWN OF GREENVILLE, FLORIDA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION –**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<b>Sanitation Fund</b>	<b>Sewer Fund</b>	<b>Water Fund</b>	<b>Total</b>
<b>Operating revenues:</b>				
Charges for services	\$ 81,057	\$ 120,993	\$ 191,657	\$ 393,707
Total operating revenues	<u>81,057</u>	<u>120,993</u>	<u>191,657</u>	<u>393,707</u>
<b>Operating expenses:</b>				
Personnel services	45,973	35,625	70,562	152,160
Materials, supplies and other	33,350	110,740	131,139	275,229
Depreciation and amortization	15,239	76,798	64,339	156,376
Total operating expenses	<u>94,562</u>	<u>223,163</u>	<u>266,040</u>	<u>583,765</u>
<b>Operating income (loss)</b>	<u>(13,505)</u>	<u>(102,170)</u>	<u>(74,383)</u>	<u>(190,058)</u>
<b>Nonoperating revenues (expenses):</b>				
Interest income	420	298	538	1,256
Interest expense	(2,040)	(796)	(10,383)	(13,219)
Total nonoperating revenues (expenses)	<u>(1,620)</u>	<u>(498)</u>	<u>(9,845)</u>	<u>(11,963)</u>
<b>Income (loss) before capital grants</b>	<u>(15,125)</u>	<u>(102,668)</u>	<u>(84,228)</u>	<u>(202,021)</u>
<b>Capital contributions</b>				
Capital grant	<u>-</u>	<u>898,177</u>	<u>-</u>	<u>898,177</u>
<b>Transfers</b>				
Transfers in	671	16,281	8,956	25,908
Transfers out	-	-	(1,616)	(1,616)
Total transfers in (out)	<u>671</u>	<u>16,281</u>	<u>7,340</u>	<u>24,292</u>
<b>Changes in net position</b>	<u>(14,454)</u>	<u>811,790</u>	<u>(76,888)</u>	<u>720,448</u>
<b>Total net position, beginning of year</b>	114,537	3,385,807	1,936,367	5,436,711
<b>Total net position, end of year</b>	<u>\$ 100,083</u>	<u>\$ 4,197,597</u>	<u>\$ 1,859,479</u>	<u>\$ 6,157,159</u>

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

**TOWN OF GREENVILLE, FLORIDA  
STATEMENT OF CASH FLOWS –  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>Sanitation Fund</u>	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
<b>Cash flows from operating activities</b>				
Cash received from customers and others	\$ 80,353	\$ 697,322	\$ 199,377	\$ 977,052
Cash paid to employees	(40,663)	(742,432)	(61,887)	(844,982)
Cash paid to suppliers	(33,740)	(110,740)	(125,650)	(270,130)
Net cash provided by (used in) operating activities	<u>5,950</u>	<u>(155,850)</u>	<u>11,840</u>	<u>(138,060)</u>
<b>Cash flows from noncapital financing activities</b>				
Transfer from other funds	671	16,281	8,956	25,908
Transfer to other funds	-	-	(1,616)	(1,616)
Net cash provided by noncapital financing activities	<u>671</u>	<u>16,281</u>	<u>7,340</u>	<u>24,292</u>
<b>Cash flows from investing activities</b>				
Proceeds from capital contributions	-	898,177	-	898,177
Purchases of equipment	-	(783,373)	-	(783,373)
Interest revenues	420	298	538	1,256
Net cash provided by investing activities	<u>420</u>	<u>115,102</u>	<u>538</u>	<u>116,060</u>
<b>Cash flows from capital and related financing activities</b>				
Principal payments on long-term debt	(10,637)	(3,232)	(6,000)	(19,869)
Interest paid	(2,040)	(796)	(10,383)	(13,219)
Net cash used in capital and related financing activities	<u>(12,677)</u>	<u>(4,028)</u>	<u>(16,383)</u>	<u>(33,088)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(5,636)</u>	<u>(28,495)</u>	<u>3,335</u>	<u>(30,796)</u>
<b>Cash and cash equivalents</b> , beginning of year (including \$47,889 reported in restricted cash and cash equivalents)	121,883	98,129	179,985	399,997
<b>Cash and cash equivalents</b> , end of year (including \$43,407 reported in restricted cash and cash equivalents)	<u>\$ 116,247</u>	<u>\$ 69,634</u>	<u>\$ 183,320</u>	<u>\$ 369,201</u>
<b>Reconciliation of operating loss to net cash provided by (used in) operating activities</b>				
Operating income (loss)	\$ (13,505)	\$ (102,170)	\$ (74,383)	\$ (190,058)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:				
Depreciation and amortization	15,239	76,798	64,339	156,376
Changes in asset and liabilities:				
Decrease (increase) in accounts receivable	(704)	576,329	7,720	583,345
Increase (decrease) in accounts payable and accrued expenses	(390)	(711,090)	5,489	(705,991)
Increase in net pension liability	829	668	1,354	2,851
Decrease in deferred outflows	440	355	718	1,513
Increase in deferred inflows	4,041	3,260	6,603	13,904
Total adjustments	<u>19,455</u>	<u>(53,680)</u>	<u>86,223</u>	<u>51,998</u>
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 5,950</u>	<u>\$ (155,850)</u>	<u>\$ 11,840</u>	<u>\$ (138,060)</u>
<b>Supplementary Schedule of Noncash Investing and Financing Activities:</b>				
Purchases of fixed assets with debt	<u>\$ 149,037</u>	<u>\$ 87,595</u>	<u>\$ -</u>	<u>\$ 236,632</u>

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

**TOWN OF GREENVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**I. Summary of Significant Accounting Policies:**

**A. Description of government wide financial statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

**B. Reporting entity**

Town of Greenville, Florida (the “Town”) is a municipal corporation formed under Chapter 5497, Laws of Florida, Act of 1905, and is governed by an appointed mayor and a four member council. The accompanying financial statements present the government only since there are no component units for which the government is considered to be financially accountable.

**C. Basis of presentation - government-wide financial statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government’s enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

**D. Basis of presentation – fund financial statements**

The fund financial statements provide information about the government’s funds. Separate statements for each fund category-governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

The *general fund* is the government’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *special revenue fund* accounts for revenue sources that are legally restricted to expenditure for specific purposes.

