

TOWN OF GREENEVERS  
GREENEVERS, NORTH CAROLINA

ANNUAL FINANCIAL REPORT  
Year Ended June 30, 2020

**Mayor**

Clifton Williams

**Commissioners**

Diane Brown

Gregory Carr

Venessa Farrior

Mary James

Timothy Murphy

**Town Administrator**

Emma Brinson

**Town of Greenevers, North Carolina**  
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**June 30, 2020**

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## FINANCIAL SECTION



Thompson, Price, Scott, Adams & Co., P.A.  
4024 Oleander Drive Suite 3  
Wilmington, North Carolina 28403  
Telephone (910) 791-4872  
Fax (910) 395-4872

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## **Independent Auditor's Report**

To the Honorable Mayor  
and Town Commissioners of  
Greenevers, North Carolina

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

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 Greenevers, North Carolina, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit 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.

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

### ***Opinions***

In our opinion, based on our audit, 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 Greenevers, North Carolina, as of June 30, 2020, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis 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. 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.

#### ***Supplementary and Other Information***

Our 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 combining and individual fund statements, budgetary schedules, and other schedules, are presented for purposes 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 by us. In our opinion, based on our audit, the procedures performed as described above, the combining and 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, we have also issued our report dated June 22, 2021, on our consideration of Town of Greenevers internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Town of Greenevers internal control over financial reporting and compliance.

Thompson, Price, Scott, Adams & Co., PA  
Wilmington, North Carolina  
June 22, 2021

## MANAGEMENT'S DISCUSSION AND ANALYSIS



## Management's Discussion and Analysis

As management of the Town of Greenevers (the "Town"), we offer readers of the Town of Greenevers's financial statements this narrative overview and analysis of the financial activities of the Town of Greenevers for the fiscal year ended June 30, 2020. 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.

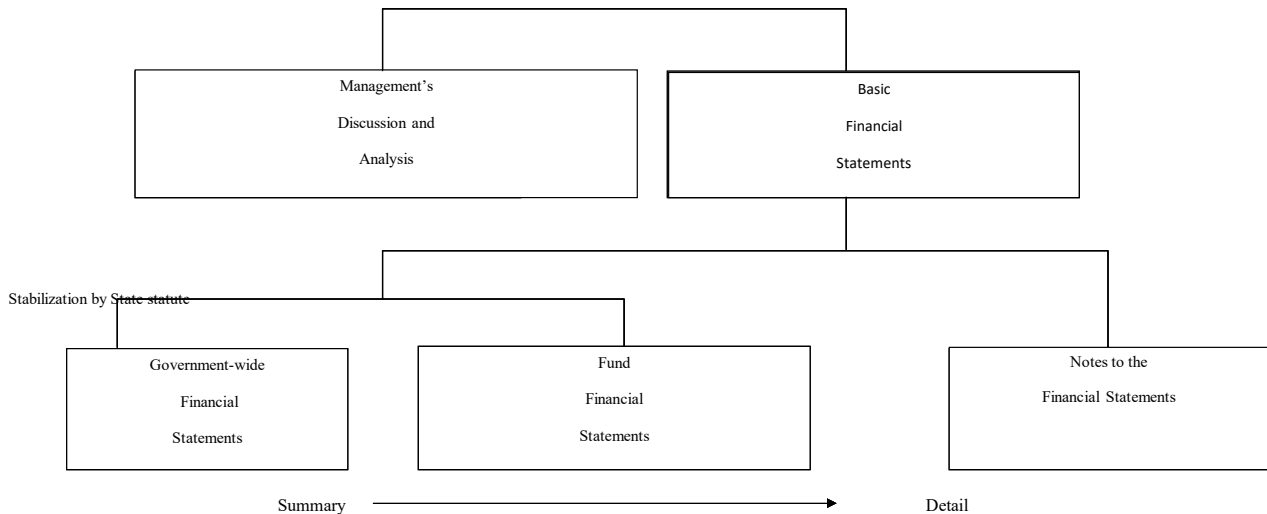
### Financial Highlights

- The assets and deferred outflows of resources of the Town of Greenevers exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$4,559,891 (net position).
- The Town's total net position increased by \$400,533, due to the capital grants in the Business-type revenue.
- As of the close of the current fiscal year, the Town of Greenevers's governmental funds reported combined ending fund balances of \$701,970 with a net increase of \$43,294 in fund balance. Approximately 15% percent of this total amount, or \$105,795 is non spendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$596,175, or 241% of total general fund expenditures for the fiscal year.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Town of Greenevers's 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



### Basic Financial Statements

The first two statements (Exhibits 1 and 2) 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 (Exhibits 3 through 8) 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**. 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 additional details about the Town's individual funds. Budgetary information required by the North Carolina General Statutes can also 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 it has 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 gauge the Town's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities; and 2) business-type activities. The governmental activities include most of the Town's basic services such as public safety, parks, environmental protection, and general administration. Property taxes, sales tax, 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 Exhibits 1 and 2 of this report.

#### Fund Financial Statements

The Fund Financial Statements (see Figure 1) 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 North Carolina General Statutes or the Town's budget ordinance. All of the funds of the 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 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.

**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 an 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.

**Interdependence with Other Entities**– The Town depends on financial resources flowing from, or associated with, both the Federal Government and the State of North Carolina. Because of this dependency, the Town is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations. It is also subject to changes in investment earnings and asset values associated with U.S. Treasury Securities because of actions by foreign government and other holders of publicly held U.S. Treasury Securities.

