

TOWN OF GREENSBORO, FLORIDA
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

**TOWN OF GREENSBORO, FLORIDA
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

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**TOWN OF GREENSBORO, FLORIDA
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

MAYOR

Lamar Alday

TOWN COUNCIL

Michael Pitts (President)

Kim Boyer

Jackie Barber

Justin Alday

Brenda Martinez

TOWN CLERK

Amy Rowan

TOWN MANAGER

Mike Wade

INDEPENDENT AUDITOR’S REPORT

To the Honorable Town Council
Town of Greensboro, Florida

Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Greensboro, Florida (the “Town”), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Town’s basic financial statements as listed in the table of contents.

Qualified Opinion 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 and Unmodified Opinions section of our report, the 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, 2023, 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.

Unmodified Opinion on the General Fund

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the general fund of the Town as of September 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s 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 qualified and unmodified audit opinions.

Matter Giving Rise to the Qualified Opinion on the Governmental Activities, Business-type Activities, and Utility Fund

As discussed in Note 8 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 governmental activities, business-type activities and the utility fund. The effects of this departure from accounting principles generally accepted in the United States of America on the governmental activities, business-type activities and the utility fund, has not been determined.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

Auditor's 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 auditor's 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 generally accepted auditing standards and *Government Auditing Standards* 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 generally accepted auditing standards and *Government Auditing Standards*, 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 budgetary comparison information 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 who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated June 10, 2024, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Town's internal control over financial reporting and compliance.

Moran & Smith LLP

Moran & Smith LLP
Tallahassee, Florida
June 10, 2024

**TOWN OF GREENSBORO, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

As management of the Town of Greensboro, Florida (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2023.

Overview of the Financial Statements

This discussion and analysis are 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 required supplementary information in addition to the basic financial statements.

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 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 useful indicators 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).

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, physical environment, and transportation. The business-type activities of the Town include the water operations.

The government-wide financial statements can be found on pages 12 through 13 of this report.

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 the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

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

**TOWN OF GREENSBORO, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

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 two governmental funds, the general fund and the special revenue fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for each of the funds.

The Town adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 14 through 17 of this report.

Proprietary Funds

Proprietary funds record the business-like transactions of a government. The Town maintains one proprietary fund, the water fund. This fund is also classified as an Enterprise fund because it records outside goods and services provided to the public for a fee. *Proprietary funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements.

Proprietary fund financial statements 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 operations, which is considered to be a major fund.

The basic proprietary fund financial statements can be found on pages 18 through 20 of this report.

Notes to the Basic 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 notes to the financial statements can be found on pages 21 through 34 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Town. Required supplementary information can be found on pages 35 through 38 of this report.

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 exceeded liabilities by \$3,289,405 at the close of the most recent fiscal year.

By far the largest portion of the Town's net position (82 percent) 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. The remaining balance of *unrestricted net position* of \$548,382 may be used to meet the government's ongoing obligations to citizens and creditors.

**TOWN OF GREENSBORO, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

At the end of the current fiscal year, the Town is able to report positive balances in net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

Town of Greensboro, Florida's Net Position

Governmental Activities			
	2023	2022	Increase (Decrease)
Assets			
Current and Other Assets	\$ 1,241,694	\$ 1,204,417	\$ 37,277
Capital Assets	1,080,279	1,153,977	(73,698)
Total Assets	2,321,973	2,358,394	(36,421)
Deferred Outflows of Resources			
Deferred Outflows Related to Pensions	102,738	58,498	44,240
Liabilities			
Net Pension Liability	234,431	134,307	100,124
Unearned Revenue - ARPA Funds	308,025	308,025	-
Other Liabilities	79,278	3,579	75,699
Total Liabilities	621,734	445,911	175,823
Deferred Inflows of Resources			
Deferred Inflows Related to Pensions	23,839	32,535	(8,696)
Net Position			
Net Investment in Capital Assets	1,080,279	1,153,977	(73,698)
Unrestricted	698,859	784,469	(85,610)
Total Net Position	\$ 1,779,138	\$ 1,938,446	\$ (159,308)

**TOWN OF GREENSBORO, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Business-Type Activities			
	2023	2022	Increase (Decrease)
Assets			
Current and Other Assets	\$ 7,635	\$ 32,763	\$ (25,128)
Capital Assets	1,629,670	1,686,783	(57,113)
Total Assets	1,637,305	1,719,546	(82,241)
Deferred Outflows of Resources			
Deferred Outflows Related to Pensions	25,681	14,622	11,059
Liabilities			
Net Pension Liability	58,610	33,578	25,032
Other Liabilities	125,135	31,109	94,026
Total Liabilities	183,745	64,687	119,058
Deferred Inflows of Resources			
Deferred Inflows Related to Pensions	5,959	8,133	(2,174)
Net Position			
Net Investment in Capital Assets	1,629,670	1,686,783	(57,113)
Restricted	31,074	31,109	(35)
Unrestricted	(156,388)	(122,070)	(34,318)
Total Net Position	\$ 1,504,356	\$ 1,595,822	\$ (91,466)

The Town received \$308,025 in American Rescue Plan Act (ARPA) funds. The Town has not yet spent these funds. These funds have been recorded as unearned revenue until spent.

