

REVIEWED

By SLGFD at 12:27 pm, Nov 15, 2021

TOWN OF GREENEVERS
GREENEVERS, NORTH CAROLINA

ANNUAL FINANCIAL REPORT
Year Ended June 30, 2021

Mayor

Diane Brown

Commissioners

Gregory Carr

Venessa Farrior

Mary James

Timothy Murphy

Town Administrator

Emma Brinson

Town of Greenevers, North Carolina
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June 30, 2021

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FINANCIAL SECTION



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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, 2021, 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. 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.

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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, 2021, 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 October 14, 2021, on our consideration of the Town of Greener's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Greener's internal control over financial reporting and compliance.

Thompson, Price, Scott, Adams & Co., PA
Wilmington, North Carolina
October 14, 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, 2021. 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.

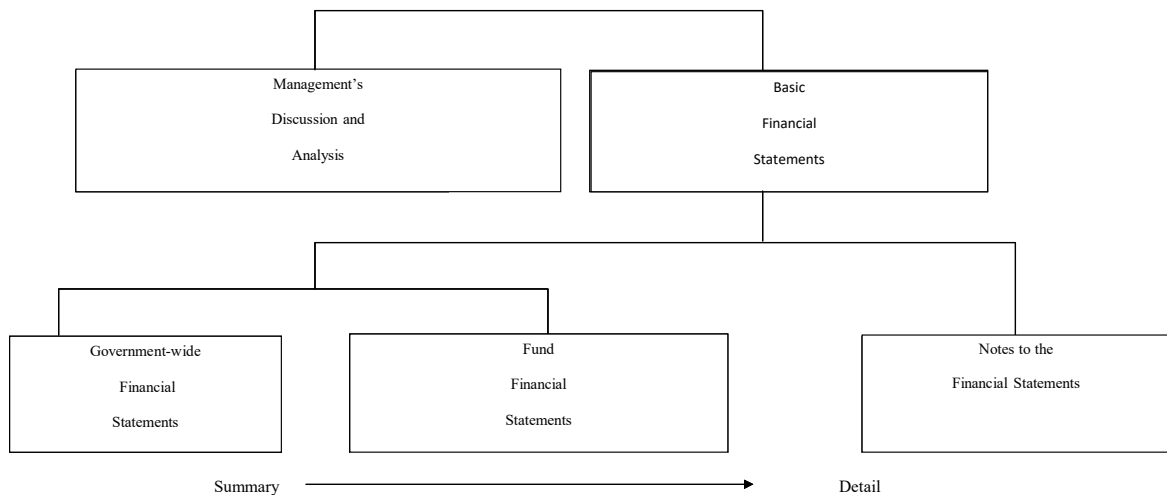
Financial Highlights

- 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 \$4,982,212 (net position).
- The Town's total net position increased by \$382,321, 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 \$866,682 with a net increase of \$164,712 in fund balance. Approximately 46% percent of this total amount, or \$402,726 is non spendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$463,956, or 273% 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	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 927,306	\$ 777,313	\$ 189,894	\$ 167,979	\$ 1,117,200	\$ 945,292
Capital assets	167,462	179,573	3,766,888	3,525,049	3,934,350	3,704,622
Total assets and deferred outflows of resources	1,094,768	956,886	3,956,782	3,693,028	\$ 5,051,550	4,649,914
Other liabilities	15,850	21,559	53,488	28,464	69,338	50,023
Total liabilities and deferred inflows of resources	15,850	21,559	53,488	28,464	69,338	50,023
Net position:						
Net investment in capital assets	167,462	179,573	3,766,888	3,525,049	3,934,350	3,704,622
Restricted	402,726	105,795	-	-	402,726	105,795
Unrestricted	508,730	649,959	136,406	139,515	645,136	789,474
Total net position	\$ 1,078,918	\$ 935,327	\$ 3,903,294	\$ 3,664,564	\$ 4,982,212	\$ 4,599,891

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 \$4,982,212 as of June 30, 2021. The Town's net position increased by \$382,321 for the fiscal year ended June 30, 2021. However, the largest portion \$3,934,350 (79%) 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, \$402,726 represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$645,136 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 95.00%.

