

**Town of Greenevers**

**Financial Statements**

**Greenevers, North Carolina**

**For the Fiscal Year Ended June 30, 2019**

**Board of Commissioners**

Mary Alice James, Commissioner, Mayor Pro Tem

Diane Brown, Commissioner

Gregory Carr, Commissioner

Tony Farris, Commissioner

Timothy Murphy, Commissioner

**Administrative Officers**

Clifton Williams, Mayor

Emma Brinson, Town Clerk

**Town of Greenevers  
Table of Contents  
June 30, 2019**

	<u>Page</u>
<b>Financial Section:</b>	
<b>Independent Auditor's Report</b>	1
<b>Management's Discussion and Analysis</b>	4
<b>Basic Financial Statements:</b>	
Government-wide Financial Statements:	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements:	
Balance Sheet - Governmental Funds	13
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities	15
Statement of Revenues, Expenditures, and Changes in Fund Balances - Annual Budget and Actual - General Fund	16
Statement of Fund Net Position - Proprietary Fund	17
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	18
Statement of Cash Flows - Proprietary Funds	19
Notes to the Financial Statements	20

**Town of Greenevers  
Table of Contents  
June 30, 2019**

	<u>Page</u>
<b>Supplemental Information:</b>	
Individual Fund Statements:	
Statement of Revenues, Expenditures, and Changes in Fund Balances - Annual Budget and Actual - General Fund	33
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Water and Sewer Fund	36
<b>Other Schedules:</b>	
Schedule of Ad Valorem Taxes Receivable	38
Analysis of Current Tax Levy - Town-wide Levy	39
<b>Compliance Section:</b>	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	40
Schedule of Findings and Questioned Costs	42
Summary Schedule of Prior Year Audit Findings	45

## **Financial Section**

## **Independent Auditor's Report**

To the Honorable Mayor  
and Members of the Town Council  
Town of Greenevers, North Carolina

### **Report on the Financial Statements**

I 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 Greenevers, North Carolina, as of and for the year ended June 30, 2019, which collectively comprise the Town of Greenevers' basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements.

I believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my audit opinions.

## **Opinions**

In my opinion, based on my audit, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Greenevers, North Carolina as of June 30, 2019, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 10 be presented to supplement the basic financial statements. Such information, although not a required 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. I 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 I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Town of Greenevers, North Carolina. The individual fund statements, budgetary schedules, and other schedules, are presented for purposed of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements, budgetary schedules, and other schedules, are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the individual fund statements, budgetary schedules, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, I have also issued my report dated January 15, 2020 on my consideration of Town of Greenevers' internal control over financial reporting and on my test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of this report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Greenevers' internal control over financial reporting and compliance.

*Andrew Harris, CPA PLLC*

*Farmville, North Carolina  
January 15, 2020*

## **Management's Discussion and Analysis**



**Town of Greenevers  
Management Discussion and Analysis  
June 30, 2019**

As management of the Town of Greenevers, we offer readers of the Town of Greenevers' financial statements this narrative overview and analysis of the financial activities of the Town of Greenevers for the fiscal year ended June 30, 2019. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

**Financial Highlights**

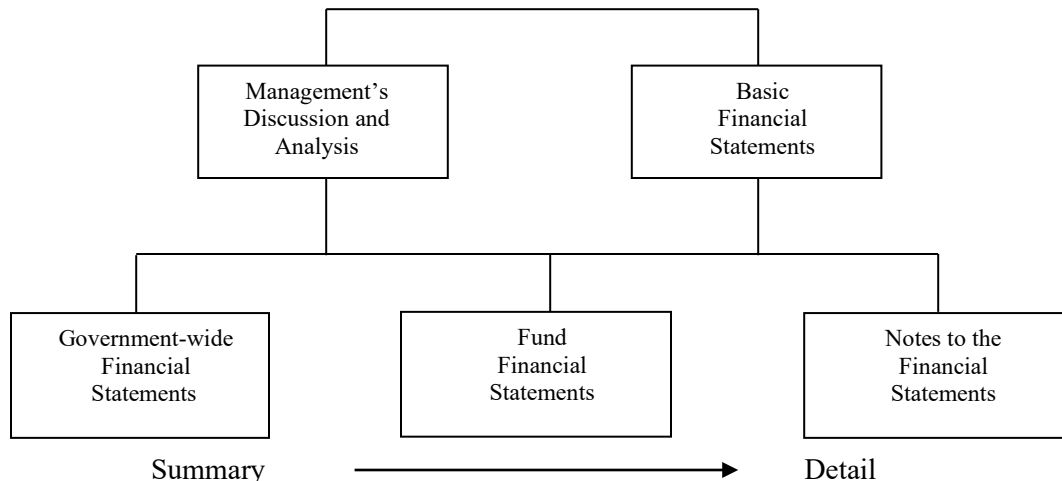
- The assets and deferred outflows of resources of the Town of Greenevers exceeded its liabilities at the close of the fiscal year by \$4,199,358 (net position).
- The government's total net position increased by \$260,688, due to increase in the business-type activities net position.
- At the close of the current fiscal year, the Town of Greenevers' governmental funds reported combined ending fund balances of \$658,676, an increase of \$138,779 in comparison with the prior year. Approximately 68.31 percent of this total amount, or \$449,970, is available for spending at the government's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$449,970, or 278.42 percent of total general fund expenditures.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to Town of Greenevers' basic financial statements. The Town's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the Town through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Town of Greenevers.

**Required Components of Annual Financial Report**

**Figure 1**



**Town of Greenevers**  
**Management Discussion and Analysis**  
**June 30, 2019**

**Basic Financial Statements**

The first two statements (Pages 11 and 12) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the Town's financial status.

The next statements (Pages 13 through 19) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; and 3) the proprietary fund statements.

The next section of the basic financial statements is the **Notes to the Basic Financial Statements**. The notes to the financial statements explain in detail some of the data contained in those statements. After the Notes, **Supplemental information** is provided to show details about the Town's individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

**Government-wide Financial Statements**

The government-wide financial statements are designed to provide the reader with a broad overview of the Town's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Town's financial status as a whole.

The two government-wide statements report the Town's net position and how they have changed. Net position is the difference between the Town's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gage the Town's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities; 2) business-type activities. The governmental activities include most of the Town's basic services such as transportation, environmental protection, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the Town charges customers to provide. These include the water and sewer services offered by the Town of Greenevers.

The government-wide financial statements are on pages 11 and 12 of this report.

**Fund Financial Statements**

The fund financial statements (see Figure 2) provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Greenevers, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of Town of Greenevers can be divided into two categories: governmental funds and proprietary funds.

**Governmental Funds** – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the Town's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into

**Town of Greenevers**  
**Management Discussion and Analysis**  
**June 30, 2019**

cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Town's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The Town of Greenevers adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown as the end of the budgetary statement.

