

Town of Greenwood

ANNUAL FINANCIAL REPORT

September 30, 2025

Town of Greenwood, Florida

September 30, 2025

MAYOR

Bryan S. Johnson

COUNCIL MEMBERS

Jackie Ditty
Ben Rogers
Charles Sanders

TOWN CLERK

Alicia L. Corder

ATTORNEY

George J. Little

AUDITORS

Grimsley & Associates, P.A.
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

GRIMSLEY & ASSOCIATES

Professional Association

Certified Public Accountants

MEMBER
FLORIDA INSTITUTE AND
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

OWEN W. GRIMSLEY, C.P.A.

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Town Council
Town of Greenwood
Greenwood, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Greenwood, Florida as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Town of Greenwood, Florida's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Greenwood, Florida, as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for 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 of Greenwood, Florida and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 of Greenwood, Florida'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 of Greenwood, Florida'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 of Greenwood, Florida's ability to continue as a going concern for a reasonable period of time.

Honorable Mayor and Town Council
Town of Greenwood
Greenwood, Florida
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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 on pages 4-7 and 30 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2026, on our consideration of the Town of Greenwood, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 of Greenwood, Florida'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 of Greenwood, Florida's internal control over financial reporting and compliance.

Grimsley & Associates

Marianna, Florida
February 16, 2026

Grimsley & Associates, P.A.
Certified Public Accountants

MANAGEMENT'S DISCUSSION AND ANALYSIS

Town of Greenwood
Management's Discussion and Analysis
Year Ended September 30, 2025

The Town of Greenwood's (the "Town") discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Town's financial activity, (c) identify changes in the Town's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

Since the Management Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Town's financial statement.

Financial Highlights

The assets of the Town of Greenwood exceeded its liabilities at September 30, 2025 by \$2,782,800 (net position). Of this amount, \$118,464 (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.

As of September 30, 2025 the Town of Greenwood's governmental fund reported an ending fund balance of \$227,075, of this amount \$86,505 is unassigned.

Town Highlights

- The Millage rate remains at 1.00 mill. The Town has never increased the Millage rate.
- The Town continued work on grant project CDBG-DR #M0167.

Using This Annual Report

The financial statement's focus is on both the Town as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the Town's accountability.

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements, which are comprised of three components: 1) government-wide financial statement, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements

Government-wide financial statements provide both long-term and short-term information about the Town's overall financial conditions. Changes in the Town's financial position may be measured over time by increases and decreases in the Statement of Net Position. Information on how the Town's net assets changed during the fiscal year is presented in the Statement of Activities.

Town of Greenwood
Management's Discussion and Analysis
Year Ended September 30, 2025

Fund financial statements

Fund financial statements focus on individual parts of the Town, reporting the Town's operations in more detail than the government-wide financial statements. Fund Financial statements include the statements for governmental and proprietary funds.

Notes to the financial statements:

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. Refer to Note 2 of the financial statements for more detailed information on the elements of the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets exceeded liabilities by approximately \$2.8 million at the close of the fiscal year ended September 30, 2025.

CONDENSED STATEMENT OF NET POSITION

	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 451,633	\$ 482,132	\$ 180,354	\$ 136,981	\$ 631,987	\$ 619,113
Non-current assets	715,853	734,666	1,948,483	2,053,635	2,664,336	2,788,301
Total Assets	1,167,486	1,216,798	2,128,837	2,190,616	3,296,323	3,407,414
Current and other liabilities	235,310	236,794	12,020	26,671	247,330	263,465
Long Term Liabilities	-	-	266,193	271,479	266,193	271,479
Total liabilities	235,310	236,794	278,213	298,150	513,523	534,944
Invested in capital assets, net of related debt	715,853	734,666	1,948,483	2,053,635	2,664,336	2,788,301
Unrestricted	216,323	238,246	(97,859)	(161,169)	118,464	77,077
Total net position	\$ 932,176	\$ 972,912	\$ 1,850,624	\$ 1,892,466	\$ 2,782,800	\$ 2,865,378

Town of Greenwood
Management's Discussion and Analysis
Year Ended September 30, 2025

Statement of Activities

The following table reflects the condensed Statement of Activities for the current year:

CONDENSED STATEMENT OF ACTIVITIES

	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Revenues						
Program Revenues						
Charges for services	\$ 33,846	\$ 30,942	\$ 199,282	\$ 192,625	\$ 233,128	\$ 223,567
Operating grants and contributions	20,928	45,369	122,448	-	143,376	45,369
Property taxes	18,425	16,701	-	-	18,425	16,701
Other taxes	258,206	245,321	-	-	258,206	245,321
Miscellaneous	16,475	13,194	3,806	850	20,281	14,044
Total revenues	347,880	351,527	325,536	193,475	673,416	545,002
Expenses						
Program activities:						
General government	160,958	159,808	-	-	160,958	159,808
Highways and streets	192,598	196,265	-	-	192,598	196,265
Culture and recreation	35,060	41,379	-	-	35,060	41,379
Business-type activities			367,378	291,495	367,378	291,495
Total expenses	388,616	397,452	367,378	291,495	755,994	688,947
Change in net assets	(40,736)	(45,925)	(41,842)	(98,020)	(82,578)	(143,945)
Net assets - beginning	972,912	1,018,837	1,892,466	1,990,486	2,865,378	3,009,323
Net assets - ending	\$ 932,176	\$ 972,912	\$ 1,850,624	\$ 1,892,466	\$ 2,782,800	\$ 2,865,378

Financial Analysis of the Town's Funds

This section provides an analysis of the balances and transactions of individual funds. As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

General Fund Budgetary Highlights

There were no differences between the original and final budget of the Town.