**TOWN OF GREENVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**I. Summary of Significant Accounting Policies:** (Continued)

**D. Basis of presentation – fund financial statements** (Continued)

The Town reports the following major proprietary funds:

The *water fund* accounts for the activities of the Town's water distribution operations.

The *sewer fund* accounts for the activities of the Town's sewer collection operations.

The *sanitation fund* accounts for the activities of the Town's sanitation operations.

During the course of operations the Town has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

**E. Measurement focus and basis of accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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



**TOWN OF GREENVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**I. Summary of Significant Accounting Policies:** (Continued)

**E. Measurement focus and basis of accounting** (Continued)

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due.

General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of yearend). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of yearend). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

**F. Budgetary information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund and special revenue fund.

The appropriated budget is prepared by fund, function, and department. The Town's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget.

**TOWN OF GREENVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**I. Summary of Significant Accounting Policies:** (Continued)

**G. Assets, deferred outflows, liabilities, deferred inflows, and net position/fund balance**

*1. Deposits*

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the Town to invest in direct obligations of the U.S. Treasury, Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, SEC registered money market funds with the highest credit quality rating, and savings and CD accounts in state-certified public depositories.

*2. Capital assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. For financial reporting purposes, capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 (amount not rounded) and an estimated useful life in excess of two years. For inventory purposes, capital assets are assets with individual cost of \$750 or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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.

Property, plant, and equipment of the Town is depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings	39
Public domain infrastructure	30 – 50
System infrastructure	7 – 50
Vehicles and other equipment	3 – 10
Office equipment	5
Computer equipment	5

**TOWN OF GREENVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**I. Summary of Significant Accounting Policies:** (Continued)

**G. Assets, deferred outflows, liabilities, deferred inflows, and net position/fund balance**  
(Continued)

**3. *Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**4. *Long-term Obligations***

In the government-wide financial statements, and for proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

**5. *Net position flow assumption***

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

**6. *Fund balance flow assumptions***

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**7. *Fund balance policies***

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

**TOWN OF GREENVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**I. Summary of Significant Accounting Policies:** (Continued)

**G. Assets, deferred outflows, liabilities, deferred inflows, and net position/fund balance**  
(Continued)

**7. *Fund balance policies*** (Continued)

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Town's highest level of decision-making authority. The Town council is the highest level of decision making authority for the Town that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the Town for specific purposes but do not meet the criteria to be classified as committed. The Town Council may assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**8. *Deferred outflows/inflows of resources***

In addition to assets and liabilities, the statement of financial position will, if required, report a separate section for deferred outflows of resources and deferred inflows of resources, respectfully. These separate financial statement elements, deferred outflows/inflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow/inflow of resources (expense/expenditure or revenue) until then. Currently, the only item in this category consisted of deferred amounts related to pension, as discussed further in Note III B.

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

**TOWN OF GREENVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**I. Summary of Significant Accounting Policies:** (Continued)

**H. Revenues and expenditures/expenses**

**1. *Program revenues***

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

**2. *Property taxes***

Property taxes are billed and collected for the Town by the County Tax Collector according to Florida Statute under the following calendar:

Lien Date:	January 1
Levy Date:	October 1
Due Date:	November 1
Delinquency Date:	April 1, of the following year

**3. *Compensated absences***

It is the Town's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and partial sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**4. *Proprietary funds operating and nonoperating revenues and expenses***

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

**TOWN OF GREENVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**II. Detailed Notes on All Funds:**

**A. Deposits**

*Custodial credit risk—deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the Town’s deposits may not be returned. As of September 30, 2018, the Town’s bank balance was \$568,195 and the carrying amount was \$606,410. The bank balances are covered by Federal depository insurance or by collateral held by the Town’s custodial bank which is pledged to a state trust fund that provides security for amounts held in excess of FDIC coverage in accordance with the Florida Security for Deposits Act Chapter 280, Florida Statutes.

The Florida Security for Public Deposits Act established guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements and characteristics of eligible collateral.

**B. Receivables**

Receivables as of year end, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Sanitation</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Accounts	\$ —	\$ 6,640	\$ 13,951	\$ 11,683	\$ 32,274
Grants	—	—	—	3,300	3,300
Intergovernmental	24,831	—	—	—	24,831
Gross receivables	<u>24,831</u>	<u>6,640</u>	<u>13,951</u>	<u>14,983</u>	<u>60,405</u>
Less: allowance for uncollectibles	—	(4,115)	(7,920)	(4,526)	(16,561)
Net total receivables	<u>\$ 24,831</u>	<u>\$ 2,525</u>	<u>\$ 6,031</u>	<u>\$ 10,457</u>	<u>\$ 43,844</u>

**TOWN OF GREENVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**II. Detailed Notes on All Funds:** (Continued)

**C. Capital assets**

Capital asset activity for the year ended September 30, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 39,919	\$ —	\$ —	\$ 39,919
Total capital assets, not being depreciated	<u>39,919</u>	<u>—</u>	<u>—</u>	<u>39,919</u>
Capital assets, being depreciated:				
Buildings and improvements	625,456	1,065	—	626,521
Infrastructure	926,760	—	—	926,760
Equipment, furniture, fixtures and vehicles	259,514	7,082	—	266,596
Total capital assets, being depreciated	<u>1,811,730</u>	<u>8,147</u>	<u>—</u>	<u>1,819,877</u>
Less accumulated depreciation for:				
Buildings and improvements	(261,653)	(53,656)	—	(315,309)
Equipment, furniture, fixtures, vehicles and infrastructure	(501,064)	(7,331)	—	(508,395)
Total accumulated depreciation	<u>(762,717)</u>	<u>(60,987)</u>	<u>—</u>	<u>(823,704)</u>
Total capital assets, being depreciated, net	<u>1,049,013</u>	<u>(52,840)</u>	<u>—</u>	<u>996,173</u>
Capital assets, net	<u>\$ 1,088,932</u>	<u>\$ (52,840)</u>	<u>\$ —</u>	<u>\$ 1,036,092</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 98,889	\$ —	\$ —	\$ 98,889
Construction in Progress	1,562,191	870,968	(2,433,159)	—
Total capital assets, not being depreciated	<u>1,661,080</u>	<u>870,968</u>	<u>(2,433,159)</u>	<u>98,889</u>
Capital assets, being depreciated:				
Equipment, buildings, systems and improvements	6,346,237	2,582,157	—	8,928,394
Less accumulated depreciation	(2,461,940)	(156,376)	—	(2,618,316)
Total capital assets, being depreciated	<u>3,884,297</u>	<u>2,425,781</u>	<u>—</u>	<u>6,310,078</u>
Capital assets, net	<u>\$ 5,545,377</u>	<u>\$ 3,296,749</u>	<u>\$ (2,433,159)</u>	<u>\$ 6,408,967</u>

