

TOWN OF GREENVILLE, FLORIDA

FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

**TOWN OF GREENVILLE, FLORIDA
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SEPTEMBER 30, 2019**

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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, 2019, 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.

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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, 2019, 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, 2019, 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.

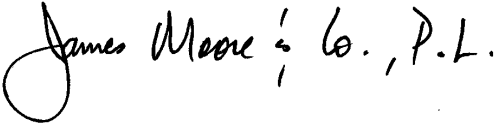
Other Matters

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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report June 22, 2020 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.

James Moore & Co., P.L.

Tallahassee, Florida
June 22, 2020

**TOWN OF GREENVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

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, 2019.

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, 2019**

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, 2019**

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 \$7,072,847 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

	2019		
	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 278,500	\$ 434,484	\$ 712,984
Capital assets	1,095,917	6,569,356	7,665,273
Total assets	<u>1,374,417</u>	<u>7,003,840</u>	<u>8,378,257</u>
Deferred outflows	104,185	33,113	137,298
Long-term liabilities outstanding	57,139	837,765	894,904
Net pension liability	211,223	67,129	278,352
Other liabilities	105,670	125,675	231,345
Total liabilities	<u>374,032</u>	<u>1,030,569</u>	<u>1,404,601</u>
Deferred inflows	28,916	9,191	38,107
Net position:			
Net investment in capital assets	1,038,417	5,855,303	6,893,720
Restricted	39,682	19,416	59,098
Unrestricted	(2,445)	122,474	120,029
Total net position	<u>\$ 1,075,654</u>	<u>\$ 5,997,193</u>	<u>\$ 7,072,847</u>

**TOWN OF GREENVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

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

	2018		
	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 246,937	\$ 436,423	\$ 683,360
Capital assets	1,036,091	6,408,967	7,445,058
Total assets	<u>1,283,028</u>	<u>6,845,390</u>	<u>8,128,418</u>
Deferred outflows	<u>30,936</u>	<u>35,592</u>	<u>66,528</u>
Long-term liabilities outstanding	69,533	566,557	636,090
Net pension liability	78,254	90,025	168,279
Other liabilities	26,816	61,973	88,789
Total liabilities	<u>174,603</u>	<u>718,555</u>	<u>893,158</u>
Deferred inflows	<u>20,145</u>	<u>23,173</u>	<u>43,318</u>
Net position:			
Net investment in capital assets	1,036,091	5,974,867	7,010,958
Restricted	40,963	18,865	59,828
Unrestricted	42,162	145,522	187,684
Total net position	<u>\$ 1,119,216</u>	<u>\$ 6,139,254</u>	<u>\$ 7,258,470</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 \$43,562 in the most recent fiscal year.

Key elements of this change include:

Increased expenditures for public safety equipment and fire department supplies. In addition, there were unexpected repairs for streets and roads needed to ensure the safety of the Town's residents and visitors.

Business-type activities. In the most recent fiscal year, business-type activities decreased the Town of Greenville, Florida's net position by \$142,061.

Key elements of this change include:

Depreciation expense resulting from a major investment in a new sewer plant. Additionally, this investment required increased staffing to cover department responsibilities.

**TOWN OF GREENVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

Town of Greenville, Florida's Changes in Net Position

	2019		
	Governmental Activities	Business-type Activities	Total
Revenues:			
Program revenues:			
Charges for services	\$ 9,633	\$ 428,350	\$ 437,983
Operating grants and contributions	335	-	335
Capital Grants and contributions	145,587	-	145,587
General revenues:			
Property taxes	103,424	-	103,424
Intergovernmental and other	325,769	1,461	327,230
Transfers	(242)	242	-
Total revenues	<u>584,506</u>	<u>430,053</u>	<u>1,014,559</u>
Expenses:			
General government	407,381	-	407,381
Public safety	65,055	-	65,055
Transportation	135,704	-	135,704
Culture and recreation	19,928	-	19,928
Water and Cemetery	-	572,114	572,114
Total expenses	<u>628,068</u>	<u>572,114</u>	<u>1,200,182</u>
Change in net position	(43,562)	(142,061)	(185,623)
Net position, beginning of year	1,119,216	6,139,254	7,258,470
Net position, end of year	<u>\$ 1,075,654</u>	<u>\$ 5,997,193</u>	<u>\$ 7,072,847</u>

	2018		
	Governmental Activities	Business-type Activities	Total
Revenues:			
Program revenues:			
Charges for services	\$ 3,860	\$ 408,124	\$ 411,984
Operating grants and contributions	146,799	-	146,799
General revenues:			
Property taxes	116,004	-	116,004
Intergovernmental and other	196,793	886,214	1,083,007
Transfers	(24,292)	24,292	-
Total revenues	<u>439,164</u>	<u>1,318,630</u>	<u>1,757,794</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
Water and Cemetery	-	616,087	616,087
Total expenses	<u>514,240</u>	<u>616,087</u>	<u>1,130,327</u>
Change in net position	(75,076)	702,543	627,467
Net position, beginning of year	1,194,292	5,436,711	6,631,003
Net position, end of year	<u>\$ 1,119,216</u>	<u>\$ 6,139,254</u>	<u>\$ 7,258,470</u>

**TOWN OF GREENVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

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.

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 \$182,858, a decrease of \$37,263, in comparison with the prior year. Of this total amount, \$146,011 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 \$143,176 and \$153,574, 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 24 percent of total general fund expenditures.