Town of Greenwood
Management's Discussion and Analysis
Year Ended September 30, 2025

Capital Assets and Long-Term Debt

Detailed information about the Town's capital assets and long-term debt can be obtained in Notes 6 and 7 of the Town's notes to the financial statements.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all of those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Town of Greenwood, P.O. Drawer 9, Greenwood, Florida 32443.

FINANCIAL STATEMENTS

Town of Greenwood
Statement of Net Position
September 30, 2025

	Primary Government		
	Governmental	Business-type	Total
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 363,737	\$ 145,709	\$ 509,446
Certificates of Deposit	57,709	25,997	83,706
Accounts Receivable	3,434	16,323	19,757
Due from other Governments	19,078	-	19,078
Internal Balances	7,675	(7,675)	-
Capital Assets:			
Land, Improvements, and Construction In Progress	205,961	25,250	231,211
Other Capital Assets, Net of Depreciation	509,892	1,923,233	2,433,125
Total Capital Assets	715,853	1,948,483	2,664,336
Total Assets	1,167,486	2,128,837	3,296,323
LIABILITIES			
Accounts Payable and Accrued Expenses	19,139	12,020	31,159
Accrued Compensated Absences	10,752	-	10,752
Unavailable Revenue	205,419	-	205,419
Long Term Liabilities:			
Due within one year	-	5,505	5,505
Due in more than one year	-	260,688	260,688
Total Liabilities	235,310	278,213	513,523
NET POSITION			
Invested in Capital Assets, Net of Related Debt	715,853	1,948,483	2,664,336
Unrestricted	216,323	(97,859)	118,464
Total Net Position	\$ 932,176	\$ 1,850,624	\$ 2,782,800

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

Town of Greenwood
Statement of Activities
For the Year Ending September 30, 2025

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Primary Government Business-type Activities</u>	<u>Total</u>
Governmental Activities:							
General Government	\$ 160,958	\$ 882	20,928	\$ -	\$ (139,148)	\$ -	\$ (139,148)
Transportation	192,598	32,964	-	-	(159,634)	-	(159,634)
Culture/Recreation	35,060	-	-	-	(35,060)	-	(35,060)
Total governmental activities	<u>388,616</u>	<u>33,846</u>	<u>20,928</u>	<u>-</u>	<u>(333,842)</u>	<u>-</u>	<u>(333,842)</u>
Business-type Activities:							
Water & Garbage	<u>367,378</u>	<u>199,282</u>	<u>122,448</u>	<u>-</u>	<u>-</u>	<u>(45,648)</u>	<u>(45,648)</u>
Total primary government	<u>\$ 755,994</u>	<u>\$ 233,128</u>	<u>\$ 143,376</u>	<u>\$ -</u>	<u>(333,842)</u>	<u>(45,648)</u>	<u>(379,490)</u>
General Revenues:							
Taxes:							
Property taxes, levied for general purposes					18,425	-	18,425
Taxes - Other					258,206	-	258,206
Miscellaneous					<u>16,475</u>	<u>3,806</u>	<u>20,281</u>
Total General Revenues and Transfers					<u>293,106</u>	<u>3,806</u>	<u>296,912</u>
Change in Net Position					<u>(40,736)</u>	<u>(41,842)</u>	<u>(82,578)</u>
Net Position - beginning					<u>972,912</u>	<u>1,892,466</u>	<u>2,865,378</u>
Net Position - ending					<u>\$ 932,176</u>	<u>\$ 1,850,624</u>	<u>\$ 2,782,800</u>

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

Town of Greenwood
Balance Sheet
Governmental Funds
September 30, 2025

	General Fund	Total Governmental Funds
ASSETS		
Cash	\$ 363,737	\$ 363,737
Certificates of Deposit	57,709	57,709
Accounts Receivable	3,434	3,434
Due from other Governments	19,078	19,078
Due from other Funds	7,675	7,675
Total Assets	<u>\$ 451,633</u>	<u>\$ 451,633</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable and Accrued Expenses	\$ 19,139	\$ 19,139
Unavailable Revenue	205,419	205,419
Total Liabilities	<u>224,558</u>	<u>224,558</u>
Fund Balances:		
Committed	140,570	140,570
Unassigned	86,505	86,505
Total Fund Balances	<u>227,075</u>	<u>227,075</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 451,633</u>	<u>\$ 451,633</u>

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

Town of Greenwood
Reconciliation of Balance Sheet
To the Statement of Net Position
September 30, 2025

Total Fund Balances - Total Governmental Fund	\$ 227,075
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	715,853
Some liabilities, including accrued compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(10,752)</u>
Total Net Position	<u>\$ 932,176</u>

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

Town of Greenwood
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ending September 30, 2025