**TOWN OF GREENSBORO, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Town of Greensboro, Florida's Changes in Net Position

Governmental Activities			
	2023	2022	Increase (Decrease)
Revenues:			
Program Revenues:			
Charges for Services	\$ 92,805	\$ 56,323	\$ 36,482
Operating Grants and Contributions	8,000	47,141	(39,141)
Capital Grants and Contributions	-	16,681	(16,681)
General Revenues:			
Property Taxes	45,954	40,573	5,381
Utility Taxes	44,414	45,322	(908)
State Shared Revenues	158,153	170,782	(12,629)
Unrestricted Investment Earnings	9,787	3,346	6,441
Restricted Investment Earnings	3,796	-	3,796
Miscellaneous	11,093	4,420	6,673
Total Revenues	374,002	384,588	(10,586)
Expenses:			
General Government	315,772	190,589	125,183
Public Safety	29,656	36,345	(6,689)
Physical Environment	118,111	100,191	17,920
Transportation	69,771	53,480	16,291
Total Expenses	533,310	380,605	152,705
Change in Net Position	(159,308)	3,983	(163,291)
Net Position, Beginning of Year, as Restated	1,938,446	1,934,463	3,983
Net Position, End of Year	\$ 1,779,138	\$ 1,938,446	\$ (159,308)

**TOWN OF GREENSBORO, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Business-Type Activities			
	2023	2022	Increase (Decrease)
Revenues:			
Program Revenues:			
Charges for Services	\$ 76,282	\$ 79,085	\$ (2,803)
Total Revenues	76,282	79,085	(2,803)
Expenses:			
Business-Type Activities - Water	167,748	157,466	10,282
Total Expenses	167,748	157,466	10,282
Change in Net Position	(91,466)	(78,381)	(13,085)
Net Position, Beginning of Year	1,595,822	1,674,203	(78,381)
Net Position, End of Year	\$ 1,504,356	\$ 1,595,822	\$ (91,466)

Governmental Activities

Governmental activities decreased the Town's net position by \$153,397 in the most recent fiscal year.

Business-Type Activities

In the most recent fiscal year, business-type activities decreased the Town's net position by \$91,466.

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 ending fund balances of \$860,302, a decrease of \$32,511 in comparison with the prior year. However, Town of Greensboro received \$308,025 of ARPA funds that remain unspent and have been classified as unearned revenue (a liability) until the funds can be used. Approximately 98 percent of this total amount, \$843,425, constitutes *unassigned fund balance*, which is available for spending at the government's discretion.

The fund balance of the Town's general fund decreased by \$36,307 during the fiscal year ending September 30, 2023, due to the following:

- The Town has reasonable unexpected expenditures and was able to keep the current year expenditures below budgeted amounts.

**TOWN OF GREENSBORO, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Proprietary Funds

The Town's proprietary fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the water fund at the end of the year amounted to negative \$156,388. The total decrease in net position for the fund was \$91,466. Other factors concerning the finances of this fund have already been addressed in the discussion of the Town's business-type activities.

General Budgetary Highlights

The Town did not amend its budget during the current year. The Town underspent the annual budget.

Capital Asset and Debt Administration

Capital Assets

The Town's investment in capital assets for its governmental and business-type activities as of September 30, 2023, amounts to \$2,709,949 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, utility systems, machinery and equipment, and roads.

Additional information on the Town's capital assets can be found in Note 6 of this report.

Economic Factors and Next Year's Budgets and Rates

There are no anticipated rate increases. This factor was considered in preparing the Town's budget for the 2023-2024 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 the Town Manager, Post Office Box 66, Greensboro, Florida 32330.

TOWN OF GREENSBORO, FLORIDA
BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

TOWN OF GREENSBORO, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash	\$ 92,126	\$ 1,350	\$ 93,476
Certificates of Deposit	969,023	-	969,023
Accounts Receivable, Net	4,778	6,173	10,951
Due from Other Governments	18,980	-	18,980
Due from Other Funds	144,025	-	144,025
Prepaid Expenses	12,762	112	12,874
Restricted Assets:			
Cash	-	31,074	31,074
Capital Assets:			
Capital Assets, Not Being Depreciated	20,277	5,000	25,277
Capital Assets, Being Depreciated, Net	1,060,002	1,624,670	2,684,672
Total Assets	2,321,973	1,668,379	3,990,352
Deferred Outflows of Resources			
Deferred Outflows Related to Pensions	102,738	25,681	128,419
Liabilities			
Accounts Payable and Accrued Expenses	23,403	-	23,403
Unearned Revenue - ARPA Funds	308,025	-	308,025
Due to Other Funds	49,964	94,061	144,025
Customer Deposits	-	31,074	31,074
Accrued Compensated Absences, Current Portion	1,478	-	1,478
Noncurrent Liabilities:			
Accrued Compensated Absences, Long Term	4,433	-	4,433
Net Pension Liability	234,431	58,610	293,041
Total Liabilities	621,734	183,745	805,479
Deferred Inflows of Resources			
Deferred Inflows Related to Pensions	23,839	5,959	29,798
Net Position			
Net Investment in Capital Assets	1,080,279	1,629,670	2,709,949
Restricted	-	31,074	31,074
Unrestricted	698,859	(156,388)	542,471
Total Net Position	\$ 1,779,138	\$ 1,504,356	\$ 3,283,494

See accompanying notes to basic financial statements.

**TOWN OF GREENSBORO, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 315,772	\$ -	\$ 8,000	\$ -	\$ (307,772)	\$ -	\$ (307,772)
Public Safety	29,656	32,031	-	-	2,375	-	2,375
Physical Environment	118,111	57,909	-	-	(60,202)	-	(60,202)
Transportation	69,771	2,865	-	-	(66,906)	-	(66,906)
Total Governmental Activities	533,310	92,805	8,000	-	(432,505)	-	(432,505)
Business-Type Activities	167,748	76,282	-	-	-	(91,466)	(91,466)
Total Primary Government	\$ 701,058	\$ 169,087	\$ 8,000	\$ -	(432,505)	(91,466)	(523,971)
General Revenues							
Taxes							
Property Taxes					45,954	-	45,954
Utility Taxes					44,414	-	44,414
State Shared Revenues					158,153	-	158,153
Unrestricted Investment Earnings					9,787	-	9,787
Restricted Investment Earnings					3,796	-	3,796
Miscellaneous					11,093	-	11,093
Total General Revenues					273,197	-	273,197
Change in Net Position					(159,308)	(91,466)	(250,774)
Net Position, Beginning of Year, Previously Reported					1,925,996	1,595,822	3,521,818
Restatement					12,450	-	12,450
Net Position, Beginning of Year, Restated					1,938,446	1,595,822	3,534,268
Net Position, End of Year					\$ 1,779,138	\$ 1,504,356	\$ 3,283,494

See accompanying notes to basic financial statements.

