

**TOWN OF GREENVILLE, FLORIDA**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2022**

**TOWN OF GREENVILLE, FLORIDA  
TABLE OF CONTENTS  
SEPTEMBER 30, 2022**

	<u>Page(s)</u>
<b>Independent Auditors’ Report</b>	1 – 3
<b>Management’s Discussion and Analysis</b>	4 – 10
<b>Basic Financial Statements:</b>	
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 – 39
<b>Required Supplementary Information</b>	40
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	41
Note to Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	42
Schedule of Proportionate Share of Net Pension Liability	43
Schedule of Contributions	44
<b>Officials</b>	45
<b>Independent Auditors’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i></b>	46 – 48
<b>Independent Auditors’ Management Letter Required by Chapter 10.550, Rules of the State of Florida, Office of the Auditor General</b>	49 – 51
<b>Independent Accountants’ Examination Report</b>	52
<b>Management’s Response</b>	53



## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Greenville, Florida, (the Town), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

#### ***Unmodified Opinion on the General Fund***

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the General Fund of the Town as of September 30, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Qualified Opinions on the Governmental Activities, Business-type Activities, and Utility Fund***

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and the Utility Fund of the Town as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Basis for Qualified Opinions on Governmental Activities, Business-type Activities, and Utility Fund***

As discussed in Note (11) 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 Utility Fund. The effects of this departure from accounting principles generally accepted in the United States of America on the governmental activities, the business-type activities, and the Utility Fund has not been determined.

### ***Responsibilities of Management for the Financial Statements***

The Town's 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.

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, we:

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

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

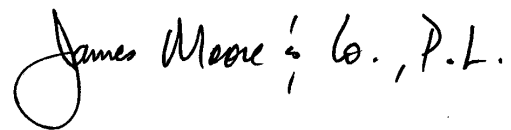
***Required Supplementary Information***

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

Management has omitted the schedule of changes in the Town’s total OPEB liability and related ratios that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board. Our opinion on the basic financial statements are not affected by this missing information.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report November 13, 2023 on our consideration of the Town’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  
November 13, 2023

**TOWN OF GREENVILLE, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2022**

As management of the Town of Greenville, Florida, we offer readers of the Town'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, 2022.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town'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's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Town'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 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 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 include general government, public safety, transportation, and culture and recreation. The business-type activities of the Town 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, 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 can be divided into two categories: governmental funds and proprietary funds.

**TOWN OF GREENVILLE, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2022**

**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 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 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 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'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, 2022**

**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, assets and deferred outflows exceeded liabilities and deferred inflows by \$12,625,579 at the close of the most recent fiscal year.

By far the largest portion of the Town'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 uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town'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**

	2022		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Current and other assets	\$ 350,598	\$ 410,910	\$ 761,508
Capital assets	2,731,177	10,474,346	13,205,523
Total assets	<u>3,081,775</u>	<u>10,885,256</u>	<u>13,967,031</u>
Deferred outflows	55,421	138,551	193,972
Long-term liabilities outstanding	42,000	424,098	466,098
Net pension liability	115,066	287,665	402,731
Other liabilities	246,616	291,082	537,698
Total liabilities	<u>403,682</u>	<u>1,002,845</u>	<u>1,406,527</u>
Deferred inflows	104,776	24,121	128,897
Net position:			
Net investment in capital assets	2,685,177	10,012,069	12,697,246
Restricted	-	894	894
Unrestricted	(56,439)	(16,122)	(72,561)
Total net position	<u>\$ 2,628,738</u>	<u>\$ 9,996,841</u>	<u>\$ 12,625,579</u>



**TOWN OF GREENVILLE, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2022**

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

	<b>2021</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Current and other assets	\$ 897,831	\$ 440,122	\$ 1,337,953
Capital assets	2,754,872	10,201,996	12,956,868
Total assets	<u>3,652,703</u>	<u>10,642,118</u>	<u>14,294,821</u>
Deferred outflows	46,192	76,987	123,179
Long-term liabilities outstanding	46,500	462,277	508,777
Net pension liability	47,743	79,571	127,314
Other liabilities	779,079	293,347	1,072,426
Total liabilities	<u>873,322</u>	<u>835,195</u>	<u>1,708,517</u>
Deferred inflows	78,228	130,381	208,609
Net position:			
Net investment in capital assets	2,704,872	9,793,445	12,498,317
Restricted	-	19,490	19,490
Unrestricted	42,473	(59,406)	(16,933)
Total net position	<u>\$ 2,747,345</u>	<u>\$ 9,753,529</u>	<u>\$ 12,500,874</u>

An additional portion of the Town'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 is able to report positive balances in two of the three categories of net position for the government as a whole, and for its governmental and business-type activities individually. The Town reported negative unrestricted net position in its governmental activities and business-type activities.

***Governmental activities.*** Governmental activities decreased the Town's net position by \$118,607 in the most recent fiscal year.

Key elements of this change include:

- Increase in overall salary related expenditures for the Town compared with the prior fiscal year.

***Business-type activities.*** In the most recent fiscal year, business-type activities increased the Town's net position by \$243,312.

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, 2022**

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

	2022		
	Governmental Activities	Business-type Activities	Total
Revenues:			
Program revenues:			
Charges for services	\$ 4,746	\$ 421,948	\$ 426,694
Operating grants and contributions	318,914	380,273	699,187
Capital Grants and contributions	-	206,352	206,352
General revenues:			
Property taxes	115,983	-	115,983
Intergovernmental and other	383,375	510	383,885
Transfers	(32,954)	32,954	-
Total revenues	<u>790,064</u>	<u>1,042,037</u>	<u>1,832,101</u>
Expenses:			
General government	467,729	-	467,729
Public safety	290	-	290
Transportation	300,829	-	300,829
Interest on long-term debt	3,606	-	3,606
Culture and recreation	136,217	-	136,217
Utility	-	798,725	798,725
Total expenses	<u>908,671</u>	<u>798,725</u>	<u>1,707,396</u>
Change in net position	(118,607)	243,312	124,705
<b>Net position</b> , beginning of year	2,747,345	9,753,529	12,500,874
<b>Net position</b> , end of year	<u>\$ 2,628,738</u>	<u>\$ 9,996,841</u>	<u>\$ 12,625,579</u>