	<u>General Fund</u>	<u>Total Governmental Funds</u>
REVENUES		
Taxes	\$ 155,892	\$ 155,892
Permits, Fees and Licenses	48,065	48,065
Intergovernmental Revenues	94,192	94,192
Charges for Services	33,846	33,846
Miscellaneous Revenues	<u>16,010</u>	<u>16,010</u>
Total Revenues	<u>348,005</u>	<u>348,005</u>
 EXPENDITURES		
Current:		
General Government	174,641	174,641
Transportation	132,705	132,705
Culture/Recreation	33,834	33,834
Capital Outlay	<u>25,088</u>	<u>25,088</u>
Total Expenditures	<u>366,268</u>	<u>366,268</u>
 Excess (deficiency) of revenues over expenditures	 <u>(18,263)</u>	 <u>(18,263)</u>
 Net Change in Fund Balances	 <u>(18,263)</u>	 <u>(18,263)</u>
 Fund Balances - beginning	 <u>245,338</u>	 <u>245,338</u>
Fund Balances - ending	<u>\$ 227,075</u>	<u>\$ 227,075</u>

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

Town of Greenwood
 Reconciliation of the Statement of Revenues,
 Expenditures, and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Year Ending September 30, 2025

Net Change in Fund Balances - Total Governmental Funds	\$ (18,263)
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Amounts reported for governmental activities in the Statement of Activities are different because:

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 \$43,901 exceeded capital outlay \$25,088.	(18,813)
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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 is the increase in long-term compensated absences.	<u>(3,660)</u>
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Change in Net Position of Governmental Activities	<u>\$ (40,736)</u>
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The notes to the financial statements are an integral part of this statement.

Town of Greenwood
Statement of Net Position – Proprietary Fund
September 30, 2025

	<u>Water & Garbage</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 145,709
Certificates of Deposit	25,997
Accounts Receivable	<u>16,323</u>
Total Current Assets	<u>188,029</u>
Noncurrent Assets:	
Capital Assets:	
Land and Construction in Process	25,250
Buildings	15,724
Waterwork System	3,676,046
Machinery and Equipment	22,258
Less Accumulated Depreciation	<u>(1,790,795)</u>
Total Noncurrent Assets	<u>1,948,483</u>
Total Assets	<u>2,136,512</u>
LIABILITIES	
Current Liabilities:	
Bonds and Notes Payable	5,505
Accounts Payable and Accrued Expenses	<u>12,020</u>
Total Current Liabilities	<u>17,525</u>
Noncurrent Liabilities:	
Bonds and Notes Payable after One Year	260,688
Due To Other Funds	<u>7,675</u>
Total Noncurrent Liabilities	<u>268,363</u>
Total Liabilities	<u>285,888</u>
NET POSITION	
Invested in Capital Assets, Net of Related Debt	1,682,290
Unrestricted	<u>168,334</u>
Total Net Position	<u>\$ 1,850,624</u>

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

Town of Greenwood
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
For the Year Ending September 30, 2025

	<u>Water & Garbage</u>
OPERATING REVENUES:	
Charges for Services	\$ 199,265
Miscellaneous Revenue	<u>2,364</u>
Total Operating Revenue	<u>201,629</u>
OPERATING EXPENSES:	
Personnel Services	67,918
Contractual Services	22,029
Professional Services	17,070
Utility Service	16,137
Repairs and Maintenance	7,707
Operating Supplies and Miscellaneous	125,721
Depreciation	<u>105,152</u>
Total Operating Expenditures	<u>361,734</u>
Operating Loss	<u>(160,105)</u>
NONOPERATING REVENUES(EXPENSES)	
Interest Income	1,459
Interest Expense	<u>(5,645)</u>
Total Nonoperating Revenue (Expenses)	<u>(4,186)</u>
Income (loss) before contributions and transfers	(164,291)
Contributed Capital	<u>122,449</u>
Change in net position	<u>(41,842)</u>
NET POSITION, BEGINNING OF YEAR	<u>1,892,466</u>
NET POSITION, END OF YEAR	<u>\$ 1,850,624</u>

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

Town of Greenwood
Statement of Cash Flows – Proprietary Fund
For the Year Ending September 30, 2025

	<u>Water & Garbage</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 201,957
Payments to Suppliers	(203,315)
Payments to Employees	<u>(67,918)</u>
Net Cash used in Operating Activities	<u>(69,276)</u>
Cash Flows from Capital and Related Financing Activities:	
Capital Contributions	122,449
Principal Payments on debt	(5,286)
Interest Payments on debt	<u>(5,645)</u>
Net Cash Provided by Capital and Related Financing Activities	<u>111,518</u>
Cash Flows from Investing Activities Activities:	
Change in investment principal	4,145
Interest Earned	<u>1,459</u>
Net Cash used in noncapital financing activities:	<u>5,604</u>
 Net Increase in Cash and Cash Equivalents	 47,846
Cash and Cash Equivalents, beginning of year	<u>97,863</u>
Cash and Cash Equivalents, end of year	<u>\$ 145,709</u>
 Reconciliation of Operating Loss to Net Cash Used in Operating Activities	
Operating Loss	\$ (160,105)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities:	
Depreciation	105,152
(Increase) decrease in accounts receivable, net	328
Increase (decrease) in accounts payable and accrued expenses	<u>(14,651)</u>
Net Cash used in Operating Activities	<u>\$ (69,276)</u>

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

NOTES TO FINANCIAL STATEMENTS

Town of Greenwood
Notes to Financial Statements
September 30, 2025

NOTE 1 – REPORTING ENTITY

The Town of Greenwood (the “Town”) is located in northwest Florida in Jackson County. The Town operates under an elected Mayor and a three-member Town Council and serves approximately 750 residents. The Town provides a full range of municipal services, including public works activities, parks and recreation, and general administrative services. In addition, the Town operates a water and garbage utility.