**TOWN OF GREENVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**II. Detailed Notes on All Funds: (Continued)**

**C. Capital assets (Continued)**

Depreciation and amortization expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 15,236
Public safety	8,367
Transportation	14,384
Culture & Recreation	23,000
Total	\$ 60,987
Business-type activities:	
Water	\$ 64,339
Sewer	76,798
Sanitation	15,239
Total	\$ 156,376

**D. Transfers to/from Other Funds**

The composition of interfund transfers as of September 30, 2018, is as follows:

For operating expenditures in excess of available funds:	Transfers In	Transfers out
General Fund	\$ -	\$ 24,310
Water Fund	8,956	1,616
Sewer Fund	16,281	-
Sanitation fund	671	-
Special revenue fund	18	-
	\$ 25,926	\$ 25,926

The interfund amounts were used to cover deficits in cash balances due to timing of cash collection.

**E. Long-term Debt**

Capital Lease

The Town leases a garbage truck under a capital lease that expires in 2023. The lease agreement qualifies as capital leases for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments. Net book value of capital lease included in property and equipment was \$134,133 at September 30, 2018. Depreciation expense of \$14,904 related to the equipment is included in the Statement of Activities at September 30, 2018.



**TOWN OF GREENVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**II. Detailed Notes on All Funds:** (Continued)

**E. Long-term Debt** (Continued)

Capital Lease (continued)

Minimum future lease payments under the capital lease for each of the next five years and in the aggregate are:

<b>Year Ending June 30,</b>	<b>Amount</b>
2019	\$ 32,447
2020	32,447
2021	32,447
2022	32,447
2023	18,927
Total minimum lease payments	148,715
Less amount representing interest	11,158
Present value of minimum lease payments	\$ 137,557

The interest rate on capitalized leased asset per the lease agreement is 3.39%.

Capital Improvement Bonds

The Town issued capital improvement bonds to provide funds for the acquisition of a fire truck and construction of a fire station. These bonds have been issued for governmental activities. The original amount of capital improvement bonds issued in prior years was \$184,370. During the year, there were no capital improvement bonds issued.

These bonds are collateralized by the Town's interest and share in the one-half cent Local Government Sales Tax and to the extent any deficiency exists, non ad valorem revenues budgeted and appropriated by the Town each fiscal year. Capital improvement bonds currently outstanding are as follows:

<b>Purpose</b>	<b>Interest Rate</b>	<b>Amount</b>
Governmental activities	4.75%	\$ 61,000

**TOWN OF GREENVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

**II. Detailed Notes on All Funds:** (Continued)

**E. Long-term Debt** (Continued)

Capital Improvement Bonds (continued)

Annual debt service requirements to maturity for capital improvement bonds are as follows:

<b>Year Ending September 30,</b>	<b>Principal</b>	<b>Interest</b>
2019	\$ 3,500	\$ 2,898
2020	3,500	2,731
2021	4,000	2,565
2022	4,000	2,375
2023	4,000	2,185
2024 – 2028	25,500	7,600
2029 – 2033	16,500	1,544
	<u>\$ 61,000</u>	<u>\$ 21,898</u>

Revenue Bonds

The government also issues bonds where the Town pledges income derived from the acquired or constructed assets to pay debt service.

Water revenue bonds outstanding at September 30, 2018 are comprised of the following:

Water System Revenue Bonds, Series 2003, not to exceed \$299,300, payable in annual installments of \$3,000 – \$15,300, beginning September 1, 2005 through September 1, 2042, plus interest at 4.25%, collateralized by net revenues of the water system	<u>\$ 238,300</u>
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Revenue bonds debt service requirements to maturity are as follows:

<b>Year Ending September 30,</b>	<b>Principal</b>	<b>Interest</b>
2019	\$ 6,000	\$ 10,128
2020	6,000	9,873
2021	6,000	9,618
2022	7,000	9,363
2023	7,000	9,066
2024 – 2028	40,000	40,612
2029 – 2033	49,000	31,388
2034 – 2038	59,000	20,127
2039 – 2043	58,300	6,300
	<u>\$ 238,300</u>	<u>\$ 146,475</u>

**TOWN OF GREENVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

**II. Detailed Notes on All Funds:** (Continued)

**E. Long-term Debt** (Continued)

State Revolving Fund

The Department of Environmental Protection loaned the Town funds to help complete their new sewer treatment plant. 90% of the funds will convert to a grant upon completion of the plant. The remaining 10% became due in semi-annual installments beginning June 2018. The following balance represents 10% of the funds expended as of September 30, 2018:

State Revolving Funds, financed at 0% interest with semiannual payments of \$3,162 starting June 2018 collateralized by sewer treatment plant.	\$ 190,700
Less: unamortized debt issuance costs	<u>(32,322)</u>
Total Long-term Debt	<u>\$ 158,378</u>

State revolving fund debt service requirements to maturity are as follows:

<b>Year Ending September 30,</b>	<b>Principal</b>
2019	\$ 6,464
2020	6,464
2021	6,464
2022	6,464
2023	6,464
2024 – 2028	32,320
2029 – 2033	32,320
2034 – 2038	32,320
2039 – 2043	32,320
2044 – 2048	<u>29,100</u>
	<u>\$ 190,700</u>