**TOWN OF GREENSBORO, FLORIDA
BALANCE SHEET – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

	General Fund	Special Revenue Fund	Total
Assets			
Cash	\$ 33,818	\$ 58,308	\$ 92,126
Certificates of Deposit	665,227	303,796	969,023
Accounts Receivable, Net	4,778	-	4,778
Due from Other Governments	18,980	-	18,980
Due from Other Funds	144,025	-	144,025
Prepaid Expenses	12,762	-	12,762
Total Assets	<u>879,590</u>	<u>362,104</u>	<u>1,241,694</u>
 Liabilities and Fund Balances			
Liabilities			
Accounts Payable and Accrued Expenses	23,403	-	23,403
Unearned Revenue - ARPA Funds	-	308,025	308,025
Due to Other Funds	-	49,964	49,964
Total Liabilities	<u>23,403</u>	<u>357,989</u>	<u>381,392</u>
 Fund Balances			
Nonspendable	12,762	-	12,762
Restricted	-	4,115	4,115
Unassigned	843,425	-	843,425
Total Fund Balances	<u>856,187</u>	<u>4,115</u>	<u>860,302</u>
 Total Liabilities and Fund Balances	 <u>\$ 879,590</u>	 <u>\$ 362,104</u>	 <u>\$ 1,241,694</u>

See accompanying notes to basic financial statements.

**TOWN OF GREENSBORO, FLORIDA
RECONCILIATION OF THE BALANCE SHEET TO THE
STATEMENT OF NET POSITION – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

Total Fund Balances of Governmental Funds \$ 860,302

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds. 1,080,279

Net pension liability and related deferred inflows/outflows are not due and payable in the current period and, therefore, are not reported in the funds.

Deferred Outflows	102,738	
Net Pension Liability	(234,431)	
Deferred Inflows	<u>(23,839)</u>	(155,532)

Accrued compensated absences are not due and payable in the current period and, therefore, are not reported in the funds. (5,911)

Total Net Position of Governmental Activities \$ 1,779,138

See accompanying notes to basic financial statements.

TOWN OF GREENSBORO, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	General Fund	Special Revenue Fund	Total
Revenues			
Taxes	\$ 90,368	\$ -	\$ 90,368
Intergovernmental	158,153	-	158,153
Licenses and Permits	308	-	308
Fines and Forfeitures	1,130	-	1,130
Charges for Services	92,805	-	92,805
Interest Income	9,787	3,796	13,583
Miscellaneous Income	17,655	-	17,655
Total Revenues	<u>370,206</u>	<u>3,796</u>	<u>374,002</u>
Expenditures			
Current:			
General Government	258,988	-	258,988
Public Safety	25,971	-	25,971
Physical Environment	51,783	-	51,783
Transportation	69,771	-	69,771
Total Expenditures	<u>406,513</u>	<u>-</u>	<u>406,513</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(36,307)</u>	<u>3,796</u>	<u>(32,511)</u>
Net Change in Fund Balances	(36,307)	3,796	(32,511)
Fund Balances, Beginning of Year, Previously Reported	880,044	319	880,363
Restatement	<u>12,450</u>	<u>-</u>	<u>12,450</u>
Fund Balances, Beginning of Year, Restated	<u>892,494</u>	<u>319</u>	<u>892,813</u>
Fund Balances, End of Year	<u>\$ 856,187</u>	<u>\$ 4,115</u>	<u>\$ 860,302</u>

See accompanying notes to basic financial statements.

**TOWN OF GREENSBORO, 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, 2023**

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

Net Change in Fund Balances - Total Governmental Funds		\$ (32,511)
--	--	-------------

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the

Capital Outlay	-	
Depreciation Expense	<u>(73,698)</u>	(73,698)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

This includes changes in:

Accrued Compensated Absences	(5,911)	
Net Pension Liability	(100,124)	
Deferred Outflows Related to Net Pension Liability	44,240	
Deferred Inflows Related to Net Pension Liability	<u>8,696</u>	(53,099)

Change in Net Position of Governmental Activities		<u><u>\$ (159,308)</u></u>
--	--	----------------------------

See accompanying notes to basic financial statements.

TOWN OF GREENSBORO, FLORIDA
STATEMENT OF NET POSITION – PROPRIETARY FUND
SEPTEMBER 30, 2023

	Water Fund
Assets	
Current Assets	
Cash	\$ 32,424
Accounts Receivable, Net	6,173
Prepaid Expenses	112
Total Current Assets	38,709
 Capital Assets	
Capital Assets, Not Being Depreciated	5,000
Capital Assets, Being Depreciated, Net	1,624,670
Total Capital Assets	1,629,670
 Total Assets	 1,668,379
 Deferred Outflows	
Deferred Outflows Related to Pensions	25,681
 Liabilities	
Current Liabilities	
Customer Deposits	31,074
Due to Other Funds	94,061
Total Current Liabilities	125,135
 Noncurrent Liabilities	
Net Pension Liability	58,610
Total Noncurrent Liabilities	58,610
 Total Liabilities	 183,745
 Deferred Inflows	
Deferred Inflows Related to Pensions	5,959
 Net Position	
Net Investment in Capital Assets	1,629,670
Restricted	31,074
Unrestricted	(156,388)
Total Net Position	\$ 1,504,356

See accompanying notes to basic financial statements.

**TOWN OF GREENSBORO, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION – PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Water Fund
Operating Revenues	
Charges for Services	\$ 76,282
Total Operating Revenue	76,282
 Operating Expenses	
Depreciation	57,113
Personnel Services	49,899
Professional Services	19,770
Telephone and Utilities	12,265
Small Tools and Supplies	7,890
Repairs and Maintenance	8,599
Insurance	9,526
Office Expenses	2,686
Total Operating Expenses	167,748
 Operating Income (Loss)	(91,466)
 Change in Net Position	(91,466)
Net Position, Beginning of Year	1,595,822
Net Position, End of Year	\$ 1,504,356

See accompanying notes to basic financial statements.