As outlined in Governmental Accounting Standards Board (GASB) Statement No. 14, *The Reporting Entity*, the Financial reporting entity consists of the primary government, and its component units, for which the primary government is considered to be financially accountable.

As required by generally accepted accounting principles, the accompanying financial statements present the Town as a primary government. A primary government is financially accountable for the organizations that made up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of the organization’s governing body and either it is able to impose its will on that organization or there is potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. The primary government may also be financially accountable for governmental organizations that fiscally depend on it. In applying the above criteria, management has determined that there are no component units to be included within the reporting entity.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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 and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units, if any, for which the primary government is financially accountable. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and, b) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function or segment.

Town of Greenwood
Notes to Financial Statements
September 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Government-wide and Fund Financial Statements - continued

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided from governmental funds and proprietary funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental fund:

General Fund – The General Fund is the Town’s primary operating fund. It accounts for all resources traditionally associated with governments except those required to be accounted for in another fund. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. All of the current operating expenditures of the Town other than proprietary fund activities are financed through revenues received by the General Fund.

The Town reports the following major proprietary funds:

Water and Garbage Utility Fund – The Water and Garbage Utility Fund is used to account for the operations of the Town’s water and garbage system, which is financed in a manner similar to private business enterprises, where the costs, including depreciation, of providing services to the general public on a continuing basis are financed or recovered primarily through user charges.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as is the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. 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 Town 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 assets acquisitions are reported as expenditures in the governmental funds. Insurance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Town of Greenwood
Notes to Financial Statements
September 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

Proprietary funds distinguish operating revenues and expenses from non-operating 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. Operating expenses for the proprietary funds include the cost of personnel and contractual services, supplies and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

Budgets and Budgetary Accounting

General governmental revenue and expenditures accounted for in budgetary funds are controlled by a budgetary accounting system in accordance with various legal requirements which govern the Town’s operations. Budgets are monitored at varying levels of classification detail; however, expenditures cannot legally exceed total appropriations at the individual fund level. All budget changes that affect the total of a fund’s budget must be approved by the Town Council.

The budgetary information presented for the General Fund is prepared on the modified accrual basis. Encumbrances are not recorded. Unexpended items at year-end must be re-appropriated in the subsequent year.

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government.

Investments

Investments consist of those certificates of deposit made locally in commercial banks with a maturity date greater than three months of the date acquired by the government. As the certificates of deposit are non-negotiable, they are recorded at cost which approximates fair value.

Receivables

All accounts receivable are deemed by management to be fully collectible; therefore, an allowance for doubtful account has not been established.

Due from (to) Other Funds

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds.”

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, right of ways, stormwater system, sidewalks, and similar items), are reported in the applicable governmental or business-type activity columns in the government-wide financial statements.

Town of Greenwood
Notes to Financial Statements
September 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Capital Assets - Continued

Property, plant, and equipment with initial, individual costs that exceed \$750 and estimated useful lives of over one year are recorded as capital assets. Roads, bridges, and sidewalks are capitalized when their initial costs exceed \$25,000 and possess estimated useful lives of more than one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extended its useful life are not capitalized.

GASB Statement No. 34 requires the Town to report and depreciate new infrastructure assets effective October 1, 2003. The retroactive reporting of infrastructure is not required by the Town. These infrastructure assets are likely to be the largest asset class of the Town. Neither their historical cost nor related depreciation has historically been reported in the financial statements.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives.

Assets	Years
Buildings	20-50
Improvements other than buildings	10-20
Machinery and equipment	5-25
Infrastructure	25

Major outlays for capital assets and improvements are capitalized as projects are constructed. For assets constructed with governmental fund resources, interest during construction is not capitalized.

Compensated Absences

The Town maintains a policy that permits employees to accumulated earned but unused vacation and sick pay benefits that will be paid to employees upon separation from Town service if certain criteria are met. These benefits, plus their related tax and retirement costs are classified as compensated absences. Employees may be paid for unused vacation hours accrued up to a maximum amount of 240 hours. Payment of unused sick leave, upon termination, is also provided for up to 50% of the accrued amount.

Both the current and long-term portion of compensated absences are accrued and reported in the government-wide financial statements. No expenditure is reported in the government fund level statements for these amounts until payment is made. Compensated absences liability is based on current rates of pay. This is accounted for pursuant to GASB statement No. 16, *Accounting for Compensated Absences*.