Town of Greenevers's Changes in Net Position
Figure 3

	Governmental Activities		Business Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 895	\$ 1,965	\$ 324,261	\$ 258,732	\$ 325,156	\$ 260,697
Operating grants and contributions	38,347	18,207	-	-	38,347	18,207
Capital grants and contributions	-	-	344,293	454,450	344,293	454,450
General revenues:						
Property taxes	64,347	93,516	-	-	64,347	93,516
Other taxes	201,145	205,027	-	-	201,145	205,027
Grants and contributions not restricted to specific programs	-	-	-	-	-	-
Other	17,646	7,896	433	1,064	18,079	8,960
Total revenues	322,380	326,611	668,987	714,246	991,367	1,040,857
Expenses:						
General government	105,745	127,944	-	-	105,745	127,944
Public safety	34,122	24,567	-	-	34,122	24,567
Cultural and recreation	26,456	20,583	-	-	26,456	20,583
Transportation	12,466	94,340	-	-	12,466	94,340
Water and sewer	-	-	430,257	372,890	430,257	372,890
Total expenses	178,789	267,434	430,257	372,890	609,046	640,324
Increase (decrease) in net position	143,591	59,177	238,730	341,356	382,321	400,533
Net position, July 1	935,327	876,150	3,664,564	3,323,208	4,599,891	4,199,358
Net position, June 30	\$ 1,078,918	\$ 935,327	\$ 3,903,294	\$ 3,664,564	\$ 4,982,212	\$ 4,599,891

Governmental activities. Governmental activities increased the Town's net position by \$143,591 thereby accounting for 38% of the total increase in the net position of the Town of Greenevers. Key elements of this increase are as follows:

- Decrease in expenses.

Business-type activities. Business-type activities increased the Town of Greenevers's net position by \$238,730 accounting for 62% of the total increase in the government's net position. Key elements of this increase are as follows:

- \$344,293 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 \$463,956 while total fund balance reached \$866,682. The Town currently has an unassigned fund balance of 273% of general fund expenditures, while total fund balance represents 511% 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 \$136,406. The total change in net position was an increase of \$238,730. 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, 2021 totals \$3,934,350 (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 \$344,293.

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

Figure 4

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 75,750	\$ 75,750	\$ 36,050	\$ 36,050	\$ 111,800	\$ 111,800
Construction in progress	-	-	1,065,133	720,840	1,065,133	720,840
Buildings and system	12,993	21,731	2,665,705	2,768,159	2,678,698	2,789,890
Land Improvements	78,719	82,092	-	-	78,719	82,092
Equipment and vehicles	-	-	-	-	-	-
Total	\$ 167,462	\$ 179,573	\$ 3,766,888	\$ 3,525,049	\$ 3,934,350	\$ 3,704,622

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	
	2021	2020	2021	2020	2021	2020
Compensated Absences	\$ 4,527	\$ 7,593	\$ 8,345	\$ 5,930	\$ 12,872	\$ 13,523
Total	\$ 4,527	\$ 7,593	\$ 8,345	\$ 5,930	\$ 12,872	\$ 13,523