	2021		
	Governmental Activities	Business-type Activities	Total
Revenues:			
Program revenues:			
Charges for services	\$ 9,451	\$ 412,361	\$ 421,812
Operating grants and contributions	38,370	1,376,942	1,415,312
Capital Grants and contributions	971,988	14,184	986,172
General revenues:			
Property taxes	114,265	-	114,265
Intergovernmental and other	361,441	101,003	462,444
Total revenues	<u>1,495,515</u>	<u>1,904,490</u>	<u>4,222,916</u>
Expenses:			
General government	352,881	-	352,881
Public safety	2,912	-	2,912
Transportation	152,391	-	152,391
Interest on long-term debt	2,704	-	2,704
Culture and recreation	51,166	-	51,166
Utility	-	710,734	710,734
Total expenses	<u>562,054</u>	<u>710,734</u>	<u>1,272,788</u>
Change in net position	933,461	1,193,756	2,127,217
<b>Net position</b> , beginning of year	1,813,884	8,559,773	10,373,657
<b>Net position</b> , end of year	<u>\$ 2,747,345</u>	<u>\$ 9,753,529</u>	<u>\$ 12,500,874</u>

**TOWN OF GREENVILLE, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2022**

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

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

**Governmental funds.** The focus of the Town'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'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's governmental funds reported combined ending fund balances of \$50,050, a decrease of \$278,379, in comparison with the prior year. Of this total amount, \$50,050 constitutes *assigned fund balance*, which is assigned for use in the subsequent year as a part of the fiscal year 2023 budgeting process. None of the fund balance is *nonspendable, restricted, committed or unrestricted*.

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, assigned and total fund balances of the general fund were \$50,050. 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 4.2 percent of total general fund expenditures.

The fund balance of the Town's general fund decreased by \$278,379 during the current fiscal year.

**Proprietary funds.** The Town'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 \$(16,122). The total increase in net position for the fund was \$243,312. Other factors concerning the finances of this fund have already been addressed in the discussion of the Town'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.

**Capital assets.** The Town's investment in capital assets for its governmental and business type activities as of September 30, 2022, amounts to \$13,205,523 (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's capital assets can be found in Note (6) as listed in the table of contents.

**TOWN OF GREENVILLE, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2022**

**Long-term debt.** At the end of the current fiscal year, the Town had total debt outstanding of \$529,871. The amount of debt outstanding by type (i.e. Capital improvement bonds, revenue bonds, etc.) were as follows:

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

	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Total</u>
Capital improvement bonds	\$ 46,000	\$ –	\$ 46,000
Lines of Credit	21,594	–	21,594
State Revolving Fund Construction Loan	–	230,262	230,262
Lease liability	–	18,715	18,715
Revenue bonds	–	213,300	213,300
Total	<u>\$ 67,594</u>	<u>\$ 462,277</u>	<u>\$ 529,871</u>

Additional information on the Town's long-term debt can be found in Note (8). 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's budget for the 2022/2023 fiscal year.

**Requests for Information**

This financial report is designed to provide a general overview of the Town'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, 2022**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 239,485	\$ 74,956	\$ 314,441
Receivables, net	4,134	54,461	58,595
Lease receivable	22,362	-	22,362
Internal balances	(165,594)	165,594	-
Due from other governments	177,509	115,005	292,514
Noncurrent assets:			
Lease receivable, non-current	72,702	-	72,702
Restricted assets:			
Cash and cash equivalents	-	894	894
Capital assets:			
Capital assets, not being depreciated	1,883,066	4,030,800	5,913,866
Other capital assets, net of depreciation	848,111	6,443,546	7,291,657
Total assets	<u>\$ 3,081,775</u>	<u>\$ 10,885,256</u>	<u>\$ 13,967,031</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	<u>\$ 55,421</u>	<u>\$ 138,551</u>	<u>\$ 193,972</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 205,421	\$ 197,952	\$ 403,373
Customer deposits	-	37,981	37,981
Accrued interest payable	-	983	983
Noncurrent liabilities:			
Due within one year:			
Lines of credit	21,594	-	21,594
Bonds payable and notes payable	4,000	19,464	23,464
Lease liability	-	18,715	18,715
Compensated absences	15,601	15,987	31,588
Due in more than one year:			
Bonds payable and notes payable	42,000	424,098	466,098
Net pension liability	115,066	287,665	402,731
Total liabilities	<u>\$ 403,682</u>	<u>\$ 1,002,845</u>	<u>\$ 1,406,527</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	\$ 9,649	\$ 24,121	\$ 33,770
Deferred inflows related to lease	95,127	-	95,127
Total deferred inflows of resources	<u>\$ 104,776</u>	<u>\$ 24,121</u>	<u>\$ 128,897</u>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 2,685,177	10,012,069	\$ 12,697,246
Restricted for:			
Debt service	-	894	894
Unrestricted	(56,439)	(16,122)	(72,561)
Total net position	<u>\$ 2,628,738</u>	<u>\$ 9,996,841</u>	<u>\$ 12,625,579</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, 2022**