**TOWN OF GREENVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**II. Detailed Notes on All Funds:** (Continued)

**E. Long-term Debt** (Continued)

Changes in long-term liabilities

Long-term liability activity for the year ended September 30, 2018, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Capital improvement bonds	\$ 64,000	\$ —	\$ 3,000	\$ 61,000	\$ 3,500
Compensated absences	8,373	4,653	4,493	8,533	4,500
Governmental activity long-term liabilities	<u>\$ 72,373</u>	<u>\$ 4,653</u>	<u>\$ 7,493</u>	<u>\$ 69,533</u>	<u>\$ 8,000</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type activities:					
Revenue bonds	\$ 244,300	\$ —	\$ 6,000	\$ 238,300	\$ 6,000
SRF Loan	74,015	87,595	3,232	158,378	6,464
Compensated absences	7,942	7,707	6,538	9,111	6,500
Capital lease payable	—	149,037	11,480	137,557	28,220
Business-type activity long-term liabilities	<u>\$ 326,257</u>	<u>\$ 244,339</u>	<u>\$ 27,250</u>	<u>\$ 543,346</u>	<u>\$ 47,184</u>

**F. Leased Building**

The Town received a building donation in the year ended September 30, 2015 from another government, valued at \$233,208. The Town subsequently leased this building back to that government for no rent. The lease period ends September 2019.

**TOWN OF GREENVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**III. Other Information:**

**A. Contingent Liabilities**

**Grant Programs**—Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal and State governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Town expects amounts, if any, to be immaterial.

**B. Florida Retirement System**

**General Information about the Pension Plan:**

The entity participates in the Florida Retirement System (FRS), a multiple-employer, cost sharing defined public employee retirement system which covers all of the town's full-time employees. The System is a noncontributory retirement plan, administered by the State of Florida, Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

In addition, all regular employees of the entity are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended September 30, 2018, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

**Benefits Provided and Employees Covered**

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of both Plans may include up to four years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date.

**TOWN OF GREENVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**III. Other Information:** (Continued)

**B. Florida Retirement System** (Continued)

**Benefits Provided and Employees Covered** (Continued)

The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

Employees may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The Investment Plan is funded by employer and employee contributions that are based on salary and membership class (Regular, DROP, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Employees in the Investment Plan vest at one year of service.

**Financial Statements**

Financial statements and other supplementary information of the FRS are included in the State's Comprehensive Annual Financial Report, which is available from the Florida Department of Financial Services, Bureau of Financial Reporting Statewide Financial Reporting Section by mail at 200 E. Gaines Street, Tallahassee, Florida 32399-0364; by telephone at (850) 413-5511; or at the Department's Web site ([www.myfloridacfo.com](http://www.myfloridacfo.com)). An annual report on the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from:

Florida Department of Management Services  
Division of Retirement, Research and Education Services  
P.O. Box 9000  
Tallahassee, FL 32315-9000  
850-488-5706 or toll free at 877-377-1737

**TOWN OF GREENVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

**III. Other Information:** (Continued)

**B. Florida Retirement System** (Continued)

**Contributions**

Employers may participate in certain classes of FRS membership. The employee contribution rate for eligible employees are 3.0%. Each class has descriptions and employer contribution rates in effect during the fiscal year ended September 30, 2018, as follows (contribution rates are in agreement with the actuarially determined rates):

<u>FRS Membership Plan &amp; Class</u>	<u>Employee Contribution Rate</u>	<u>Employer Contribution Rate</u>
Regular Class	3.00%	8.26%
Senior Management	3.00%	24.06
Special Risk	3.00%	24.50
DROP – Applicable to members above	0.00%	14.03%

Current-year employer HIS contributions were made at a rate of 1.66% of covered payroll.

Actual contributions made for Town employees participating in FRS and HIS for the each of last three fiscal years ended September 30 were as follows:

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contributions – FRS	\$ 9,969	\$ 14,340	\$ 10,985
Contributions – HIS	3,224	3,227	3,256
Employee Contributions – FRS	5,826	5,832	5,885

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

At September 30, 2018, the entity reported a net pension liability related to FRS and HIS as follows:

<u>Plan</u>	<u>Net Pension Liability</u>
FRS	\$ 105,364
HIS	62,915
Total	<u>\$ 168,279</u>

**TOWN OF GREENVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

**III. Other Information:** (Continued)

**B. Florida Retirement System** (Continued)

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

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer proportion of the net pension liability was based on a projection of the organization's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, as actuarially determined. At June 30, 2018 and June 30, 2017, the organization's proportionate share of the FRS and HIS net pension liabilities were as follows:

<u>Plan</u>	<u>2018</u>	<u>2017</u>
FRS	0.000349808%	0.000479697%
HIS	0.000594427%	0.000604745%

For the plan year ended June 30, 2018, pension expense was recognized related to the FRS and HIS plans as follows:

FRS	\$	13,132
HIS		4,498
Total	\$	<u>17,630</u>

At September 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,926	\$ (324)	\$ 963	\$ (107)
Changes of assumptions	34,428	-	6,997	(6,652)
Net different between projected and actual investment earnings	-	(8,141)	38	-
Change in proportionate share	8,283	(23,911)	3,608	(4,183)
Contributions subsequent to measurement date	2,521	-	764	-
	\$ 54,158	\$ (32,376)	\$ 12,370	\$ (10,942)



**TOWN OF GREENVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

**III. Other Information:** (Continued)

**B. Florida Retirement System** (Continued)

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

The above amounts for deferred outflows of resources for contributions related to pensions resulting from Town contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended September 30, 2018. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions being amortized for a period of greater than one year will be recognized in pension expense in succeeding years as follows:

2019	\$	11,614
2020		8,565
2021		192
2022		2,891
2023		1,559
Thereafter		(4,896)
Total	\$	<u>19,925</u>

*Actuarial assumptions:*

The Actuarial assumptions for both defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS was completed in 2014 for the period July 1, 2008, through June 30, 2013. Because HIS is funded on a pay-as-you-go basis, no experience study has been completed.

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation, using the entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.60%. Payroll growth, including inflation, for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS investments is 7.00%. This rate decreased from the prior year rate, which was 7.10%. The 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 discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.87% was used to determine was used to determine the total pension for the program. This rate increased from the prior year rate, which was 3.58%. Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB tables.