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, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 475,279	\$ 114,809	\$ 590,088
Restricted cash	89,998	22,674	112,672
Taxes receivable	49,301	-	49,301
Receivables (net)	35,378	52,438	87,816
Grant receivable	-	277,323	277,323
Internal balances	277,350	(277,350)	-
Capital assets:			
Land, improvements, and construction in progress	75,750	1,101,183	1,176,933
Other capital assets, net of depreciation	91,712	2,665,705	2,757,417
Total capital assets	<u>167,462</u>	<u>3,766,888</u>	<u>3,934,350</u>
Total assets	<u>1,094,768</u>	<u>3,956,782</u>	<u>5,051,550</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	11,323	22,469	33,792
Current portion of long-term liabilities	2,500	2,500	5,000
Payable from restricted assets	-	22,674	22,674
Total current liabilities	<u>13,823</u>	<u>47,643</u>	<u>61,466</u>
Long-term liabilities:			
Due in more than one year	2,027	5,845	7,872
Total liabilities	<u>15,850</u>	<u>53,488</u>	<u>69,338</u>
NET POSITION			
Net investment in capital assets	167,462	3,766,888	3,934,350
Restricted for:			
Stabilization by State statute	312,728	-	312,728
Transportation	89,998	-	89,998
Unrestricted (deficit)	508,730	136,406	645,136
Total net position	<u>\$ 1,078,918</u>	<u>\$ 3,903,294</u>	<u>\$ 4,982,212</u>

Town of Greenevers, North Carolina
Statement of Activities
For the Year Ended June 30, 2021

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
					Primary Government		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental Activities:							
General government	\$ 105,745	\$ 125	\$ 21,029	\$ -	\$ (84,591)	\$ -	\$ (84,591)
Public safety	34,122	770	-	-	(33,352)	-	(33,352)
Cultural and recreation	26,456	-	-	-	(26,456)	-	(26,456)
Transportation	12,466	-	17,318	-	4,852	-	4,852
Total governmental activities	178,789	895	38,347	-	(139,547)	-	(139,547)
Business-type activities:							
Water and Sewer	430,257	324,261	-	344,293	-	238,297	238,297
Total business-type activities	430,257	324,261	-	344,293	-	238,297	238,297
Total Primary Government	\$ 609,046	\$ 325,156	\$ 38,347	\$ 344,293	-	238,297	98,750
General revenues:							
Taxes:							
Property taxes, levied for general purpose					64,347	-	64,347
Local option sales tax					201,145	-	201,145
Other taxes and licenses					16,954	-	16,954
Investment earnings, unrestricted					416	433	849
Miscellaneous, unrestricted					276	-	276
Total general revenues not including transfers					283,138	433	283,571
Transfers					-	-	-
Total general revenues and transfers					283,138	433	283,571
Change in net position					143,591	238,730	382,321
Net position, beginning					935,327	3,664,564	4,599,891
Net position, ending					\$ 1,078,918	\$ 3,903,294	\$ 4,982,212

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

Town of Greenevers, North Carolina
Balance Sheet
Governmental Funds
June 30, 2021

	General Fund	Total Governmental Funds
ASSETS		
Cash and cash equivalents	\$ 475,279	\$ 475,279
Restricted cash	89,998	89,998
Taxes receivables, net	49,301	49,301
Account receivables, net	35,378	35,378
Due from other funds	277,350	277,350
Total assets	<u>927,306</u>	<u>927,306</u>
LIABILITIES		
Liabilities:		
Accounts payable and accrued liabilities	11,323	11,323
Total liabilities	<u>11,323</u>	<u>11,323</u>
DEFERRED INFLOWS OF RESOURCES		
Property taxes receivable	49,301	49,301
Total deferred inflows of resources	<u>49,301</u>	<u>49,301</u>
FUND BALANCES		
Restricted for:		
Streets - Powell Bill	89,998	89,998
Stabilization by State Statute	312,728	312,728
Unassigned	463,956	463,956
Total fund balances	<u>866,682</u>	<u>866,682</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 927,306</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.		167,462
Liabilities for earned revenues considered deferred inflows of resources in fund statements.		49,301
Compensated absences		(4,527)
Net position of governmental activities		<u>\$ 1,078,918</u>