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	\$ 467,729	\$ 2,916	\$ 206,351	\$ -	\$ (258,462)	\$ -	\$ (258,462)
Public safety	290	-	-	-	(290)	-	(290)
Transportation	300,829	-	112,563	-	(188,266)	-	(188,266)
Culture and recreation	136,217	1,830	-	-	(134,387)	-	(134,387)
Interest on long-term debt	3,606	-	-	-	(3,606)	-	(3,606)
Total governmental activities	<u>908,671</u>	<u>4,746</u>	<u>318,914</u>	<u>-</u>	<u>(585,011)</u>	<u>-</u>	<u>(585,011)</u>
Business-type activities:							
Utility Fund	798,725	421,948	380,273	206,352	-	209,848	209,848
Total business-type activities	<u>798,725</u>	<u>421,948</u>	<u>380,273</u>	<u>206,352</u>	<u>-</u>	<u>209,848</u>	<u>209,848</u>
Total primary government	<u>\$ 1,707,396</u>	<u>\$ 426,694</u>	<u>\$ 699,187</u>	<u>\$ 206,352</u>	<u>(585,011)</u>	<u>209,848</u>	<u>(375,163)</u>
General revenues:							
Property taxes					115,983	-	115,983
Intergovernmental revenue					351,125	-	351,125
Investment earnings					4,190	388	4,578
Miscellaneous revenues					28,060	122	28,182
Transfers					(32,954)	32,954	-
Total general revenues					<u>466,404</u>	<u>33,464</u>	<u>499,868</u>
Change in net position					(118,607)	243,312	124,705
Net position - beginning of year					2,747,345	9,753,529	12,500,874
Net position - ending of year					<u>\$ 2,628,738</u>	<u>\$ 9,996,841</u>	<u>\$ 12,625,579</u>

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

**TOWN OF GREENVILLE, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2022**

	<b>General Fund</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 239,485
Receivables, net	4,134
Lease receivable	95,064
Due from other governments	177,509
Total assets	\$ 516,192
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	\$ 205,421
Due to other funds	165,594
Total liabilities	371,015
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Inflow - Lease	95,127
<b>FUND BALANCES</b>	
Assigned to:	
Subsequent year's budget	50,050
Total fund balances	50,050
Total liabilities and fund balances	\$ 516,192

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, 2022**

<b>Fund balances - total governmental funds</b>		\$	50,050
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	3,650,755		
Less: accumulated depreciation	<u>(919,578)</u>		2,731,177
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 Town'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	(115,066)		
Deferred outflows related to pensions	55,421		
Deferred inflows related to pensions	<u>(9,649)</u>		(69,294)
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	(67,594)		
Compenstated absences	<u>(15,601)</u>		(83,195)
<b>Net position of governmental activities</b>			<u><u>\$ 2,628,738</u></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, 2022**

	<b>General</b>
<b>Revenues</b>	
Taxes	\$ 166,843
Permits and fees	15,003
Intergovernmental	607,092
Charges for services	1,830
Fines and forfeitures	1,525
Investment income	4,190
Miscellaneous	26,535
Total revenues	823,018
<b>Expenditures</b>	
Current:	
General government	401,685
Public safety	290
Transportation	286,894
Culture and recreation	185,711
Capital outlay	8,578
Debt service:	
Principal	282,906
Interest	3,606
Total expenditures	1,169,670
<b>Excess of expenditures over revenues</b>	<b>(346,652)</b>
<b>Other financing sources</b>	
Transfer out	(32,954)
Proceeds from issuance of debt	101,227
Total other financing uses	68,273
<b>Net change in fund balances</b>	<b>(278,379)</b>
<b>Fund balances, beginning of year</b>	328,429
<b>Fund balances, end of year</b>	<b>\$ 50,050</b>

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, 2022**

**Net change in fund balances - total governmental funds** \$ (278,379)

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	8,578
Depreciation expense	(32,273)

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	282,906
Issuance of governmental long-term debt	(101,227)

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	10,485
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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	(8,697)
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**Change in net position of governmental activities** \$ (118,607)

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, 2022**

	<b>Utility Fund</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 74,956
Accounts receivable, net	54,461
Due from other governments	115,005
Due from other funds	165,594
Total current assets	410,016
Noncurrent assets:	
Restricted assets:	
Cash and cash equivalents	894
Capital assets:	
Land	98,889
Building and improvements	5,521,405
Infrastructure	3,450,450
Machinery and equipment	874,558
Construction in progress	4,030,800
Accumulated depreciation	(3,501,756)
Total noncurrent assets	10,475,240
Total assets	\$ 10,885,256
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions	\$ 138,551
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 197,952
Customer deposits	37,981
Compensated absences	15,987
Payable from restricted assets:	
Bonds and notes payable, current portion	19,464
Lease liability, current portion	18,715
Accrued interest payable	983
Total current liabilities	291,082
Noncurrent liabilities:	
Bonds and notes payable	424,098
Net pension liability	287,665
Total noncurrent liabilities	711,763
Total liabilities	\$ 1,002,845
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to pensions	\$ 24,121
Total deferred inflows of resources	\$ 24,121
<b>NET POSITION</b>	
Net investment in capital assets	\$ 10,012,069
Restricted for debt service	894
Unrestricted	(16,122)
Total net position	\$ 9,996,841

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, 2022**

	<b>Utility Fund</b>
<b>Operating revenues</b>	
Charges for services	\$ 421,948
Other revenues	122
Total operating revenues	422,070
<b>Operating expenses</b>	
Personnel	290,370
Utilities	65,675
Maintenance and repairs	56,739
Other supplies and expenses	139,235
Depreciation	238,360
Total operating expenses	790,379
<b>Operating loss</b>	(368,309)
<b>Nonoperating revenues (expenses)</b>	
Interest earnings	388
Intergovernmental grants	206,352
Interest expense	(8,346)
Total nonoperating revenues (expenses)	198,394
<b>Income (loss) before capital grants and transfers</b>	(169,915)
Capital grants	380,273
Transfers in	32,954
Total capital grants and transfers in	413,227
<b>Change in net position</b>	243,312
<b>Net position, beginning of year</b>	9,753,529
<b>Net position, end of year</b>	\$ 9,996,841