Town of Greenwood
Notes to Financial Statements
September 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Property Taxes

Under Florida law, the assessment of all properties and the collection of all County, municipal and school board property taxes are consolidated in the offices of the Property Appraiser and Tax Collector. The laws of the state regulating tax assessment are also designed to assure a consistent property valuation method statewide. Florida Statutes permit municipalities to levy property taxes at a rate of up to 10 mills for general operations. The Town’s millage rate for the year ended September 30, 2025, was 1 mill.

The tax levy of the Town is established by the Town council prior to October 1 of each year.

Property tax revenue is recognized when taxes are received by the Town. Because any delinquent taxes collected after September 30 would not be material, delinquent taxes due are not accrued at year end.

All taxes become payable on November 1, of each year, or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January, and 1% in the month of February. Taxes paid in March are without discount.

Property taxes are collected by the Jackson County Tax Collector. State law provides for enforcement of collections of personal property taxes by seizure of the property to satisfy unpaid taxes and for enforcement of collection of real property taxes by sale of interest-bearing tax certificates.

Designations of Fund Equity

For governmental funds, fund balances should be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on specific purposes for which amount in those funds can be spent.

- Nonspendable Fund Balance – amounts cannot be spent because either they are not in a spendable form or legally or contractually required to be maintained intact.
- Restricted Fund Balance – amounts that are restricted for specific purposes.
- Committed Fund Balance – amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority.
- Assigned Fund Balance – amounts that are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed.
- Unassigned Fund Balance – amounts that are not otherwise reserved or designated.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classification, fund balance is generally depleted in order of restricted, committed, assigned and unassigned.

Town of Greenwood
Notes to Financial Statements
September 30, 2025

NOTE 2 -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Use of Estimates

The preparation of financial statements in conformity with general accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Use of Restricted Assets

It is generally the practice of the Town to utilize restricted net assets before unrestricted net assets when possible.

Long-term Obligations

In the government-wide financial statement long-term obligations are reported as liabilities.

Subsequent Events

Subsequent events have been evaluated through the date of the Independent Auditors' Report which is the date the financial statements were available to be issued.

NOTE 3 – CASH AND INVESTMENTS

At September 30, 2025, the carrying amount of the Town's cash and cash equivalents and investments in certificates of deposit was \$593,152 and the bank balance was \$610,887. The bank balance was covered by federal depositor insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act Requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

Credit Risk

At September 30, 2025, the Town did not hold any deposits or investment that were considered to have credit risk.

Interest Rate Risk

At September 30, 2025, the Town did not hold any investments that were considered to have interest rate risk.

Custodial Credit Risk

At September 30, 2025, the Town did not hold any deposits or investments that were considered to have custodial credit risk.

Town of Greenwood
Notes to Financial Statements
September 30, 2025

NOTE 3 – CASH AND INVESTMENTS – Continued

Concentration of Credit Risk

At September 30, 2025, the Town did not hold any investments that were considered to have concentration of credit risk.

Foreign Currency Risk

At September 30, 2025, the Town did not hold any investments that were considered to have foreign currency risk.

The Town invested funds in three certificates of deposit with six to twelve month maturities. At September 30, 2025, the carrying value of these funds was \$83,706 which approximates fair value. The certificates of deposit are considered investments and reported as “certificates of deposit” on the statement of net position at September 30, 2025.

Fair Value Measurement and Application

Governmental entities are required to record investment at fair value unless exception applies and disclose the fair value measurement and hierarchy. Paragraph 69 of GASB 72 list several investments that should be measured as described in GASB Statement 31 which includes investments in nonparticipating interest-earning investment contracts (certificates of deposit) and money market investments that have a maturity at the time of purchase of one year or less. September 30, 2025, the Town’s investment consisted of non-negotiable certificates of deposit which are recorded at cost and are excluded from fair value measurement.

The Town’s depositories are banks or savings institutions designated by the State Treasurer as qualified public depositories. Chapter 280, Florida Statutes “Florida Security for Public Deposit Act” provides procedures for public depositories to ensure monies in banks and savings institutions are collateralized with the Treasurer as an agent for the public entities. All Town cash consists of checking accounts and interest-bearing time deposits in a local bank.

NOTE 4 – ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at September 30, 2025:

	General	Proprietary	Total
Trade Accounts	3,434	16,323	\$ 19,757
Accounts Receivable	\$ 3,434	\$ 16,323	\$ 19,757

No allowances for uncollectible accounts are considered necessary.

Accounts receivable arise primarily from utility services (water and garbage) provided by the Town of Greenwood and utility franchise fees. The Town grants credit to customers, substantially all of whom are local residents.

Town of Greenwood
Notes to Financial Statements
September 30, 2025

NOTE 5 – DUE FROM OTHER GOVERNMENTS

Due from other governments consists of funds earned as of September 30, 2025 but not yet received by the Town. The majority of these amounts were received in October and November 2025.