Town of Greenevers, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2021

	General Fund	Total Governmental Funds
REVENUES		
Ad valorem taxes	\$ 76,423	\$ 76,423
Unrestricted intergovernmental	218,099	218,099
Restricted intergovernmental	38,347	38,347
Permits and fees	895	895
Sales and services	276	276
Investment earnings	416	416
Total revenues	<u>334,456</u>	<u>334,456</u>
EXPENDITURES		
Current:		
General government	101,110	101,110
Public safety	34,122	34,122
Transportation	12,466	12,466
Cultural and recreational	22,046	22,046
Total expenditures	<u>169,744</u>	<u>169,744</u>
Excess (deficiency) of revenues over expenditures	<u>164,712</u>	<u>164,712</u>
 Net change in fund balance	 164,712	 164,712
Fund balances-beginning	701,970	701,970
Fund balances-ending	<u><u>\$ 866,682</u></u>	<u><u>\$ 866,682</u></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, 2021

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

Net changes in fund balances - total governmental funds	\$ 164,712
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	(12,076)
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>3,066</u>
Total changes in net position of governmental activities	<u>\$ 143,591</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, 2021

	General Fund			Variance With
	Original	Final	Actual	Final Budget
			Amounts	Positive
				(Negative)
Revenues:				
Ad valorem taxes	\$ 53,450	\$ 73,735	\$ 76,423	\$ 2,688
Unrestricted intergovernmental	177,250	192,195	218,099	25,904
Restricted intergovernmental	17,450	17,320	38,347	21,027
Permit and fees	3,000	725	895	170
Sales and services	4,000	300	276	(24)
Investment earnings	2,850	435	416	(19)
Total revenues	<u>258,000</u>	<u>284,710</u>	<u>334,456</u>	<u>49,746</u>
Expenditures				
Current:				
General government	83,475	110,350	101,110	9,240
Public safety	40,500	43,500	34,122	9,378
Transportation	26,025	26,815	12,466	14,349
Cultural and recreational	108,000	33,980	22,046	11,934
Total expenditures	<u>258,000</u>	<u>214,645</u>	<u>169,744</u>	<u>44,901</u>
Revenues over (under) expenditures	-	70,065	164,712	94,647
Other financing sources (uses):				
Transfers (to)/from Other Funds	-	(278,065)	-	(278,065)
Fund Balance Appropriated	-	208,000	-	(208,000)
Total other financing sources (uses)	<u>-</u>	<u>(70,065)</u>	<u>-</u>	<u>70,065</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	164,712	<u>\$ 164,712</u>
Fund Balance, Beginning			701,970	
Fund Balance, Ending			<u>\$ 866,682</u>	

Town of Greenevers, North Carolina
Statement of Net Position
Proprietary Funds
June 30, 2021

	Water and Sewer Fund
Assets	
Current assets:	
Cash and cash equivalents	\$ 114,809
Restricted cash and cash equivalents	22,674
Accounts Receivable (net)	52,438
Grant receivable	277,323
Total current assets	<u>467,244</u>
Noncurrent assets:	
Capital assets (net of depreciation)	<u>3,766,888</u>
Total noncurrent assets	<u>3,766,888</u>
Total assets	<u>4,234,132</u>
Liabilities	
Current liabilities:	
Accounts payable and accrued liabilities	22,469
Due to other funds	277,350
Compensated absences - current	2,500
Liabilities payable from restricted assets:	
Deposits	<u>22,674</u>
Total current liabilities	<u>324,993</u>
Noncurrent liabilities:	
Compensated absences	<u>5,845</u>
Total noncurrent liabilities	<u>5,845</u>
Total liabilities	<u>330,838</u>
Net Position	
Net investment in capital assets	3,766,888
Unrestricted	<u>136,406</u>
Total Net Position	<u>\$ 3,903,294</u>

Town of Greenevers, North Carolina
Statement of Revenues, Expenses, and
Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2021