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, 2022**

	<u>Utility Fund</u>
<b>Cash flows from operating activities</b>	
Cash received from customers	\$ 417,163
Cash paid to employees	(251,035)
Cash paid to suppliers	(250,131)
Net cash used in operating activities	<u>(84,003)</u>
<b>Cash flows from noncapital financing activities</b>	
Transfers from other funds	32,954
Intergovernmental grant proceeds	206,352
Interfund loans	(45,686)
Net cash provided by noncapital financing activities	<u>193,620</u>
<b>Cash flows from capital and related financing activities</b>	
Acquisition and construction of capital assets	(510,710)
Capital grants	426,937
Principal payments of long-term debt	(50,700)
Interest paid	(8,346)
Net cash used in capital and related financing activities	<u>(142,819)</u>
<b>Cash flows from investing activities</b>	
Interest received	388
Redemptions of certificate of deposit	34,985
Net cash provided by investing activities	<u>35,373</u>
<b>Net change in cash and cash equivalents</b>	<u>2,171</u>
<b>Cash and cash equivalents, beginning of year</b>	73,679
<b>Cash and cash equivalents, end of year</b>	<u>\$ 75,850</u>
<b>Cash and cash equivalents classified as:</b>	
Unrestricted	\$ 74,956
Restricted	894
Total cash and cash equivalents	<u>\$ 75,850</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (368,309)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	238,360
Changes in assets and liabilities:	
Accounts receivable	(4,580)
Accounts payable and accrued liabilities	11,518
Deposits	(327)
Compensated absences	(935)
Net pension liability	40,270
Net cash used in operating activities	<u>\$ (84,003)</u>

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

**TOWN OF GREENVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

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

The financial statements of the Town of Greenville, Florida (the Town), have been prepared in accordance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for promulgating governmental accounting and financial reporting principles and the Town has adopted the GASB Codification. The following is a summary of the Town's significant accounting policies:

(a) **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.

(b) **Government-wide and fund 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. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

(c) **Measurement focus and basis of accounting**—The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. 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.

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 property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period.

**TOWN OF GREENVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

(1) **Summary of Significant Accounting Policies:** (Continued)

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 pensions, are recorded only when payment is due.

Taxes, intergovernmental revenue, licenses and permits, charges for services, 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. All other revenue items are considered to be measurable and available only when cash is received by the government.

(d) **Financial statement presentation**—The financial transactions of the Town are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows, liabilities, deferred inflows, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The Town reports the following major governmental fund:

The **General Fund** accounts for all financial transactions not accounted for in other funds. The majority of current operating expenditures of the Town other than proprietary fund activities are financed through revenues received by the General Fund.

The Town reports the following major proprietary fund:

The **Utility Fund** accounts for the financial activities of the Town's potable water utility system, including the pumping, treatment, and distribution systems.

(e) **Budgets and budgetary accounting**—Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general 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.

(f) **Use of estimates**—Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates assumed in preparing the financial statements.

(g) **Deposits and investments**—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.

**TOWN OF GREENVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

(1) **Summary of Significant Accounting Policies:** (Continued)

(h) **Receivables and payables**—Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

All trade and property tax receivables are reported net of an allowance for uncollectible accounts, which is based upon management's analysis of historical trends. Utility operating sales are generally recognized on the basis of cycle billings rendered quarterly. Unbilled accounts receivable are accrued by the Town at year-end to recognize the sales revenues earned through the end of the fiscal year. All unpaid property taxes receivable at year end are at least 180 days past due, at which time the applicable property is subject to lien, and penalties and interest are assessed.

(i) **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 \$5,000 (amount not rounded) and an estimated useful life in excess of two years. For inventory purposes, capital assets are assets with individual cost of \$750 or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is

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 and computer equipment	5



**TOWN OF GREENVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

(1) **Summary of Significant Accounting Policies:** (Continued)

(j) **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.

(k) **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

(l) **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.

(m) **Deferred outflows/inflows of resources** — In addition to assets, the statement of financial position will, if required, report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the only items in this category consisted of deferred amounts related to pension, as discussed further in Note (11).

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the two items in this category are deferred inflows related to leases, which will be recognized as inflows of resources in the period that the amounts become available, and deferred inflows of resources related to pensions, as discussed further in Note (11).

(n) **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.

(o) **Impact fees**— The Town has not adopted any ordinances or resolutions to levy impact fees in accordance with Section 163.31801, Florida Statutes.

**TOWN OF GREENVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

(1) **Summary of Significant Accounting Policies:** (Continued)

(p) **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.

(q) **Fund equity**— In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Those classifications are as follows:

*Nonspendable* – The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash such as inventories and prepaid amounts. It also includes the long-term amount of loans and notes receivable, as well as the fund balance of the permanent fund which was restricted in perpetuity by referendum.

*Restricted* – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation (i.e. when the government assesses, levies, charges, or otherwise mandates payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

*Committed* – Fund balance amounts that can only be used for specific purposes pursuant to constraints imposed by ordinance of the Town Council are reported as committed fund balance. Those committed amounts cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

*Assigned* – Fund balance amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as assigned fund balance, except for stabilization arrangements. Assignments can be made by the Town Council the Town Council or (b) a body or official to which the Town Council has delegated the authority to assign amounts to be used for specific purposes.

*Unassigned* – Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

For spendable resources, is the Town’s policy to use its resources in the following order as needed to fund expenses: restricted, committed, assigned, unrestricted.

**TOWN OF GREENVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

(1) **Summary of Significant Accounting Policies:** (Continued)

(f) **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.

(2) **Reconciliation of Government-Wide and Fund Financial Statement:**

(a) **Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**—Following the governmental fund balance sheet is a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. A detailed explanation of these differences is provided in this reconciliation.

(b) **Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**—Following the governmental fund statement of revenues, expenditures, and changes in fund balances, there is a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. A detailed explanation of these differences is provided in this reconciliation.

(3) **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.

(4) **Receivables:**

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

	<b>General</b>	<b>Utility</b>	<b>Total</b>
Accounts	\$ 4,134	\$ 75,922	\$ 80,056
Lease	95,064	–	95,064
Intergovernmental	177,509	115,005	292,514
Gross receivables	276,707	190,927	467,634
Less: allowance for uncollectible amounts	–	(21,461)	(21,461)
Net total receivables	\$ 276,707	\$ 169,466	\$ 446,173

**TOWN OF GREENVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

(5) **Lease Receivable:**

The Town has an ongoing ground and tower lease agreement with a third party related to a parcel owned by the Town with a cell tower. Originally entered into in 2001, the current term of the lease runs through June 30, 2026, with no renewal options to extend. The lease payment through the end of the lease term is \$26,235.