#### Government-Wide Financial Analysis

**Town of Greenevers's Net Position  
Figure 2**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 777,313	\$ 696,507	\$ 167,979	\$ 398,004	\$ 945,292	\$ 1,094,511
Capital assets	179,573	191,681	3,525,049	3,173,169	3,704,622	3,364,850
Total assets and deferred outflows of resources	956,886	888,188	3,693,028	3,571,173	4,649,914	4,459,361
Other liabilities	21,559	12,038	28,464	267,540	50,023	279,578
Total liabilities and deferred inflows of resources	21,559	12,038	28,464	267,540	50,023	279,578
Net position:						
Net investment in capital assets	179,573	191,681	3,525,049	3,173,169	3,704,622	3,364,850
Restricted	105,795	208,706	-	-	105,795	208,706
Unrestricted	649,959	475,763	139,515	150,039	789,474	625,802
Total net position	\$ 935,327	\$ 876,150	\$ 3,664,564	\$ 3,323,208	\$ 4,599,891	\$ 4,199,358

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 and deferred inflows by \$4,599,891 as of June 30, 2020. The Town's net position increased by \$400,533 for the fiscal year ended June 30, 2020. However, the largest portion \$3,704,622 (81%) reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, and equipment). 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's 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's net position, \$105,795 represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$789,474 is unrestricted.

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

- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 86.30%.

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

	Governmental Activities		Business Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 1,965	\$ 3,800	\$ 258,732	\$ 266,320	\$ 260,697	\$ 270,120
Operating grants and contributions	18,207	18,491	-	23,405	18,207	41,896
Capital grants and contributions	-	-	454,450	266,390	454,450	266,390
General revenues:						
Property taxes	93,516	66,399	-	-	93,516	66,399
Other taxes	205,027	190,585	-	-	205,027	190,585
Grants and contributions not restricted to specific programs	-	-	-	-	-	-
Other	7,896	10,364	1,064	9,509	8,960	19,873
Total revenues	326,611	289,639	714,246	565,624	1,040,857	855,263
Expenses:						
General government	127,944	85,305	-	-	127,944	85,305
Public safety	24,567	35,668	-	-	24,567	35,668
Cultural and recreation	20,583	26,663	-	-	20,583	26,663
Transportation	94,340	26,092	-	-	94,340	26,092
Water and sewer	-	-	372,890	420,847	372,890	420,847
Total expenses	267,434	173,728	372,890	420,847	640,324	594,575
Increase in net position before transfers	59,177	115,911	341,356	144,777	400,533	260,688
Transfers	-	-	-	-	-	-
Increase (decrease) in net position	59,177	115,911	341,356	144,777	400,533	260,688
Net position, July 1	876,150	760,239	3,323,208	3,178,431	4,199,358	3,938,670
Net position, June 30	\$ 935,327	\$ 876,150	\$ 3,664,564	\$ 3,323,208	\$ 4,599,891	\$ 4,199,358

**Governmental activities.** Governmental activities increased the Town's net position by \$59,177 thereby accounting for 15% of the total increase in the net position of the Town of Greenevers. Key elements of this increase are as follows:

- Increased town revenues.

**Business-type activities.** Business-type activities increased the Town of Greenevers's net position by \$341,356 accounting for 85% of the total increase in the government's net position. Key elements of this increase are as follows:

- \$454,450 Capital grant

#### 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's 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's financing requirements.

The general fund is the chief operating fund of the Town of Greenevers. At the end of the current fiscal year, fund balance unassigned in the General Fund was \$596,175 while total fund balance reached \$701,970. The Town currently has an unassigned fund balance of 241% of general fund expenditures, while total fund balance represents 283% of the same amount.

**General Fund Budgetary Highlights.** During the fiscal year, the Town revised the budget on several occasions. 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.

**Proprietary Funds.** The Town of Greenevers's 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 \$139,515. The total change in net position was an increase of \$341,356. Other factors concerning the finances of these two funds have already been addressed in the discussion of the Town of Greenevers's business-type activities.

### Capital Asset and Debt Administration

**Capital assets.** The Town of Greenevers's investment in capital assets for its governmental and business-type activities as of June 30, 2020 totals \$3,704,622 (net of accumulated depreciation). These assets include buildings, land, water/sewer systems, machinery and equipment, and vehicles.

Major capital asset transactions during the year include the following:

- Construction in progress for CDBG project increased by \$454,450.

#### Town of Greenevers's Capital Assets (net of depreciation)

Figure 4

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 75,750	\$ 75,750	\$ 36,050	\$ 36,050	\$ 111,800	\$ 111,800
Construction in progress	-	-	720,840	266,390	720,840	266,390
Buildings and system	21,731	30,469	2,768,159	2,870,728	2,789,890	2,901,197
Land Improvements	82,092	85,465	-	-	82,092	85,465
Equipment and vehicles	-	-	-	-	-	-
Total	\$ 179,573	\$ 191,684	\$ 3,525,049	\$ 3,173,168	\$ 3,704,622	\$ 3,364,852

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

### Long-term Debt.

#### Outstanding Debt Figure 5

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Compensated Absences	\$ 7,593	\$ -	\$ 5,930	\$ -	\$ 13,523	\$ -
Total	\$ 7,593	\$ 122,789	\$ 5,930	\$ 31,153	\$ 13,523	\$ -

North Carolina General Statutes limit the amount of general obligation debt that a unit of government can issue up to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the Town of Greenevers is \$1,486,613.

