

TOWN OF GREENVILLE, FLORIDA

FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

**TOWN OF GREENVILLE, FLORIDA
TABLE OF CONTENTS
SEPTEMBER 30, 2020**

	<u>Page(s)</u>
Independent Auditors’ Report	1 – 3
Management’s Discussion and Analysis	4 – 10
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements:	
Balance Sheet – Governmental Funds	13
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	14
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
Statement of Net Position – Proprietary Funds	17
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	18
Statement of Cash Flows – Proprietary Funds	19
Notes to Financial Statements	20 – 41
Required Supplementary Information	42
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	43
Note to Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	44
Schedule of Proportionate Share of Net Pension Liability	45
Schedule of Contributions	46
Officials	47
Single Audit	
Schedule of Expenditures of State Financial Assistance	48
Notes to the Schedule of State Financial Assistance	49
Schedule of Findings and Questioned Costs	50 – 52
Summary Schedule of Prior Audit Findings	53
Independent Auditors’ Report on Compliance for Each Major State Project and Report on Internal Control Over Compliance Required by Chapter 10.550, Rules of the Auditor General	54 – 55
Independent Auditors’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	56 – 57
Independent Auditors’ Management Letter Required by Chapter 10.550, Rules of the State of Florida, Office of the Auditor General	58 – 60
Independent Accountants’ Examination Report	61
Management’s Response	62 - 63

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the business-type activities of Town of Greenville, Florida, as of and for the year ended September 30, 2020, 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 (2) qualified audit opinion on the governmental activities, business-type activities, and Utility Fund.

- 1 -

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

Basis for Qualified Opinion on the Governmental Activities, Business-type Activities, and Utility Fund

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 the Utility Fund.

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 the Utility Fund have not been determined.

Qualified Opinion on the Governmental Activities, Business-type Activities, and Utility 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 the Utility Fund, the financial statements referred to above present fairly in all material respects, the respective financial position of the governmental activities, business-type activities, and the Utility Fund of the Town as of September 30, 2020, 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 for the Town, as of September 30, 2020, and the respective changes in financial position thereof, and where applicable cash flows, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

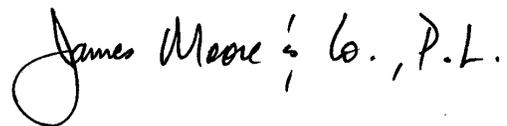
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Greenville, Florida's basic financial statements. The schedule of expenditures of state financial assistance, as required by Section 215.97, Florida Statutes, *Florida Single Audit Act*; and Chapter 10.550, Rules of the State of Florida, Office of the Auditor General, and other information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditures of state financial assistance is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report June 30, 2021 on our consideration of Town of Greenville, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Greenville, Florida's internal control over financial reporting and compliance.

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

Tallahassee, Florida
June 30, 2021

**TOWN OF GREENVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

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, 2020.

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, 2020**

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 one individual governmental fund.

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 an enterprise fund 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 information for the water, sewer, and sanitation operations through one Utility Fund, which is considered to be a major fund.

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, 2020**

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 \$10,373,657 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

	2020		
	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 187,659	\$ 1,155,995	\$ 1,343,654
Capital assets	1,872,833	8,942,006	10,814,839
Total assets	<u>2,060,492</u>	<u>10,098,001</u>	<u>12,158,493</u>
Deferred outflows	<u>76,450</u>	<u>101,933</u>	<u>178,383</u>
Long-term liabilities outstanding	50,500	508,307	558,807
Net pension liability	163,470	217,960	381,430
Other liabilities	96,819	897,535	994,354
Total liabilities	<u>310,789</u>	<u>1,623,802</u>	<u>1,934,591</u>
Deferred inflows	<u>12,269</u>	<u>16,359</u>	<u>28,628</u>
Net position:			
Net investment in capital assets	1,818,833	8,536,601	10,355,434
Restricted	1,579	25,795	27,374
Unrestricted	(6,528)	(2,623)	(9,151)
Total net position	<u>\$ 1,813,884</u>	<u>\$ 8,559,773</u>	<u>\$ 10,373,657</u>

**TOWN OF GREENVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

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

	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	828,688	885,827
Net pension liability	211,223	67,129	278,352
Other liabilities	105,670	134,752	240,422
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	6,170,955	7,209,372
Restricted	39,682	19,416	59,098
Unrestricted	(2,445)	122,474	120,029
Total net position	<u>\$ 1,075,654</u>	<u>\$ 6,312,845</u>	<u>\$ 7,388,499</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 increased the Town of Greenville, Florida's net position by \$738,230 in the most recent fiscal year.

Key elements of this change include:

Increased capital grant revenues resulting in an increase of capital assets in the current year.

Business-type activities. In the most recent fiscal year, business-type activities increased the Town of Greenville, Florida's net position by \$2,246,928.

Key elements of this change include:

Increased capital grant revenues resulting in an increase of capital assets in the current year.