The Town recognized \$25,367 in lease revenue and \$4,021 in interest revenue during the fiscal year. The Town's receivable for lease payments was \$95,064. Also, the Town has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term, which totaled \$95,127 at September 30, 2022.

Future minimum rents under non-cancelable operating leases to be received as of September 30, 2022, are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 22,362	\$ 3,873	\$ 26,235
2024	23,273	2,962	26,235
2025	24,221	2,014	26,235
2026	25,208	1,027	26,235
Total future minimum lease payments	<u>\$ 95,064</u>	<u>\$ 9,876</u>	<u>\$ 104,940</u>

(6) **Lease Liability:**

Lease

The Town leases a garbage truck under a lease that expires in 2023. The lease agreement qualifies as a lease 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 \$14,904 at September 30, 2022. Depreciation expense of \$29,807 related to the equipment is included in the Statement of Activities at September 30, 2022.

Minimum future lease payments under the lease through maturity are:

<u>Year Ending September 30,</u>	<u>Amount</u>
2023	\$ 18,927
Total minimum lease payments	18,927
Less amount representing interest	212
Present value of minimum lease payments	<u>\$ 18,715</u>

The interest rate on the right of use leased asset per the lease agreement is 3.39%.

**TOWN OF GREENVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**(7) Capital Assets:**

Capital asset activity for the year ended September 30, 2022 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	1,730,312	—	—	1,730,312
Total capital assets, not being depreciated	<u>1,883,066</u>	<u>—</u>	<u>—</u>	<u>1,883,066</u>
Capital assets, being depreciated:				
Buildings and improvements	580,755	8,578	—	589,333
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>8,578</u>	<u>—</u>	<u>1,767,689</u>
Less accumulated depreciation for:				
Buildings, improvements and infrastructure	(340,949)	(29,116)	—	(370,065)
Equipment, furniture, fixtures and vehicles	(546,356)	(3,157)	—	(549,513)
Total accumulated depreciation	<u>(887,305)</u>	<u>(32,273)</u>	<u>—</u>	<u>(919,578)</u>
Total capital assets, being depreciated, net	<u>871,806</u>	<u>(23,695)</u>	<u>—</u>	<u>848,111</u>
Capital assets, net	<u>\$ 2,754,872</u>	<u>\$ (23,695)</u>	<u>\$ —</u>	<u>\$ 2,731,177</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 98,889	\$ —	\$ —	\$ 98,889
Construction in Progress	3,674,527	356,273	—	4,030,800
Total capital assets, not being depreciated	<u>3,773,416</u>	<u>356,273</u>	<u>—</u>	<u>4,129,689</u>
Capital assets, being depreciated:				
Right of use lease asset	149,036			149,036
Equipment, buildings, systems and improvements	9,542,940	154,437	—	9,697,377
Less accumulated amortization right of use lease assets	(104,326)	(29,807)		(134,133)
Less accumulated depreciation	3,159,070	(208,553)	—	(3,367,623)
Total capital assets, being depreciated	<u>6,428,580</u>	<u>(83,923)</u>	<u>—</u>	<u>6,344,657</u>
Capital assets, net	<u>\$ 10,201,996</u>	<u>\$ 272,350</u>	<u>\$ —</u>	<u>\$ 10,474,346</u>

**TOWN OF GREENVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

(7) **Capital Assets:** (Continued)

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

Governmental activities:	
General government	\$ 18,338
Transportation	13,935
Total	\$ 32,273
Business-type activities:	
Utility	\$ 238,360
Total	\$ 238,360

(8) **Interfund Loans and Transfers:**

The outstanding balances between funds result mainly from the time lag between the dates reimbursable expenditures occur, when transactions are recorded in the accounting system, and when payments between funds are made. At September 30, 2022, the Town General Fund had a payable of \$165,594 owed to the Utility Fund. Transfers from the General Fund to the Utility Fund were \$32,954 during the year ended September 30, 2022.

(9) **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.

(10) **Long-term Debt:**

**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%	\$ 46,000

**TOWN OF GREENVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

(10) **Long-term Debt:** (Continued)

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

<b>Year Ending September 30,</b>	<b>Principal</b>	<b>Interest</b>
2023	\$ 4,000	\$ 2,185
2024	5,000	1,995
2025	5,000	1,758
2026	5,000	1,520
2027	5,000	1,283
2028 – 2031	22,000	2,589
	<u>\$ 46,000</u>	<u>\$ 11,329</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, 2022 are comprised of the following:

Water System Revenue Bonds, Series 2003, not to exceed \$299,300, payable in annual installments of \$7,000 – \$15,300, beginning September 1, 2005 through September 1, 2042, plus interest at 4.25%, collateralized by net revenues of the water system	<u>\$ 213,300</u>
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Revenue bonds debt service requirements to maturity are as follows:

<b>Year Ending September 30,</b>	<b>Principal</b>	<b>Interest</b>
2023	\$ 7,000	\$ 9,066
2024	7,000	8,768
2025	8,000	8,471
2026	8,000	8,131
2027	8,000	7,791
2028 – 2032	47,000	33,386
2033 – 2037	57,000	22,549
2038 – 2042	71,300	9,331
	<u>\$ 213,300</u>	<u>\$ 107,493</u>

**TOWN OF GREENVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

(10) **Long-term Debt:** (Continued)

State Revolving Fund – WW400220

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, 2022:

State Revolving Funds, financed at 0% interest with semiannual payments of \$3,232 starting June 2018 collateralized by sewer treatment plant.	<u>\$ 164,843</u>
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State revolving fund debt service requirements to maturity are as follows:

<b>Year Ending September 30,</b>	<b>Principal</b>
2023	\$ 6,464
2024	6,464
2025	6,464
2026	6,464
2027	6,464
2028 – 2032	32,320
2033 – 2037	32,320
2038 – 2042	32,320
2043 – 2047	32,320
2048	3,243
	<u>\$ 164,843</u>

State Revolving Fund – WW400230

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 2033. The following balance represents 10% of the funds expended as of September 30, 2022:

State Revolving Funds, financed at 0% interest with semiannual payments of \$3,000 starting April 2020 collateralized by sewer treatment plant.	<u>\$ 65,419</u>
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**TOWN OF GREENVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

(10) **Long-term Debt:** (Continued)

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

<b>Year Ending September 30,</b>	<b>Principal</b>
2023	\$ 6,000
2024	6,000
2025	6,000
2026	6,000
2027	6,000
2028 – 2032	30,000
2033	5,419
	\$ 65,419

**Lines of Credit – Governmental Activities**

The Town had six unsecured revolving lines of credit totaling \$1,631,000 with a regional bank. The lines mature at various intervals unless a demand is made in which case they are due on demand. Accrued interest is due with any outstanding principal owed when the lines mature. The interest rate on the lines of credit range from 3.65% to 5.00%. The lines of credit are collateralized by the Town’s grant proceeds from the respective grants that they fund along with any legally available non-ad valorem revenues. There was a \$21,594 balance outstanding on the lines of credit at September 30, 2022.

**Changes in long-term liabilities**

Long-term liability activity for the year ended September 30, 2022, was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Governmental activities:					
Capital improvement bonds	\$ 50,000	\$ –	\$ (4,000)	\$ 46,000	\$ 4,000
Lines of credit	199,273	101,227	(278,906)	21,594	21,594
Compensated absences	6,904	9,052	(355)	15,601	15,601
Governmental activity long-term liabilities	\$ 56,904	\$ 110,279	\$ (283,261)	\$ 83,195	\$ 41,195
Business-type activities:					
Revenue bonds	\$ 220,300	\$ –	\$ (7,000)	\$ 213,300	\$ 7,000
SRF Loans	242,726	–	(12,464)	230,262	12,464
Compensated absences	16,922	23,780	(24,715)	15,987	15,987
Lease liability	49,951	–	(31,236)	18,715	18,715
Business-type activity long-term liabilities	\$ 529,899	\$ –	\$ (51,635)	\$ 478,264	\$ 54,166

**TOWN OF GREENVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**(11) Florida Retirement System:**

**General Information about the Pension Plan**

The Town 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.

**Benefits Provided and Employees Covered**

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

**TOWN OF GREENVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

(11) **Florida Retirement System:** (Continued)

**Benefits Provided and Employees Covered**

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

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

**Financial Statements**

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

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

**TOWN OF GREENVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

(11) **Florida Retirement System:** (Continued)

**Contributions**

The Town participates in certain classes of FRS membership. Each class has descriptions and contribution rates in effect at September 30, 2022, as follows (contribution rates are in agreement with the actuarially determined rates):

<u>FRS Membership Plan &amp; Class</u>	<u>Through June 30, 2022</u>	<u>After June 30, 2022</u>
Regular Class	10.82%	11.91%
Senior Management	29.01%	31.57%
Special Risk	25.89%	27.83%
DROP – Applicable to members above	11.11%	10.81%

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>2022</u>	<u>2021</u>	<u>2020</u>
Contributions – FRS	\$ 36,171	\$ 25,750	\$ 22,467
Contributions – HIS	4,989	3,654	4,170
Employee Contributions – FRS	9,017	6,604	7,537

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

At September 30, 2022, the entity reported a net pension liability related to FRS and HIS as follows:

<u>Plan</u>	<u>Net Pension Liability</u>
FRS	\$ 315,395
HIS	87,336
Total	<u>\$ 402,731</u>

**TOWN OF GREENVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

(11) **Florida Retirement System:** (Continued)

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

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town'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, 2022 and June 30, 2021, the Town's proportionate share of the FRS and HIS net pension liabilities were as follows:

Plan	2022	2021
FRS	0.000847652%	0.000675921%
HIS	0.000824583%	0.000621663%

For the plan year ended June 30, 2022, pension expense was recognized related to the FRS and HIS plans as follows:

FRS	\$	62,761
HIS		8,420
Total	\$	71,181

At September 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 14,979	\$ –	\$ 2,651	\$ (384)
Changes of assumptions	38,842	–	5,006	(13,511)
Net different between projected and actual investment earnings	20,825	–	126	–
Change in proportionate share	70,566	(5,119)	30,166	(14,756)
Contributions subsequent to measurement date	9,443	–	1,368	–
	\$ 154,655	\$ (5,119)	\$ 39,317	\$ (28,651)

**TOWN OF GREENVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

(11) **Florida Retirement System:** (Continued)

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

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, 2022. 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:

<u>Year</u>	<u>Amount</u>
2023	\$ 37,271
2024	28,418
2025	13,389
2026	61,837
2027	7,877
Thereafter	<u>600</u>
Total	<u>\$ 149,392</u>

*Actuarial assumptions:*

The actuarial assumptions for both defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS was completed in 2020 for the period July 1, 2003, through June 30, 2019. 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 2.40%. 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 6.70%. This rate did not change from the prior year rate. 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 3.54% was used to determine the total pension for the program. This rate increased from the prior year rate, which was 2.16%. Mortality assumptions for both plans were based on the PUB-2010 base table varies by member category and sex, projected generationally with Scale MP-2018 details.

**TOWN OF GREENVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

(11) **Florida Retirement System:** (Continued)

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

*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 2021, 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.

Asset Class	Target Allocation	Long-Term Arithmetic Expected Rate of Return
Cash	1.0%	2.6%
Fixed income	19.8%	4.4%
Global equities	54.0%	8.8%
Real estate	10.3%	7.4%
Private equity	11.1%	12.0%
Strategic investments	3.8%	6.2%
Total	100.0%	100.0%

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

Plan	Current Discount Rate	NPL with 1% Decrease	NPL at Current Discount Rate	NPL with 1% Increase
FRS	6.70%	\$ 545,453	\$ 315,395	\$ 123,038
HIS	3.54%	99,920	87,336	76,924

**TOWN OF GREENVILLE, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

(12) **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.

(13) **Other Post-Employment Benefits (OPEB):**

The Town provides other postemployment benefits (OPEB) to its employees by providing retirement healthcare benefits.