Additional information regarding the Town of Greenevers's long-term debt can be found in the notes of 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.

- Unemployment rates remained low.
- CDBG project still ongoing.

### Requests for Information

This report is designed to provide an overview of the Town's 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 Town Clerk, Town of Greenevers, 314 E. Charity Road, Rose Hill, NC 28458.

## BASIC FINANCIAL STATEMENTS

**Town of Greenevers, North Carolina**  
**Statement of Net Position**  
**June 30, 2020**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	\$ 610,141	\$ 116,203	\$ 726,344
Restricted cash	77,336	20,820	98,156
Receivables (net)	89,836	30,956	120,792
Capital assets:			
Land, improvements, and construction in progress	75,750	756,890	832,640
Other capital assets, net of depreciation	103,823	2,768,159	2,871,982
Total capital assets	179,573	3,525,049	3,704,622
Total assets	956,886	3,693,028	4,649,914
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued expenses	13,966	1,714	15,680
Current portion of long-term liabilities	7,593	5,930	13,523
Long-term liabilities:			
Liabilities payable from restricted assets:			
Deposits	-	20,820	20,820
Total liabilities	21,559	28,464	50,023
<b>NET POSITION</b>			
Net investment in capital assets	179,573	3,525,049	3,704,622
Restricted for:			
Stabilization by State statute	28,459	-	28,459
	77,336	-	77,336
Unrestricted (deficit)	649,959	139,515	789,474
Total net position	\$ 935,327	\$ 3,664,564	\$ 4,599,891

**Town of Greenevers, North Carolina**  
**Statement of Activities**  
**For the Year Ended June 30, 2020**

		Program Revenues				Net (Expense) Revenue and Changes in Net Position								
						Primary Government								
Primary government:														
Governmental Activities:														
General government	\$	127,944	\$	25	\$	-	\$	-	\$	(127,919)	\$	-	\$	(127,919)
Public safety		24,567		1,940		-		-		(22,627)		-		(22,627)
Cultural and recreation		20,583		-		-		-		(20,583)		-		(20,583)
Transportation		94,340		-		18,207		-		(76,133)		-		(76,133)
Total governmental activities		267,434		1,965		18,207		-		(247,262)		-		(247,262)
Business-type activities:														
Water and Sewer		372,890		258,732		-		454,450		-		340,292		340,292
Total business-type activities		372,890		258,732		-		454,450		-		340,292		340,292
Total Primary Government	\$	640,324	\$	260,697	\$	18,207	\$	454,450	-		340,292		93,030	
General revenues:														
Taxes:														
Property taxes, levied for general purpose										93,516		-		93,516
Local option sales tax										187,378		-		187,378
Other taxes and licenses										17,649		-		17,649
Investment earnings, unrestricted										7,374		1,064		8,438
Miscellaneous, unrestricted										522		-		522
Total general revenues not including transfers										306,439		1,064		307,503
Transfers										-		-		-
Total general revenues and transfers										306,439		1,064		307,503
Change in net position										59,177		341,356		400,533
Net position, beginning										876,150		3,323,208		4,199,358
Net position, ending										\$ 935,327		\$ 3,664,564		\$ 4,599,891

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

**Town of Greenevers, North Carolina**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2020**

	<u>General Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 610,141	\$ 610,141
Restricted cash	77,336	77,336
Taxes receivables, net	61,377	61,377
Account receivables, net	28,459	28,459
Total assets	<u>777,313</u>	<u>777,313</u>
<b>LIABILITIES</b>		
Liabilities:		
Accounts payable and accrued liabilities	13,966	13,966
Total liabilities	<u>13,966</u>	<u>13,966</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property taxes receivable	61,377	61,377
Total deferred inflows of resources	<u>61,377</u>	<u>61,377</u>
<b>FUND BALANCES</b>		
Restricted for:		
Streets - Powell Bill	77,336	77,336
Stabilization by State Statute	28,459	28,459
Unassigned	596,175	596,175
Total fund balances	<u>701,970</u>	<u>701,970</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 777,313</u>	
Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		179,573
Liabilities for earned revenues considered deferred inflows of resources in fund statements.		61,377
Compensated absences		(7,593)
Net Postion of Governmental Activities		<u>\$ 935,327</u>



**Town of Greenevers, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2020**

	<b>General Fund</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>		
Ad valorem taxes	\$ 57,929	\$ 57,929
Unrestricted intergovernmental	205,027	205,027
Restricted intergovernmental	18,207	18,207
Permits and fees	1,965	1,965
Sales and services	522	522
Investment earnings	7,374	7,374
Total revenues	<u>291,024</u>	<u>291,024</u>
<b>EXPENDITURES</b>		
Current:		
General government	112,650	112,650
Public safety	24,567	24,567
Transportation	94,340	94,340
Cultural and recreational	16,173	16,173
Total expenditures	<u>247,730</u>	<u>247,730</u>
Excess (deficiency) of revenues over expenditures	<u>43,294</u>	<u>43,294</u>
 Net change in fund balance	 43,294	 43,294
 Fund balances-beginning	 <u>658,676</u>	 <u>658,676</u>
Fund balances-ending	<u>\$ 701,970</u>	<u>\$ 701,970</u>