The fund balance of the Town of Greenville, Florida's general fund decreased by \$36,360 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 \$(464), \$26,540, and \$96,398, respectively. The total decrease in net position for the funds was \$142,061. 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:

The general fund budget was amended as a result of a change in the employment status of an employee who had initially been budgeted as a contractor but was reclassified according to Auditor General Guidelines. This reclass also resulted in related adjustments to FICA expenses and employer-paid retirement contributions.

**TOWN OF GREENVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

Capital assets. The Town of Greenville, Florida's investment in capital assets for its governmental and business type activities as of September 30, 2019, amounts to \$7,665,273 (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 total debt outstanding of 934,099. The amount of debt outstanding by type (i.e. Capital improvement bonds, revenue bonds, etc.) were as follows:

**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	\$ 57,500	\$ -	\$ 57,500
State Revolving Fund Construction Loan	-	534,961	534,961
Capital lease	-	109,338	109,338
Revenue bonds	-	232,300	232,300
Total	<u>\$ 57,500</u>	<u>\$ 876,599</u>	<u>\$ 934,099</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 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 2019/2020 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, 2019

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 215,123	\$ 350,425	\$ 565,548
Certificate of deposit	7,471	-	7,471
Receivables, net	-	30,851	30,851
Due from other governments	48,777	-	48,777
Restricted assets:			
Cash and cash equivalents	7,129	19,416	26,545
Certificate of deposit	-	33,792	33,792
Capital assets:			
Capital assets, not being depreciated	157,754	466,415	624,169
Other capital assets, net of depreciation	938,163	6,102,941	7,041,104
Total assets	<u>\$ 1,374,417</u>	<u>\$ 7,003,840</u>	<u>\$ 8,378,257</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	<u>\$ 104,185</u>	<u>\$ 33,113</u>	<u>\$ 137,298</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 20,642	\$ 36,761	\$ 57,403
Customer deposits	-	36,971	36,971
Unearned revenue	75,000	-	75,000
Accrued interest payable	-	982	982
Noncurrent liabilities:			
Due within one year:			
Bonds payable and notes payable	3,500	15,464	18,964
Capital leases payable	-	32,447	32,447
Compensated absences	6,528	3,050	9,578
Due in more than one year:			
Bonds payable and notes payable	54,000	751,797	805,797
Capital leases payable	-	76,891	76,891
Compensated absences	3,139	9,077	12,216
Net pension liability	211,223	67,129	278,352
Total liabilities	<u>\$ 374,032</u>	<u>\$ 1,030,569</u>	<u>\$ 1,404,601</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	<u>\$ 28,916</u>	<u>\$ 9,191</u>	<u>\$ 38,107</u>
NET POSITION			
Net investment in capital assets	\$ 1,038,417	\$ 5,855,303	\$ 6,893,720
Restricted for:			
Debt service	10,398	19,416	29,814
Cemetery	29,284	-	29,284
Unrestricted	(2,445)	122,474	120,029
Total net position	<u>\$ 1,075,654</u>	<u>\$ 5,997,193</u>	<u>\$ 7,072,847</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, 2019**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 407,381	\$ 5,263	\$ -	\$ -	\$ (402,118)	\$ -	\$ (402,118)
Public safety	65,055	-	-	26,825	(38,230)	-	(38,230)
Transportation	135,704	-	-	-	(135,704)	-	(135,704)
Culture and recreation	19,928	4,370	335	118,762	103,539	-	103,539
Total governmental activities	628,068	9,633	335	145,587	(472,513)	-	(472,513)
Business-type activities:							
Sanitation	100,216	107,760	-	-	-	7,544	7,544
Sewer	233,217	117,139	-	-	-	(116,078)	(116,078)
Water	238,681	203,451	-	-	-	(35,230)	(35,230)
Total business-type activities	572,114	428,350	-	-	-	(143,764)	(143,764)
Total primary government	\$ 1,200,182	\$ 437,983	\$ 335	\$ 145,587	(472,513)	(143,764)	(616,277)
General revenues:							
Property taxes					103,424	-	103,424
Intergovernmental revenue					294,681	-	294,681
Investment earnings					-	1,461	1,461
Miscellaneous revenues					31,088	-	31,088
Transfers					(242)	242	-
Total general revenues and transfers					428,951	1,703	430,654
Change in net position					(43,562)	(142,061)	(185,623)
Net position - beginning of year, as restated					1,119,216	6,139,254	7,258,470
Net position - ending of year					\$ 1,075,654	\$ 5,997,193	\$ 7,072,847

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

**TOWN OF GREENVILLE, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019**

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 192,704	\$ 29,548	\$ 222,252
Certificate of deposit	7,471	-	7,471
Due from other governments	48,777	-	48,777
Total assets	<u>\$ 248,952</u>	<u>\$ 29,548</u>	<u>\$ 278,500</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 20,378	\$ 264	\$ 20,642
Unearned revenue	75,000	-	75,000
Total liabilities	<u>95,378</u>	<u>264</u>	<u>95,642</u>
FUND BALANCES			
Restricted for:			
Debt service	10,398	-	10,398
Cemetery	-	29,284	29,284
Unassigned	143,176	-	143,176
Total fund balances	<u>153,574</u>	<u>29,284</u>	<u>182,858</u>
Total liabilities and fund balances	<u>\$ 248,952</u>	<u>\$ 29,548</u>	<u>\$ 278,500</u>