**TOWN OF GREENVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

Town of Greenville, Florida's Changes in Net Position

	2020		
	Governmental Activities	Business-type Activities	Total
Revenues:			
Program revenues:			
Charges for services	\$ 5,375	\$ 414,478	\$ 419,853
Operating grants and contributions	600	-	600
Capital Grants and contributions	821,443	2,278,733	3,100,176
General revenues:			
Property taxes	111,549	-	111,549
Intergovernmental and other	317,895	272,843	590,738
Transfers	(1,000)	1,000	-
Total revenues	<u>1,255,862</u>	<u>2,967,054</u>	<u>4,222,916</u>
Expenses:			
General government	352,447	-	352,447
Public safety	22,485	-	22,485
Transportation	121,277	-	121,277
Culture and recreation	21,423	-	21,423
Utility	-	720,126	720,126
Total expenses	<u>517,632</u>	<u>720,126</u>	<u>1,237,758</u>
Change in net position	738,230	2,246,928	2,985,158
Net position, beginning of year	1,075,654	6,312,845	7,388,499
Net position, end of year	<u>\$ 1,813,884</u>	<u>\$ 8,559,773</u>	<u>\$ 10,373,657</u>

	2019		
	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	1,091,319	1,288,112
Transfers	(24,292)	24,292	-
Total revenues	<u>439,164</u>	<u>1,523,735</u>	<u>1,962,899</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
Utility	-	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)	907,648	832,572
Net position, beginning of year	1,119,216	5,436,711	6,555,927
Net position, end of year	<u>\$ 1,044,140</u>	<u>\$ 6,344,359</u>	<u>\$ 7,388,499</u>

**TOWN OF GREENVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

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 \$94,340, a decrease of \$88,518, in comparison with the prior year. Of this total amount, \$91,466 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 \$91,466 and \$94,340, 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 7 percent of total general fund expenditures.

The fund balance of the Town of Greenville, Florida's general fund decreased by \$88,518 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 Utility Fund at the end of the year amounted to \$(5,027). The total increase in net position for the funds was \$2,246,928. Other factors concerning the finances of this fund have already been addressed in the discussion of the Town of Greenville, Florida's business-type activities.

General Fund Budgetary Highlights

There were no budget amendments during the current fiscal year. The budget was not over expended per fund and therefore in compliance with state statutes.

**TOWN OF GREENVILLE, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

Capital assets. The Town of Greenville, Florida's investment in capital assets for its governmental and business type activities as of September 30, 2020, amounts to \$10,814,839 (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. as listed in the table of contents.

Long-term debt. At the end of the current fiscal year, the Town of Greenville, Florida had total debt outstanding of 600,323. 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**

	Governmental activities	Business-type activities	Total
Capital improvement bonds	\$ 54,000	\$ —	\$ 54,000
State Revolving Fund Construction Loan	—	239,885	239,885
Capital lease	—	80,138	80,138
Revenue bonds	—	226,300	226,300
Total	\$ 54,000	\$ 546,323	\$ 600,323

Additional information on the Town of Greenville, Florida's long-term debt can be found in Note II.E. as listed in the table of contents.

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 2020/2021 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, 2020

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 79,168	\$ 222,969	\$ 302,137
Certificate of deposit	7,821	34,985	42,806
Receivables, net	400	39,643	40,043
Internal balances	(64,048)	64,048	-
Due from other governments	161,444	768,555	929,999
Prepays	1,295	-	1,295
Restricted assets:			
Cash and cash equivalents	1,579	25,795	27,374
Capital assets:			
Capital assets, not being depreciated	968,052	2,377,622	3,345,674
Other capital assets, net of depreciation	904,781	6,564,384	7,469,165
Total assets	<u>\$ 2,060,492</u>	<u>\$ 10,098,001</u>	<u>\$ 12,158,493</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	<u>\$ 76,450</u>	<u>\$ 101,933</u>	<u>\$ 178,383</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 69,375	\$ 809,228	\$ 878,603
Customer deposits	-	35,570	35,570
Unearned revenue	23,944	-	23,944
Accrued interest payable	-	982	982
Noncurrent liabilities:			
Due within one year:			
Bonds payable and notes payable	3,500	18,464	21,964
Capital leases payable	-	30,187	30,187
Compensated absences	-	3,104	3,104
Due in more than one year:			
Bonds payable and notes payable	50,500	447,721	498,221
Capital leases payable	-	49,951	49,951
Compensated absences	-	10,635	10,635
Net pension liability	163,470	217,960	381,430
Total liabilities	<u>\$ 310,789</u>	<u>\$ 1,623,802</u>	<u>\$ 1,934,591</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	<u>\$ 12,269</u>	<u>\$ 16,359</u>	<u>\$ 28,628</u>
NET POSITION			
Net investment in capital assets	\$ 1,818,833	8,536,601	\$ 10,355,434
Restricted for:			
Debt service	1,579	25,795	27,374
Unrestricted	(6,528)	(2,623)	(9,151)
Total net position	<u>\$ 1,813,884</u>	<u>\$ 8,559,773</u>	<u>\$ 10,373,657</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, 2020**

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	\$ 352,447	\$ 5,375	\$ -	\$ 821,443	\$ 474,371	\$ -	\$ 474,371
Public safety	22,485	-	-	-	(22,485)	-	(22,485)
Transportation	121,277	-	-	-	(121,277)	-	(121,277)
Economic environment	-	-	-	-	-	-	-
Culture and recreation	21,423	-	600	-	(20,823)	-	(20,823)
Total governmental activities	<u>517,632</u>	<u>5,375</u>	<u>600</u>	<u>821,443</u>	<u>309,786</u>	<u>-</u>	<u>309,786</u>
Business-type activities:							
Utility Fund	720,126	414,478	-	2,278,733	-	1,973,085	1,973,085
Total business-type activities	<u>720,126</u>	<u>414,478</u>	<u>-</u>	<u>2,278,733</u>	<u>-</u>	<u>1,973,085</u>	<u>1,973,085</u>
Total primary government	<u>\$ 1,237,758</u>	<u>\$ 419,853</u>	<u>\$ 600</u>	<u>\$ 3,100,176</u>	<u>309,786</u>	<u>1,973,085</u>	<u>2,282,871</u>
General revenues:							
Property taxes					111,549	-	111,549
Intergovernmental revenue					290,645	270,376	561,021
Investment earnings					1,197	2,467	3,664
Miscellaneous revenues					26,053	-	26,053
Transfers					(1,000)	1,000	-
Total general revenues and transfers					<u>428,444</u>	<u>273,843</u>	<u>702,287</u>
Change in net position					738,230	2,246,928	2,985,158
Net position - beginning of year, as restated					1,075,654	6,312,845	7,388,499
Net position - ending of year					<u>\$ 1,813,884</u>	<u>\$ 8,559,773</u>	<u>\$ 10,373,657</u>