**TOWN OF GREENVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**III. Other Information:** (Continued)

**B. Florida Retirement System** (Continued)

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

*Long-term expected rate of return:*

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2018, the FRS Actuarial Assumptions conference reviewed long-term assumptions developed by both Milliman's capital market assumptions team and by a capital market assumptions team from Aon Hewitt Investment Consulting, which consults to the Florida State Board of Administration. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Arithmetic Expected Rate of Return</b>
Cash	1.0%	2.9%
Fixed income	18.0%	4.4%
Global equities	54.0%	7.6%
Real estate	11.0%	6.6%
Private equity	10.0%	10.7%
Strategic investments	6.0%	6.0%
Total	100.0%	

The following presents the proportionate shares of the FRS and HIS net pension liability of the entity calculated using the current discount rates, as well as what the entity's net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

<b>Plan</b>	<b>Current Discount Rate</b>	<b>NPL with 1% Decrease</b>	<b>NPL at Current Discount Rate</b>	<b>NPL with 1% Increase</b>
FRS	7.00%	\$ 192,293	\$ 105,364	\$ 33,164
HIS	3.87%	71,656	62,915	55,628

**TOWN OF GREENVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**III. Other Information:** (Continued)

**C. Risk Management**

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance.

**D. Other Post-Employment Benefits (OPEB)**

The Town provides other postemployment benefits (OPEB) to its employees by providing retirement healthcare benefits. The Town contributes, along with its employees and retirees, to the Capital Health Plan (Plan) to provide certain healthcare benefits to active and retired employees and their dependents. The Plan is a single-employer plan administered by Capital Health Plan, Inc. and the Town. The benefits, benefit levels, employee contributions and employer contributions are governed by the Plan.

Post-employment health care benefits are offered to retired employees and their dependents. All employees are eligible to receive benefits upon their retirement. All health care benefits are provided through the Town's Capital Health Plan employee health care plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental and substance abuse care; dental care; and prescriptions. Upon retirees reaching 65 years of age, Medicare becomes the primary insurer and the Town's plan will not pay benefits already paid by Medicare.

The Town does not contribute any portion of the premiums for current retired employees. All premiums are paid entirely by the plan participant. The use of age-adjusted premiums results in an implicit rate subsidy funded by the Town since the healthcare premiums for retirees and active employees are identical.

The state of Florida's Division of Retirement contributes each month \$5 for each year of service, up to \$150 per month. The Town's Capital Health Plan contract establishes the individual premium to be paid by the retired employees. The state of Florida prohibits the Town from separately rating retired employees and active employees. As a result, the Town's premium charges to retired employees can be no more than the premium cost applicable to active employees.

The Town has not implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Statement No. 75 establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities, note disclosures, and required supplementary information.

**E. Subsequent Events**

The Town has evaluated events and transactions for potential recognition or disclosure in the financial statements through May 20, 2019, the date which the financial statements were available to be issued. No subsequent events have been recognized or disclosed.

**TOWN OF GREENVILLE, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SEPTEMBER 30, 2018**

**TOWN OF GREENVILLE, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes, licenses and permits	\$ 131,326	\$ 131,326	\$ 130,619	\$ (707)
Intergovernmental	244,314	244,314	282,943	38,629
Other	27,313	27,313	28,042	729
Total revenues	<u>402,953</u>	<u>402,953</u>	<u>441,604</u>	<u>38,651</u>
<b>Expenditures</b>				
General government	224,319	270,921	286,930	(16,009)
Public safety	22,625	22,625	41,035	(18,410)
Transportation	172,493	172,493	136,305	36,188
Culture and recreation	4,800	4,800	4,635	165
Debt Service:				
Principal	-	-	3,000	(3,000)
Interest	-	-	3,040	(3,040)
Total expenditures	<u>424,237</u>	<u>470,839</u>	<u>474,945</u>	<u>(4,106)</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(21,284)</u>	<u>(67,886)</u>	<u>(33,341)</u>	<u>34,545</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	(24,310)	(24,310)
Total other financing sources	<u>-</u>	<u>-</u>	<u>(24,310)</u>	<u>(24,310)</u>
<b>Change in net fund balance</b>	<u>(21,284)</u>	<u>(67,886)</u>	<u>(57,651)</u>	<u>10,235</u>
<b>Fund balance, beginning of year</b>	228,896	228,896	228,896	-
<b>Fund balance, end of year</b>	<u>\$ 207,612</u>	<u>\$ 161,010</u>	<u>\$ 171,245</u>	<u>\$ 10,235</u>

The accompanying note to schedule of revenues, expenditures  
and changes in fund balance - budget and actual is an integral part of this schedule.

**TOWN OF GREENVILLE, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL - SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Other	\$ 1,000	\$ 1,000	\$ 3,163	\$ 2,163
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>3,163</u>	<u>2,163</u>
<b>Expenditures</b>				
Culture and recreation	<u>3,650</u>	<u>3,650</u>	<u>3,090</u>	<u>560</u>
Total expenditures	<u>3,650</u>	<u>3,650</u>	<u>3,090</u>	<u>560</u>
<b>Other financing sources (uses)</b>				
Transfers in	<u>-</u>	<u>-</u>	<u>18</u>	<u>18</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>18</u>	<u>18</u>
Transfers				
<b>Change in net fund balance</b>	<u>(2,650)</u>	<u>(2,650)</u>	<u>91</u>	<u>1,621</u>
<b>Fund balance, beginning of year</b>	30,096	30,096	30,096	-
<b>Fund balance, end of year</b>	<u>\$ 27,446</u>	<u>\$ 27,446</u>	<u>\$ 30,187</u>	<u>\$ 1,621</u>

The accompanying note to schedule of revenues, expenditures and changes in fund balance - budget and actual is an integral part of this schedule.

**TOWN OF GREENVILLE, FLORIDA**  
**NOTE TO SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES – BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

**A. Budgetary Information:**

The annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund and the special revenue fund. All annual appropriations lapse at fiscal year end.