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

**TOWN OF GREENVILLE, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2019**

Fund balances - total governmental funds		\$ 182,858
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds</p>		
Total governmental capital assets	1,916,865	
Less: accumulated depreciation	(820,948)	1,095,917
<p>On the governmental fund statements, a net pension liability is not recorded until an amount is due and payable and the pension plan's fiduciary net position is not sufficient for payment of those benefits (no such liability exists at the end of the current fiscal year). On the statement of net position, the City's net pension liability of the defined benefit pension plans is reported as a noncurrent liability. Additionally, deferred outflows and deferred inflows related to pensions are also reported.</p>		
Net pension liability	(211,223)	
Deferred outflows related to pensions	104,185	
Deferred inflows related to pensions	(28,916)	(135,954)
<p>Long-term liabilities, including bonds payable and notes payable, are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities, deferred outflows, and other debt-related deferred charges consist of the following:</p>		
Bonds and notes payable	(57,500)	
Compensated absences	(9,667)	(67,167)
Net position of governmental activities		\$ 1,075,654

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 BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>General</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
Revenues			
Taxes	\$ 103,424	\$ -	\$ 103,424
Permits and fees	16,339	-	16,339
Intergovernmental	429,192	335	429,527
Charges for services	-	4,370	4,370
Fines and forfeitures	854	-	854
Investment income	679	112	791
Miscellaneous	29,443	-	29,443
Total revenues	<u>579,931</u>	<u>4,817</u>	<u>584,748</u>
Expenditures			
Current:			
General government	440,116	-	440,116
Public safety	45,555	-	45,555
Transportation	122,630	-	122,630
Culture and recreation	1,351	5,720	7,071
Debt service:			
Principal	3,500	-	3,500
Interest	2,897	-	2,897
Total expenditures	<u>616,049</u>	<u>5,720</u>	<u>621,769</u>
Excess (deficiency) of revenues over expenditures	<u>(36,118)</u>	<u>(903)</u>	<u>(37,021)</u>
Other financing sources (uses)			
Transfers in	118,359	-	118,359
Transfers out	(118,601)	-	(118,601)
Total other financing sources (uses)	<u>(242)</u>	<u>-</u>	<u>(242)</u>
Net change in fund balances	<u>(36,360)</u>	<u>(903)</u>	<u>(37,263)</u>
Fund balances, beginning of year, as restated	189,934	30,187	220,121
Fund balances, end of year	<u>\$ 153,574</u>	<u>\$ 29,284</u>	<u>\$ 182,858</u>

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

**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, 2019**

Net change in fund balances - total governmental funds	\$ (37,263)
Differences in amounts reported for governmental activities in the statement of activities are:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.	
Capital outlay expenditures	117,835
Depreciation expense	(47,259)
Loss on disposal of fixed assets	(10,750)
Bond and loan proceeds are reported as financing sources in the governmental funds. However, the issuance of debt is reported as long-term debt payable in the statement of net position. Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment of debt principal reduces long-term liabilities in the statement of net position. These amounts are as follows:	
Principal repayment of general long-term debt	3,500
Governmental funds report contributions to defined benefit pension plans as expenditures. However, in the statement of activities, the amount contributed to defined benefit pension plans reduces future net pension liability. Also included in pension expense in the statement of activities are amounts required to be amortized in accordance with GASB Statement No. 68.	
Change in net pension liability and deferred inflows/outflows related to pensions	(68,491)
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. These adjustments are as follows:	
Change in compensated absences liability	(1,134)
Change in net position of governmental activities	\$ (43,562)

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, 2019

	Business-type Activities - Enterprise Funds			Total
	Sanitation Fund	Sewer Fund	Water Fund	
ASSETS				
Cash and cash equivalents	\$ 115,324	\$ 54,898	\$ 180,203	\$ 350,425
Accounts receivable, net	10,053	6,433	14,365	30,851
Total current assets	<u>125,377</u>	<u>61,331</u>	<u>194,568</u>	<u>381,276</u>
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	-	163	19,253	19,416
Certificate of deposit	-	-	33,792	33,792
Capital assets:				
Land	-	94,539	4,350	98,889
Building and improvements	-	4,685,824	167,639	4,853,463
Infrastructure	-	580,394	2,773,633	3,354,027
Machinery and equipment	249,454	88,733	382,716	720,903
Construction in progress	-	367,526	-	367,526
Accumulated depreciation	(136,745)	(1,256,472)	(1,432,235)	(2,825,452)
Total noncurrent assets	<u>112,709</u>	<u>4,560,707</u>	<u>1,949,148</u>	<u>6,622,564</u>
Total assets	<u>\$ 238,086</u>	<u>\$ 4,622,038</u>	<u>\$ 2,143,716</u>	<u>\$ 7,003,840</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	<u>\$ 6,975</u>	<u>\$ 8,895</u>	<u>\$ 17,243</u>	<u>\$ 33,113</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 4,811	\$ 22,561	\$ 9,389	\$ 36,761
Deposits	-	-	36,971	36,971
Compensated absences	1,320	208	1,522	3,050
Payable from restricted assets:				
Current maturities on long-term debt	-	9,464	6,000	15,464
Current maturities on capital leases	32,447	-	-	32,447
Accrued interest payable	-	-	982	982
Total current liabilities	<u>38,578</u>	<u>32,233</u>	<u>54,864</u>	<u>125,675</u>
Noncurrent liabilities:				
Bonds and notes payable	-	525,497	226,300	751,797
Capital leases payable	76,891	-	-	76,891
Compensated absences	3,990	1,509	3,578	9,077
Net pension liability	11,992	17,190	37,947	67,129
Total noncurrent liabilities	<u>92,873</u>	<u>544,196</u>	<u>267,825</u>	<u>904,894</u>
Total liabilities	<u>\$ 131,451</u>	<u>\$ 576,429</u>	<u>\$ 322,689</u>	<u>\$ 1,030,569</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	<u>\$ 1,365</u>	<u>\$ 2,055</u>	<u>\$ 5,771</u>	<u>\$ 9,191</u>
NET POSITION				
Net investment in capital assets	\$ 112,709	\$ 4,025,746	\$ 1,716,848	\$ 5,855,303
Restricted for debt service	-	163	19,253	19,416
Unrestricted	(464)	26,540	96,398	122,474
Total net position	<u>\$ 112,245</u>	<u>\$ 4,052,449</u>	<u>\$ 1,832,499</u>	<u>\$ 5,997,193</u>