**TOWN OF GREENSBORO, FLORIDA
STATEMENT OF CASH FLOWS – PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Water Fund
Cash Flows from Operating Activities	
Receipts from Customers	\$ 73,905
Payments to Suppliers	(43,901)
Payments to Employees	(30,114)
Net Cash Provided by (Used in) Operating Activities	(110)
Net Increase (Decrease) in Cash	(110)
Cash, Beginning of Year	32,534
Cash, End of Year	\$ 32,424
 <u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</u>	
Cash Flows from Operating Activities	
Operating Income (Loss)	\$ (91,466)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Depreciation	57,113
(Increase) Decrease in Accounts Receivable	(2,377)
(Increase) Decrease in Prepaid Expenses	(112)
(Increase) Decrease in Deferred Outflow of Resources	(11,059)
Increase (Decrease) in Due to Other Funds	24,968
Increase (Decrease) in Customer Deposits	(35)
Increase (Decrease) in Net Pension Liability	25,032
Increase (Decrease) in Deferred Inflow of Resources	(2,174)
Total Adjustments	91,356
Net Cash Provided by (Used in) Operating Activities	\$ (110)

See accompanying notes to basic financial statements.

TOWN OF GREENSBORO, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

TOWN OF GREENSBORO, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

The Town of Greensboro, Florida (the "Town") is a Florida municipality created pursuant to Chapter 6351, Laws of Florida, 1911, and is governed by an elected five-member Town Council. The Town provides services to its citizens, including fire department, water, streets, sanitation, and other general governmental activities. The accompanying financial statements present the government only since there are no component units for which the government is considered to be financially accountable.

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. Governmental activities, which normally are supported by taxes and intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support.

Basis of Presentation – Government-wide Financial Statements

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the Town's water functions and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the Town's funds. Separate statements for each fund category (governmental and proprietary) are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

- General Fund – The Town's primary operating fund. It accounts for all financial resources of the general government.
- Special Revenue Fund – The fund accounts for grants awarded to the Town and the related expenditures of those grant funds.

The Town reports the following major proprietary fund:

- Water Fund – The fund accounts for the activities of the Town's water distribution operations.

During the course of operations, the Town has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds.

TOWN OF GREENSBORO, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

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

Measurement Focus and Basis of Accounting

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

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

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

Sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the

TOWN OF GREENSBORO, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

Budgetary Information – Budgetary Basis of 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 management may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Town Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

Deposits and Investments

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.

Investments are stated at fair value.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

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 Town as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. For financial reporting purposes, infrastructure assets are defined by the Town as assets within an initial, individual cost of more than \$15,000 (amount not rounded) acquired after September 30, 2003 and an estimated useful life in excess of two years. 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.

**TOWN OF GREENSBORO, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

Note 1 – Summary of Significant Accounting Policies (Continued)

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

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

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

Assets	Years
Buildings and Improvements	39
Public Domain Infrastructure	30 - 50
System Infrastructure	5 - 50
Equipment, Vehicles, Furnitures and Fixtures	5 - 10

Compensated Absences

All full-time, permanent employees are granted vacation benefits in varying amounts depending on their length of continuous employment with the Town.

Vacation 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.

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.

Fund Balance Flow Assumptions

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

TOWN OF GREENSBORO, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

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.

Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the statement of financial position will, if required, report a separate section for deferred outflows of resources and deferred inflows of resources, respectfully. These separate financial statement elements, deferred outflows/inflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow/inflow of resources (expense/expenditure or revenue) until then. Currently, the only item in this category consisted of deferred amounts related to pension, as discussed further in Note 7.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) and additions to/deductions from FRS's fiduciary net position have been determined on the same basis as they are reported by FRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Unearned Revenues

Unearned revenues will be recognized as revenue in the fiscal year they are earned. Unearned revenue presented on the government-wide, governmental fund, and proprietary fund statements represents advance collection of funds for services to be provided in future reporting periods, consisting primarily of amounts received before eligibility requirements are met.

Fund Balance Policies

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

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

Amounts in the assigned fund balance classification are intended to be used by the Town for specific purposes but do not meet the criteria to be classified as committed. The Council has by resolution authorized the Town Manager to assign fund balance. The Council may also assign general fund balance as it does when appropriating general fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an

**TOWN OF GREENSBORO, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

Note 1 – Summary of Significant Accounting Policies (Continued)

assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Program Revenues

Amounts reported as program revenues include:

- 1) Charges to customers or applicants for goods, services, or privileges provided
- 2) Operating grants and contributions
- 3) Capital grants and contributions, including special assessments

Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Property Taxes

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

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

Proprietary Funds Operating and Non-Operating 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 Town's proprietary fund are charges to customers for sales and services. The Town 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 the proprietary fund 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.

Recently Issued Auditing Standards

During the year ended September 30, 2023, the Town adopted GASB Statement No. 96, Subscription-Based Information Technology Arrangements, which changes the accounting and financial reporting related to Subscription-Based Information Technology Arrangements (SBITAs) for government end-users. Upon adoption, a SBITA will result in a right to-use subscription asset, which will be an intangible asset, and a corresponding subscription liability. The new guidance also provides capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and requires note disclosures regarding SBITA. As of September 30, 2023, the Town did not have any SBITAs.

Note 2 – Deposits

At year end, the carrying amount of the Town's cash and certificates of deposit was \$1,093,573, and the total of the bank balances was \$1,113,085. The entire bank balance was covered by Federal depository insurance or by collateral held by the Town's custodial bank which is pledged to a state trust fund that

**TOWN OF GREENSBORO, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

Note 2 – Deposits (Continued)

provides security for amounts held in excess of FDIC coverage in accordance with the Florida Security for Public Deposits Act Chapter 280, Florida Statutes.