**Proprietary Funds** – Town of Greenevers has one proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. Town of Greenevers uses its enterprise fund to account for its water and sewer activity. This fund is the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 20 of this report.

**Town of Greenevers  
Management Discussion and Analysis  
June 30, 2019**

**Government-wide Financial Analysis  
Town of Greenevers' Net Position  
Figure 2**

	Governmental Activities		Business-Type Activities		Total	
	6/30/19	6/30/18	6/30/19	6/30/18	6/30/19	6/30/18
Current and other assets	\$ 696,507	\$ 564,762	\$ 398,004	\$ 179,796	\$ 1,094,511	\$ 744,558
Capital assets	191,681	203,794	3,173,169	3,018,557	3,364,850	3,222,351
Total Position	<u>\$ 888,188</u>	<u>\$ 768,556</u>	<u>\$ 3,571,173</u>	<u>\$ 3,198,353</u>	<u>\$ 4,459,361</u>	<u>\$ 3,966,909</u>
Long-term liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other liabilities	12,038	8,317	267,540	19,922	279,578	28,239
Total Liabilities	<u>\$ 12,038</u>	<u>\$ 8,317</u>	<u>\$ 267,540</u>	<u>\$ 19,922</u>	<u>\$ 279,578</u>	<u>\$ 28,239</u>
Net position:						
Invested in capital assets, net of related debt	\$ 191,681	\$ 203,794	\$ 3,173,169	\$ 3,018,557	\$ 3,364,850	\$ 3,222,351
Restricted	208,706	179,431	-	-	208,706	179,431
Unrestricted	475,763	377,014	150,039	159,874	625,802	536,888
Total Net Position	<u>\$ 876,150</u>	<u>\$ 760,239</u>	<u>\$ 3,323,208</u>	<u>\$ 3,178,431</u>	<u>\$ 4,199,358</u>	<u>\$ 3,938,670</u>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets of the Town of Greenevers exceeded liabilities by \$4,199,358 as of June 30, 2019. The Town's net position decreased by \$37,016 for the fiscal year ended June 30, 2019. However, the largest portion, \$3,364,850, (80.13%), reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. The Town of Greenevers uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Greenevers' net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Town of Greenevers' net position \$208,706 (4.97%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$625,802 (14.90%) is unrestricted.

Several particular aspects of the Town's financial operations influenced the total unrestricted governmental net position:

- Continued problems in the collection of property taxes by maintaining a tax collection percentage of 93.62%, which is well below the statewide average of 98%.
- General Fund revenues exceeded expenditures prior to other financing sources and uses by \$138,779. Depreciation expense reported at the government-wide level decreased net assets by \$12,111.

**Town of Greenevers**  
**Management Discussion and Analysis**  
**June 30, 2019**

- The Water and Sewer Fund revenues were less than expenditures on a modified basis by \$9,863. However, depreciation expense reported at the government-wide level decreased net position by an additional \$111,778.

**Town of Greenevers' Changes in Net Position**  
**Figure 3**

	Governmental Activities		Business-type Activities		Total	
	6/30/19	6/30/18	6/30/19	6/30/18	6/30/19	6/30/18
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for services	\$ 3,800	\$ 3,230	\$ 266,320	\$ 217,547	\$ 270,120	\$ 220,777
Operating grants and contributions	18,491	18,855	23,405	-	41,896	18,855
Capital grants and contributions	-	-	266,390	-	266,390	-
<b>General Revenues:</b>						
Property taxes	66,399	50,052	-	-	66,399	50,052
Other taxes	190,585	178,895	-	-	190,585	178,895
Other	10,364	5,494	9,509	987	19,873	6,481
<b>Total Revenues</b>	<b>\$ 289,639</b>	<b>\$ 256,526</b>	<b>\$ 565,624</b>	<b>\$ 218,534</b>	<b>\$ 855,263</b>	<b>\$ 475,060</b>
<b>Expenses:</b>						
General government	\$ 85,305	\$ 76,431	\$ -	\$ -	\$ 85,305	\$ 76,431
Public safety	35,668	33,455	-	-	35,668	33,455
Highways/streets	26,092	12,349	-	-	26,092	12,349
Cultural and recreation	26,663	41,451	-	-	26,663	41,451
Water and sewer	-	-	420,847	348,390	420,847	348,390
<b>Total Expenses</b>	<b>\$ 173,728</b>	<b>\$ 163,686</b>	<b>\$ 420,847</b>	<b>\$ 348,390</b>	<b>\$ 594,575</b>	<b>\$ 512,076</b>
<b>Increase (Decrease) in Net Assets</b>						
Before Transfers	\$ 115,911	\$ 92,840	\$ 144,777	\$ (129,856)	\$ 260,688	\$ (37,016)
Transfers	-	(30,104)	-	30,104	-	-
<b>Increase (Decrease) in Net Assets</b>	<b>\$ 115,911</b>	<b>\$ 62,736</b>	<b>\$ 144,777</b>	<b>\$ (99,752)</b>	<b>\$ 260,688</b>	<b>\$ (37,016)</b>
Net position, beginning, previously reported	760,239	697,503	3,178,431	3,380,183	3,938,670	4,077,686
Restatement	-	-	-	(102,000)	-	(102,000)
Net position, beginning, restated	760,239	697,503	3,178,431	3,278,183	3,938,670	3,975,686
<b>Net Position, June 30</b>	<b>\$ 876,150</b>	<b>\$ 760,239</b>	<b>\$ 3,323,208</b>	<b>\$ 3,178,431</b>	<b>\$ 4,199,358</b>	<b>\$ 3,938,670</b>

**Governmental Activities.** Governmental activities increased the Town's net position by \$115,911. Key elements of this increase are as follows:

- Governmental Funds net change in fund balance increased net assets by \$115,911.
- Depreciation expense for governmental assets exceeded capital outlay expenditures which were capitalized by \$12,111.
- Deferred revenue related to outstanding taxes receivable decreased by \$10,755.
- Continued collection problems in the collection rate of ad valorem taxes.

**Town of Greenevers**  
**Management Discussion and Analysis**  
**June 30, 2019**

**Business-type Activities.** Business-type activities increased the Town of Greenevers' net position by \$144,777. Key elements of this decrease are as follows:

- The Water and Sewer Fund revenues and other financing sources were less than expenditures on a modified basis by \$9,863.
- Depreciation expense for water and sewer assets decreased net assets \$111,778.

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

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

**Governmental Funds.** The focus of the Town of Greenevers' governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Town of Greenevers' financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the Town of Greenevers. At the end of the current fiscal year, unassigned fund balance available in the General Fund was \$449,970, while total fund balance reached \$658,676. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 278.42 percent of total general fund expenditures excluding transfers to other funds. Total fund balance represents 407.56 percent of total general fund expenditures excluding transfers to other funds.