NOTE 6 – CAPITAL ASSETS

Governmental asset activity for the year ending September 30, 2025 was as follows:

	<u>Beginning</u>			<u>Ending</u>
	<u>Balance</u>	<u>Increases</u>	<u>Deletions</u>	<u>Balances</u>
Governmental Activities:				
Capital assets not being depreciated				
Land and improvements	\$ 205,961	\$ -	\$ -	\$ 205,961
Capital assets, being depreciated:				
Buildings and equipment	648,102	-	-	648,102
Improvements other than buildings	470,866	-		470,866
Equipment	<u>225,507</u>	<u>25,088</u>	<u>-</u>	<u>250,595</u>
Total capital assets being depreciated:	<u>1,344,475</u>	<u>25,088</u>	<u>-</u>	<u>1,369,563</u>
Buildings	(208,404)	(12,519)	-	(220,923)
Improvements other than buildings	(433,617)	(18,980)		(452,597)
Equipment	<u>(173,749)</u>	<u>(12,402)</u>		<u>(186,151)</u>
Total accumulated depreciation	<u>(815,770)</u>	<u>(43,901)</u>	<u>-</u>	<u>(859,671)</u>
Total Governmental Capital Assets	<u>\$ 734,666</u>	<u>\$ (18,813)</u>	<u>\$ -</u>	<u>\$ 715,853</u>

Town of Greenwood
Notes to Financial Statements
September 30, 2025

NOTE 6 – CAPITAL ASSETS - Continued

Depreciation expense was charged to governmental activities as follows:

General government	\$ 3,708
Transportation	38,966
Culture/Recreation	<u>1,227</u>
Total governmental depreciation expense	<u>\$ 43,901</u>

Business Type asset activity for the year ending September 30, 2025 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Deletions</u>	<u>Ending Balances</u>
Business Type Activities:				
Capital assets not being depreciated				
Land and improvements	\$ <u>25,250</u>	\$ -	\$ -	\$ <u>25,250</u>
Total capital asset not being depreciated	<u>25,250</u>	-	-	<u>25,250</u>
Capital assets, being depreciated:				
Buildings and Equipment	<u>3,714,028</u>	-	-	<u>3,714,028</u>
Total capital assets being depreciated:	<u>3,714,028</u>	-	-	<u>3,714,028</u>
Less accumulated depreciation for:				
Building and Equipment	<u>(1,685,643)</u>	<u>(105,152)</u>	-	<u>(1,790,795)</u>
Total accumulated depreciation	<u>(1,685,643)</u>	<u>(105,152)</u>	-	<u>(1,790,795)</u>
Tota Business-Type Capital Assets	<u>\$ 2,053,635</u>	<u>\$ (105,152)</u>	<u>\$ -</u>	<u>\$ 1,948,483</u>

Town of Greenwood
Notes to Financial Statements
September 30, 2025

NOTE 7 – LONG-TERM DEBT

Business-type activities

Revenue Bonds:

Water Revenue Bond - Series 2019

Authorized and issued \$200,000, interest at 2.00%, principal and interest payable annually on September 13, with principal payments beginning in 2021, collateralized by net revenues of the system. \$ 182,192

Water Revenue Bond - Series 2019

Authorized and issued \$92,000, interest at 2.125%, principal and interest payable annually on September 13, with principal payments beginning in 2021, collateralized by net revenues of the system. 84,001

Total business-type activities \$ 266,193

The following is the debt service requirements for the business type activities revenue bonds at September 30, 2024:

<u>Due Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2026	\$ 5,505	\$ 5,426	\$ 10,931
2027	5,616	5,315	10,931
2028	5,731	5,200	10,931
2029	5,848	5,083	10,931
2030	5,967	4,964	10,931
2031-2035	31,711	22,944	54,655
2036-2040	35,080	19,575	54,655
2041-2045	38,805	15,850	54,655
2046-2050	42,927	11,758	54,685
2051-2055	47,487	7,168	54,655
2056-2059	41,516	2,127	43,643
	<u>\$ 266,193</u>	<u>\$ 105,410</u>	<u>\$ 371,603</u>

Town of Greenwood
Notes to Financial Statements
September 30, 2025

Long-term debt activity of the Town at September 30, 2025, is as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balances</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
GOVERNMENTAL ACTIVITIES					
Compensated absences	\$ 7,092	\$ 7,502	\$ 3,842	\$ 10,752	\$ 10,752
Total Governmental Activities	<u>\$ 7,092</u>	<u>\$ 7,502</u>	<u>\$ 3,842</u>	<u>\$ 10,752</u>	<u>\$ 10,752</u>
BUSINESS TYPE ACTIVITIES					
Revenue bonds	\$ 271,479	\$ -	\$ 5,286	\$ 266,193	\$ 5,505
Total Business Type Activities	<u>\$ 271,479</u>	<u>\$ -</u>	<u>\$ 5,286</u>	<u>\$ 266,193</u>	<u>\$ 5,505</u>

NOTE 8 – BOND RESOLUTION REQUIREMENTS

Proprietary Fund Type – Enterprise Fund – Water System

The Resolution 2019-06 and supplemented by Resolution 2019-07 adopted September 10, 2019, requires the establishment of certain “trust funds” to ensure repayment of the Water System Revenue Bonds. A summary of these requirements is as follows:

- A. All gross revenues from the ownership and operation of the system shall be deposited into the “Revenue Fund” on or before the 15th day of each month. Transfers are to be made to certain funds.
- B. The “Operation and Maintenance” Fund is to be used exclusively for the purpose of received funds transferred monthly from the revenue fund and for paying the operating and maintenance expenses of the system pursuant to the annual budget.
- C. The “Sinking Fund” is to be used exclusively for the purpose of paying principal and interest on the bonds and is to be funded by transferring each month from the “Revenue Fund” one-twelfth of the next annual interest and principal requirement.
- D. The “Reserve Account” is to be established by transferring on or before the 15th of each month from the “Revenue Fund” the sum of one-twelfth of one-tenth of the Maximum Bond Service Requirement until such time as the funds therein shall equal the Maximum Bond Service requirement, and monthly thereafter such amount as may be necessary to maintain the Maximum Bond Service Requirement in the Reserve Account, but not exceeding one-twelfth of one-tenth of the Maximum Bond Service Requirement Monthly. Moneys in the Reserve Account shall be used only for (1) paying the principal of and interest on the Bonds in the event that the moneys in the Sinking Fund shall ever be insufficient to meet such payments, (2) paying the cost of repairing or replacing any damage to the System which shall be caused by an unforeseen catastrophe, (3) constructing improvements or extensions to the System which shall increase its Net and which shall be approved by the Consulting Engineers, if the Issuer shall not then be in default under any of the provisions of the resolution, and (4) repaying governmental advances as provided under the Resolution.

Town of Greenwood
Notes to Financial Statements
September 30, 2025

NOTE 8 – BOND RESOLUTION REQUIREMENTS - Continued

- E. Excess Funds not required by the above accounts are to be transferred to the Water and Sewer system Revenue Bonds Redemption Account. This account is to be used to redeem the Bonds in inverse order to acquire outstanding bonds subject to limitations.

NOTE 9 – EMPLOYEE BENEFITS

Employees who have completed six months of service with the Town participate in a defined contribution plan under Florida Municipal Pension Trust Plan, administered by the Florida League of Cities. Payments amounting to 5% of the gross salaries of each eligible employee are made annually by the Town to the Plan Administrator. The Town's contribution to the plan for the fiscal year ended September 30, 2025, 2024, and 2023 were \$5,376, \$2,932 and \$1,336. Total payroll for 2024-2025 was \$163,752. One hundred percent (100%) vesting occurs after three service years. The accounts of non-vested terminated employees are forfeited and can be used to reduce future participating employer contributions.

The liability for future benefit payments remains with the plan, and the Town's funding policy is to make contributions equal to annual pension cost incurred. Benefits consist of the individual account balances.

NOTE 10 – FUND BALANCE

Non-spendable fund balances include amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact.

Spendable fund balances are classified based on a hierarchy of the Town's ability to control the spending of these fund balances and are reported in the following categories: restricted, committed, assigned and unassigned. For the year ended September 30, 2025, the Town reports net assets as committed and unassigned. Restricted net assets have externally imposed constraints placed on the use of resources by creditors, grantors, contributors, laws, or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Assigned net assets have constraints placed on the use of resources by the Town's intent to use the resources for a specific purpose. Unassigned fund balances have not been restricted, committed, or assigned to specific purposes within the general fund.

Spendable fund balances are classified based on a hierarchy of the Town's ability to control the spending of these fund balances and are reported in the following categories: restricted, committed, assigned and unassigned. For the year ended September 30, 2025, the Town reports net assets as unassigned. Restricted net assets have externally imposed constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Assigned net assets have constraints placed on the use of resources by the Town's intent to use the resources for a specific purpose. Unassigned fund balances have not been restricted, committed, or assigned to specific purposes within the general fund. In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned and unassigned.

Town of Greenwood
Notes to Financial Statements
September 30, 2025

NOTE 11 – RISK MANAGEMENT

The Town is exposed to various risks of loss related to sorts; theft of, damage to and destruction of assets; errors or omissions; injuries to employees and/or the public; or damage to property of others; and natural disasters for which the town carries commercial insurance. Insurance against losses are provided for the following types of risk:

- Workers' compensation and employer's liability
- General and automobile liability
- Real and personal property damage

The Town's coverage for workers' compensation is under a retrospectively rated policy. Premiums are accrued based on the ultimate cost-to-date of the Town experience for this type of risk.

NOTE 12 – LITIGATION AND CONTINGENT LIABILITIES

The Town had no litigation ongoing at year end.

REQUIRED SUPPLEMENTARY INFORMATION

Required Supplementary Information
Town of Greenwood, Florida
Budgetary Comparison Schedule – General Fund
For the Year Ended September 30, 2025

	Budgeted Amounts		Actual Amounts
	Original	Final	(GAAP Basis)
REVENUES			
Taxes	\$ 118,407	\$ 125,848	\$ 155,892
Permits, Fees and Licenses	40,000	44,281	48,065
Intergovernmental Revenues	125,200	133,541	94,192
Charges for Services	32,965	32,965	33,846
Miscellaneous Revenues	4,500	17,251	16,010
Total Revenues	321,072	353,886	348,005
EXPENDITURES			
Current:			
General Government	163,174	151,787	174,641
Transportation	159,695	150,267	132,705
Culture/Recreation	42,328	56,583	33,834
Capital Outlay	-	-	25,088
Total Expenditures	365,197	358,637	366,268
Excess (deficiency) of revenues over expenditures	(44,125)	(4,751)	(18,263)
Net Change in Fund Balances	(44,125)	(4,751)	(18,263)
Fund Balances - beginning	245,338	245,338	245,338
Fund Balances - ending	\$ 201,213	\$ 240,587	\$ 227,075

Note: This schedule is prepared on the modified accrual basis of accounting.