**Town of Greenevers, North Carolina**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance to the**  
**Statement of Activities**  
**Governmental Funds**  
**For the Year Ended June 30, 2020**

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

Net changes in fund balances - total governmental funds	\$ 43,294
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.	(12,111)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:	
Change in unavailable revenue for tax revenues	35,587
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:	
Compensated absences	<u>(7,593)</u>
Total changes in net position of governmental activities	<u><u>\$ 59,177</u></u>

**Town of Greenevers, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**For the Year Ended June 30, 2020**

	General Fund			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Ad valorem taxes	\$ 54,000	\$ 59,240	\$ 57,929	\$ (1,311)
Unrestricted intergovernmental	187,750	181,250	205,027	23,777
Restricted intergovernmental	18,490	18,210	18,207	(3)
Permit and fees	2,100	1,965	1,965	-
Sales and services	1,350	525	522	(3)
Investment earnings	9,935	7,520	7,374	(146)
Total revenues	<u>273,625</u>	<u>268,710</u>	<u>291,024</u>	<u>22,314</u>
Expenditures				
Current:				
General government	94,060	80,510	112,650	(32,140)
Public safety	41,600	38,600	24,567	14,033
Transportation	100,500	106,845	94,340	12,505
Cultural and recreational	108,540	102,670	16,173	86,497
Total expenditures	<u>344,700</u>	<u>328,625</u>	<u>247,730</u>	<u>80,895</u>
Revenues over (under) expenditures	(71,075)	(59,915)	43,294	103,209
Other financing sources (uses):				
Transfers (to)/from Other Funds	-	(17,500)	-	(17,500)
Fund Balance Appropriated	<u>71,075</u>	<u>80,415</u>	<u>-</u>	<u>(80,415)</u>
Total other financing sources (uses)	<u>71,075</u>	<u>62,915</u>	<u>-</u>	<u>(62,915)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 3,000</u>	43,294	<u>\$ 40,294</u>
Fund Balance, Beginning			658,676	
Fund Balance, Ending			<u>\$ 701,970</u>	

**Town of Greenevers, North Carolina**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2020**

	Water and Sewer Fund
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 116,203
Restricted cash and cash equivalents	20,820
Accounts Receivable (net)	30,956
Total current assets	<u>167,979</u>
Capital assets (net of depreciation)	<u>3,525,049</u>
Total assets	<u>3,693,028</u>
<b>Liabilities</b>	
Current liabilities:	
Accounts payable and accrued liabilities	<u>1,714</u>
Total current liabilities	<u>1,714</u>
Noncurrent liabilities:	
Liabilities payable from restricted assets:	
Deposits	20,820
Compensated absences payable	5,930
Total noncurrent liabilities	<u>26,750</u>
Total liabilities	<u>28,464</u>
<b>Net Position</b>	
Net investment in capital assets	3,525,049
Unrestricted	139,515
Total Net Position	<u><u>\$ 3,664,564</u></u>

**Town of Greenevers, North Carolina**  
**Statement of Revenues, Expenses, and**  
**Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2020**

	<u>Water and Sewer Fund</u>
<b>Operating revenues:</b>	
Charges for services	\$ 252,945
Water & Sewer taps	5,000
Other operating revenues	787
Total operating revenues	<u>258,732</u>
<b>Operating expenses:</b>	
Salaries and benefits	110,397
Operations	159,924
Depreciation	102,569
Total operating expenses	<u>372,890</u>
Operating income (loss)	<u>(114,158)</u>
<b>Nonoperating revenues (expenses):</b>	
Investment earnings	1,064
Total nonoperating revenues (expenses)	<u>1,064</u>
Income (loss) before contributions and transfers	<u>(113,094)</u>
Capital contributions	<u>454,450</u>
<b>Change in net position</b>	341,356
Net Position, beginning	<u>3,323,208</u>
Net Position, ending	<u><u>\$ 3,664,564</u></u>

**Town of Greenevers, North Carolina**  
**Proprietary Funds**  
**Statement of Cash Flows**  
**For The Year Ended June 30, 2020**

	Water and Sewer Fund
<b>Cash flows from operating activities:</b>	
Cash received from customers	\$ 492,883
Cash paid for goods and services	(388,445)
Cash paid to employees for services	(104,466)
Net cash provided (used) by operating activities	<u>(28)</u>
<b>Cash flows from noncapital financing activities:</b>	
Change in due to/from	
Net cash provided (used) by noncapital financing activities	<u>-</u>
<b>Cash flows from capital and related financing activities:</b>	
Acquisition and construction of capital assets	(454,450)
Capital contributions	454,450
Net cash provided (used) by capital and related financing activities	<u>-</u>
<b>Cash flows from investing activities:</b>	
Interest on investments	<u>1,064</u>
<b>Net increase(decrease) in cash and cash equivalents</b>	1,036
Beginning of year, July 1	135,987
End of year, June 30	<u><u>\$ 137,023</u></u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating income (loss)	<u>\$ (114,158)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	102,569
Changes in assets, deferred outflows of resources, and liabilities:	
(Increase) decrease in accounts receivable	231,061
Increase (decrease) in accrued vacation pay	5,931
Increase (decrease) in accounts payable and accrued liabilities	(228,521)
Increase (decrease) in deposits	3,090
Total adjustments	<u>114,130</u>
Net cash provided by operating activities	<u><u>\$ (28)</u></u>

## NOTES TO THE FINANCIAL STATEMENTS

**Town of Greenevers, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**I. Summary of Significant Accounting Policies**

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

**A. Reporting Entity**

The Town of Greenevers (the "Town") is a municipal corporation that is governed by an elected mayor and a five-member Board of Commissioners. As required by generally accepted accounting

**B. Basis of Presentation**

*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 funds and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

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. Nonoperating revenues, such as subsidies, result from non-exchange transactions. Other non-operating revenues are ancillary activities such as investment earnings.