At June 30, 2019, the governmental funds of Town of Greenevers reported a combined fund balance of \$658,676, a 26.69 percent increase from last year. This change in governmental fund balance is attributable to an increase in fund balance of the General Fund.

**General Fund Budgetary Highlights.** Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

During the fiscal year, the Town made one revision to the budget.

**Proprietary Funds.** The Town of Greenevers' proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Water and Sewer Fund at the end of the fiscal year amounted to \$150,039. The total decrease in net position for the Water and Sewer Fund has already been addressed in the discussion of the Town of Greenevers' business-type activities.

**Capital Asset and Debt Administration**

**Town of Greenevers  
Management Discussion and Analysis  
June 30, 2019**

**Capital assets.** The Town of Greenevers' investment in capital assets for its governmental and business-type activities as of June 30, 2019, totals \$3,364,852 (net of accumulated depreciation). These assets include land, buildings and systems, machinery and equipment, and vehicles.

**Town of Greenevers's Capital Assets  
(net of depreciation)  
Figure 4**

	Governmental Activities		Business-Type Activities		Total	
	6/30/19	6/30/18	6/30/19	6/30/18	6/30/19	6/30/18
Land	\$ 75,750	\$ 75,750	\$ 36,050	\$ 36,050	\$ 111,800	\$ 111,800
Construction in progress	-	-	266,390	-	266,390	-
Building and systems Improvements other than buildings	30,469	39,206	2,870,728	2,982,507	2,901,197	3,021,713
	85,465	88,838	-	-	85,465	88,838
Total	<u>\$ 191,684</u>	<u>\$ 203,794</u>	<u>\$ 3,173,168</u>	<u>\$ 3,018,557</u>	<u>\$ 3,364,852</u>	<u>\$ 3,222,351</u>

Additional information on the Town's capital assets can be found in Notes to the Basic Financial Statements.

**Economic Factors and Next Year's Budgets and Rates**

The following key economic indicators reflect the growth and prosperity of the Town of Greenevers:

- *Low Unemployment.* The Town, due to its small population, does not track the Town's unemployment rate. However, Duplin County's unemployment rate for June 2019 of 4.9% is slightly above the State average of 4.2%.
- Property tax rate remains .30 per one hundred dollars (\$100).

Budget Highlights for the Fiscal Year Ending June 30, 2020:

*Governmental Activities.* Property tax rate will remain at .30 per one hundred dollars (\$100) of assessed value for fiscal year 2019-2020. The Town will continue to finance programs currently in place.

*Business-type Activities.* The water and sewer rates will remain constant for fiscal year 2019-2020.

**Requests for Information**

This report is designed to provide an overview of the Town of Greenevers' finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Town Clerk, Town of Greenevers, 314 E. Charity Road, Rose Hill, North Carolina 28458.

## **Basic Financial Statements**



**Town of Greenevers**  
**Statement of Net Position**  
**June 30, 2019**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	\$ 466,810	\$ 118,257	\$ 585,067
Taxes receivable (net)	25,796	-	25,796
Accounts receivable (net)	-	28,822	28,822
Due from other governments	36,610	228,390	265,000
Internal balances	(4,805)	4,805	-
Restricted cash and cash equivalents	172,096	17,730	189,826
Total Current Assets	\$ 696,507	\$ 398,004	\$ 1,094,511
Capital Assets:			
Land, non-depreciable improvements, and	\$ 75,750	\$ 302,440	\$ 378,190
Other capital assets, net of depreciation	115,931	2,870,729	2,986,660
Total Capital Assets	\$ 191,681	\$ 3,173,169	\$ 3,364,850
Total Assets	\$ 888,188	\$ 3,571,173	\$ 4,459,361
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	\$ 12,038	\$ 230,235	\$ 242,273
Customer deposits	-	17,730	17,730
Total Current Liabilities	\$ 12,038	\$ 247,965	\$ 260,003
<b>NET POSITION</b>			
Net investment in capital assets	\$ 191,681	\$ 3,173,169	\$ 3,364,850
Restricted for:			
Transportation	172,096	-	172,096
Stabilization by State statute	36,610	-	36,610
Unrestricted	475,763	150,039	625,802
Total Net Position	\$ 876,150	\$ 3,323,208	\$ 4,199,358

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

**Town of Greenevers  
Statement of Activities  
For the Year Ended June 30, 2019**

<b>Functions/Programs</b>	<b>Program Revenues</b>				<b>Net (Expense) Revenue and Changes in Net Assets</b>		
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Primary Government:</b>							
Governmental Activities:							
General government	\$ 85,305	\$ 100	\$ -	\$ -	\$ (85,205)	\$ -	\$ (85,205)
Public safety	35,668	-	-	-	(35,668)	-	(35,668)
Transportation	26,092	-	18,491	-	(7,601)	-	(7,601)
Cultural and recreation	26,663	3,700	-	-	(22,963)	-	(22,963)
<b>Total Governmental Activities</b>	<b>\$ 173,728</b>	<b>\$ 3,800</b>	<b>\$ 18,491</b>	<b>\$ -</b>	<b>\$ (151,437)</b>	<b>\$ -</b>	<b>\$ (151,437)</b>
Business-type Activities:							
Water and sewer	\$ 420,847	\$ 266,320	\$ 23,405	\$ 266,390	\$ -	\$ 135,268	\$ 135,268
<b>Total Business-type Activities</b>	<b>\$ 420,847</b>	<b>\$ 266,320</b>	<b>\$ 23,405</b>	<b>\$ 266,390</b>	<b>\$ -</b>	<b>\$ (154,527)</b>	<b>\$ (154,527)</b>
<b>Total Primary Government</b>	<b>\$ 594,575</b>	<b>\$ 270,120</b>	<b>\$ 41,896</b>	<b>\$ 266,390</b>	<b>\$ (151,437)</b>	<b>\$ 135,268</b>	<b>\$ (16,169)</b>
General Revenues:							
Taxes:							
Property taxes, levied for general purpose					\$ 66,399	\$ -	\$ 66,399
Other taxes					190,585	-	190,585
Unrestricted investment earnings					10,150	1,714	11,864
Insurance recovery					-	7,795	7,795
Miscellaneous revenue					214	-	214
<b>Total General Revenues and Transfers</b>					<b>\$ 267,348</b>	<b>\$ 9,509</b>	<b>\$ 276,857</b>
Change in Net Position					115,911	144,777	260,688
Net Position, beginning					760,239	3,178,431	3,938,670
Net Position, ending					<b>\$ 876,150</b>	<b>\$ 3,323,208</b>	<b>\$ 4,199,358</b>