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

TOWN OF GREENVILLE, FLORIDA
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Business-type Activities - Enterprise Funds			Total
	Sanitation Fund	Sewer Fund	Water Fund	
Operating revenues				
Charges for services	\$ 107,760	\$ 117,139	\$ 203,451	\$ 428,350
Other revenues	-	-	-	-
Total operating revenues	107,760	117,139	203,451	428,350
Operating expenses				
Personnel	34,277	32,977	38,799	106,053
Utilities	-	46,679	23,542	70,221
Maintenance and repairs	3,940	3,558	13,028	20,526
Other supplies and expenses	27,630	33,436	75,967	137,033
Insurance	-	-	13,348	13,348
Depreciation	30,142	113,295	63,700	207,137
Total operating expenses	95,989	229,945	228,384	554,318
Operating income (loss)	11,771	(112,806)	(24,933)	(125,968)
Nonoperating revenues (expenses)				
Interest earnings	519	272	670	1,461
Interest and amortization expense	(4,227)	(3,272)	(10,297)	(17,796)
Total nonoperating revenues (expenses)	(3,708)	(3,000)	(9,627)	(16,335)
Income (loss) before transfers	8,063	(115,806)	(34,560)	(142,303)
Transfers in	-	121,564	-	121,564
Transfers out	-	(119,975)	(1,347)	(121,322)
Change in net position	8,063	(114,217)	(35,907)	(142,061)
Net position, beginning of year, as restated	104,182	4,166,666	1,868,406	6,139,254
Net position, end of year	\$ 112,245	\$ 4,052,449	\$ 1,832,499	\$ 5,997,193

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, 2019

	Business-type Activities - Enterprise Funds			
	Sanitation	Sewer	Water	Total
Cash flows from operating activities				
Cash received from customers	\$ 104,331	\$ 122,554	\$ 207,709	\$ 434,594
Cash paid to employees	(44,437)	(40,539)	(52,520)	(137,496)
Cash paid to suppliers	(28,890)	(88,713)	(122,079)	(239,682)
Net cash used in operating activities	<u>31,004</u>	<u>(6,698)</u>	<u>33,110</u>	<u>57,416</u>
Cash flows from noncapital financing activities				
Transfers from other funds	-	121,564	-	121,564
Transfers to other funds	-	(119,975)	(1,347)	(121,322)
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>1,589</u>	<u>(1,347)</u>	<u>242</u>
Cash flows from capital and related financing activities				
Principal payments of long-term debt	(28,219)	(6,464)	(6,000)	(40,683)
Interest paid	(4,227)	(3,272)	(10,297)	(17,796)
Net cash used in capital and related financing activities	<u>(32,446)</u>	<u>(9,736)</u>	<u>(16,297)</u>	<u>(58,479)</u>
Cash flows from investing activities				
Interest received	519	272	670	1,461
Net change in cash and cash equivalents	<u>(923)</u>	<u>(14,573)</u>	<u>16,136</u>	<u>640</u>
Cash and cash equivalents, beginning of year	116,247	69,634	183,320	369,201
Cash and cash equivalents, end of year	<u>\$ 115,324</u>	<u>\$ 55,061</u>	<u>\$ 199,456</u>	<u>\$ 369,841</u>
Cash and cash equivalents classified as:				
Unrestricted	\$ 115,324	\$ 54,898	\$ 180,203	\$ 350,425
Restricted	-	163	19,253	19,416
Total cash and cash equivalents	<u>\$ 115,324</u>	<u>\$ 55,061</u>	<u>\$ 199,456</u>	<u>\$ 369,841</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	\$ 11,771	\$ (112,806)	\$ (24,933)	\$ (125,968)
Adjustments to reconcile net operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	30,142	113,295	63,700	207,137
Changes in assets and liabilities:				
Accounts receivable	(3,429)	2,115	593	(721)
Due from other governments	-	3,300	-	3,300
Accounts payable and accrued liabilities	2,680	(5,040)	3,806	1,446
Deposits	-	-	3,665	3,665
Compensated absences	1,299	1,657	-	2,956
Net pension liability	(11,459)	(9,219)	(13,721)	(34,399)
Net cash provided by (used in) operating activities	<u>\$ 31,004</u>	<u>\$ (6,698)</u>	<u>\$ 33,110</u>	<u>\$ 57,416</u>
Non-cash investing, capital, and financing activities:				
Capital assets financed with				
State Revolving Fund note payable	\$ -	\$ 350,725	\$ -	\$ 350,725
Accounts payable	-	16,801	-	16,801
Total	<u>\$ -</u>	<u>\$ 367,526</u>	<u>\$ -</u>	<u>\$ 367,526</u>