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

**TOWN OF GREENVILLE, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	General Fund
ASSETS	
Cash and cash equivalents	\$ 80,747
Certificate of deposit	7,821
Receivables, net	400
Due from other governments	161,444
Prepaid items	1,295
Total assets	\$ 251,707
LIABILITIES	
Accounts payable and accrued liabilities	\$ 69,375
Unearned revenue	23,944
Due to other funds	64,048
Total liabilities	157,367
FUND BALANCES	
Nonspendable:	
Prepaid items	1,295
Debt service	1,579
Unassigned	91,466
Total fund balances	94,340
Total liabilities and fund balances	\$ 251,707

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, 2020**

Fund balances - total governmental funds		\$	94,340
Amounts reported for governmental activities in the statement of activities are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds			
Total governmental capital assets	2,727,163		
Less: accumulated depreciation	<u>(854,330)</u>		1,872,833
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.			
Net pension liability	(163,470)		
Deferred outflows related to pensions	76,450		
Deferred inflows related to pensions	<u>(12,269)</u>		(99,289)
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:			
Bonds and notes payable	<u>(54,000)</u>		(54,000)
Net position of governmental activities		<u>\$</u>	<u>1,813,884</u>

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, 2020

	General
Revenues	
Taxes	\$ 162,281
Permits and fees	16,777
Intergovernmental	1,050,554
Charges for services	1,750
Fines and forfeitures	255
Investment income	1,197
Miscellaneous	24,048
Total revenues	1,256,862
Expenditures	
Current:	
General government	406,653
Public safety	12,151
Transportation	119,104
Culture and recreation	20,066
Capital outlay	778,425
Debt service:	
Principal	3,500
Interest	4,481
Total expenditures	1,344,380
Deficiency of revenues under expenditures	(87,518)
Other financing uses	
Transfers out	(1,000)
Total other financing uses	(1,000)
Net change in fund balances	(88,518)
Fund balances, beginning of year	182,858
Fund balances, end of year	\$ 94,340

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, 2020**

Net change in fund balances - total governmental funds	\$	(88,518)
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		810,298
Depreciation expense		(33,382)
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		36,665
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.		
Change in compensated absences liability		9,667
Change in net position of governmental activities	<u>\$</u>	<u>738,230</u>

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, 2020

		<u>Utility Fund</u>
ASSETS		
Cash and cash equivalents	\$	222,969
Accounts receivable, net		39,643
Due from other governments		768,555
Due from other funds		64,048
Total current assets		<u>1,095,215</u>
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents		25,795
Certificate of deposit		34,985
Land		98,889
Building and improvements		5,521,405
Infrastructure		3,354,027
Machinery and equipment		720,903
Construction in progress		2,278,733
Accumulated depreciation		(3,031,951)
Total noncurrent assets		<u>9,002,786</u>
Total assets	\$	<u>10,098,001</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	\$	<u>101,933</u>
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	\$	809,228
Deposits		35,570
Compensated absences		3,104
Payable from restricted assets:		
Current maturities on long-term debt		18,464
Current maturities on capital leases		30,187
Accrued interest payable		982
Total current liabilities		<u>897,535</u>
Noncurrent liabilities:		
Bonds and notes payable		447,721
Capital leases payable		49,951
Compensated absences		10,635
Net pension liability		217,960
Total noncurrent liabilities		<u>726,267</u>
Total liabilities	\$	<u>1,623,802</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	\$	<u>16,359</u>
NET POSITION		
Net investment in capital assets	\$	8,536,601
Restricted for debt service		25,795
Unrestricted		(2,623)
Total net position	\$	<u>8,559,773</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, 2020

	Utility Fund
Operating revenues	
Charges for services	\$ 414,478
Total operating revenues	414,478
Operating expenses	
Personnel	300,176
Utilities	65,785
Maintenance and repairs	13,775
Other supplies and expenses	117,786
Insurance	8,921
Depreciation	206,499
Total operating expenses	712,942
Operating loss	(298,464)
Nonoperating revenues (expenses)	
Interest earnings	2,467
Intergovernmental grants	2,278,733
Loan forgiveness	270,376
Interest	(7,184)
Total nonoperating revenues (expenses)	2,544,392
Income before transfers	2,245,928
Transfers in	1,000
Change in net position	2,246,928
Net position, beginning of year, as restated	6,312,845
Net position, end of year	\$ 8,559,773