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

Note 3 - Receivables

Receivables as of September 30, 2023, are as follows:

	General Fund	Water Fund	Total
Accounts Receivable, Net	\$ 4,778	\$ 6,173	\$ 10,951
Due from Other Governments	18,980	-	18,980
Total Receivables, Net	\$ 23,758	\$ 6,173	\$ 29,931

Note 4 – Interfund Transfers, Loans, and Advances

Interfund receivables and payables at September 30, 2023 are comprised of the following:

	Interfund Receivable (Interfund Payable)
<u>General Fund</u>	
Due from Water Fund	\$ 94,061
Due from Special Revenue Fund	49,964
<u>Special Revenue Fund</u>	
Due to General Fund	(49,964)
<u>Water Fund</u>	
Due to General Fund	(94,061)
	\$ -

Note 5 – Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally 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.

TOWN OF GREENSBORO, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

Note 6 – Capital Assets

Capital asset activity for the year ended September 30, 2023 was as follows:

	Balance			Balance
	Sept. 30, 2022	Additions	Reductions	Sept. 30, 2023
<u>Governmental Activities</u>				
Capital Assets, Not Being Depreciated:				
Land	\$ 20,277	\$ -	\$ -	\$ 20,277
Total Capital Assets, Not Being Depreciated	<u>20,277</u>	<u>-</u>	<u>-</u>	<u>20,277</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	276,078	-	-	276,078
Improvements Other Than Buildings	1,571,778	-	-	1,571,778
Equipment, Vehicles, Furniture and Fixtures	87,235	-	-	87,235
Total Capital Assets, Being Depreciated	<u>1,935,091</u>	<u>-</u>	<u>-</u>	<u>1,935,091</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(248,785)	(2,500)	-	(251,285)
Improvements Other Than Buildings	(483,409)	(65,230)	-	(548,639)
Equipment, Vehicles, Furniture and Fixtures	(69,197)	(5,968)	-	(75,165)
Total Accumulated Depreciation	<u>(801,391)</u>	<u>(73,698)</u>	<u>-</u>	<u>(875,089)</u>
Total Capital Assets, Being Depreciated, Net	<u>1,133,700</u>	<u>(73,698)</u>	<u>-</u>	<u>1,060,002</u>
Total Governmental Capital Assets, Net	<u>\$ 1,153,977</u>	<u>\$ (73,698)</u>	<u>\$ -</u>	<u>\$ 1,080,279</u>
<u>Business-Type Activities</u>				
Capital Assets, Not Being Depreciated:				
Land	\$ 5,000	\$ -	\$ -	\$ 5,000
Total Capital Assets, Not Being Depreciated	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>5,000</u>
Capital Assets, Being Depreciated:				
Equipment, Buildings, Utility Systems and Improvements	2,420,332	-	-	2,420,332
Less Accumulated Depreciation	<u>(738,549)</u>	<u>(57,113)</u>	<u>-</u>	<u>(795,662)</u>
Total Capital Assets, Being Depreciated, Net	<u>1,681,783</u>	<u>(57,113)</u>	<u>-</u>	<u>1,624,670</u>
Total Business-Type Capital Assets, Net	<u>\$ 1,686,783</u>	<u>\$ (57,113)</u>	<u>\$ -</u>	<u>\$ 1,629,670</u>

TOWN OF GREENSBORO, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

Note 6 – Capital Assets (Continued)

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
General Government	\$ 3,685
Public Safety	3,685
Physical Environment	66,328
Total Depreciation Expense	\$ 73,698
Business-Type Activities:	
Water	\$ 57,113
Total Depreciation Expense	\$ 57,113

Note 7 – Florida Retirement System

Plan Description – Defined Benefit Plans

The Town participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability and death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida, 32315-9000 or by calling (844) 377-1888.

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multi-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retirees' Health Insurance Subsidy (HIS) Program is a cost-sharing, multi-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. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided

Benefits under FRS 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

**TOWN OF GREENSBORO, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

Note 7 – Florida Retirement System (Continued)

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.

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.

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan (FRS Investment Plan), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class.

Contributions

The contribution requirements of plan members and the Town are established and may be amended by the Florida Legislature. Employees are required to contribute 3% of their salary to FRS. The Town’s contribution rates for the year ended September 30, 2023 were as follows:

	Year Ended June 30, 2023		Year Ended June 30, 2024	
	FRS (2)	HIS	FRS (2)	HIS
Regular Class	10.1%	1.66%	11.51%	1.66%
Elected City Officers	55.2%	1.66%	56.62%	1.66%
Senior Management	29.8%	1.66%	32.46%	1.66%
DROP Plan Participants	16.9%	1.66%	19.13%	1.66%
Reemployment Retiree	(1)	(0)	(1)	(0)

(1) Contribution rates are dependent upon retirement class in which reemployed.

(2) The rates include the normal cost and unfunded actuarial liability contributions, but to not include the fee of 0.06% for administration of the FRS Investment Plan and provision of education tools.