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

TOWN OF GREENVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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, 2019

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, 2019

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, 2019

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, 2019

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, 2019

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, 2019

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, 2019

II. Detailed Notes on All Funds:

A. Deposits

All of the Town's bank deposits and certificates of deposits 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, therefore, none of the Town's deposits are subject to custodial credit risk. 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 yearend, 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	\$ -	\$ 16,046	\$ 26,006	\$ 13,280	\$ 55,332
Intergovernmental	48,777	-	-	-	48,777
Gross receivables	<u>48,777</u>	<u>16,046</u>	<u>26,006</u>	<u>13,280</u>	<u>104,109</u>
Less: allowance for uncollectibles	-	(5,993)	(11,641)	(6,847)	(24,481)
Net total receivables	<u>\$ 48,777</u>	<u>\$ 10,053</u>	<u>\$ 14,365</u>	<u>\$ 6,433</u>	<u>\$ 79,628</u>

C. Transfers to/from Other Funds

The composition of interfund transfers as of September 30, 2019, is as follows:

For operating expenditures in excess of available funds:	Transfers In	Transfers out
General Fund	\$ 118,359	\$ (118,601)
Water Fund	-	(1,347)
Sewer Fund	121,564	(119,975)
Sanitation fund	-	-
Special revenue fund	-	-
	<u>\$ 239,923</u>	<u>\$ (239,923)</u>

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

TOWN OF GREENVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

II. Detailed Notes on All Funds: (Continued)

D. Capital assets

Capital asset activity for the year ended September 30, 2019 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	\$ 112,835	\$ –	\$ 152,754
Construction in Progress	–	5,000	–	5,000
Total capital assets, not being depreciated	<u>39,919</u>	<u>117,835</u>	<u>–</u>	<u>157,754</u>
Capital assets, being depreciated:				
Buildings and improvements	626,521	–	(45,766)	580,755
Infrastructure	926,760	–	–	926,760
Equipment, furniture, fixtures and vehicles	266,596	–	(15,000)	251,596
Total capital assets, being depreciated	<u>1,819,877</u>	<u>–</u>	<u>(60,766)</u>	<u>1,759,111</u>
Less accumulated depreciation for:				
Buildings and improvements	(315,309)	(42,270)	45,766	(311,813)
Equipment, furniture, fixtures, vehicles and infrastructure	(508,396)	(4,989)	4,250	(509,135)
Total accumulated depreciation	<u>(823,705)</u>	<u>(47,259)</u>	<u>50,016</u>	<u>(820,948)</u>
Total capital assets, being depreciated, net	996,172	(47,259)	(10,750)	938,163
Capital assets, net	<u>\$ 1,036,091</u>	<u>\$ (70,576)</u>	<u>\$ (10,750)</u>	<u>\$ 1,095,917</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 98,889	\$ –	\$ –	\$ 98,889
Construction in Progress	–	367,526	–	367,526
Total capital assets, not being depreciated	<u>98,889</u>	<u>367,526</u>	<u>–</u>	<u>466,415</u>
Capital assets, being depreciated:				
Equipment, buildings, systems and improvements	8,928,393	–	–	8,928,393
Less accumulated depreciation	(2,618,315)	(207,137)	–	(2,825,452)
Total capital assets, being depreciated	<u>6,310,078</u>	<u>(207,137)</u>	<u>–</u>	<u>6,102,941</u>
Capital assets, net	<u>\$ 6,408,967</u>	<u>\$ 160,389</u>	<u>\$ –</u>	<u>\$ 6,569,356</u>

TOWN OF GREENVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

II. Detailed Notes on All Funds: (Continued)

D. Capital assets (Continued)

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

Governmental activities:	
General government	\$ 14,165
Public safety	5,853
Transportation	14,384
Culture & Recreation	12,857
Total	\$ 47,259
Business-type activities:	
Water	\$ 63,700
Sewer	113,295
Sanitation	30,142
Total	\$ 207,137

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 \$104,326 at September 30, 2019. Depreciation expense of \$29,807 related to the equipment is included in the Statement of Activities at September 30, 2019.

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

Year Ending June 30,	Amount
2020	\$ 32,447
2021	32,447
2022	32,447
2023	18,927
Total minimum lease payments	116,268
Less amount representing interest	6,930
Present value of minimum lease payments	\$ 109,338

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

TOWN OF GREENVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

II. Detailed Notes on All Funds: (Continued)

E. Long-term Debt (Continued)

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:

Purpose	Interest Rate	Amount
Governmental activities	4.75%	\$ 57,500

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

Year Ending September 30,	Principal	Interest
2020	\$ 3,500	\$ 2,731
2021	4,000	2,565
2022	4,000	2,375
2023	4,000	2,185
2024	5,000	1,995
2025 – 2029	26,000	6,389
2030 – 2034	11,000	760
	\$ 57,500	\$ 19,000

**TOWN OF GREENVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

II. Detailed Notes on All Funds: (Continued)

E. Long-term Debt (Continued)

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, 2019 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>\$ 232,300</u>
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Revenue bonds debt service requirements to maturity are as follows:

Year Ending September 30,	Principal	Interest
2020	\$ 6,000	\$ 9,873
2021	6,000	9,618
2022	7,000	9,363
2023	7,000	9,066
2024	7,000	8,768
2025 – 2029	42,000	38,912
2030 – 2034	51,000	29,306
2035 – 2039	62,000	17,619
2040 – 2044	44,300	3,822
	<u>\$ 232,300</u>	<u>\$ 136,347</u>