The Town reports one major governmental fund:

**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, and sanitation services.

The Town reports the following major enterprise funds:

**Water & Sewer Fund.** This fund is used to account for the Town's water and sewer operations. A Water and Sewer Capital Projects fund has been consolidated into the Water and Sewer Fund for financial reporting purposes. The budgetary comparison for the Water and Sewer Capital Projects 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 when applicable. 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 enterprise funds 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 costs 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.

*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 utilities franchise 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. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program 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 program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

D. Budgetary Data

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and the Enterprise Funds. All annual appropriations lapse at the fiscal-year end. Project ordinances are adopted for the Grant Projects, Special Revenue Fund and the Enterprise Capital Projects Fund. The Enterprise Fund projects are consolidated with their respective operating fund for reporting purposes. 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 project 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, several immaterial amendments to the original budget were necessary. 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.

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 Super-NOW 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). The Town's investments generally are reported at fair value. The NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. The NCCMT-Term Portfolio is bond fund, has no rating and is measured at fair value. At June 30, 2020, the Term Portfolio has a duration of .15 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

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.

## Notes to the Financial Statements

### 3. Restricted Assets

Powell Bill funds are classified as restricted cash because they can be expended only for the purposes of maintaining, repairing, constructing, reconstructing, or widening of local streets per G.S. 136-41.1 through 136-41.4.

#### Town of Greenevers Restricted Cash

##### Governmental Activities

###### General Fund

Streets	\$	77,336
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Total governmental activities	\$	77,336
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##### Business-type Activities

###### Water and Sewer Fund

Customer Deposits	\$	20,820
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Total Business-type activities	\$	20,820
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Total Restricted Cash	\$	98,156
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### 3. 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 1st, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2018. 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.

### 4. 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.

### 5. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and expensed as items are used.

## 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; furniture and equipment, \$5,000; and vehicles, \$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. Donated capital assets are recorded at their estimated fair value at the date of donation. 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 maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	30
Improvements	20
Furniture and equipment	10
Vehicles and motorized equipment	5

## 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 applied to a future period and so will not be recognized as an expense or expenditure until then. The Town has no items that meets 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 meet the criterion for this category- property taxes receivable.

## 9. Compensated Absences

The vacation policy of the Town provides:

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.

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.

10. Net Position/Fund Balances

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 position represent 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.

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:

Nonspendable 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.

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 in 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 investments 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 nonspendable. 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 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's governing body (highest level of decision-making authority). Any changes or removal of specific purposes requires majority action by the governing body. The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

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

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

## **II. Stewardship, Compliance, and Accountability**

### **A. Significant Violations of Finance-Related Legal and Contractual Provisions**

#### **1. Noncompliance with North Carolina General Statutes**

Timeliness of audit submission.  
Noncompliance with budget.

#### **2. Contractual Violations**

None.

### **B. Deficit in Fund Balance or Net Position of Individual Funds**

None.

### **C. Excess of Expenditures over Appropriations**

For the fiscal year ended June 30, 2020, the expenditures made in the Town's General Fund exceeded the authorized appropriations made by the governing board for the general government by \$32,140. Management and the Board will more closely review the budget reports to ensure compliance in future years.

## **III. Detail Notes on All Funds**

### **A. Assets**

#### **1. Deposits**

All the 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 agents in these units' names. 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 agents in their names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual 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. 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 that collateralizes 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 G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2020, the Town's deposits had a carrying amount of \$824,500 and a bank balance of \$814,559. The bank balances of the Town were covered by federal depository insurance in the amount of \$250,000. The remaining funds are covered through the pooling method.

## Notes to the Financial Statements

### 2. Receivables - Allowances for Doubtful Accounts

The amounts presented in the Balance Sheet and the Statement of Net Position for the year ended June 30, 2020 are net of the following allowances for doubtful accounts:

General Fund:

Taxes receivable	\$	642
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Total General Fund	<u>\$</u>	<u>642</u>
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### 3. Capital Assets

Capital asset activity for the Primary Government for the year ended June 30, 2020, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Governmental activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 75,750	\$ -	\$ -	\$ 75,750
Total capital assets not being depreciated	75,750	-	-	75,750
<b>Capital assets being depreciated:</b>				
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
<b>Less accumulated depreciation for:</b>				
Land improvements	49,482	3,373	-	52,855
Buildings	319,103	8,738	-	327,841
Equipment	26,000	-	-	26,000
Total accumulated depreciation	394,585	\$ 12,111	\$ -	406,696
Total capital assets being depreciated, net	115,934			103,823
<b>Governmental activity capital assets, net</b>	<u>\$ 191,684</u>			<u>\$ 179,573</u>