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

GRIMSLEY & ASSOCIATES

Professional Association

Certified Public Accountants

MEMBER
FLORIDA INSTITUTE AND
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

OWEN W. GRIMSLEY, C.P.A.

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

Honorable Mayor and Town Council
Town of Greenwood
Greenwood, Florida

We have examined Town of Greenwood, Florida's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2025. Management is responsible for Town of Greenwood, Florida's compliance with those requirements. Our responsibility is to express an opinion on Town of Greenwood, Florida's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Town of Greenwood, Florida complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Town of Greenwood, Florida complied with the specified 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 our examination provides a reasonable basis for our opinion.

Our examination does not provide a legal determination on Town of Greenwood, Florida's compliance with specified requirements.

In our opinion, Town of Greenwood, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2025.

This report is intended solely for the information and use of 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.

Grimsley & Associates

Marianna, Florida
February 16, 2026

Grimsley and Associates, P.A.
Certified Public Accountants

GRIMSLEY & ASSOCIATES

Professional Association

Certified Public Accountants

MEMBER
FLORIDA INSTITUTE AND
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

OWEN W. GRIMSLEY, C.P.A.

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*

Honorable Mayor and Town Council
Town of Greenwood
Greenwood, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audit 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, each major fund, and the aggregate remaining fund information of the Town of Greenwood, Florida, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Town of Greenwood, Florida's basic financial statements and have issued our report thereon dated February 16, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Greenwood, Florida's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Greenwood, Florida's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Greenwood, Florida's internal control.

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

Honorable Mayor and Town Council
Town of Greenwood
Greenwood, Florida

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 did identify a deficiency in internal control, described in the accompanying schedule of findings as item 2007-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Greenwood, Florida's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Town's Response to Findings

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

Grimsley & Associates

Marianna, Florida
February 16, 2026

Grimsley and Associates, P.A.
Certified Public Accountants

Town of Greenwood, Florida
Schedule of Findings
For the Year Ended September 30, 2025

2007-001

Criteria – An entity’s system of internal control over financial reporting should include controls over the prevention, detection, and correction of misstatements in the audited financial statements.

Condition – The Town relies on the external auditor to assist with preparing and explaining financial statements in conformity with generally accepted accounting principles.

Effect – The fact the Town does not have someone on staff to prepare the financial statements in accordance with generally accepted accounting principles and to record complex accounting transactions results in a material weakness under professional standards.

Cause – The Town has a capable individual providing bookkeeping services; however, the Town does not have an individual on staff with accounting education and experience to properly record more complex accounting transactions and prepare financial statements in accordance with generally accepted accounting principles.

Recommendation – We understand the cost-benefit of hiring someone with this experience is not practical, therefore, we recommend the Town continue to request outside assistance in recording more complex transactions.

GRIMSLEY & ASSOCIATES

Professional Association

Certified Public Accountants

MEMBER
FLORIDA INSTITUTE AND
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

OWEN W. GRIMSLEY, C.P.A.

INDEPENDENT AUDITOR'S REPORT TO TOWN MANAGEMENT

Honorable Mayor and Town Council
Town of Greenwood
Greenwood, Florida

Report on the Financial Statements

We have audited the financial statements of the Town of Greenwood, Florida as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated February 16, 2026.

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*; Schedule of Findings; 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 and schedule, which are dated February 16, 2026, should be considered in conjunction with this management letter.

Honorable Mayor and Town Council
Town of Greenwood
Greenwood, Florida

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 financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report except as noted under the heading Prior Year Findings and Recommendations.

Prior Year Findings and Recommendations

The management letter items are as follows:

None

The schedule of findings items are as follows:

Tabulation of Uncorrected Audit Findings		
Current Year Finding #	2023-24 FY Finding #	2022-23 FY Finding #
2007-001	2007-001	2007-001

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 the notes to the financial statements.

Financial Condition and Management

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

Honorable Mayor and Town Council
Town of Greenwood
Greenwood, Florida

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 Greenwood, Florida. It is management's responsibility to monitor the Town of Greenwood, Florida's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

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

Property Assessed Clean Energy (PACE) Program

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did not operate within the Town's geographical boundaries during the fiscal year under audit.

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 warrant 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 Mayor and Town Council, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Grimsley & Associates

Marianna, Florida
February 16, 2026

Grimsley and Associates, P.A.
Certified Public Accountants



*Town of Greenwood
4207 Bryan Street
P.O. Drawer 9
Greenwood, FL 32443*

PREPARATION OF GAAP Based FINANCIAL STATEMENTS, FINDING 2007-001 – NOT RESOLVED

Response: In an attempt to rectify the deficiencies in Finding 2007-001, the Town of Greenwood is a small municipality, and it would be cost prohibitive to hire additional personnel to prepare the financial statements in accordance with the GAAP standards prior to the annual audit. We will continue to utilize our auditors to provide financial advice on certain issues when necessary.