The Town’s contributions for the year ended September 30, 2023, were \$25,414 to FRS and \$3,419 to HIS.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2023, the Town reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2023, and the total pension liabilities used to calculate the net pension liability were determined by actuarial valuation date June 30, 2023. The Town’s proportions of the net pension liabilities were based on the Town’s share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

TOWN OF GREENSBORO, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

Note 7 – Florida Retirement System (Continued)

	FRS	HIS	
Net Pension Liability	\$ 210,508	\$ 82,533	
Proportion at:			
Current Measurement Date	0.000528292%	0.000519684%	
Prior Measurement Date	0.000341986%	0.000383695%	
Pension Expense (Benefit)	\$ 4,111	\$ 3,737	

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 19,765	\$ -
Changes of assumptions	13,723	-
Net difference between projected and actual earnings on Pension Plan Investments	8,791	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	58,338	(19,187)
Employer contributions subsequent to the measurement date	4,037	-
Total	\$ 104,654	\$ (19,187)

	HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,208	\$ (194)
Changes of assumptions	2,170	(7,152)
Net difference between projected and actual earnings on Pension Plan Investments	43	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	24,381	(3,265)
Employer contributions subsequent to the measurement date	656	-
Total	\$ 28,458	\$ (10,611)

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2024. Other pension related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

**TOWN OF GREENSBORO, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

Note 7 – Florida Retirement System (Continued)

Measurement period ending June 30,	FRS	HIS
2024	\$ 11,115	\$ 2,965
2025	5,585	3,771
2026	45,325	3,791
2027	15,469	3,299
2028	3,935	2,684
Thereafter	-	678
Total	<u>\$ 81,429</u>	<u>\$ 17,188</u>

Actuarial Assumptions

The total pension liability for each of the defined benefit plans, measured as of June 30, 2023, was determined by an actuarial valuation dated July 1, 2023, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.40%	2.40%
Salary Increase	3.25% Average, Including Inflation	3.25%
Discount Rate	6.70%	3.65%
Long-term Expected Rate of Return, Net of Investment Income	6.70%	N/A
Municipal Bond	N/A	3.65%

Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB.

For both plans, the actuarial assumptions used in the valuation date June 30, 2023 were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

The following changes in actuarial assumptions occurred in 2023:

- FRS: The long-term expected rate of return remained at 6.70%.
- HIS: The municipal rate used to determine total pension liability was increased from 3.54% to 3.65%.
- The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. For FRS, the table below summarizes the target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class.

**TOWN OF GREENSBORO, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

Note 7 – Florida Retirement System (Continued)

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	2.9%	2.9%	1.1%
Fixed Income	19.8%	4.5%	4.4%	3.4%
Global Equity	54.0%	8.7%	7.1%	18.1%
Real Estate (Property)	10.3%	7.6%	6.6%	14.8%
Private Equity	11.1%	11.9%	8.8%	26.3%
Strategic Investments	3.8%	6.3%	6.1%	7.7%
Total	<u>100.00%</u>			
Assumed Inflation - Mean			2.4%	1.4%

(1) As outlined in the Pension Plan's investment policy

Discount Rate

The discount rate used to measure the total pension liability for FRS was 6.70%. FRS' 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 is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.65% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

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

	<u>FRS</u>		
	<u>Current</u>		
	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Employer's proportionate share of the net pension liability	\$ 359,590	\$ 210,508	\$ 85,782
	<u>HIS</u>		
	<u>Current</u>		
	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Employer's proportionate share of the net pension liability	\$ 94,157	\$ 82,533	\$ 72,897

TOWN OF GREENSBORO, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

Note 7 – Florida Retirement System (Continued)

Pension Plans' Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the State's separately issued financial reports.

Note 8 – Other Postemployment 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.

Note 9 – 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; workers compensation; and natural disasters for which the Town carries commercial insurance.

The Town is a member of the Florida Municipal Self-Insurance Fund, (the "Fund"). The Fund was created to allow members to pool their liabilities pursuant to provisions in Florida Worker's Compensation Law. The Town pays an annual premium to the Fund for its workers' compensation coverage. The Fund's underwriting and rate setting policies were established after consulting with an independent actuary. The Fund is non-assessable and therefore, the Town has no liability for future deficits of the Fund, if any.

The Town is also a member of the Florida Municipal Insurance Trust (the "Trust"). The Trust is a self-insurance program established to provide certain liability, casualty and property coverage to participating units of local governments in Florida, pursuant to various provisions of Florida Statutes. The Trust's underwriting and rate setting policies were established after consulting with an independent actuary. The Town pays an annual premium to the Trust for its insurance coverage. The Trust is non-assessable and therefore, the Town has no liability for future deficits of the Trust, if any.

Note 10 – Restatement

The Town determined that beginning fund balance for the general fund was understated by \$12,450 as a result of understating due from other governments and cash at September 30, 2022.

Note 11 – Subsequent Events

Subsequent events were reviewed through June 10, 2024, which is the date the financial statements were available to be issued. As of this date there were no subsequent events that required disclosure.

TOWN OF GREENSBORO, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2023

TOWN OF GREENSBORO, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 92,970	\$ 92,970	\$ 90,368	\$ (2,602)
Intergovernmental	118,209	118,209	158,153	39,944
Licenses and Permits	475	475	308	(167)
Fines and Forfeitures	600	600	1,130	530
Charges for Services	86,896	86,896	92,805	5,909
Interest Income	500	500	9,787	9,287
Miscellaneous	3,000	3,000	17,655	14,655
Total Revenues	<u>302,650</u>	<u>302,650</u>	<u>370,206</u>	<u>67,556</u>
Expenditures				
Current:				
General Government	233,670	233,670	258,988	(25,318)
Public Safety	49,700	49,700	25,971	23,729
Physical Environment	49,000	49,000	51,783	(2,783)
Transportation	167,300	167,300	69,771	97,529
Total Expenditures	<u>499,670</u>	<u>499,670</u>	<u>406,513</u>	<u>93,157</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(197,020)</u>	<u>(197,020)</u>	<u>(36,307)</u>	<u>160,713</u>
Net Change in Fund Balance	(197,020)	(197,020)	(36,307)	160,713
Fund Balance, Beginning of Year, Previously Reported	880,044	880,044	880,044	-
Restatement	<u>-</u>	<u>-</u>	<u>12,450</u>	<u>12,450</u>
Fund Balance, Beginning of Year, Restated	<u>880,044</u>	<u>880,044</u>	<u>892,494</u>	<u>12,450</u>
Fund Balance, End of Year	<u>\$ 683,024</u>	<u>\$ 683,024</u>	<u>\$ 856,187</u>	<u>\$ 173,163</u>

TOWN OF GREENSBORO, FLORIDA
NOTE TO THE SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET TO ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Note 1 – Budgetary Information

An annual budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America for the funds. 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 funds. The legal level of budgetary control is the fund level.
6. The budget for the funds is adopted on a basis consistent with accounting principles generally accepted in the United States of America.