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

General Government	\$ 7,701
Cultural and recreational	<u>4,410</u>
Total Depreciation Expense	<u>\$ 12,111</u>

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Business-Type activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 36,050	\$ -	\$ -	\$ 36,050
Construction in progress	266,390	454,450	-	720,840
Total capital assets not being depreciated	302,440	454,450	-	756,890
<b>Capital assets being depreciated:</b>				
Buildings	371,872	-	-	371,872
Plant & Distribution System	4,058,459	-	-	4,058,459
Vehicles	15,297	-	-	15,297
Total capital assets being depreciated	4,445,628	-	-	4,445,628
<b>Less accumulated depreciation for:</b>				
Buildings	371,757	115	-	371,872
Plant & Distribution System	1,187,846	102,454	-	1,290,300
Vehicles	15,297	-	-	15,297
Total accumulated depreciation	1,574,900	\$ 102,569	\$ -	1,677,469
Total capital assets being depreciated, net	2,870,728			2,768,159
<b>Business-type activity capital assets, net</b>	<u>\$ 3,173,168</u>			<u>\$ 3,525,049</u>

#### B. Liabilities

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

	Statement of Net Position	General Fund Balance Sheet
Taxes Receivable (net)	\$ -	\$ 61,377
	\$ -	\$ 61,377

#### 4. 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 three self-funded risk financing pools administered by the North Carolina League of Municipalities. 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.

The Town carries commercial coverage for all other risks of loss. 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.

The Town does not carry any flood insurance because the Town is not located in a flood plain.

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 and tax collector are each individually bonded for \$50,000 and the administrative assistant is bonded for \$10,000.



## Notes to the Financial Statements

### 5. Claims, Judgements, and Contingent Liabilities

At June 30, 2020, there were no lawsuits against the Town that materially impact its financial statements.

### 6. Long Term Obligations

#### a. Changes in General Long-Term Liabilities

During the year ended June 30, 2020 the following changes occurred in installment purchase in the:

	Balance			Balance		
	06/30/19	Increases	Decreases	06/30/20	Current	
					Portion	
Governmental activities:						
Compensated absences	\$ -	\$ 11,948	\$ (4,355)	\$ 7,593	\$	4,554
Governmental activity						
long-term liabilities	\$ -	\$ 11,948	\$ (4,355)	\$ 7,593	\$	4,554
Business-type activities:						
Compensated absences	\$ -	\$ 8,173	\$ (2,243)	\$ 5,930	\$	8,307
Business-type activity						
long-term liabilities	\$ -	\$ 8,173	\$ (2,243)	\$ 5,930	\$	8,307

State statute provides for a legal debt limit of eight percent of the Town's appraised valuation. The Town's legal debt margin as of June 30, 2020 amounts to \$1,486,613.

Compensated absences for governmental activities have typically been liquidated in the General Fund.

#### D. Net Investment in Capital Assets

	Governmental	Business-type
Capital assets	\$ 179,573	\$ 3,525,049
less: long term debt	-	-
Net investment in capital asset	\$ 179,573	\$ 3,525,049

E. Fund Balance

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

<b>Total fund balance - General Fund</b>	<b>\$ 701,970</b>
<b>Less:</b>	
Stabilization by State Statute	28,459
Streets - Powell Bill	77,336
<b>Remaining Fund Balance</b>	<b>\$ 596,175</b>

IV. Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

The Town has received proceeds from several 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 refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant moneys.

V. Significant Effects of Subsequent Events

There are no subsequent events that would have a material affect on the financial statements. Subsequent events have been analyzed through June 22, 2021 that the financial statements were available to be issued.

## GENERAL FUND

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The General Fund accounts for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in other funds.

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**Town of Greenevers, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2020**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Ad valorem taxes:			
Taxes	\$	\$ 56,355	\$
Penalties and interest		1,574	
Total ad valorem taxes	59,240	57,929	(1,311)
Unrestricted intergovernmental:			
Utilities sales tax		14,904	
Local option sales taxes		187,378	
Beer and wine tax		2,745	
Total unrestricted intergovernmental	181,250	205,027	23,777
Restricted intergovernmental:			
Powell Bill allocation		18,207	
Total restricted intergovernmental	18,210	18,207	(3)
Permits and fees:			
Zoning Permits		25	
Charges for services		1,940	
Total permits and fees	1,965	1,965	-
Sales and services:			
Refuse		350	
Miscellaneous		172	
Total sales and services	525	522	(3)
Investment earnings	7,520	7,374	(146)
Total Revenues	268,710	291,024	22,314

**Town of Greenevers, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2020**

	Budget	Actual	Variance Positive (Negative)
<b>Expenditures:</b>			
General government:			
Administration:			
Salaries and benefits		38,878	
Operating expense		73,772	
Total administration	80,510	112,650	(32,140)
Total general government	80,510	112,650	(32,140)
Public Safety:			
Police:			
Contracted services		10,599	
Total police	25,700	10,599	15,101
Fire:			
Contributions		13,968	
Total fire	12,900	13,968	(1,068)
Total public safety	38,600	24,567	14,033
Transportation (Powell Bill):			
Operating expense		94,340	
Total transportation	106,845	94,340	12,505