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to October 1, the Town Council prepares a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through passage of an ordinance.
4. Revisions that alter the total expenditures of any fund must be approved by the Town Council.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund and the Special Revenue Fund. The legal level of budgetary control is the fund level.
6. The budgets for the General Fund and Special Revenue Fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

**TOWN OF GREENVILLE, FLORIDA**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY -**  
**LAST 10 FISCAL YEAR AS OF SEPTEMBER 30**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Florida Retirement System (FRS)</b>					
Proportion of the net pension liability (asset)	0.000349808%	0.000479698%	0.000413848%	0.000404071%	0.000394676%
Proportionate share of the net pension liability (asset)	\$ 105,364	\$ 141,891	\$ 104,497	\$ 52,191	\$ 24,081
Covered-employee payroll	194,155	194,384	196,152	232,904	260,446
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	54.27%	73.00%	53.27%	22.41%	9.25%
Plan fiduciary net position as a percentage of the total pension liability	84.26%	83.89%	84.88%	92.00%	96.09%
<b>Health Insurance Subsidy Program (HIS)</b>					
Proportion of the net pension liability (asset)	0.000594427%	0.000604746%	0.000635396%	0.000575197%	0.000567449%
Proportionate share of the net pension liability (asset)	\$ 62,915	\$ 64,662	\$ 74,053	\$ 58,661	\$ 53,058
Covered-employee payroll	194,155	194,384	196,152	232,904	260,446
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	32.40%	33.27%	37.75%	25.19%	20.37%
Plan fiduciary net position as a percentage of the total pension liability	2.15%	1.64%	0.97%	0.50%	0.99%

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the Town will present information for only those years for which information is available.

The accompanying notes are an integral  
part of this schedule.



**TOWN OF GREENVILLE, FLORIDA  
SCHEDULE OF CONTRIBUTIONS -  
LAST 10 FISCAL YEAR AS OF SEPTEMBER 30**

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b><u>Florida Retirement System (FRS)</u></b>					
Contractually required contribution	\$ 9,970	\$ 14,340	\$ 14,311	\$ 14,230	\$ 14,976
Contributions in relation to the contractually required contribution	(9,970)	(14,340)	(14,311)	(14,230)	(14,976)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 194,155	\$ 194,384	\$ 196,152	\$ 232,904	\$ 260,446
Contributions as a percentage of covered-employee payroll	7.92%	7.38%	7.30%	6.11%	5.75%
<b><u>Health Insurance Subsidy Program (HIS)</u></b>					
Contractually required contribution	\$ 3,223	\$ 3,227	\$ 3,256	\$ 2,935	\$ 3,125
Contributions in relation to the contractually required contribution	(3,223)	(3,227)	(3,256)	(2,935)	(3,125)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 194,155	\$ 194,384	\$ 196,152	\$ 232,904	\$ 260,446
Contributions as a percentage of covered-employee payroll	1.66%	1.66%	1.66%	1.26%	1.20%

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the Town will present information for only those years for which information is available.

The accompanying notes are an integral  
part of this schedule.

**TOWN OF GREENVILLE, FLORIDA**

**ADDITIONAL INFORMATION**

**SEPTEMBER 30, 2018**

**TOWN OF GREENVILLE, FLORIDA  
OFFICIALS  
SEPTEMBER 30, 2018**

**TOWN COUNCIL**

Barbara Dansey, Mayor  
Teresa Harville, Vice-Mayor  
Bobby Burnett  
Cynthia James  
Calvin Malone

**TOWN MANAGER**

Edward Dean

**TOWN CLERK**

Kim Reams

**TOWN OF GREENVILLE, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

<u>Federal Grantor / Pass Through Grantor/ Program Title</u>	<u>CFDA Number</u>	<u>Contract Number</u>	<u>Pass-Through to Subrecipients</u>	<u>Expenditures</u>	<u>Loans Outstanding At 9/30/2018</u>	<u>Loans Outstanding At 9/30/2017</u>
<b>FEDERAL AWARDS</b>						
<b>U.S. Environmental Protection Agency</b>						
Passed through the State of Florida Department of Environmental Protection:						
Capitalization Grants for Clean Water State Revolving Funds	66.458	WW400221	\$ -	\$ 875,951	\$ 190,700	\$ 74,015
Clean Water State Revolving Fund Cluster			-	875,951	190,700	74,015
<b>U.S. Department of Housing and Urban Development</b>						
Passed through the State of Florida Department of Economic Opportunity:						
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	16DBOK035002N02	-	105,725	-	-
<b>Total Federal Awards</b>			<u>\$ -</u>	<u>\$ 981,676</u>	<u>\$ 190,700</u>	<u>\$ 74,015</u>

The accompanying notes to the Schedule of Federal Awards  
are an integral part of this schedule.

**TOWN OF GREENVILLE, FLORIDA**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

**(1) Basis of Presentation:**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the Federal awards activity of Town of Greenville, Florida under programs of the federal government for the year ended September 30, 2018 in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Town of Greenville, Florida it is not intended to and does not present the financial position, changes in net assets, or Town of Greenville, Florida.

**(2) Summary of Significant Accounting Policies:**

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 allowed or are limited as to reimbursement.

**(3) De Minimis Indirect Cost Rate Election:**

Town of Greenville, Florida has elected not to use the 10 percent de minimis indirect cost rate as allowed under Uniform Guidance.

**(4) Loans Outstanding:**

Town of Greenville, Florida's loan outstanding with the Florida Department of Environmental Protection (FDEP) was \$190,700 for the year ended September 30, 2018. Repayment of the principal of this loan commenced on September 15, 2018.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Town Council,  
Town of Greenville, Florida:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of Town of Greenville, Florida as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise Town of Greenville, Florida's basic financial statements, and have issued our report thereon dated May 20, 2019.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Town of Greenville, Florida's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Town of Greenville, Florida's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Greenville, Florida'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 over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying the schedule of findings and questioned costs that we consider to be material weaknesses: 2018-001 and 2018-002.

- 51 -

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## **Compliance and Other Matters**

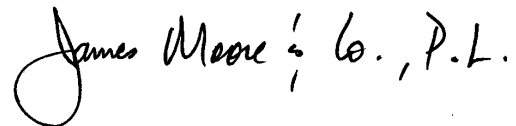
As part of obtaining reasonable assurance about whether Town of Greenville, Florida's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards*: 2018-003.

## **Town of Greenville, Florida's Response to Findings**

Town of Greenville, Florida's response to the findings identified in our audit is described in the accompanying corrective action plan. Town of Greenville, Florida's response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

## **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.

James Moore & Co., P.L.