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

**Town of Greenevers  
Balance Sheet  
Governmental Funds  
June 30, 2019**

	<b>General Fund</b>	<b>Total Funds</b>
<b>ASSETS</b>		
Unrestricted Assets:		
Cash and cash equivalents	\$ 466,810	\$ 466,810
Receivables, net:		
Taxes	25,796	25,796
Due from other governments	36,610	36,610
Total Unrestricted Assets	\$ 529,216	\$ 529,216
Restricted Assets:		
Cash and cash equivalents	\$ 172,096	\$ 172,096
Total Restricted Assets	\$ 172,096	\$ 172,096
Total Assets	\$ 701,312	\$ 701,312
<b>LIABILITIES</b>		
Liabilities:		
Accounts payable and accrued liabilities	\$ 12,038	\$ 12,038
Due to other funds	4,802	4,802
Total Liabilities	\$ 16,840	\$ 16,840
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property taxes receivable	\$ 25,796	\$ 25,796
Total Deferred Inflows of Resources	\$ 25,796	\$ 25,796
<b>FUND BALANCES</b>		
Fund Balances:		
Restricted:		
Stabilization by State Statute	\$ 36,610	\$ 36,610
Streets - Powell Bill	172,096	172,096
Unassigned	449,970	449,970
Total Fund Balances	\$ 658,676	\$ 658,676
Total Liabilities and Fund Balances	\$ 701,312	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	191,681
Liabilities for earned but deferred revenues considered deferred inflows of resources in fund statements.	25,793
Net Position of Governmental Activities	\$ 876,150

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

**Town of Greenevers**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2019**

	<b>General Fund</b>	<b>Total Funds</b>
<b>REVENUES</b>		
Ad valorem taxes	\$ 77,151	\$ 77,151
Unrestricted intergovernmental	190,586	190,586
Restricted intergovernmental	18,491	18,491
Permits and fees	100	100
Sales and services	2,465	2,465
Investment earnings	10,150	10,150
Miscellaneous	1,450	1,450
Total Revenues	\$ 300,393	\$ 300,393
<b>EXPENDITURES</b>		
Current:		
General Government	\$ 80,893	\$ 80,893
Public Safety	35,669	35,669
Transportation	26,092	26,092
Cultural and recreational	18,960	18,960
Total Expenditures	\$ 161,614	\$ 161,614
Excess (Deficiency) of Revenues Over Expenditures	\$ 138,779	\$ 138,779
Net Change in Fund Balance	\$ 138,779	\$ 138,779
Fund Balances, beginning	\$ 519,897	\$ 519,897
Fund Balances, ending	\$ 658,676	\$ 658,676

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

**Town of Greenevers**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2019**

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

Net changes in fund balances - total governmental funds		\$ 138,779
<p>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 capital outlays exceeded depreciation in the current period</p>		
Depreciation expense for governmental assets	\$ (12,113)	(12,113)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Change in unavailable revenue for tax revenues		(10,755)
Total Changes in Net Position of Governmental Activities		\$ 115,911

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

**Town of Greenevers**  
**General Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2019**

	<b>General Fund</b>			
	<b>Original</b>	<b>Final</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>				
Ad valorem taxes	\$ 47,425	\$ 69,190	\$ 77,151	\$ 7,961
Unrestricted intergovernmental	171,370	185,780	190,586	4,806
Restricted intergovernmental	18,855	18,490	18,491	1
Permits and fees	100	100	100	-
Sales and services	2,250	2,400	2,465	65
Investment earnings	3,730	9,970	10,150	180
Miscellaneous	2,300	1,200	1,450	250
Total Revenues	\$ 246,030	\$ 287,130	\$ 300,393	\$ 13,263
<b>EXPENDITURES</b>				
Current:				
General government	\$ 135,380	\$ 147,100	\$ 80,893	\$ 66,207
Public safety	39,015	40,215	35,669	4,546
Transportation	81,135	29,490	26,092	3,398
Cultural and recreational	44,425	45,325	18,960	26,365
Total Expenditures	\$ 299,955	\$ 262,130	\$ 161,614	\$ 100,516
Revenues Over (Under) Expenditures	\$ (53,925)	\$ 25,000	\$ 138,779	\$ 113,779
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds	\$ 525	\$ (25,000)	\$ -	\$ 25,000
Total Other Financing Sources (Uses)	\$ 525	\$ (25,000)	\$ -	\$ 25,000
Fund balance appropriated	53,400	-	-	-
Net Change in Fund Balance	\$ -	\$ -	\$ 138,779	\$ 138,779
Fund balance, beginning			\$ 519,897	
Fund balance, ending			\$ 658,676	

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

**Town of Greenevers  
Statement of Net Position  
Proprietary Funds  
June 30, 2019**

	<b>Major Enterprise Funds</b>	
	<b>Water and Sewer Fund</b>	<b>Total</b>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 118,257	\$ 118,257
Accounts receivable (net) - billed	28,822	28,822
Due from other governments	228,390	228,390
Due from other funds	4,805	4,805
Restricted cash and cash equivalents	17,730	17,730
Total Current Assets	\$ 398,004	\$ 398,004
Non-current Assets:		
Capital Assets:		
Land and other nondepreciable assets	\$ 302,440	\$ 302,440
Capital assets, net of depreciation	2,870,729	2,870,729
	\$ 3,173,169	\$ 3,173,169
Total Assets	\$ 3,571,173	\$ 3,571,173
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 230,235	\$ 230,235
Liabilities paid from restricted assets:		
Customer deposits	17,730	17,730
Total Current Liabilities	\$ 247,965	\$ 247,965
Total Liabilities	\$ 247,965	\$ 247,965
<b>NET POSITION</b>		
Net investment in capital assets	\$ 3,173,169	\$ 3,173,169
Unrestricted	150,039	150,039
Total Net Position	\$ 3,323,208	\$ 3,323,208

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

**Town of Greenevers**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2019**

	<b>Major Enterprise Funds</b>	
	<b>Water and Sewer Fund</b>	<b>Total</b>
<b>OPERATING REVENUES</b>		
Charges for services	\$ 261,724	\$ 261,724
Water and sewer taps	5,100	5,100
Total Operating Revenues	\$ 266,824	\$ 266,824
<b>OPERATING EXPENSES</b>		
Operations	\$ 309,069	\$ 309,069
Depreciation	111,778	111,778
Total Operating Expenses	\$ 420,847	\$ 420,847
Operating Income (Loss)	\$ (154,023)	\$ (154,023)
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Investment earnings	\$ 1,210	\$ 1,210
Insurance recovery	7,795	7,795
FEMA disaster assistance grant	23,405	23,405
Capital contribution	266,390	266,390
Total Nonoperating Revenue (Expenses)	\$ 298,800	\$ 298,800
<b>Change in Net Position</b>	\$ 144,777	\$ 144,777
Net Position, beginning	3,178,431	3,178,431
Total Net Position, ending	\$ 3,323,208	\$ 3,323,208