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, 2020**

	Utility Fund
Cash flows from operating activities	
Cash received from customers	\$ 404,285
Cash paid to employees	(209,385)
Cash paid to suppliers	(195,355)
Net cash used in operating activities	(455)
Cash flows from noncapital financing activities	
Transfers from other funds	1,000
Intergovernmental grant proceeds	1,510,178
Interfund loans	(64,048)
Net cash provided by noncapital financing activities	1,447,130
Cash flows from capital and related financing activities	
Acquisition and construction of capital assets	(1,547,218)
Principal payments of long-term debt	(44,665)
Proceeds from issuance of long-term debt	30,041
Interest paid	(7,184)
Net cash used in capital and related financing activities	(1,569,026)
Cash flows from investing activities	
Interest received	2,467
Purchases of certificate of deposit	(1,193)
Net cash provided by investing activities	1,274
Net change in cash and cash equivalents	(121,077)
Cash and cash equivalents, beginning of year	369,841
Cash and cash equivalents, end of year	\$ 248,764
Cash and cash equivalents classified as:	
Unrestricted	\$ 222,969
Restricted	25,795
Total cash and cash equivalents	\$ 248,764
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (298,464)
Adjustments to reconcile net operating loss to net cash used in operating activities:	
Depreciation	206,499
Changes in assets and liabilities:	
Accounts receivable	(8,792)
Accounts payable and accrued liabilities	10,912
Deposits	(1,401)
Compensated absences	1,612
Net pension liability	89,179
Net cash used in operating activities	\$ (455)
Supplemental schedule of non-cash investing, capital and noncapital financing activities:	
Capital assets financed with	
State Revolving Fund note payable	\$ 270,376
Accounts payable	\$ 761,555

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

TOWN OF GREENVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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.

The Town reports the following major governmental fund:

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 Town reports the following major proprietary fund:

The *utility fund* accounts for the activities of the Town’s water, sewer, and sanitation distribution 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.

TOWN OF GREENVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

I. Summary of Significant Accounting Policies: (Continued)

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

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.

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.

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*.

TOWN OF GREENVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

I. Summary of Significant Accounting Policies: (Continued)

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.

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.

**TOWN OF GREENVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

I. Summary of Significant Accounting Policies: (Continued)

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

2. *Capital assets* (Continued)

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

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.

TOWN OF GREENVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

I. Summary of Significant Accounting Policies: (Continued)

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

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).

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.

TOWN OF GREENVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

I. Summary of Significant Accounting Policies: (Continued)

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

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.

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 Town 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.

TOWN OF GREENVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

I. Summary of Significant Accounting Policies: (Continued)

H. Revenues and expenditures/expenses (Continued)

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 utility fund are charges to customers for sales and services. The utility 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.

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

	General	Utility	Total
Accounts	\$ 400	\$ 64,439	\$ 64,839
Intergovernmental	161,444	768,555	929,999
Gross receivables	161,844	832,994	994,838
Less: allowance for uncollectible amounts	-	(24,796)	(24,796)
Net total receivables	\$ 161,844	\$ 808,198	\$ 970,042

TOWN OF GREENVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

C. **Capital assets**

Capital asset activity for the year ended September 30, 2020 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	\$ 152,754	\$ –	\$ –	\$ 152,754
Construction in Progress	5,000	810,298	–	815,298
Total capital assets, not being depreciated	<u>157,754</u>	<u>810,298</u>	<u>–</u>	<u>968,052</u>
Capital assets, being depreciated:				
Buildings and improvements	580,755	–	–	580,755
Infrastructure	926,760	–	–	926,760
Equipment, furniture, fixtures and vehicles	251,596	–	–	251,596
Total capital assets, being depreciated	<u>1,759,111</u>	<u>–</u>	<u>–</u>	<u>1,759,111</u>
Less accumulated depreciation for:				
Buildings and improvements	(311,813)	(14,568)	–	(326,381)
Equipment, furniture, fixtures, vehicles and infrastructure	(509,135)	(18,814)	–	(527,949)
Total accumulated depreciation	<u>(820,948)</u>	<u>(33,382)</u>	<u>–</u>	<u>(854,330)</u>
Total capital assets, being depreciated, net	938,163	(33,382)	–	904,781
Capital assets, net	<u>\$ 1,095,917</u>	<u>\$ 776,916</u>	<u>\$ –</u>	<u>\$ 1,872,833</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 98,889	\$ –	\$ –	\$ 98,889
Construction in Progress	367,526	2,579,149	(667,942)	2,278,733
Total capital assets, not being depreciated	<u>466,415</u>	<u>2,579,149</u>	<u>(667,942)</u>	<u>2,377,622</u>
Capital assets, being depreciated:				
Equipment, buildings, systems and improvements	8,928,393	667,942	–	9,596,335
Less accumulated depreciation	(2,825,452)	(206,499)	–	(3,031,951)
Total capital assets, being depreciated	<u>6,102,941</u>	<u>461,443</u>	<u>–</u>	<u>6,564,384</u>
Capital assets, net	<u>\$ 6,569,356</u>	<u>\$ 3,040,592</u>	<u>\$ (667,942)</u>	<u>\$ 8,942,006</u>

TOWN OF GREENVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

II. Detailed Notes on All Funds: (Continued)

C. Capital assets (Continued)

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

Governmental activities:	
General government	\$ 11,900
Public safety	5,853
Transportation	14,272
Culture & Recreation	1,357
Total	\$ 33,382
Business-type activities:	
Utility	\$ 206,499
Total	\$ 206,499

D. Transfers to/from Other Funds

The composition of interfund transfers as of September 30, 2020, is as follows:

For operating expenditures in excess of available funds:	Transfers In	Transfers out
General Fund	\$ -	\$ (1,000)
Utility Fund	1,000	-
	\$ 1,000	\$ (1,000)

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

E. Long-term Debt

Capital Lease

The Town leases a garbage truck under a capital lease that expires in 2023. The lease agreement qualifies as capital leases for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments. Net book value of capital lease included in property and equipment was \$75,518 at September 30, 2020. Depreciation expense of \$29,807 related to the equipment is included in the Statement of Activities at September 30, 2020.