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

(14) **Subsequent Events and Contingencies:**

The Town has evaluated events and transactions for potential recognition or disclosure in the financial statements through November 13, 2023, the date which the financial statements were available to be issued.

(15) **Commitment:**

The Town has entered into contracts related to improvements to the water and sewer infrastructure under the FDEP Springs Grant, for construction of a grocery store, construction of a park, and various road paving improvements projects. At September 30, 2022, the Town's commitments with contractors were as follows:

<u>Project</u>	<u>Total Adjusted Contract Amounts</u>	<u>Remaining Commitment</u>
Water and Sewer Infrastructure Project (FDEP Grant)	\$ 4,200,000	\$ 261,150
Road Paving Improvements (FDOT Grants)	762,330	723,960
Park Improvements (FDEP Grants)	100,000	83,380
Grocery Store Project (FDEO Grants)	1,386,680	261,150
Southside Stormwater Mitigation	660,000	622,215
Honey Lake Feasibility	300,000	276,000
	<u>\$ 7,409,010</u>	<u>\$ 2,227,855</u>



**TOWN OF GREENVILLE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**(16) Future Accounting Pronouncements:**

GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, in May 2020. GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The provisions in GASB 96 are effective for periods beginning after June 15, 2022.

GASB issued Statement No. 101, *Compensated Absences*, in June 2022. GASB Statement No. 101 amends the existing guidance related to the calculation and disclosures surrounding the liability for compensated absences. The provisions for GASB 101 are effective for fiscal years beginning after December 15, 2023.

**TOWN OF GREENVILLE, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SEPTEMBER 30, 2022**

**TOWN OF GREENVILLE, FLORIDA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
<b>REVENUES</b>				
Taxes	\$ 169,891	\$ 169,891	\$ 166,843	\$ (3,048)
Permits and fees	27,813	27,813	15,003	(12,810)
Intergovernmental	3,137,535	3,137,535	607,092	(2,530,443)
Charges for services	-	-	1,830	1,830
Fines and forfeitures	500	500	1,525	1,025
Investment income	-	-	4,190	4,190
Miscellaneous	250,352	250,352	26,535	(223,817)
Total revenues	<u>3,586,091</u>	<u>3,586,091</u>	<u>823,018</u>	<u>(2,763,073)</u>
<b>EXPENDITURES</b>				
General government	637,580	637,580	401,685	235,895
Public safety	7,175	7,175	290	6,885
Transportation	98,961	98,961	286,894	(187,933)
Culture and recreation	2,840,330	2,840,330	185,711	2,654,619
Capital outlay	-	-	8,578	(8,578)
Debt service:				
Principal	-	-	282,906	(282,906)
Interest	-	-	3,606	(3,606)
Total expenditures	<u>3,584,046</u>	<u>3,584,046</u>	<u>1,169,670</u>	<u>2,414,376</u>
Excess of revenues over expenditures	<u>2,045</u>	<u>2,045</u>	<u>(346,652)</u>	<u>(348,697)</u>
<b>Other financing sources</b>				
Transfers in	-	-	26,375	26,375
Transfers out	-	-	(59,329)	(59,329)
Proceeds from issuance of debt	-	-	101,227	101,227
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>68,273</u>	<u>68,273</u>
Net change in fund balances	<u>2,045</u>	<u>2,045</u>	<u>(278,379)</u>	<u>(280,424)</u>
Fund balances, beginning of year	328,429	328,429	328,429	-
Fund balances, end of year	<u>\$ 330,474</u>	<u>\$ 330,474</u>	<u>\$ 50,050</u>	<u>\$ (280,424)</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, 2022**

**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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Florida Retirement System (FRS)</b>									
Proportion of the net pension liability (asset)	0.000847652%	0.000675921%	0.000676182%	0.000541091%	0.000349808%	0.000479698%	0.000413848%	0.000404071%	0.000394676%
Proportionate share of the net pension liability (asset)	\$ 315,395	\$ 51,058	\$ 293,067	\$ 186,344	\$ 105,364	\$ 141,891	\$ 104,497	\$ 52,191	\$ 24,081
Covered-employee payroll	306,909	220,129	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	102.76%	23.19%	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	96.40%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%
<b>Health Insurance Subsidy Program (HIS)</b>									
Proportion of the net pension liability (asset)	0.082458300%	0.000621663%	0.000723701%	0.000822305%	0.000594427%	0.000604746%	0.000635396%	0.000575197%	0.000567449%
Proportionate share of the net pension liability (asset)	\$ 87,336	\$ 76,256	\$ 88,363	\$ 92,008	\$ 62,915	\$ 64,662	\$ 74,053	\$ 58,661	\$ 53,058
Covered-employee payroll	306,909	220,129	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	28.46%	34.64%	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	3.56%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

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

The accompanying notes are an integral  
part of this schedule.

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

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b><u>Florida Retirement System (FRS)</u></b>									
Contractually required contribution	\$ 36,304	\$ 25,750	\$ 22,467	\$ 22,071	\$ 9,970	\$ 14,340	\$ 14,311	\$ 14,230	\$ 14,976
Contributions in relation to the contractually required contribution	(36,304)	(25,750)	(22,467)	(22,071)	(9,970)	(14,340)	(14,311)	(14,230)	(14,976)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 306,909	\$ 220,129	\$ 251,226	\$ 275,071	\$ 194,155	\$ 194,384	\$ 196,152	\$ 232,904	\$ 260,446
Contributions as a percentage of covered-employee payroll	11.83%	11.70%	8.94%	8.02%	5.14%	7.38%	7.30%	6.11%	5.75%
<b><u>Health Insurance Subsidy Program (HIS)</u></b>									
Contractually required contribution	\$ 5,095	\$ 3,654	\$ 4,170	\$ 4,566	\$ 3,223	\$ 3,227	\$ 3,256	\$ 2,935	\$ 3,125
Contributions in relation to the contractually required contribution	(5,095)	(3,654)	(4,170)	(4,566)	(3,223)	(3,227)	(3,256)	(2,935)	(3,125)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 306,909	\$ 220,129	\$ 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%	1.66%	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, 2022**

**TOWN COUNCIL**

Brittni Brown, Mayor  
Kathleen Hamilton, Vice Mayor  
Barbara Dansey  
Calvin Malone  
Brandi Tillman

**TOWN MANAGER**

Lee Jones, Jr.