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



**Town of Greenevers  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2019**

	<b>Major Enterprise Funds</b>	
	<b>Water and Sewer Fund</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 271,336	\$ 271,336
Cash paid for goods and services	(206,756)	(206,756)
Cash paid to or on behalf of employees for services	(103,760)	(103,760)
Customers deposits received, net	1,100	1,100
Net Cash Provided (Used) by Operating Activities	<u>\$ (38,080)</u>	<u>\$ (38,080)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Decrease in due from other funds	\$ 6,908	\$ 6,908
FEMA disaster recovery reimbursement	23,405	23,405
Insurance recovery	7,795	7,795
Total Cash Flows from Noncapital Financing Activities	<u>\$ 38,108</u>	<u>\$ 38,108</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition of capital assets	\$ (38,000)	\$ (38,000)
Grant proceeds	38,000	38,000
Net Cash Provided (Used ) by Capital and Related Financing Activities	<u>\$ -</u>	<u>\$ -</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest and dividends	\$ 1,210	\$ 1,210
Net Increase (Decrease) in Cash and Cash Equivalents	<u>\$ 1,238</u>	<u>\$ 1,238</u>
Balances, beginning	<u>134,749</u>	<u>134,749</u>
Balances, ending	<u><u>\$ 135,987</u></u>	<u><u>\$ 135,987</u></u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>		
Operating income (loss)	\$ (154,023)	\$ (154,023)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	111,778	111,778
Changes in Assets and Liabilities:		
(Increase) decrease in accounts receivable	4,512	4,512
Increase (decrease) in accounts payable and accrued liabilities	(1,447)	(1,447)
Increase (decrease) in customer deposits	1,100	1,100
Total Adjustments	<u>\$ 115,943</u>	<u>\$ 115,943</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (38,080)</u></u>	<u><u>\$ (38,080)</u></u>

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

**Town of Greenevers**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

**I. Summary of Significant Accounting Policies**

The accounting policies of the Town of Greenevers conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Town of Greenevers is a municipal corporation that is governed by an elected mayor and a five member Board of Commissioners. As required by generally accepted accounting principles, these financial statements present the Town.

B. Basis of Presentation - Fund Accounting

*Government-wide Statements:* The statement of net position and the statement of activities display information about the primary government. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

*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 non-major funds. The Town had no non-major funds during the fiscal year ended June 30, 2019.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

**Town of Greenevers**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

The Town reports the following major governmental funds:

**General Fund.** The General Fund is the general operating fund of the Town. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, State grants, and various other taxes and licenses. The primary expenditures are for public safety, street maintenance and construction, parks and recreation, and general government services.

The Town reports the following major enterprise funds:

**Water and Sewer Fund.** This fund is used to account for the Town's water and sewer operations. A Water and Sewer Capital Project has been consolidated into the Water and Sewer Fund for financial reporting purposes. The budgetary comparison for the 2016 Community Development Block Grant #16-I-2719 Fund has been included in the supplemental information.

C. Measurement Focus and Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the Town are maintained during the year using the modified accrual basis of accounting.

*Government-wide and Proprietary Fund Financial Statements:* The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 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.

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 enterprise 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 water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Town of Greenevers**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

*Governmental Fund Financial Statements:* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The Town considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the beer and wine tax, collected and held by the State at year-end on behalf of the Town are recognized as revenue. Sales taxes are considered a shared revenue for the Town of Greenevers because the tax is levied by Duplin County and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Grant revenues which are unearned at year-end are recorded as unearned revenues. Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the programs, followed by categorical block grants, and then by general revenues.

D. Budgetary Data

The Town's budgets are adopted as required by North Carolina General Statutes. An annual budget ordinance is adopted for the General Fund and the Water and Sewer Fund. All annual appropriations lapse at fiscal year-end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$2,500. All amendments must be approved by the governing board. During the year, one amendment was made to the original budget. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

**Town of Greenevers**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity

1. Deposits and Investments

All deposits of the Town are made in board-designated official depositories and are secured as required by State law [G.S. 159-31]. The Town may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Town may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the Town to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT). In accordance with State law, the Town has invested in bank certificates of deposits and money market accounts, and are stated at fair value. The NCCMT Government Portfolio, a SEC-registered (2a-7) external investment pool, is measured at amortized cost, which is the NCCMT's share price. The NCCMT-Term Portfolio's securities are valued at fair value.

2. Cash and Cash Equivalents

The Town pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

3. Restricted Assets

Customer deposits held by the Town before any services are supplied are restricted to the service for which the deposit was collected. Powell Bill funds are also classified as restricted cash because they can be expended only for the purposes outlined in G.S. 136-141.1 through 136.41.4.

**Town of Greenevers  
Notes to the Financial Statements  
For the Year Ended June 30, 2019**

Town of Greenevers Restricted Cash

Governmental Activities:

General Fund

Streets	\$ 172,096
Total Governmental Activities	\$ 172,096

Business-type Activities:

Water and Sewer Fund

Customer deposits	\$ 17,730
Total Business-type Activities	\$ 17,730

Total Restricted Cash	\$ 189,826
-----------------------	------------

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, interest does not accrue until the following January 6. The taxes levied are based on the assessed values as of January 1, 2010. As allowed by State law, the Town has established a schedule of discounts that apply to taxes, which are paid prior to the due date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts.

5. Allowances for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

6. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs are as follows; land, \$10,000; buildings, improvements, substations, lines, and other plant and distribution systems, \$15,000; infrastructure, \$20,000; equipment and furniture, \$5,000; and vehicles and motorized equipment, \$5,000. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. General infrastructure assets acquired prior to July 1, 2003, consist of the road network and water and sewer system assets that were acquired or that received substantial improvements subsequent to July 1, 1980, and are reported at estimated historical cost using deflated replacement cost. The cost of normal

**Town of Greenevers**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

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

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Buildings	30-50 years
Improvements	10-20 years
Furniture and Equipment	5-10 years
Vehicles and Motorized Equipment	5 years

7. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has no items that meet this criterion. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town has only one item that meets the criterion for this category – property taxes receivable.

8. Compensated Absences

The vacation policy of the Town provides for the accumulation of up to thirty (30) days per year. Vacation leave is fully vested when earned. For the Town, the current portion of the accumulated vacation pay is not considered to be material; therefore, no expenditure or liability has been reported.

The Town's sick leave policy provides for the accumulation of earned sick leave for an indefinite period. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Town does not have any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

9. Net Position/Fund Balances

a. Net Position

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets; restricted; and unrestricted. Restricted net assets represent

**Town of Greenevers**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through State statute.

b. Fund Balances

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

Non-spendable Fund Balance - This classification includes amounts that cannot be spent because they are either; (a) not in spendable form, or (b) legally or contractually required to be maintained intact. There were no amounts classified as non-spendable fund balance at fiscal year end June 30, 2018.