TOWN OF GREENVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

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

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
2021	\$ 32,447
2022	32,447
2023	18,927
Total minimum lease payments	83,821
Less amount representing interest	3,683
Present value of minimum lease payments	\$ 80,138

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

Capital Improvement Bonds

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

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

Purpose	Interest Rate	Amount
Governmental activities	4.75%	\$ 54,000

TOWN OF GREENVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

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

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

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 4,000	\$ 2,565
2022	4,000	2,375
2023	4,000	2,185
2024	5,000	1,995
2025	5,000	1,758
2026 – 2030	27,000	5,154
2031 – 2035	5,000	237
	<u>\$ 54,000</u>	<u>\$ 16,269</u>

Revenue Bonds

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

Water revenue bonds outstanding at September 30, 2020 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>\$ 226,300</u>
---	-------------------

Revenue bonds debt service requirements to maturity are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 6,000	\$ 9,618
2022	7,000	9,363
2023	7,000	9,066
2024	7,000	8,768
2025	8,000	8,471
2026 – 2030	43,000	37,127
2031 – 2035	53,000	27,138
2036 – 2040	65,000	14,984
2041 – 2045	30,300	1,939
	<u>\$ 226,300</u>	<u>\$ 126,474</u>

TOWN OF GREENVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

II. Detailed Notes on All Funds: (Continued)

E. Long-term Debt (Continued)

State Revolving Fund

The Department of Environmental Protection loaned the Town funds to help complete their new sewer treatment plant. 90% of the funds will convert to a grant upon completion of the plant. The remaining 10% became due in semi-annual installments beginning June 2018 and continuing through 2048. The following balance represents 10% of the funds expended as of September 30, 2020:

State Revolving Funds, financed at 0% interest with semiannual payments of \$3,162 starting June 2018 collateralized by sewer treatment plant.	<u>\$ 177,771</u>
--	-------------------

State Revolving Fund

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

Year Ending September 30,	Principal
2021	\$ 6,464
2022	6,464
2023	6,464
2024	6,464
2025	6,464
2026 – 2030	32,320
2031 – 2035	32,320
2036 – 2040	32,320
2041 – 2045	32,320
2046 – 2050	16,171
	<u>\$ 177,771</u>

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 and continuing through 2031. The following balance represents 10% of the funds expended as of September 30, 2020:

State Revolving Funds, financed at 0% interest with semiannual payments of \$6,000 starting April 2020 collateralized by sewer treatment plant.	<u>\$ 62,114</u>
---	------------------

**TOWN OF GREENVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

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

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

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

Year Ending September 30,	Principal
2021	\$ 6,000
2022	6,000
2023	6,000
2024	6,000
2025	6,000
2026 – 2030	30,000
2031	2,114
	\$ 62,114

Changes in long-term liabilities

Long-term liability activity for the year ended September 30, 2020, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Capital improvement bonds	\$ 57,500	\$ –	\$ (3,500)	\$ 54,000	\$ 3,500
Compensated absences	9,667	2,491	(12,158)	–	–
Governmental activity long-term liabilities	\$ 67,167	\$ 2,491	\$ (15,658)	\$ 54,000	\$ 3,500
Business-type activities:					
Revenue bonds	\$ 232,300	\$ –	\$ (6,000)	\$ 226,300	\$ 6,000
SRF Loans	219,309	30,041	(9,465)	239,885	12,464
Compensated absences	12,127	4,716	(3,104)	13,739	3,104
Capital lease payable	109,338	–	(29,200)	80,138	30,187
Business-type activity long-term liabilities	\$ 573,074	\$ 34,757	\$ (47,769)	\$ 560,062	\$ 51,755

TOWN OF GREENVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

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 ended September 2020.

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, 2020

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, 2020**

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, 2020, as follows (contribution rates are in agreement with the actuarially determined rates):

<u>FRS Membership Plan & Class</u>	<u>Through June 30, 2020</u>	<u>After June 30, 2020</u>
Regular Class	8.47%	10.00%
Senior Management	25.41%	27.29%
Special Risk	25.48%	24.45%
DROP – Applicable to members above	14.60%	16.98%

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>2020</u>	<u>2019</u>	<u>2018</u>
Contributions – FRS	\$ 22,467	\$ 16,778	\$ 9,970
Contributions – HIS	4,170	4,566	3,223
Employee Contributions – FRS	7,537	8,252	5,826

**TOWN OF GREENVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

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, 2020, the entity reported a net pension liability related to FRS and HIS as follows:

<u>Plan</u>	<u>Net Pension Liability</u>
FRS	\$ 293,067
HIS	88,363
Total	<u>\$ 381,430</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>2020</u>	<u>2019</u>
FRS	0.000676182%	0.000541091%
HIS	0.000723701%	0.000822305%

For the plan year ended June 30, 2020, pension expense was recognized related to the FRS and HIS plans as follows:

FRS	\$ 70,817
HIS	8,910
Total	<u>\$ 79,727</u>

TOWN OF GREENVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>FRS</u>		<u>HIS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 11,216	\$ -	\$ 3,615	\$ (68)
Changes of assumptions	53,054	-	9,502	(5,138)
Net different between projected and actual investment earnings	17,449	-	71	-
Change in proportionate share	59,275	(12,304)	18,920	(11,118)
Contributions subsequent to measurement date	4,546	-	735	-
	<u>\$ 145,540</u>	<u>\$ (12,304)</u>	<u>\$ 32,843</u>	<u>\$ (16,324)</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, 2020. 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:

2021	\$ 31,203
2022	39,845
2023	33,030
2024	26,367
2025	13,897
Thereafter	132
Total	<u>\$ 144,474</u>

TOWN OF GREENVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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, 2020**

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)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Arithmetic Expected Rate of Return</u>
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	<u>100.0%</u>	

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:

<u>Plan</u>	<u>Current Discount Rate</u>	<u>NPL with 1% Decrease</u>	<u>NPL at Current Discount Rate</u>	<u>NPL with 1% Increase</u>
FRS	6.80%	\$ 467,979	\$ 293,067	\$ 146,980
HIS	2.21%	102,143	88,363	77,083

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, 2020

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, 2020 and subsequent to the issuance of the financial statements for the period ended September 30, 2019, beginning net position for September 30, 2019 was restated to reduce \$315,652 of debt related to an SRF loan that was forgiven and but not recognized in fiscal year 2019 for the business-type activities in accordance with governmental accounting standards.