TOWN OF GREENSBORO, FLORIDA
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
LAST 10 FISCAL YEARS AS OF SEPTEMBER 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Florida Retirement System (FRS)										
Proportion of the net pension liability (asset)	0.000528292%	0.000341986%	0.000253764%	0.000348503%	0.000353611%	0.000442894%	0.000515241%	0.000518677%	0.0050060%	0.000444071%
Proportionate share of the net pension liability (asset)	\$ 210,508	\$ 127,246	\$ 19,169	\$ 151,046	\$ 121,779	\$ 133,402	\$ 152,405	\$ 130,966	\$ 64,660	\$ 27,095
Covered-employee payroll	\$ 199,625	\$ 93,339	\$ 70,361	\$ 63,584	\$ 59,040	\$ 70,867	\$ 88,551	\$ 86,549	\$ 98,242	\$ 90,309
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	105.45%	136.33%	27.24%	237.55%	206.27%	188.24%	172.11%	151.32%	65.82%	30.00%
Plan fiduciary net position as a percentage of the total pension liability	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%
Health Insurance Subsidy Program (HIS)										
Proportion of the net pension liability (asset)	0.000519684%	0.000383695%	0.000249362%	0.000283253%	0.000264731%	0.000278551%	0.000327384%	0.000322101%	0.031159500%	0.000301724%
Proportionate share of the net pension liability (asset)	\$ 82,533	\$ 40,639	\$ 30,583	\$ 34,585	\$ 29,621	\$ 29,482	\$ 35,005	\$ 37,540	\$ 31,778	\$ 28,212
Covered-employee payroll	\$ 199,625	\$ 93,339	\$ 70,361	\$ 63,584	\$ 59,040	\$ 70,867	\$ 88,551	\$ 86,549	\$ 98,242	\$ 90,309
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	41.34%	43.54%	43.47%	54.39%	50.17%	41.60%	39.53%	43.37%	32.35%	31.24%
Plan fiduciary net position as a percentage of the total pension liability	4.12%	4.81%	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 City will present information for only those years for which information is available.

**TOWN OF GREENSBORO, FLORIDA
SCHEDULE OF THE TOWN'S CONTRIBUTIONS
LAST 10 FISCAL YEARS AS OF SEPTEMBER 30**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Florida Retirement System (FRS)										
Contractually required contribution	\$ 48,405	\$ 16,812	\$ 9,358	\$ 11,504	\$ 12,339	\$ 10,076	\$ 13,413	\$ 12,649	\$ 12,205	\$ 9,727
Contributions in relation to the contractually required contribution	(48,405)	(16,812)	(9,358)	(11,504)	(12,339)	(10,076)	(13,413)	(12,649)	(12,205)	(9,727)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 199,625	\$ 93,339	\$ 70,361	\$ 63,584	\$ 59,040	\$ 70,867	\$ 88,551	\$ 86,549	\$ 98,242	\$ 90,309
Contributions as a percentage of covered-employee payroll	24.25%	18.01%	13.30%	18.09%	20.90%	14.22%	15.15%	14.61%	12.42%	10.77%
Health Insurance Subsidy Program (HIS)										
Contractually required contribution	\$ 5,189	\$ 2,709	\$ 1,408	\$ 1,694	\$ 1,588	\$ 1,324	\$ 1,733	\$ 1,651	\$ 1,191	\$ 1,034
Contributions in relation to the contractually required contribution	(5,189)	(2,709)	(1,408)	(1,694)	(1,588)	(1,324)	(1,733)	(1,651)	(1,191)	(1,034)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 199,625	\$ 93,339	\$ 70,361	\$ 63,584	\$ 59,040	\$ 70,867	\$ 88,551	\$ 86,549	\$ 98,242	\$ 90,309
Contributions as a percentage of covered-employee payroll	2.60%	2.90%	2.00%	2.66%	2.69%	1.87%	1.96%	1.91%	1.21%	1.14%

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

TOWN OF GREENSBORO, FLORIDA

COMPLIANCE SECTION

SEPTEMBER 30, 2023

INDEPENDENT AUDITOR'S 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 Greensboro, Florida

We have audited, in accordance with the 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 the Town of Greensboro, Florida (the "Town"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated June 10, 2024.

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 in the accompanying schedule of findings as items 2023-001, 2023-002, 2023-003, and 2023-004 that we consider to be material weaknesses.

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

no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Town of Greensboro, Florida's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town of Greensboro, Florida's response to the findings identified in our audit and described in the accompanying schedule of findings. The Town of Greensboro, Florida's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Moran & Smith LLP

Moran & Smith LLP
Tallahassee, Florida
June 10, 2024

**TOWN OF GREENSBORO, FLORIDA
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

2023-001: Segregation of Duties (Repeated Finding from the Prior Year)

Criteria: It is important for an entity to segregate the authorization of transactions, recording of transactions, and custody of the related assets. Independent performance of each of these functions reduces the opportunity for any one person to be in a position both to perpetrate and to conceal errors or irregularities in the normal course of his or her duties.

Condition: Separation of certain accounting and administrative duties among employees, which is recommended as an effective internal control procedure, was not adequate. The limited number of employees precludes ideal segregation of duties.

Cause: Budget constraints.

Effect: The failure to maintain separation of these functions subjects the Town to the risk that material misstatements due to error or fraud may occur and not be detected by employees in a timely manner during the performance of their assigned tasks.

Recommendation: We recommend that in the absence of the ability to hire additional employees, alternative procedures, including additional oversight with regard to certain functions, be performed regularly to mitigate the risk caused by this deficiency in internal controls.

Classification: Material Weakness

2023-002: Accounting Records Not Maintained in Accordance with U.S. GAAP (Repeated Finding from the Prior Year)

Criteria: A key element of financial reporting is the ability of management to select and apply the appropriate accounting principles to prepare the accounting records in accordance with generally accepted accounting principles.