Tallahassee, Florida  
May 20, 2019

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

To the Board of Directors,  
The Town of Greenville, Florida

**Report on Compliance for Each Major Federal Program**

We have audited The Town of Greenville, Florida's compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement*, that could have a direct and material effect on The Town of Greenville, Florida's major Federal program for the year ended September 30, 2018. The Town of Greenville, Florida's major Federal program is 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 the requirements of laws, regulations, contracts and grants applicable to its Federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for The Town of Greenville, Florida major federal program 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 (CFR) 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 Town of Greenville, Florida 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 Town of Greenville, Florida's compliance.

***Opinion on Each Major Federal Program***

In our opinion, The Town of Greenville, Florida complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major Federal program for the year ended September 30, 2018.

– 53 –

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Tallahassee, FL 32308-4386  
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## Report on Internal Control Over Compliance

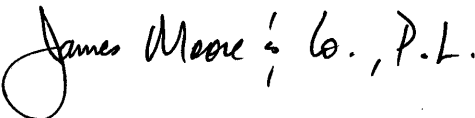
Management of Town of Greenville, Florida is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Town of Greenville, Florida's internal control 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 Town of Greenville, Florida'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as finding 2018-004, which we consider to be a material weakness.

Town of Greenville, Florida's response to the noncompliance findings identified in our audit are described in the accompanying corrective action plan. Town of Greenville, Florida's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

James Moore & Co., P.L.

Tallahassee, Florida  
May 20, 2019

**TOWN OF GREENVILLE, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDING SEPTEMBER 30, 2018**

**I. Summary of Auditors' Results:**

*Financial Statements*

Type of audit report issued on the financial statements: *Unmodified*

Internal control over financial reporting:

- Material weaknesses identified?   X   yes        no
- Significant deficiencies identified?        yes   X   none reported

Noncompliance material to financial statements noted?        yes   X   no

*Federal Awards*

Internal control over major Federal programs:

- Material weakness (es) identified?   X   yes        no
- Significant deficiencies identified?        yes   X   none reported

Types of auditor's report issued on compliance for major Federal programs: *Unmodified*

Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?        yes   X   no

Identification of major programs:

<b>Federal Program</b>	<b>Federal CFDA Number</b>
Capitalization Grants for Clean Water State Revolving Funds	66.458

Dollar threshold used to distinguish between Type A and Type B programs:        \$   750,000  

Auditee qualified as a low risk auditee?        yes   X   no

**TOWN OF GREENVILLE, FLORIDA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDING SEPTEMBER 30, 2018**  
(Continued)

**II. Financial Statement Findings:**

**Finding 2018-001: Significant Adjustments and Preparation of Financial Statements**

**Condition and Criteria:** The internal controls of Town of Greenville, Florida have focused primarily on the objective of effectiveness and efficiency of operations (i.e., performance and mission goals and safeguarding of resources). However, the system of internal control over the objectives of reliability of financial reporting contains certain deficiencies. A key element of financial reporting is the ability of management to select and apply the appropriate accounting principles to prepare the financial statements in accordance with generally accepted accounting principles.

**Cause:** For the year ended September 30, 2018, certain adjustments were required to be made to the accounting records subsequent to the start of the audit process. Since these adjustments resulted in a material misstatement of the financial statements, this deficiency is deemed to be a material weakness.

**Effect:** Financial statements would be materially misstated if significant adjustments were not made.

**Recommendation:** We recommend management select and apply the appropriate accounting principles to prepare the financial statements in accordance with generally accepted accounting principles.

**Finding 2018-002: Segregation of Duties**

**Condition and Criteria:** Internal controls are designed to safeguard assets and help prevent or detect losses from employee dishonesty or error. A fundamental concept in a good system of internal control is the segregation of duties. The basic premise is that no one employee should have access to both physical assets and the related accounting records or to all phases of a transaction.

**Cause:** The Town employee opening the mail, creating the deposit slips for cash receipts, and generating checks for cash disbursements also inputs those transactions into the accounting software. Also, no one reviews and approves journal entries.

**Effect:** Assets could potentially be misappropriated either by error or by irregularity. Also, financial statements could be misstated by improper journal entries.

**Recommendation:** Mail should be opened by an employee that does not have access to the accounting software. This employee should record the cash receipts on a receipt log, give the receipts to the bookkeeper to input into the accounting software and lastly prepare the deposit. Signed checks should also be mailed without allowing them to be returned to the employee responsible for accounts payable. The Town should maintain a management approved vendor list. Also, Journal entries should be approved by an employee other than the one who prepared the entry.

**TOWN OF GREENVILLE, FLORIDA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDING SEPTEMBER 30, 2018**  
(Continued)

**III. Federal Award Findings and Questioned Costs:**

**Finding 2018-004:**

*Information on the Federal Program:* CFDA 66.458. Capitalization Grants for Clean Water State Revolving Funds Program. *Award Number:* WW400221. *Compliance Requirements:* Reporting. *Type of Finding:* Material Weakness.

1. *Criteria:* The internal controls over compliance should be functioning properly making sure that all reporting and reserve funding requirements set by the Grantor are met within the time frame set out in the grant contract.
2. *The condition:* Contract WW400221 sections 2.01(10) sets time requirements for the certification of multiple criteria related to the contract. Section 3.01 sets time requirements for the establishment of a loan debt service account.
3. *The context:* Grant documents are not being reviewed in a timely fashion.
4. *The effect or potential effect:* Noncompliance with the contract resulted in default. Default on the contract loan could have resulted in the acceleration of debt repayment by the Florida Department of Environmental Protection.
5. *The cause:* The Town did not submit certification and did not set up a loan debt service account within the time requirements, resulting in noncompliance with the contract.
6. *Recommendation:* The Town should submit certification each year, beginning 3 months before the first semiannual loan payment is due in accordance with section 2.01(10) and should make timely loan deposits to the loan debt service account in accordance with section 3.01 going forward.

**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED BY CHAPTER 10.550, RULES OF THE STATE OF FLORIDA, OFFICE OF THE AUDITOR GENERAL**

To the Honorable Town Council,  
 Town of Greenville, Florida:

**Report on the Financial Statements**

We have audited the financial statements of the Town of Greenville, Florida, as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated May 20, 2019.