TOWN OF GREENVILLE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

F. **Subsequent Events and Contingencies**

The Town has evaluated events and transactions for potential recognition or disclosure in the financial statements through June 30, 2021, the date which the financial statements were available to be issued.

During the year ended September 30, 2020, 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 are experiencing disruption to business operations and the impact of reduced consumer spending. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impact to the Town as of the date of this report, management believes that a material impact on the entity's net position and results of future operations is reasonably possible.

G. **Commitment**

The Town has entered into contracts related to improvements to the water and sewer infrastructure under the FDEP Springs Grant and for construction of a grocery store. Future commitments related to these contracts are approximately \$4,200,000 and 1,336,000, respectively.

H. **Future Accounting Pronouncements**

GASB issued Statement No. 84, Fiduciary Activities, in January 2017. GASB 84 improves guidance regarding the identification and reporting of fiduciary activities. The provisions in GASB 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, 2020

TOWN OF GREENVILLE, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 164,361	\$ 164,361	\$ 162,281	\$ (2,080)
Permits and fees	14,858	14,858	16,777	1,919
Intergovernmental	2,695,084	2,695,084	1,050,554	(1,644,530)
Charges for services	1,000	1,000	1,750	750
Fines and forfeitures	4,500	4,500	255	(4,245)
Investment income	-	-	1,197	1,197
Miscellaneous	22,813	22,813	24,048	1,235
Total revenues	<u>2,902,616</u>	<u>2,902,616</u>	<u>1,256,862</u>	<u>(1,645,754)</u>
EXPENDITURES				
General government	2,712,997	2,712,997	406,653	2,306,344
Public safety	14,273	14,273	12,151	2,122
Transportation	175,284	175,284	119,104	56,180
Culture and recreation	3,400	3,400	20,066	(16,666)
Capital outlay	-	-	778,425	(778,425)
Debt service:				
Principal	-	-	3,500	(3,500)
Interest	-	-	4,481	(4,481)
Total expenditures	<u>2,905,954</u>	<u>2,905,954</u>	<u>1,344,380</u>	<u>1,561,574</u>
Deficiency of revenues under expenditures	<u>(3,338)</u>	<u>(3,338)</u>	<u>(87,518)</u>	<u>(84,180)</u>
Other financing sources (uses)				
Transfers out	-	-	(1,000)	(1,000)
Total other financing sources (uses)	-	-	(1,000)	(1,000)
Net change in fund balances	<u>(3,338)</u>	<u>(3,338)</u>	<u>(88,518)</u>	<u>(85,180)</u>
Fund balances, beginning of year	182,858	182,858	182,858	-
Fund balances, end of year	<u>\$ 179,520</u>	<u>\$ 179,520</u>	<u>\$ 94,340</u>	<u>\$ (85,180)</u>

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, 2020**

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. 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. The legal level of budgetary control is the fund level.
6. The budgets for the General Fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

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

	<u>2020</u>	<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)	0.000676182%	0.000541091%	0.000349808%	0.000479698%	0.000413848%	0.000404071%	0.000394676%
Proportionate share of the net pension liability (asset)	\$ 293,067	\$ 186,344	\$ 105,364	\$ 141,891	\$ 104,497	\$ 52,191	\$ 24,081
Covered-employee payroll	251,226	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	116.65%	67.74%	54.27%	73.00%	53.27%	22.41%	9.25%
Plan fiduciary net position as a percentage of the total pension liability	116.65%	67.74%	84.26%	83.89%	84.88%	92.00%	96.09%
Health Insurance Subsidy Program (HIS)							
Proportion of the net pension liability (asset)	0.000723701%	0.000822305%	0.000594427%	0.000604746%	0.000635396%	0.000575197%	0.000567449%
Proportionate share of the net pension liability (asset)	\$ 88,363	\$ 92,008	\$ 62,915	\$ 64,662	\$ 74,053	\$ 58,661	\$ 53,058
Covered-employee payroll	251,226	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	35.17%	33.45%	32.40%	33.27%	37.75%	25.19%	20.37%
Plan fiduciary net position as a percentage of the total pension liability	35.17%	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**

	2020	2019	2018	2017	2016	2015	2014
<u>Florida Retirement System (FRS)</u>							
Contractually required contribution	\$ 22,467	\$ 22,071	\$ 9,970	\$ 14,340	\$ 14,311	\$ 14,230	\$ 14,976
Contributions in relation to the contractually required contribution	(22,467)	(22,071)	(9,970)	(14,340)	(14,311)	(14,230)	(14,976)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 251,226	\$ 275,071	\$ 194,155	\$ 194,384	\$ 196,152	\$ 232,904	\$ 260,446
Contributions as a percentage of covered-employee payroll	6.10%	6.10%	7.92%	7.38%	7.30%	6.11%	5.75%
<u>Health Insurance Subsidy Program (HIS)</u>							
Contractually required contribution	\$ 4,170	\$ 4,566	\$ 3,223	\$ 3,227	\$ 3,256	\$ 2,935	\$ 3,125
Contributions in relation to the contractually required contribution	(4,170)	(4,566)	(3,223)	(3,227)	(3,256)	(2,935)	(3,125)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 251,226	\$ 275,071	\$ 194,155	\$ 194,384	\$ 196,152	\$ 232,904	\$ 260,446
Contributions as a percentage of covered-employee payroll	1.66%	1.66%	1.66%	1.66%	1.66%	1.26%	1.20%

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

The accompanying notes are an integral
part of this schedule.