	<u>Water and Sewer Fund</u>
Operating revenues:	
Charges for services	\$ 306,599
Water & Sewer taps	15,300
Other operating revenues	2,362
Total operating revenues	<u>324,261</u>
Operating expenses:	
Salaries and benefits	111,760
Operations	216,043
Depreciation	102,454
Total operating expenses	<u>430,257</u>
Operating income	<u>(105,996)</u>
Nonoperating revenues (expenses):	
Investment earnings	<u>433</u>
Total nonoperating revenues (expenses)	<u>433</u>
Income (loss) before contributions and transfers	<u>(105,563)</u>
Capital contributions	<u>344,293</u>
Change in net position	238,730
Net Position, beginning	<u>3,664,564</u>
Net Position, ending	<u><u>\$ 3,903,294</u></u>

Town of Greenevers, North Carolina
Proprietary Funds
Statement of Cash Flows
For The Year Ended June 30, 2021

	Water and Sewer Fund
Cash flows from operating activities:	
Cash received from customers	\$ 582,010
Cash paid for goods and services	(195,288)
Cash paid to employees for services	(109,345)
Net cash provided by operating activities	<u>277,377</u>
Cash flows from noncapital financing activities:	
Change in due to/from	(277,350)
Net cash used by noncapital financing activities	<u>(277,350)</u>
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(344,293)
Capital contributions	344,293
Net cash used by capital and related financing activities	<u>-</u>
Cash flows from investing activities:	
Interest on investments	<u>433</u>
Net increase(decrease) in cash and cash equivalents	<u>460</u>
Beginning of year, July 1	137,023
End of year, June 30	<u><u>\$ 137,483</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	<u>\$ (105,996)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	102,454
Changes in assets, deferred outflows of resources, and liabilities:	
(Increase) decrease in accounts receivable	255,895
Increase (decrease) in accrued vacation pay	2,415
Increase (decrease) in accounts payable and accrued liabilities	20,755
Increase (decrease) in deposits	1,854
Total adjustments	<u>383,373</u>
Net cash provided by operating activities	<u><u>\$ 277,377</u></u>

NOTES TO THE FINANCIAL STATEMENTS

Town of Greenevers, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

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.

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 non-major 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.

CDBG - Capital Project Fund. This fund is used to account for the Town's sewer lines replacement project using CDBG federal funds.

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 non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. 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 non-operating 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 10%. 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 Equity1. 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.

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	\$	89,998
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Total governmental activities	\$	89,998
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Business-type Activities

Water and Sewer Fund

Customer Deposits	\$	22,674
-------------------	----	--------

Total Business-type activities	\$	22,674
--------------------------------	----	--------

Total Restricted Cash	\$	112,672
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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 one item that meets this criterion, pension deferrals for the 2021 fiscal year. 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 two items that meet the criterion for this category- property taxes receivable and pension deferrals.

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

None.

2. Contractual Violations

None.

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

None.

C. Excess of Expenditures over Appropriations

None.

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, 2021, the Town's deposits had a carrying amount of \$268,817 and a bank balance of \$269,530. 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.

2. Investments

At June 30, 2021, the Town of Greenevers had \$433,943 invested with the North Carolina Capital Management Trust's Government Portfolio which earned a credit rating of AA+ by Standard and Poor's. The Town has no policy regarding credit risk.

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, 2021 are net of the following allowances for doubtful accounts:

General Fund:	
Accounts receivable	\$ 642
Total General Fund	<u>\$ 642</u>

4. Capital Assets

Capital asset activity for the Primary Government for the year ended June 30, 2021, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 75,750	\$ -	\$ -	\$ 75,750
Total capital assets not 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	52,855	3,373	-	56,228
Buildings	327,841	8,738	-	336,579
Equipment	26,000	-	-	26,000
Total accumulated depreciation	406,696	\$ 12,111	\$ -	418,807
Total capital assets being depreciated, net	103,823			91,712
Governmental activity capital assets, net	<u>\$ 179,573</u>			<u>\$ 167,462</u>