**Town of Greenevers, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2020**

	Budget	Actual	Variance Positive (Negative)
Cultural/Recreation:			
Parks and recreation			
Salaries & benefits		3,791	
Operating expense		1,706	
Total parks and recreation	13,390	5,497	7,893
Community Center			
Salaries & benefits		3,791	
Operating expense		6,885	
Total community center	89,280	10,676	78,604
Total cultural and recreation	102,670	16,173	86,497
Total Expenditures	328,625	247,730	68,390
Revenues over (under) expenditures	(59,915)	43,294	103,209
Other financing sources (uses):			
Transfers to other funds	(17,500)	-	17,500
Fund balance appropriated	80,415	-	(80,415)
Total	62,915	-	(62,915)
Net Change in Fund Balance	\$ 3,000	43,294	\$ 40,294
Fund balances, beginning		658,676	
Fund balances, ending		\$ 701,970	

## PROPRIETARY FUNDS

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Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of net income is appropriate for accountability purposes.

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**Town of Greenevers, North Carolina**  
**Water & Sewer Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non - GAAP)**  
**For the Fiscal Year Ended June 30, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Charges for services:			
Water & Sewer sales:		\$ 252,945	
Water taps		5,000	
Other operating revenues		787	
Total Operating Revenues	<u>\$ 275,500</u>	<u>258,732</u>	<u>\$ (16,768)</u>
Nonoperating revenues:			
Interest earnings	1,325	1,064	
Total Non-Operating Revenues	<u>1,325</u>	<u>1,064</u>	<u>(261)</u>
Total revenues	<u>276,825</u>	<u>259,796</u>	<u>(17,029)</u>
Expenditures:			
Water and Sewer Operations:			
Salaries and benefits		104,468	
Utilities		11,422	
Contracted services		99,076	
Maintenance and repairs		8,460	
Departmental supplies and materials		22,959	
Vehicle operations		9,195	
Other		8,811	
Total expenditures	<u>299,325</u>	<u>264,391</u>	<u>34,934</u>
Stabilization by State statute			
Transfers in (out)	22,500	-	(22,500)
Total other financing sources (uses):	<u>22,500</u>	<u>-</u>	<u>(22,500)</u>
Revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ (4,595)</u>	<u>\$ (4,595)</u>
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
Revenues over (under) expenditures		<u>\$ (4,595)</u>	
Reconciling items:			
Capital contributions		454,450	
Increase in accrued vacation payable		(5,930)	
Depreciation		(102,569)	
Total reconciling items		<u>345,951</u>	
Change in Net Position		<u>\$ 341,356</u>	



## CAPITAL PROJECTS FUNDS

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Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds

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**Town of Greenevers, North Carolina**  
**CDBG - Capital Project**  
**Schedule of Revenues and Expenditures - Budget and Actual (Non - GAAP)**  
**From Inception and for the Fiscal Year Ended June 30, 2020**

	Project ization	Year	Actual Year	Date	Variance (Negative)
Revenues - Project:					
Restricted intergovernmental:					
CDBG Grant	\$ 1,638,800	\$ 266,390	\$ 424,450	\$ 690,840	\$ (947,960)
USDA Grant	-	-	30,000	30,000	30,000
Total revenues	<u>1,638,800</u>	<u>266,390</u>	<u>454,450</u>	<u>720,840</u>	<u>(917,960)</u>
Expenditures - Project:					
Construction	1,475,000	228,390	379,400	607,790	867,210
Administration	<u>163,800</u>	<u>38,000</u>	<u>75,050</u>	<u>113,050</u>	<u>50,750</u>
Total expenditures	<u>1,638,800</u>	<u>266,390</u>	<u>454,450</u>	<u>720,840</u>	<u>917,960</u>
Revenues over (under) expenditures	<u>-</u>	<u>175,828</u>	<u>-</u>	<u>175,828</u>	<u>-</u>
Other financing sources (uses):					
Transfers from (to) other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Stabilization by State statute					
Fund balance, beginning			-		
Fund balance, ending			<u>\$ -</u>		

## OTHER SCHEDULES

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This section includes additional information on property taxes.

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

**Town of Greenevers, North Carolina**  
**Schedule of Ad Valorem Taxes Receivable**  
**June 30, 2020**

Fiscal Year	Uncollected Balance June 30, 2019	Additions	Collections and Credits	Uncollected Balance June 30, 2020
2019 - 2020	\$ -	\$ 55,748	\$ 48,112	\$ 7,636
2018 - 2019	3,285	-	670	2,615
2017 - 2018	1,731	-	140	1,591
2016 - 2017	1,253	-	-	1,253
2015 - 2016	12,034	-	841	11,193
2014 - 2015	10,122	-	667	9,455
2013 - 2014	8,372	-	905	7,467
2012 - 2013	7,744	-	710	7,034
2011 - 2012	7,711	-	683	7,028
2010 - 2011	6,720	-	615	6,105
2009 - 2010	4,899	-	4,899	-
	<u>\$ 63,871</u>	<u>\$ 55,748</u>	<u>\$ 58,242</u>	<u>\$ 61,377</u>

Less: Allowance for uncollectible accounts (642)

Ad valorem taxes receivable - net \$ 60,735

Reconciliation with revenues:

Ad valorem taxes - General Fund \$ 57,929

Reconciling items:

Interest & Penalties collected 313

Subtotal 313

Total collections and credits \$ 58,242

Stabilization by State statute

**Town of Greenevers, North Carolina**  
**Analysis of Current Tax Levy**  
**Town - Wide Levy**  
**For the Fiscal Year Ended June 30, 2020**

	Town - Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 18,582,667	0.30	\$ 55,748	\$ 46,687	\$ 9,061
Penalties	-		-	-	-
Total	<u>18,582,667</u>		<u>55,748</u>	<u>46,687</u>	<u>9,061</u>
Total property valuation	<u>\$ 18,582,667</u>				
Net levy			55,748	46,687	9,061
Uncollected taxes at June 30, 2020			<u>7,636</u>	<u>7,636</u>	<u>-</u>
Current year's taxes collected			<u>\$ 48,112</u>	<u>\$ 39,051</u>	<u>\$ 9,061</u>
Current levy collection percentage			<u>86.30%</u>	<u>83.64%</u>	<u>100.00%</u>

## COMPLIANCE SECTION



Thompson, Price, Scott, Adams & Co., P.A.  
4024 Oleander Drive Suite 3  
Wilmington, North Carolina 28403  
Telephone (910) 791-4872  
Fax (910) 395-4872

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**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***

**Independent Auditor's Report**

To the Honorable Mayor  
and Members of the Board of Commissioners  
Greenevers, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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 for the year ended June 30, 2020, and the related notes to the financial statement, which collectively comprises the Town of Greenevers basic financial statements, and have issued our report thereon dated June 22, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we 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 our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Greenevers internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

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

Our consideration of 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 our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies. Listed as items 2020-001, 2020-002, 2020-003.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Greenevers 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 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 responses as item 2020-003.

#### Town of Greenevers Response to Findings

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

#### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.

*Thompson, Price, Scott, Adams & Co., PA*

*Wilmington, North Carolina*

*June 22, 2021*



**Town of Greenevers, North Carolina  
Schedule of Findings and Responses  
For the Fiscal Year Ended June 30, 2020**

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Section I. Summary of Auditors' Results

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Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance to GAAP: Unmodified

Internal control over financial reporting:

Material weaknesses identified? ☐ Yes ☒ No

Significant Deficiency(s) identified? ☒ Yes ☐ No

Noncompliance material to financial statements noted? ☒ Yes ☐ No

**Town of Greenevers, North Carolina  
Schedule of Findings and Responses  
For the Fiscal Year Ended June 30, 2020**

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Section II. Financial Statement Findings

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**SIGNIFICANT DEFICIENCY**

2020-001                      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: Transactions could be mishandled.

Cause: There are a limited number of personnel for certain functions.

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2019-001.

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 and planned corrective actions: The Town agrees with this finding and will adhere to the corrective action plan to follow.

**SIGNIFICANT DEFICIENCY**

2020-002                      Timeliness of Audit Report Submission.

Criteria: The June 30, 2020 audit was submitted passed the required due date. This is a violation of G.S. 159-33.

Condition: Required reports to the State of North Carolina were not filed by the required due date.

Context: The Town was unable to produce all the paperwork needed in a timely manner for the auditor to be able to complete the audit.

Effect: The reports are a requirement of General Statutes, lateness created the statute violation.

Cause: A delay in getting the audit firm information it needed to complete the audit.

Identification of a repeat finding: This is not a repeat finding.

Recommendation: The town has implemented steps to prevent this in the future.

Views of responsible officials and planned corrective actions: The Town agrees with this finding and has already taken action.

SIGNIFICANT DEFICIENCY/NONCOMPLIANCE

2020-003      Noncompliance with Budget

Criteria: G.S. 159-28(a) states that no obligation may be incurred in a function accounted for in a fund included in the budget ordinance unless the budget ordinance includes an appropriation authorizing the obligation and an unencumbered balance remains in the appropriation sufficient to pay in the current fiscal year the sums obligated by the transaction for the current fiscal year.

Condition: The Town expended more for the General Fund than was appropriated for in the annual budget ordinance.

Effect: Monies were spent that had not been obligated and appropriated.

Cause: The Town exceeded budget expenditures in the General Fund while budget amendments were not adopted.

Identification of a repeat finding: This is not a repeat finding.

Recommendation: Before an obligation is to incur that will exceed the amount that was previously approved in the budget ordinance, an amendment to the budget should be adopted.

Views of responsible officials and planned corrective actions: The Town will continue to monitor the budgets on a monthly basis to ensure compliance.

# Town of Greenevers, North Carolina

## Corrective Action Plan For the Fiscal Year Ended June 30, 2020

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### Section II - Financial Statement Findings

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2020 - 001

Name of Contact Person:	Emma Brinson, Town Administrator
Corrective Action:	The duties will be separated as much as possible and alternative controls will be used to compensate for lack of separation. The governing board will become more involved in providing some of these controls.
Proposed Completion Date:	The Board will implement the above procedure immediately.

2020 - 002

Name of Contact Person:	Emma Brinson, Town Administrator
Corrective Action:	Corrective Action: The town will ensure timeliness of required filings.
Proposed Completion Date:	The Board will implement the above procedure immediately.

2020 - 003

Name of Contact Person:	Emma Brinson, Town Administrator
Corrective Action:	Corrective Action: The board will start evaluating this deficiency to ensure that proper budgets are completed as well as budget amendments.
Proposed Completion Date:	The Board will implement the above procedure immediately.