**TOWN OF GREENVILLE, FLORIDA
OFFICIALS
SEPTEMBER 30, 2020**

TOWN COUNCIL

Brittni Brown, Mayor
Bobby Burnett
Barbara Dansey
Kathleen Hamilton
Brandi Tillman

TOWN MANAGER

Lee Jones, Jr.

TOWN ATTORNEY

John Reid

**TOWN OF GREENVILLE, FLORIDA
SCHEDULE OF STATE FINANCIAL ASSISTANCE
SEPTEMBER 30, 2020**

State Agency Pass-Through Entity State Project	CSFA Number	Pass-Through Identifying/ Grant Contract Identification Number	Expenditures
STATE AGENCY			
Florida Department of Economic Opportunity			
Direct:			
Regional Rural Development and Rural Infrastructure Fund	40.042	D0136	\$ 111,853
Economic Development Tax Refund, Tax Credit, and Grant Program	40.043	G0063	51,056
Total Florida Department of Economic Opportunity			<u>162,909</u>
Florida Department of Environmental Protection			
Direct:			
Florida Springs Grant Program	37.052	LP40024	2,278,733
Wastewater Treatment Facility Construction	37.077	WW400230	300,416
Total Florida Department of Environmental Protection			<u>2,579,149</u>
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u><u>\$ 2,742,058</u></u>

The accompanying notes to Schedule of Expenditures of State Financial Assistance are an integral part of this schedule.

TOWN OF GREENVILLE, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

(1) **Basis of Presentation:**

The accompanying schedule of expenditures of state financial assistance includes the state grant activity of Town of Greenville, Florida (the Town), and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements Section 215.97, Florida Statutes. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

(2) **Subrecipients:**

During the year ended September 30, 2020, the Town provided no state awards to subrecipients.

(3) **Contingency:**

Project expenditures are subject to audit and adjustment. If any expenditures were to be disallowed by the grantor agency as a result of such an audit, any claim for reimbursement to the grantor agency would become a liability of the Town. In the opinion of management, all project expenditures included on the accompanying schedule are in compliance with the terms of the project agreements and applicable federal and state laws and regulations.

**TOWN OF GREENVILLE, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

I. Summary of Auditors' Results:

Financial Statements:

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

Internal control over financial reporting:

Material weakness(es) identified? X yes no

Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? X yes no

State Financial Assistance:

Internal control over major State projects:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

Type of auditor's report issued on compliance for major State projects: *Unmodified*

Any audit findings disclosed that are required to be reported for state financial assistance projects in accordance with Chapter 10.550? yes X none reported

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

Identification of major State programs:

CSFA Number	Program Name
37.052	Florida Springs Grant Program

**TOWN OF GREENVILLE, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

II. Financial Statement Findings:

Finding 2020-001: Significant Adjustments

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, 2020, certain adjustments were required to be made to the accounting records subsequent to the start of the audit process. Specifically, there were material adjustments required for certain grant revenues and receivables. 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 in accordance with generally accepted accounting principles.

Finding 2020-002: 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: During the fiscal year, 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. Additionally, there is not a system in place for then review and approval of 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 any receipts of money on a receipt log, give the receipt log to the bookkeeper to input into the accounting software, and lastly prepare the deposit slip to be deposited at the bank. 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 and not allow the bookkeeper to set up vendors in the accounting software. Also, journal entries should be approved by an employee other than the one who prepared the entry.

**TOWN OF GREENVILLE, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

II. **Financial Statement Findings:** (Continued)

Finding 2020-003: Bank Reconciliations

Criteria: Reconciling all cash accounts on a timely basis is an essential internal control for preventing and detecting fraud.

Condition: We believe that certain practices should be implemented to ensure all cash accounts are reconciled to the accounting system on a timely basis.

Cause: It was noted that certain cash accounts were not reconciled to the accounting system in timely fashion throughout the year under audit.

Effect: Failure to reconcile cash accounts to the accounting system on a timely basis could prevent management from preventing or detecting fraud.

Recommendation: We recommend management implement a process that will ensure all cash accounts are reconciled to the accounting system on a timely basis.

Finding 2020-004: Debt Compliance

Criteria: The Town has various notes payable outstanding at year end with varying debt covenants. During our audit we became aware of the following covenants that were not met in accordance with the underlying debt agreements with respect to maintaining a debt sinking fund and remitting the monthly payments to the sinking fund.

Condition: The Town currently has an outstanding State revolving fund loan, which requires that a debt service sinking fund be established and monthly amounts equal to 1/6 of the next semiannual payment be transferred. As of September 30, 2020, the Town had not transferred the required amount to the sinking fund.

Cause: Failure to transfer 1/6 of semiannual payment to the sinking fund monthly.

Effect: Noncompliance with certain debt covenants.

Recommendation: We recommend management act to become in compliance with all debt covenants.

III. **State Project Findings and Questioned Costs:** None.

**TOWN OF GREENVILLE, FLORIDA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

2019-001 Prepare Financial Statements in Accordance with GAAP and Significant Adjustments –
Corrective action not taken. See repeat finding 2020-001.