**Auditors' Responsibility**

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; 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); and Chapter 10.550, Rules of the Auditor General.

**Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Reports on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated May 20, 2019, should be considered in conjunction with this management letter.

**Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report except as noted in the table below.

<b>Tabulation of Uncorrected Audit Findings</b>			
<b>Description</b>	<b>Current Year Finding #</b>	<b>2016-17 FY Finding #</b>	<b>2015-16 FY Finding #</b>
Significant adjustments and preparation of financial statements	2018-001	2017-001	2016-001
Segregation of duties	2018-002	2017-002	2016-002
Monthly closeout procedures	N/A	N/A	2016-003
Material excess expenditures over appropriations	2018-003	2017-003	2016-004
Noncompliance with major fund grant agreement	2018-004	N/A	N/A

**Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Town of Greenville, Florida was established by Chapter 27576, Laws of Florida, Acts of 1951. The Town of Greenville, Florida does not have any component units.

**Financial Condition and Management**

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires that we apply appropriate procedures and report the results of our determination as to whether or not Town of Greenville, Florida has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Town of Greenville, Florida did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management’s responsibility to monitor the Town of Greenville, Florida’s financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

**Other Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we noted the following:

**Finding 2018-003: Excess Expenditures Over Appropriations**

**Condition and Criteria:** Approved budgets are designed to safeguard from improper spending and to help provide transparency in the Town’s operations.

**Cause:**

For the year ended September 30, 2017 expenditures exceeded appropriations in the following funds:

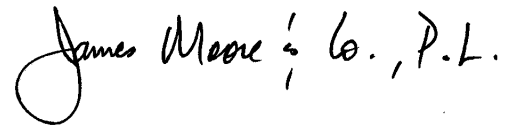
Fund	Over Expenditure
General Fund	\$ 4,106

**Effect:** Fund assets could potentially be misappropriated.

**Recommendation:** We recommend, in addition to amending the budget as needed, that the Town budget for debt service payment expenditures going forward.

**Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Council Members, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive style with a large, looping initial "J".

Tallahassee, Florida  
May 20, 2019

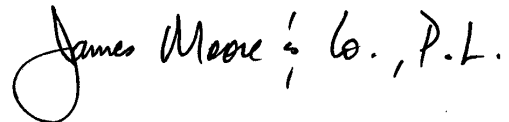
## INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

To Town Council,  
Town of Greenville, Florida:

We have examined Town of Greenville, Florida's compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2018. Management is responsible for Town of Greenville, Florida's compliance with those requirements. Our responsibility is to express an opinion on Town of Greenville, Florida's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Town of Greenville, Florida's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Town of Greenville, Florida's compliance with specified requirements.

In our opinion, Town of Greenville, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.



Tallahassee, Florida  
May 20, 2019



**TOWN OF GREENVILLE, FLORIDA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDING SEPTEMBER 30, 2018**

**Finding 2017-001: Significant Adjustments and Preparation of Financial Statements**

Status: The Town finds this finding uncorrectable. Due to limited financial resources, the Town cannot feasibly hire additional staff or contract with an outside firm to prepare financial statements and related notes in accordance with GAAP. However, the Town will review monthly financial statements for accuracy.

**Finding 2017-002: Segregation of Duties**

Status: The size of the Town's accounting staff prohibits complete adherence to this concept, but the following practices will be implemented to improve existing internal controls without impairing efficiency:

- Mail will be opened by an employee that does not have access to the accounting software. Cash receipts should be recorded and the deposit prepared by this person. The cash receipts journal, supplemented by remittance advices, should be forwarded to the accounting staff for postings to the general ledger and detail customer accounts. The deposit slips should be reconciled to the accounting system.
- Signed checks will also be mailed without allowing them to be returned to the employee responsible for accounts payable.
- The Town will maintain a management approved vendor list.
- Journal entries will include adequate supporting documentation and should be approved by an employee other than the one who prepared the entry.

**Finding 2017-003: Excess Expenditures Over Appropriations**

Status: The Town has begun to amend their budgets as needed but need to start including debt service payments in their budgets going forward.

TOWN OF GREENVILLE  
TOWN OF GREENVILLE  
FLORIDA

154 SW Old Mission Avenue • Post Office Box 235 • Greenville, Florida 32331-0235  
Phone 850-948-2251 • Fax 850-948-3363

James Moore & Co., P.L.  
2477 Tim Gamble Place, Suite 200  
Tallahassee, Florida 32308

*Incorporated 1907*

Dear Sir or Madame:

This letter outlines the Town of Greenville Corrective Action Plan prepared in response to your FY 2018 Audit Schedule of Findings as follows.

**Schedule of Findings**

Finding 2018-001: **Significant Adjustments and Preparation of Financial Statements:** The Town finds this finding uncorrectable. Due to limited financial resources, the Town of Greenville cannot feasibly hire additional staff or contract with an outside firm to prepare financial statements and related notes in accordance with GAAP. However, the Town will review monthly financial statements for correctness.

Finding 2018-002: **Segregation of Duties:** The Town accepts this finding and realizes there is no way to correct this completely. The fact remains that staff in Town Hall is comprised of a Town Clerk and an Assistant Clerk. The wide variety of their duties and the complexities of their individual duties would make it virtually impossible for the assumption made in this finding. The only way to separate these duties completely would be for the Town of Greenville to hire a third person in the office, which is financially impossible. The Town has in place oversights where possible.

Finding 2018-003: **Excess Expenditure over Appropriating:** The Town made amendments to the budget for expenditures that arose during the year outside of the budget but failed to budget adequately for debt service payment expenditures. The Town will take the necessary steps in future budgeting to avoid excess expenditures over what is appropriated.

Finding 2018-004: **Noncompliance with major fund grant agreement:** The town did not submit certification and did not set up a loan debt service account within the time requirements, resulting in noncompliance. The town notified DEP SRF of the noncompliance and immediately set up the loan debt service accounts. DEP SRF notified the town that they would take no action since the town submitted proof that the finding had been rectified.

We trust the Corrective Action Plan outlined in this letter adequately responds to your Findings and Recommendations. Please be assured that the Town of Greenville intends to comply with all applicable statutory requirements and good financial practices.

Respectfully,



Kimberly Reams  
Town Clerk