Condition: It was noted during the audit that material adjusting entries to various accounts were needed.

Cause: Insufficient governmental fund accounting knowledge in accounting staff and management.

Effect: Failure to apply appropriate accounting principles caused various accounts to be materially misstated.

Recommendation: We recommend management and accounting staff obtain additional training in governmental fund accounting and reconcile accounts on a monthly basis to the underlying transaction records maintained outside of the accounting software.

Classification: Material Weakness

**TOWN OF GREENSBORO, FLORIDA
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

2023-003: Authorization of Hourly Employee Timesheets

Criteria: Payroll expenditures for hourly employees should be supported by authorized timesheets.

Condition: Hourly employee timesheets are not authorized.

Cause: There is no internal control procedure in place to authorize hourly employee timesheets prior to payment.

Effect: Hourly employees were paid based on self-reported hours that were not approved by the Town Manager. The Town Manager was paid overtime based on self-reported hours that were not approved or authorized by the Town Council.

Recommendation: We recommend that the Town Manager approves all hourly employee timesheets prior to payment. We recommend that the Town Council authorize the Town Manager's overtime hours.

Classification: Material Weakness

2023-004: Accrued Compensated Absences

Criteria: Accrued compensated absences should be supported by a personnel policies and procedures manual adopted by the Town.

Condition: No liability for accrued compensated absences was recorded by the Town at year end and the payment of accrued compensated absences to employees upon termination does not follow the Town's current personnel policies and procedures.

Cause: The Town does not have a clear policy on accrued compensated absences.

Effect: The payment of accrued compensated absences to terminated employees was not in compliance with the Town's personnel policies and procedures.

Recommendation: We recommend that the Town update their personnel policies and procedures manual and ensure that it is consistently applied.

Classification: Material Weakness

MORAN & SMITH LLP

Certified Public Accountants

MORANSMITHCPA.COM

2260 WEDNESDAY STREET STE 400
TALLAHASSEE, FLORIDA 32308
850.879.0636

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH THE REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES – INVESTMENT OF PUBLIC FUNDS

To the Honorable Town Council
Town of Greensboro, Florida

We have examined the Town of Greensboro, Florida's (the Town) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2023. Management is responsible for the Town's compliance with those requirements. Our responsibility is to express an opinion on the Town's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Town complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about the Town's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, 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.

Our examination does not provide a legal determination on the Town's compliance with the specified requirements.

In our opinion, the Town complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2023.

This report is intended solely for the information and use of the Town Council, management, and the State of Florida Auditor General and is not intended to be, and should not be, used by anyone other than these specified parties.

Moran & Smith LLP

Moran & Smith LLP
Tallahassee, Florida
June 10, 2024

**INDEPENDENT AUDITOR’S 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 Greensboro, Florida

Report on the Financial Statements

We have audited the financial statements of the Town of Greensboro, Florida, as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated June 10, 2024.

Auditor’s Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant’s 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 June 10, 2024, 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. However, additional actions are still needed in order to clear these findings.

Tabulation of Uncorrected Audit Findings		
Current Year Finding No.	2021-22 FY Finding No.	2020-21 FY Finding No.
2023-001	2022-001	2021-001
2023-002	2022-002	2021-002
2023-003	N/A	N/A
2023-004	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. This information is disclosed in Note 1 of the notes to financial statements. There were no component units.

Financial Condition and Management

Section 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 of Greensboro, Florida met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Town of Greensboro, Florida did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

Section 10.554(1)(i)2., Rules of the Auditor General, require that we communicate any recommendations to improve financial management. Our recommendations are included in our report on internal control dated June 10, 2024.

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 warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

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

Moran & Smith LLP

Moran & Smith LLP
Tallahassee, Florida
June 10, 2024

TOWN OF GREENSBORO
P.O. BOX 66
GREENSBORO, FLORIDA 32330-0066
Phone: (850) 442-6215
Fax: (850) 442-6680

June 10, 2024

Chris Moran, CPA
Moran & Smith LLP
2260 Wednesday St., Ste 400
Tallahassee, FL 32308

RE: 2022-2023 Audit Report Findings

Dear Mr. Moran,

In regard to the fiscal year 2022-2023 audit findings and recommendations for the Town of Greensboro, Florida, our response is as follows:

2023-001: Segregation of Duties

The Town does not have optimal segregation of duties due to a lack of resources. There is typically only one employee involved with the day-to-day accounting. The Town has implemented controls with more involvement from the Town Manager and Town Council President to reduce the risks associated with this issue. The Town continues to have a separation of duties with the Town Manager reviewing and approving transactions. The Town Clerk performs the day-to-day accounting. The Town Clerk nor the Town Manager sign checks. Checks are signed by both the Mayor and Council President with both signatures required. The Town Council reviews the bills monthly.

2023-002: Accounting Records Not Maintained in Accordance with U.S. GAAP

The Town has hired a new audit firm, and they have agreed to help with additional accounting training with our new head of accounting. We are optimistic that with the additional training and the new auditors keeping our staff more involved in the audit process, that we will have the comment removed after the fiscal year 2023 audit. If we are not able to obtain the necessary in-house expertise, we will look at the possibility of having an outside CPA provide us with monthly or quarterly reviews of the Town's books.

2023-003: Authorization of Hourly Employee Timesheets

The Town will implement the auditor recommendations for authorizing hourly employee timesheets. The Town Manager will approve all hourly employee timesheets and the Town Council will approve any overtime hours worked by the Town Manager.

TOWN OF GREENSBORO

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2023-004: Accrued Compensated Absences

The Town will review and update our personnel policies and procedures and implement controls to ensure compliance with the policy moving forward.

If you have any further questions, please do not hesitate to contact me.

Sincerely,



Mike Wade, Town Manager
Town of Greensboro, Florida