Restricted Fund Balance – This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for Stabilization by State statute – North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation is G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". *Appropriated fund balance in any fund shall not exceed the sum of cash and cash equivalents minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget.* Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as non-spendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

Restricted for Streets - Powell Bill portion of fund balance that is restricted by revenue source for street construction and maintenance expenditures. This amount represents the balance of the total unexpended Powell Bill funds.

Committed Fund Balance - portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the Town of Greenevers' governing body (highest level of decision-making authority). Any changes or removal of specific purpose requires majority action by the governing body. There were no amounts classified as committed fund balance at fiscal year end June 30, 2018.



**Town of Greenevers**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

Assigned Fund Balance - portion of fund balance that the Town of Greenevers intends to use for specific purposes.

Subsequent Year's Expenditures - portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed.

Unassigned Fund Balance -- portion of total fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

The Town of Greenevers has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Town Clerk will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-town funds, Town funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Town Clerk has the authority to deviate from this policy if it is in the best interest of the Town.

10. Subsequent Events

The Town evaluated the effect subsequent events would have on the financial statements through January 15, 2020, which is the date the financial statements were available to be issued.

**II. Detail Notes on All Funds**

A. Assets

1. Deposits

All deposits of the Town are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Town's agent in the unit's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town, these deposits are considered to be held by the Town's agent in their name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town under the Pooling Method, the potential exists for under collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository for collateralized public deposits under the Pooling Method. The Town has no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Town complies with the provisions of

**Town of Greenevers  
Notes to the Financial Statements  
For the Year Ended June 30, 2019**

G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2019, the Town's deposits had a carrying amount of \$258,598 and a bank balance of \$267,427. Of the bank balance, \$267,427 was covered by federal depository insurance.

2. Investments

At June 30, 2019, the Town of Greenevers had \$516,295 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAM by Standard and Poor's. The Town has no policy regarding credit risk.

<b>Investments by Type</b>	<b>Valuation Measurement Method</b>	<b>Book Value at 6/30/2018</b>	<b>Maturity</b>	<b>Rating</b>
NC Capital Management Trust – Government Portfolio	Amortized Cost	516,295	N/A	AAAM
Total:		\$ 516,295		

Interest Rate Risk

The Town has no formal investment policy regarding interest rate risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Town's internal investment policy limits at least half of the Town's investment portfolio to maturities of less than twelve (12) months. Also, the Town's internal management policy requires purchases of securities to be laddered with staggered maturity dates and limits all securities to a final maturity of no more than two years.

3. Receivables – Allowances for Doubtful Accounts

The amounts presented in the Balance Sheet and the Statement of Net Position for the year ended June 30, 2019 are net of the following allowances for doubtful accounts:

General Fund:	
Taxes receivable	\$ 38,902
Total General Fund	38,902
Enterprise Fund:	
Water and Sewer Fund - accounts receivable	\$ 195,000
Total Enterprise Fund	195,000
Total	\$ 233,902

4. Capital Assets

**Town of Greenevers**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

- a. Capital asset activity for the Primary Government for the year ended June 30, 2019, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Governmental Activities:</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 75,750	\$ -	\$ -	\$ 75,750
Being Depreciated	\$ 75,750	\$ -	\$ -	\$ 75,750
Capital Assets Being Depreciated:				
Land improvements	\$ 134,947	\$ -	\$ -	\$ 134,947
Buildings	349,572	-	-	349,572
Equipment	26,000	-	-	26,000
Total Capital Assets Being Depreciated	\$ 510,519	\$ -	\$ -	\$ 510,519
Less accumulated depreciation for:				
Land improvements	\$ 46,109	\$ 3,373	\$ -	\$ 49,482
Buildings	310,365	8,738	-	319,103
Equipment	26,000	-	-	26,000
Total accumulated depreciation	\$ 382,474	\$ 12,111	\$ -	\$ 394,585
Total Capital Assets Being Depreciated, Net	128,045			115,934
Governmental Activity Capital Assets, Net	\$ 203,795			\$ 191,683

Depreciation expense was charged to functions/programs of the primary government as follows:

General government	\$ 7,701
Cultural and recreational	4,410
Total Depreciation Expense	\$ 12,111

**Town of Greenevers**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

- b. Capital asset activity for the Water and Sewer Fund for the year ended June 30, 2019 was as follows:

	Beginning			Ending
	Balances	Increases	Decreases	Balances
Business-type Activity:				
Capital Assets Not Being Depreciated:				
Land	\$ 36,050	\$ -	\$ -	\$ 36,050
Construction in progress	-	266,390	-	266,390
Depreciated	<u>\$ 36,050</u>	<u>\$ 266,390</u>	<u>\$ -</u>	<u>\$ 302,440</u>
Capital Assets Being Depreciated:				
Buildings	\$ 371,872	\$ -	\$ -	\$ 371,872
Plant and distribution systems	4,058,459	-	-	4,058,459
Vehicles	15,297	-	-	15,297
Total Capital Assets Being Depreciated	<u>\$4,439,969</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$4,445,628</u>
Less accumulated depreciation for:				
Buildings	\$ 362,432	\$ 9,325	\$ -	\$ 371,757
Plant and distribution systems	1,085,392	102,454	-	1,187,846
Vehicles	15,297	-	-	15,297
Total Accumulated Depreciation	<u>\$1,463,121</u>	<u>\$ 111,779</u>	<u>\$ -</u>	<u>\$1,574,900</u>
Total Capital Assets Being Depreciated, Net	<u>\$2,976,848</u>			<u>\$2,870,728</u>
Business-type Activities Capital Assets, Net	<u>\$3,012,898</u>			<u>\$3,173,168</u>

**B. Liabilities**

**1. Deferred Outflows and Inflows of Resources**

Deferred inflows of resources at year-end are comprised of the following:

	Statement of Net Position	General Fund Balance Sheet
Taxes Receivable (General Fund)	-	25,796
Total	<u>\$ -</u>	<u>\$ 25,796</u>

**2. 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; injuries to employees; and natural disasters. The Town participates in two self-funded risk financing pools administered by the North Carolina League of Municipalities. Through these pools are reinsured through commercial companies for single occurrence claims against general liability, auto liability, police professional liability and public officials liability in excess of \$1,000,000; property in excess of \$500,000 and \$500,000 up to statutory limits for workers' compensation.

**Town of Greenevers**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

The Town carries commercial property, general liability, and worker’s compensation insurance coverage. The Town has not acquired flood insurance. There have been no significant reductions in insurance coverage in the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

In accordance with G.S. 159-29, the Town’s employees that have access to \$100 or more at any given time of the Town’s funds are performance bonded through a commercial surety bond. The finance officer is bonded for \$50,000, and the administrative assistant is bonded for \$10,000.