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, 2019:

State Revolving Funds, financed at 0% interest with semiannual payments of \$3,162 starting June 2018 collateralized by sewer treatment plant.	<u>\$ 184,236</u>
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TOWN OF GREENVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

II. Detailed Notes on All Funds: (Continued)

E. Long-term Debt (Continued)

State Revolving Fund

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

Year Ending September 30,	Principal
2020	\$ 6,464
2021	6,464
2022	6,464
2023	6,464
2024	6,464
2025 – 2029	32,320
2030 – 2034	32,320
2035 – 2039	32,320
2040 – 2044	32,320
2045 – 2049	22,636
	\$ 184,236

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 April 2020. The following balance represents 10% of the funds expended as of September 30, 2019:

State Revolving Funds, financed at 0% interest with semiannual payments of \$6,000 starting April 2020 collateralized by sewer treatment plant.	\$ 350,725
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State revolving fund debt service requirements to maturity are as follows:

Year Ending September 30,	Principal
2019	\$ 3,000
2020	6,000
2021	6,000
2022	6,000
2023	6,000
2025 – 2029	30,000
2030 – 2034	30,000
2035 – 2039	30,000
2040 – 2044	30,000
2045 – 2049	203,725
	\$ 350,725

TOWN OF GREENVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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, 2019, 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	\$ 61,000	\$ -	\$ (3,500)	\$ 57,500	\$ 3,500
Compensated absences	8,533	7,663	(6,528)	9,667	6,528
Governmental activity long-term liabilities	<u>\$ 69,533</u>	<u>\$ 7,663</u>	<u>\$ (10,028)</u>	<u>\$ 67,167</u>	<u>\$ 10,028</u>
Business-type activities:					
Revenue bonds	\$ 238,300	\$ -	\$ (6,000)	\$ 232,300	\$ 6,000
SRF Loans	190,700	350,725	(6,464)	534,961	9,464
Compensated absences	9,171	6,006	(3,050)	12,127	3,050
Capital lease payable	137,557	-	(28,219)	109,338	32,447
Business-type activity long-term liabilities	<u>\$ 575,728</u>	<u>\$ 356,731</u>	<u>\$ (43,733)</u>	<u>\$ 888,726</u>	<u>\$ 50,961</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 2020.

TOWN OF GREENVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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 entity'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. Eligible retirees and beneficiaries receive 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.

TOWN OF GREENVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

III. Other Information: (Continued)

B. Florida Retirement System (Continued)

General Information about the Pension Plan (Continued)

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. 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, and 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.

**TOWN OF GREENVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

III. Other Information: (Continued)

B. Florida Retirement System (Continued)

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). 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

Contributions

The entity participates in certain classes of FRS membership. Each class has descriptions and contribution rates in effect at September 30, 2019, as follows (contribution rates are in agreement with the actuarially determined rates):

<u>FRS Membership Plan & Class</u>	<u>Through June 30, 2019</u>	<u>After June 30, 2019</u>
Regular Class	8.26%	8.47%
Senior Management	24.06%	25.41%
Special Risk	24.50%	25.48%
DROP – Applicable to members above	14.03%	14.60%

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>2019</u>	<u>2018</u>	<u>2017</u>
Contributions – FRS	\$ 16,778	\$ 9,969	\$ 14,340
Contributions – HIS	4,566	3,224	3,227
Employee Contributions – FRS	8,252	5,826	5,832

**TOWN OF GREENVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

III. Other Information: (Continued)

B. Florida Retirement System (Continued)

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

At September 30, 2019, the entity reported a net pension liability related to FRS and HIS as follows:

<u>Plan</u>	<u>Net Pension Liability</u>
FRS	\$ 186,344
HIS	92,008
Total	<u>\$ 278,352</u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The entity's proportion of the net pension liability was based on a projection of the 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, 2019 and June 30, 2018, the entity's proportionate share of the FRS and HIS net pension liabilities were as follows:

<u>Plan</u>	<u>2019</u>	<u>2018</u>
FRS	0.000541091%	0.000349808%
HIS	0.000822305%	0.000594427%

For the plan year ended June 30, 2019, pension expense was recognized related to the FRS and HIS plans as follows:

FRS	\$ 46,705
HIS	10,157
Total	<u>\$ 56,862</u>

TOWN OF GREENVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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)

At September 30, 2019, 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	\$ 11,053	\$ (116)	\$ 1,118	\$ (113)
Changes of assumptions	47,861	-	10,654	(7,520)
Net different between projected and actual investment earnings	-	(10,310)	59	-
Change in proportionate share	38,756	(16,931)	23,086	(3,117)
Contributions subsequent to measurement date	3,691	-	1,020	-
	<u>\$ 101,361</u>	<u>\$ (27,357)</u>	<u>\$ 35,937</u>	<u>\$ (10,750)</u>

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, 2019. 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	\$ 21,716
2020	22,277
2021	20,924
2022	12,184
2023	9,856
Thereafter	7,523
Total	<u>\$ 94,840</u>

TOWN OF GREENVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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)

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 2019 for the period July 1, 2003, through June 30, 2018. 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 6.90%. This rate decreased from the prior year rate, which was 7.00%. 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 3.50% was used to determine the total pension for the program. This rate decreased from the prior year rate, which was 3.87%. Mortality assumptions for both plans were based on the PUB2010 base table varies by member category and sex, projected generationally with Scale MP-2018 details.