2019-002 Segregation of Duties – Corrective action not taken. See repeat finding 2020-002.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

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

Report on Compliance for Each Major State Project

We have audited Town of Greenville, Florida (the Town)'s compliance with the types of compliance requirements described in the *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of the Town's major state projects for the year ended September 30, 2020. The Town's major State projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state projects applicable to its state projects.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Town's major state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Chapter 10.550, Rules of the Auditor General. Those standards and Chapter 10.550, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state project occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state project. However, our audit does not provide a legal determination of the Town's compliance.

Opinion on Each Major State Project

In our opinion, the Town of Greenville, Florida, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended September 30, 2020.

Report on Internal Control over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state project and to test and report on internal control over compliance in accordance with Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and results of that testing based on the requirements of Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

James Moore & Co., P.L.

Tallahassee, Florida
June 30, 2021

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, 2020, 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 30, 2021.

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) as a basis for designing 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph 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 were not identified. However, as described below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2020-001, 2020-002, and 2020-03 that we consider to be material weaknesses.

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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance, described in the accompanying schedule of findings and questioned costs as item 2020-004 that is 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 are described in the accompanying corrective action plan. Town of Greenville, Florida's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

We also noted certain matters that we reported to management of Town of Greenville, Florida, in a separate management Letter Required by Chapter 10.550, Rules of the State of Florida, Office of the Auditor General dated June 30, 2021.

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 30, 2021

**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, 2020, and have issued our report thereon dated June 30, 2021.

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 the Utility Fund.

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 30, 2021, 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 #	2018-19 FY Finding #	2017-18 FY Finding #
Significant adjustments and preparation of financial statements	2020-001	2019-001	2018-001
Segregation of duties	2020-002	2019-002	2018-002

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 recommended the following:

Finding 2020-005: Financial Condition

The results of our financial condition procedures indicated a deteriorating financial condition across funds. As of September 30, 2020, the general fund showed a net change in fund balance of (\$88,518) and the utility fund showed an operating loss of (\$308,052) both resulting in a reduction of unrestricted net position. Unrestricted net position is considered a key financial indicator in the determination of overall financial condition. We recommend management act to improve the financial condition of both funds.

Additional 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 did not note any such findings.

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 30, 2021

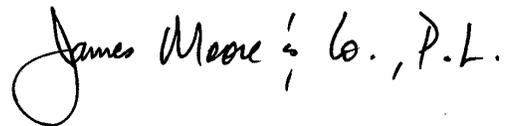
INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

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, 2020. 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, 2020.



Tallahassee, Florida
June 30, 2021



154 SW Old Mission Avenue • Post Office Box 235 • Greenville, Florida 32331-0235

Phone 850-948-2251 • Fax 850-948-3363

Incorporated 1907

6/30/2021

Corrective Action Plan

Dear Sir or Madame:

This letter outlines the Town of Greenville's Corrective Action Plan prepared in response to your FY 2020 audit findings.

Finding 2020-001: Significant Adjustments and Preparation of Financial Statements

The adjustments related primarily to grant costs that had been traditionally tracked for internal purposes in the General Fund then moved to the Utility Fund during audit preparation. We applied the practice of consistency in recording these costs in the fund they had traditionally been tracked in. Current management was not aware that these costs were being moved during audit preparation as there was no overlap between prior staff and new staff.

Moving forward, we will track these costs in the appropriate fund and greatly reduce or eliminate the need to move these recorded costs from one fund to another.

Finding 2020-002: Segregation of Duties

We make every effort to have proper segregation of duties, but we are somewhat limited due to having only 2 employees who must share all the accounting duties and cash handling duties. We have made efforts to mitigate the inherent risk of this finding by increasing our use of technology to reduce the occasion of one employee processing, recording, and controlling an asset. We will continue to make improvements as we can on this issue.

Finding 2020-003: Bank Reconciliations

Bank reconciliations are currently completed monthly. Due to a shutdown during the COVID-19 Pandemic of 2020 and staff attrition, the bank reconciliations fell behind as there was no staff available to complete them.

We have filled the open positions and the reconciliations are being completed timely.

Finding 2020-004: Debt Compliance

Although all debt payments were made on schedule, due to a shutdown during the COVID-19 Pandemic of 2020 and staff attrition, the sinking fund accounts were not funded according to the covenants as there was no staff available to make the transfers.

At the date of this audit report, we have changed financial institutions and are setting up new sinking funds accounts that will be funded according to the covenants.

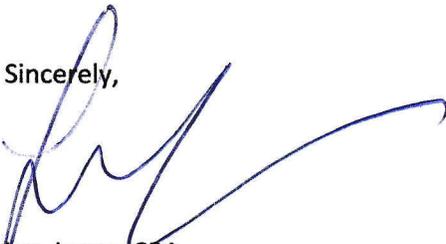
Finding 2020-005: Financial Condition

The losses shown in our Utility Fund i(\$308K) is primarily due to depreciation charges amounting to \$206k and major repairs required on our aging water infrastructure that we are seeking grant funds to address. The council has agreed to annually index utility rates to offset some of the losses but due to limited number of residents and their financial wherewithal, we expect a relatively modest impact.

The larger strategy we have employed to mitigate these losses, is shifting our focus to commercial infrastructure that will exponentially increase the town's utility revenue by providing water, sanitation, and sewer services to businesses.

The \$88k in losses in the General Fund is due to unplanned spending on make-up retirement contributions made for misclassified employees and deficiency of revenue under expenditures. The Town has corrected the misclassifications and will review the deficiency of revenue under expenditures in the general fund for any cost saving measures that can be applied to improve the financial condition of the general fund.

Sincerely,



Lee Jones, CPA
Town Manager