C. Interfund Balances and Activity

Interfund Balances

To	From	Amount	Purpose
Water and Sewer Fund	General Fund	\$ 4,805	Utility payments posted to the General Fund cash account

The interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund loan – The Water and Sewer Fund borrowed \$4,805 from the General Fund to fund expenditures. There are no terms.

D. Fund Balance

The following schedule provides management and citizens with information on the portion of General Fund balance that is available for appropriation:

Total fund balance - General Fund	\$ 658,676
Less:	
Stabilization by State Statute	36,610
Streets - Powell Bill	172,096
Remaining Fund Balance	\$ 449,970

**Town of Greenevers  
Notes to the Financial Statements  
For the Year Ended June 30, 2019**

**III. Summary Disclosure of Significant Contingencies**

Federal and State Assisted Programs

The Town has received proceeds from federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant moneys to the grantor agencies. Management believes that any required refund will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant funds.

## **Supplemental Information**

**Town of Greenevers**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Ad Valorem Taxes:			
Taxes		\$ 71,248	
Penalties and interest		5,903	
Total Ad Valorem Taxes	<u>\$ 69,190</u>	<u>\$ 77,151</u>	<u>\$ 7,961</u>
Unrestricted Intergovernmental:			
Local option sales taxes		\$ 172,434	
Telecommunications sales tax		2,460	
Utility franchise tax		10,786	
Video franchise tax		2,123	
Beer and wine tax		2,783	
Total Unrestricted Intergovernmental	<u>\$ 185,780</u>	<u>\$ 190,586</u>	<u>\$ 4,806</u>
Restricted Intergovernmental:			
Powell Bill allocation		\$ 18,491	
Total Restricted Intergovernmental	<u>\$ 18,490</u>	<u>\$ 18,491</u>	<u>\$ 1</u>
Permits and fees:			
Zoning Fees		\$ 100	
Total Permits and Fees	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ -</u>
Sales and Services:			
Recreation fees		\$ 2,350	
Miscellaneous sales		115	
Total Sales and Services	<u>\$ 2,400</u>	<u>\$ 2,465</u>	<u>\$ 65</u>
Investment earnings	<u>\$ 9,970</u>	<u>\$ 10,150</u>	<u>\$ 180</u>
Miscellaneous:			
Contributions and donations		\$ 1,350	
Other		100	
Total Miscellaneous	<u>\$ 1,200</u>	<u>\$ 1,450</u>	<u>\$ 250</u>
Total Revenues	<u>\$ 287,130</u>	<u>\$ 300,393</u>	<u>\$ 13,263</u>
<b>EXPENDITURES</b>			
General Government:			
Governing Body:			
Salaries and employee benefits		\$ 5,851	
Other operating expenditures		1,847	
Total Governing Body	<u>\$ 9,850</u>	<u>\$ 7,698</u>	<u>\$ 2,152</u>



**Town of Greenevers**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Annual Budget and Actual**  
**For the Fiscal Year Ended June 30, 2019**

<i>(Expenditures continued)</i>	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Adminstration:			
Salaries and employee benefits		\$ 34,831	
Contract services		13,066	
Repairs and maintenance		448	
Other operating expenditures		24,850	
Total Administration	<u>\$ 137,250</u>	<u>\$ 73,195</u>	<u>\$ 64,055</u>
Total General Government	<u>\$ 147,100</u>	<u>\$ 80,893</u>	<u>\$ 66,207</u>
Public Safety:			
Police:			
Contract Services	<u>\$ 25,765</u>	<u>\$ 23,628</u>	<u>\$ 2,137</u>
Fire and Rescue:			
Contributions	<u>\$ 14,450</u>	<u>\$ 12,041</u>	<u>\$ 2,409</u>
Total Public Safety	<u>\$ 40,215</u>	<u>\$ 35,669</u>	<u>\$ 4,546</u>
Transportation:			
Streets:			
Other operating expenditures		<u>\$ 26,092</u>	
Total Transportation	<u>\$ 29,490</u>	<u>\$ 26,092</u>	<u>\$ 3,398</u>
Cultural and Recreational:			
Parks and Recreation:			
Salaries and employee benefits		\$ 3,668	
Contract services		989	
Repairs and maintenance		371	
Other operating expenditures		1,125	
Total Parks and Recreation	<u>\$ 25,150</u>	<u>\$ 6,153</u>	<u>\$ 18,997</u>
Community Center:			
Salaries and employee benefits		\$ 3,303	
Contract services		2,359	
Repairs and maintenance		1,264	
Other operating expenditures		5,881	
Total Community Center	<u>\$ 18,175</u>	<u>\$ 12,807</u>	<u>\$ 5,368</u>

**Town of Greenevers**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Annual Budget and Actual**  
**For the Fiscal Year Ended June 30, 2019**

<i>(Expenditures continued)</i>	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Contributions:			
Other	\$ 2,000	\$ -	\$ 2,000
Total Cultural and Recreational	<u>\$ 45,325</u>	<u>\$ 18,960</u>	<u>\$ 26,365</u>
Total Expenditures	<u>\$ 262,130</u>	<u>\$ 161,614</u>	<u>\$ 100,516</u>
Revenues Over (Under) Expenditures	<u>\$ 25,000</u>	<u>\$ 138,779</u>	<u>\$ 113,779</u>
Other Financing Sources (Uses):			
Operation Transfers From (To) Other Funds			
Transfer to Water and Sewer Fund	\$ (25,000)	\$ -	\$ 25,000
Total Other Financing Sources (Uses)	<u>\$ (25,000)</u>	<u>\$ -</u>	<u>\$ 25,000</u>
Fund balance appropriated	-	-	-
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 138,779</u>	<u>\$ 138,779</u>
Fund balance, beginning		<u>519,897</u>	
Fund balances, ending		<u>\$ 658,676</u>	

**Town of Greenevers**  
**Water and Sewer Fund**  
**Schedule of Revenues and Expenditures**  
**Changes in Fund Balance - Budget and Actual (Non - GAAP)**  
**For the Fiscal Year Ended June 30, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Operating Revenues:			
Charges for Services:			
Water and sewer charges	\$ 264,125	\$ 260,185	\$ (3,940)
Water and sewer taps	13,800	5,100	(8,700)
Penalties	1,250	1,035	(215)
Total Charges for Services	<u>\$ 279,175</u>	<u>\$ 266,320</u>	<u>\$ (12,855)</u>
Total Operating Revenues	<u>\$ 279,175</u>	<u>\$ 266,320</u>	<u>\$ (12,855)</u>
Non-operating Revenues:			
Interest on investments	<u>\$ 1,160</u>	<u>\$ 1,714</u>	<u>\$ 554</u>
Total Revenues	<u>\$ 280,335</u>	<u>\$ 268,034</u>	<u>\$ (12,301)</u>
Operating Expenses Other Than Depreciation:			
Water and Sewer Operations:			
Salaries and employee benefits		\$ 103,962	\$ (103,962)
Contract services		91,692	(91,692)
Repairs and maintenance		3,917	(3,917)
Vehicle operations		9,529	(9,529)
Other operating expenditures		99,969	(99,969)
Total Operating Expenses Other Than Depreciation	<u>\$ 337,040</u>	<u>\$ 309,069</u>	<u>\$ 27,971</u>
Total Expenditures	<u>\$ 337,040</u>	<u>\$ 309,069</u>	<u>\$ 27,971</u>
Other Financing Sources (Uses):			
Transfer from General Fund	25,000	-	(25,000)
Transfer to Capital Project Fund	-	(28)	(28)
Insurance recovery	-	7,795	7,795
FEMA disaster assistance	-	23,405	23,405
Total Other Financing Sources (Uses)	<u>25,000</u>	<u>31,172</u>	<u>\$ 6,172</u>
Fund balance appropriated	<u>31,705</u>	<u>-</u>	<u>(31,705)</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (9,863)</u>	<u>\$ (9,863)</u>