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 2019, 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.

**TOWN OF GREENVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

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: (Continued)

Asset Class	Target Allocation	Long-Term Arithmetic Expected Rate of Return
Cash	1.0%	3.3%
Fixed income	18.0%	4.1%
Global equities	54.0%	8.0%
Real estate	10.0%	6.7%
Private equity	11.0%	11.2%
Strategic investments	6.0%	5.9%
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:

Plan	Current Discount Rate	NPL with 1% Decrease	NPL at Current Discount Rate	NPL with 1% Increase
FRS	6.90%	\$ 322,127	\$ 186,344	\$ 72,943
HIS	3.50%	105,031	92,008	81,160

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.

TOWN OF GREENVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

III. Other Information: (Continued)

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. Restatement of Net Position

During the audit of the financial statements for the year ended September 30, 2019 and subsequent to the issuance of the financial statements for the period ended September 30, 2018, beginning net position for September 30, 2018 was restated to add \$18,689 of intergovernmental receivables that were not included in fiscal year 2018 in the governmental activities and expense \$32,322 of capitalized interest in the business-type activities (sewer fund) in accordance with governmental accounting standards.

In addition, net position was restated for the business-type activities to record \$14,417 in receivables related to utility billings that were not recorded in the prior period. The increases in net position were as follows: Water Fund - \$8,927, Sewer Fund - \$1,391, Sanitation Fund - \$4,099.

TOWN OF GREENVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

III. Other Information: (Continued)

F. Subsequent Events

The Town has evaluated events and transactions for potential recognition or disclosure in the financial statements through June 22, 2020, the date which the financial statements were available to be issued.

Subsequent to September 30, 2019, local, U.S., and world governments have encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. Most industries, including governments, are experiencing disruption to operations and the impact of reduced consumer spending. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any federal or state government actions to mitigate them. Accordingly, while Town management cannot quantify the financial and other impact to the Town as of June 22, 2020, Town management believes that a material impact on the Town's financial position and results of future operations is reasonably possible.

G. Related Party Transactions

During the year ended September 30, 2019, the Town purchased property for \$115,000 from an employee. \$85,000 was paid to the employee and \$30,000 was paid to a family member of the employee in accordance with the purchase agreement.

H. Future Accounting Pronouncements

In January 2017, the GASB issued Statement No. 84, Fiduciary Activities, which is intended to improve guidance regarding the identification and reporting of fiduciary activities. The provisions in GASB Statement No. 84 are effective for periods beginning after December 15, 2019. The Town is currently evaluating the effect that Statement No. 84 will have on its financial statements.

In June 2017, the GASB issued Statement No. 87, Leases, which aims to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The provisions in GASB Statement No. 87 are effective for periods beginning after June 15, 2021. The Town is currently evaluating the effect that Statement No. 87 will have on its financial statements.

TOWN OF GREENVILLE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2019

TOWN OF GREENVILLE, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 112,550	\$ 112,550	\$ 103,424	\$ (9,126)
Permits and fees	14,576	14,576	16,339	1,763
Intergovernmental	253,502	853,502	429,192	(424,310)
Fines and forfeitures	-	-	854	854
Investment income	-	-	679	679
Miscellaneous	27,313	27,313	29,443	2,130
Total revenues	407,941	1,007,941	579,931	(428,010)
EXPENDITURES				
General government	273,151	896,008	440,116	455,892
Public safety	17,325	17,325	45,555	(28,230)
Transportation	155,859	155,859	122,630	33,229
Culture and recreation	4,800	4,800	1,351	3,449
Debt service:				
Principal	-	-	3,500	(3,500)
Interest	-	-	2,897	(2,897)
Total expenditures	451,135	1,073,992	616,049	457,943
Excess (deficiency) of revenues over expenditures	(43,194)	(66,051)	(36,118)	29,933
Other financing sources (uses)				
Transfers in	-	-	118,359	118,359
Transfers out	-	-	(118,601)	(118,601)
Total other financing sources (uses)	-	-	(242)	(242)
Net change in fund balances	(43,194)	(66,051)	(36,360)	29,691
Fund balances, beginning of year, as restated	189,934	189,934	189,934	-
Fund balances, end of year	\$ 146,740	\$ 123,883	\$ 153,574	\$ 29,691

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 BALANCE
BUDGET AND ACTUAL - SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 335	\$ 335
Charges for services	1,000	1,000	4,370	3,370
Investment income	-	-	112	112
Total revenues	1,000	1,000	4,817	3,817
EXPENDITURES				
Culture and recreation	\$ 2,800	\$ 2,800	\$ 5,720	\$ (2,920)
Total expenditures	2,800	2,800	5,720	(2,920)
Excess (deficiency) of revenues over expenditures	(1,800)	(1,800)	(903)	897
Net change in fund balances	(1,800)	(1,800)	(903)	897
Fund balances, beginning of year	30,187	30,187	30,187	-
Fund balances, end of year	\$ 28,387	\$ 28,387	\$ 29,284	\$ 897

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

**TOWN OF GREENVILLE, FLORIDA
 NOTE TO SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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.
7. Expenditures exceed appropriations in the fund listed below. These over expenditures were funded by available fund balances.