**TOWN ATTORNEY**

John Reid

**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 (the Town) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated November 13, 2023.

***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Town'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 the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described below as items 2022-001 and 2022-002 that we consider to be material weaknesses.



**Finding 2022-001: Significant Adjustments**

**Condition and Criteria:** The internal controls of Town of Greenville, Florida (the Town) 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, 2022, 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 2022-002: Documentation of Internal Control and Journal Entry Processes**

**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 and processes surrounding the approval of journal entries. 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. Documentation surrounding the application of these processes should be documented for each transaction.

**Cause:** During the fiscal year, documentation was not readily available or accessible surrounding certain internal control processes including the creation 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:** Transactions or journal entries created in the accounting system should be accompanied by support that is readily accessible for review when requested and journal entries should be reviewed by an individual who did not also prepare the journal entry.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Town'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 or other matters that are required to be reported under *Government Auditing Standards*, which is described below as item 2022-003.

**2022-003: Bond Reserve Account**

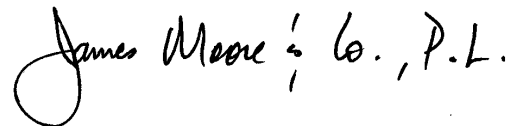
The Town's bond covenants for its USDA bonds require the Town to maintain a sinking fund and a reserve fund for each of its bonds. The Town closed out its bank account with a financial institution in the fiscal year under audit and failed to re-open the bond reserve account at the Town's new financial institutions. The Town is required to deposit 1/12<sup>th</sup> of 1/10<sup>th</sup> of the annual payment into a reserve fund so that the reserve fund accumulates one year's worth of payments by the date listed in the bond agreement. We recommend the Town open a reserve account in accordance with the bond covenants to remain in compliant with those bond covenants.

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

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

**Purpose of this Report**

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

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  
November 13, 2023

**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 (the Town), as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated November 13, 2023.

**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 Florida Auditor General.

**Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report 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 November 13, 2023, should be considered in conjunction with this management letter.

**Prior Audit Findings**

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

<b>Tabulation of Uncorrected Audit Findings</b>		
<b>Current Year Finding #</b>	<b>2020-2021 FY Finding #</b>	<b>2019-2020 FY Finding #</b>
2022-001	2021-001	2020-001
2022-002	2021-002	N/A
2022-003	N/A	N/A
2022-004	N/A	N/A

## **Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority for the primary government and component units of the reporting entity is disclosed in Note 1 of the basic financial statements.

## **Financial Condition and Management**

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Town has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the Town, 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 for the Town. It is management's responsibility to monitor the Town'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 the same. We noted the following finding in accordance with those rules:

### **2022-004: Financial Condition Assessment indicated Deteriorating Financial Condition**

Florida Statutes 218.39(5) require the auditor to notify the governing council of the local government if conditions are present which could lead to the various financial emergency situations described in Florida Statutes 218.503(1). As a result of performing the annual financial condition assessment required by the State of Florida Auditor General, we noted that the analysis produced an "unfavorable" result. In addition, we noted that the General Fund assigned and unassigned fund balance as a percentage of total General Fund expenditures (also known as a reserve level) for the year was approximately 4% in comparison to the Government Finance Officers Association recommendation of 33% for coastal localities. The Utility Fund unrestricted net position balance was a deficit balance at year end. We recommend the Town review its financial condition and adjust the operating budget for the General and Utility funds to improve the long-term financial condition of the Town.

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 had the below recommendation:

## **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate 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 have 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 Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, Board of Commissioners, management, others within the Town, and pass-through entities 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  
November 13, 2023



## INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

To Town Council,  
Town of Greenville, Florida:

We have examined the Town of Greenville, Florida's (the Town)'s compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies* (The Statute), for the year ended September 30, 2022. Management is responsible for the Town's compliance with the Statute. Our responsibility is to obtain reasonable assurance by evaluate the Town's compliance with the Statute and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our evaluation based on our examination.

Our examination was conducted in accordance with attestation standards for a direct examination engagement established by the American Institute of Certified Public Accountants (AICPA). Those standards require that we obtain reasonable assurance for evaluating the Town's compliance with the Statute, and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our evaluation of the Town's compliance with the Statute. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks that the Town was not in compliance with the Statute in all material respects, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the Town complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

A handwritten signature in black ink that reads 'James Moore & Co., P.L.' with a large, stylized initial 'J'.

Tallahassee, Florida  
November 13, 2023

**TOWN OF GREENVILLE, FLORIDA  
MANAGEMENT'S RESPONSE TO CURRENT YEAR FINDINGS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**Finding 2022-001: Significant Adjustments and Preparation of Financial Statements**

The Town made significant improvements in both the dollar value of adjustments and the number of adjustments needed for our books to be compliant from year to year. The Town had a 90% reduction in the dollar value of adjustments needed to balance the books and a 55% reduction in the number of adjustments needed. Thirty-five percent of the adjustments were due to an annual audit entry provided by auditors for our interest in the Florida Retirement System.

Another significant element of the adjustments needed was related to the required adoption of GASB 87, which governs how certain leases are recognized in our books.

The Town will continue to make improvements in training and staffing to reduce the dollar value and the number of adjustments needed for our books to be compliant.

**Finding 2022-002: Documentation of Internal Control and Journal Entry Processes**

During the audit period the Town lost a primary member of its office team and was not able to replace the position for 13 months. We have now filled this position and will be able to do a better job of documenting our internal control procedures.

**Finding 2022-003: Bond Reserve Account**

During a change in banking relationships, the Town inadvertently combined two Utility Fund accounts we needed to keep separate. The Town has separated these accounts moving forward.