**Town of Greenevers**  
**Water and Sewer Fund**  
**Schedule of Revenues and Expenditures**  
**Changes in Fund Balance - Budget and Actual (Non - GAAP)**  
**For the Fiscal Year Ended June 30, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
Revenues Over (Under) Expenditures		\$ (9,863)	
Reconciling items:			
Capital project expenses		(266,390)	
Capital contribution - CDBG grant		266,390	
Transfer to Capital Project Fund		28	
Depreciation		(111,778)	
Total Reconciling Items		<u>\$ (111,750)</u>	
Change in Net Position		<u>\$ (121,613)</u>	

## **Other Schedules**

---

This section contains additional information on property taxes.

---

- Schedule of Ad Valorem Taxes Receivable
- Analysis of Current Tax Levy

**Town of Greenevers**  
**Schedule of Ad Valorem Taxes Receivable**  
**June 30, 2019**

Fiscal Year	Uncollected Balance June 30, 2018	Additions	Collections And Credits	Uncollected Balance June 30, 2019
2018-2019	\$ -	\$ 51,469	\$ 48,183	\$ 3,285
2017-2018	8,599	2,197	9,064	1,731
2016-2017	4,273	-	3,020	1,253
2015-2016	13,807	-	1,773	12,034
2014-2015	11,898	-	1,775	10,122
2013-2014	10,093	-	1,721	8,372
2012-2013	9,419	-	1,675	7,744
2011-2012	8,993	-	1,283	7,711
2010-2011	8,115	-	1,394	6,720
2009-2010	5,870	-	971	4,899
2008-2009	4,544	-	4,544	-
	<u>\$ 85,611</u>	<u>\$ 53,666</u>	<u>\$ 75,403</u>	<u>\$ 63,871</u>
Less: allowance for uncollectible ad valorem taxes receivable	49,063			38,077
Ad valorem taxes receivable - net	<u>\$ 36,548</u>			<u>\$ 25,794</u>
Reconciliation with revenues:				
Taxes - Ad valorem - General Fund				\$ 77,151
Reconciling Items:				
Taxes written off				4,544
Releases				732
Discounts allowed				318
Penalties and interest collected				(5,903)
Adjustments				(1,439)
Total Reconciling Items				<u>\$ (1,748)</u>
Total Collections and Credits				<u>\$ 75,403</u>

**Town of Greenevers  
 Analysis of Current Tax Levy  
 Town - Wide Levy  
 For the Fiscal Year Ended June 30, 2019**

	Town - Wide		Total Levy		
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property Taxed at Current Rate:					
General tax	\$ 17,156,000	0.30	\$ 51,468	\$ 44,462	\$ 7,006
Total	<u>\$ 17,156,000</u>		<u>\$ 51,468</u>	<u>\$ 44,462</u>	<u>\$ 7,006</u>
 Total Property Valuation	 <u><u>\$ 17,156,000</u></u>				
 Net Levy			 \$ 51,468	 \$ 44,462	 \$ 7,006
 Uncollected Taxes at June 30, 2019			 <u>\$ 3,285</u>	 <u>\$ 3,285</u>	 <u>\$ -</u>
 Current Year's Taxes Collected			 <u>\$ 48,183</u>	 <u>\$ 41,177</u>	 <u>\$ 7,006</u>
 Current Levy Collection Percentage			 <u>93.62%</u>	 <u>92.61%</u>	 <u>100.00%</u>

## **Compliance Section**



*Andrew Harris, CPA PLLC*  
3722 N. Main St.  
Farmville, NC 27828  
Phone (252) 753-2636  
E-mail [andrew@andrewharriscpa.com](mailto:andrew@andrewharriscpa.com)

---

**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 Mayor and Town Council  
Town of Greenevers, North Carolina

I 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, each major fund, and the aggregated remaining fund information of the Town of Greenevers, North Carolina, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town of Greenevers' basic financial statements and have issued my report thereon dated January 15, 2020.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Town of Greenevers' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Town of Greenevers' internal control. Accordingly, I 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Town of Greenevers' 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.

My consideration of the 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. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Greenevers' financial statements are free of material misstatement, I 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 statements amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as Findings 2019-1.

### Town of Greenevers' Response to Findings

The Town's response to the finding identified in my audit is described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

### Purpose of this Report

This purpose of this report is solely to describe the scope of my testing of internal control and compliance and the result 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.



Farmville, North Carolina  
January 15, 2020



**Town of Greenevers, North Carolina  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2019**

---

Section II - Financial Statement Findings

---

**Significant Deficiencies**

**Finding: 2019 – 1 Segregation of Duties**

Criteria: Duties should be segregated to provide reasonable assurance that transactions are handled appropriately.

Condition: There is a lack of segregation of duties among Town personnel.

Effect: The Town's internal control process cannot ensure that errors will be detected by employees in the normal course of performing their assigned functions.

Cause: The Town has limited number of employees to handle all financial transactions due to their limited budget.

Identification of a repeat finding:  
This is a new finding in the current year.

Recommendation: The duties should be separated as much as possible, and alternative controls should be used to compensate for lack of separation. The governing board should provide some of these controls.

Views of responsible officials:  
The Town agrees with this finding and will adhere to the corrective action plan on page 45 in this report.

**Town of Greenevers, North Carolina  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2019**

---

Section II - Financial Statement Findings

---

**Significant Deficiencies**

**Finding: 2019-1**

**Segregation of Duties**

Name of contact person:

Emma Brinson, Town Clerk

Corrective Action:

The duties will be separated as much as possible and alternative controls will be used to compensate for lack of segregation. The governing board will continue to be involved in providing some of the controls.

Proposed Completion Date:

The board will implement the above procedure immediately.

**Town of Greenevers, North Carolina**  
**Summary Schedule of Prior Year Audit Findings**  
**For the Fiscal Year Ended June 30, 2019**

NONE