Fund	Over Expenditure
Special revenue fund	\$ 2,920

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Florida Retirement System (FRS)						
Proportion of the net pension liability (asset)	0.000541091%	0.000349808%	0.000479698%	0.000413848%	0.000404071%	0.000394676%
Proportionate share of the net pension liability (asset)	\$ 186,344	\$ 105,364	\$ 141,891	\$ 104,497	\$ 52,191	\$ 24,081
Covered-employee payroll	275,071	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	67.74%	54.27%	73.00%	53.27%	22.41%	9.25%
Plan fiduciary net position as a percentage of the total pension liability	67.74%	84.26%	83.89%	84.88%	92.00%	96.09%
Health Insurance Subsidy Program (HIS)						
Proportion of the net pension liability (asset)	0.000822305%	0.000594427%	0.000604746%	0.000635396%	0.000575197%	0.000567449%
Proportionate share of the net pension liability (asset)	\$ 92,008	\$ 62,915	\$ 64,662	\$ 74,053	\$ 58,661	\$ 53,058
Covered-employee payroll	275,071	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	33.45%	32.40%	33.27%	37.75%	25.19%	20.37%
Plan fiduciary net position as a percentage of the total pension liability	33.45%	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**

	2019	2018	2017	2016	2015
<u>Florida Retirement System (FRS)</u>					
Contractually required contribution	\$ 16,778	\$ 9,970	\$ 14,340	\$ 14,311	\$ 14,230
Contributions in relation to the contractually required contribution	(16,778)	(9,970)	(14,340)	(14,311)	(14,230)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 275,071	\$ 194,155	\$ 194,384	\$ 196,152	\$ 232,904
Contributions as a percentage of covered-employee payroll	6.10%	7.92%	7.38%	7.30%	6.11%
<u>Health Insurance Subsidy Program (HIS)</u>					
Contractually required contribution	\$ 4,566	\$ 3,223	\$ 3,227	\$ 3,256	\$ 2,935
Contributions in relation to the contractually required contribution	(4,566)	(3,223)	(3,227)	(3,256)	(2,935)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 275,071	\$ 194,155	\$ 194,384	\$ 196,152	\$ 232,904
Contributions as a percentage of covered-employee payroll	1.66%	1.66%	1.66%	1.66%	1.26%

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.

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, 2019, 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 June 22, 2020.

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, listed below, that we consider to be material weaknesses: 2019-001 and 2019-002.

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121 Executive Circle
Daytona Beach, FL 32114-1180
Telephone: 386-257-4100

133 East Indiana Avenue
DeLand, FL 32724-4329
Telephone: 386-738-3300

5931 NW 1st Place
Gainesville, FL 32607-2063
Telephone: 352-378-1331

2477 Tim Gamble Place, Suite 200
Tallahassee, FL 32308-4386
Telephone: 850-386-6184

Finding 2019-001: 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, 2019, 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 2019-002: 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.

Compliance and Other Matters

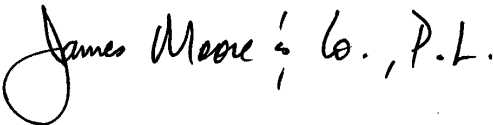
As part of obtaining reasonable assurance about whether Town of Greenville, Florida's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

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
June 22, 2020

**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, 2019, and have issued our report thereon dated June 22, 2020.

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 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*; 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, which are dated June 22, 2020, 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 not been taken to address findings and recommendations made in the preceding annual financial audit.

Tabulation of Uncorrected Audit Findings			
Description	Current Year Finding #	2017-18 FY Finding #	2016-17 FY Finding #
Significant adjustments and preparation of financial statements	2019-001	2018-001	2017-001
Segregation of duties	2019-002	2018-002	2017-002
Material excess expenditures over appropriations	2019-003	2018-003	2017-003
Noncompliance with major fund grant agreement	N/A	2018-004	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 2019-003: 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, 2019 expenditures exceeded appropriations in the following funds:

Fund	Over Expenditure
Special Revenue Fund	\$ 2,920

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.

James Moore & Co., P.L.

Tallahassee, Florida
June 22, 2020

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, 2019. 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, 2019.

James Moore & Co., P.L.

Tallahassee, Florida
June 22, 2020



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Phone 850-938-2251 • Fax 850-938-3563

Incorporated 1907

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

Dear Auditors,

This letter outlines the Town of Greenville's Corrective Action Plan prepared in response to the FY 19 Audit schedule Findings as follows:

Schedule of Findings

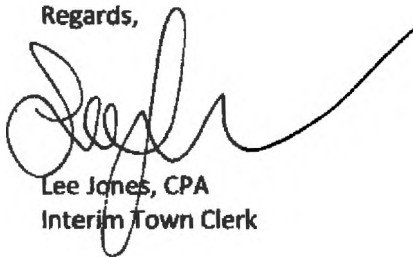
Finding 2019-001: Significant Adjustments and Preparation of Financial Statements: The Town will acquire the services of a degreed accountant or CPA to assist it in the proper application of Generally Accepted Accounting Principles.

Finding 2019-002: Segregation of Duties: The Town will mitigate the associated risk by leveraging modern technologies that will lower the instance of an employee having access to physical assets and related accounting records or an employee performing all phases of a transaction.

Secondly, the Town will have an additional staff member, limited contractor, or outside service provider participate in its standard financial cycles to lower the risk of suffering a loss or having material errors in its financials.

Finding 2019-003: Excess Expenditure over Appropriations: The Town will institute more robust budget-to-actual monitoring tools that allow it to follow trends and be more responsive to matters that could lead to potential budget overruns if unaddressed.

Regards,



Lee Jones, CPA
Interim Town Clerk

An Excellent Place to Live and Work