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	<u>\$ 12,111</u>

	Beginning Balances	Increases	Decreases	Ending Balances
Business-Type activities:				
Capital assets not being depreciated:				
Land	\$ 36,050	\$ -	\$ -	\$ 36,050
Construction in progress	720,840	344,293	-	1,065,133
Total capital assets not being depreciated	756,890	344,293	-	1,101,183
Capital assets being depreciated:				
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
Less accumulated depreciation for:				
Buildings	371,872	-	-	371,872
Plant & Distribution System	1,290,300	102,454	-	1,392,754
Vehicles	15,297	-	-	15,297
Total accumulated depreciation	1,677,469	\$ 102,454	\$ -	1,779,923
Total capital assets being depreciated, net	2,768,159			2,665,705
Business-type activity capital assets, net	<u>\$ 3,525,049</u>			<u>\$ 3,766,888</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	\$ -	\$ 49,301
	\$ -	\$ 49,301

5. 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.

6. Claims, Judgements, and Contingent Liabilities

At June 30, 2021, there were no lawsuits against the Town that materially impact its financial statements.

7. Long Term Obligationsa. Changes in General Long-Term Liabilities

During the year ended June 30, 2021 the following changes occurred in installment purchase in the:

	Balance 06/30/20	Increases	Decreases	Balance 06/30/21	Current Portion
Governmental activities:					
Compensated absences	\$ 7,593	\$ 5,215	\$ (8,281)	\$ 4,527	\$ 2,500
Governmental activity long-term liabilities	\$ 7,593	\$ 5,215	\$ (8,281)	\$ 4,527	\$ 2,500
Business-type activities:					
Compensated absences	\$ 5,930	\$ 4,658	\$ (2,243)	\$ 8,345	\$ 2,500
Business-type activity long-term liabilities	\$ 5,930	\$ 4,658	\$ (2,243)	\$ 8,345	\$ 2,500

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, 2021 amounts to \$1,486,613.

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

Notes to the Financial Statements

D. Net Investment in Capital Assets

	Governmental	Business-type
Capital assets	\$ 167,462	\$ 3,766,888
less: long term debt	-	-
Net investment in capital asset	<u>\$ 167,462</u>	<u>\$ 3,766,888</u>

E. 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	\$ 866,682
Less:	
Stabilization by State Statute	312,728
Streets - Powell Bill	89,998
Remaining Fund Balance	\$ 463,956

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 October 14, 2021 that the financial statements were available to be issued.

GENERAL FUND

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.

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, 2021

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem taxes:			
Taxes	\$ 71,935	\$ 74,276	
Penalties and interest	1,800	2,147	
Total ad valorem taxes	<u>73,735</u>	<u>76,423</u>	<u>2,688</u>
Unrestricted intergovernmental:			
Utilities sales tax	14,500	14,262	
Local option sales taxes	175,000	201,145	
Beer and wine tax	2,695	2,692	
Total unrestricted intergovernmental	<u>192,195</u>	<u>218,099</u>	<u>25,904</u>
Restricted intergovernmental:			
Powell Bill allocation	17,320	17,318	
Grant revenues		21,029	
Total restricted intergovernmental	<u>17,320</u>	<u>38,347</u>	<u>21,027</u>
Permits and fees:			
Zoning Permits	125	125	
Charges for services	600	770	
Total permits and fees	<u>725</u>	<u>895</u>	<u>170</u>
Sales and services:			
Miscellaneous	300	276	
Total sales and services	<u>300</u>	<u>276</u>	<u>(24)</u>
Investment earnings	435	416	(19)
Total Revenues	<u>284,710</u>	<u>334,456</u>	<u>49,746</u>

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, 2021

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Expenditures:			
General government:			
Administration:			
Salaries and benefits		31,841	
Operating expense		69,269	
Total administration	110,350	101,110	9,240
Total general government	110,350	101,110	9,240
Public Safety:			
Police:			
Contracted services		28,122	
Total police	29,500	28,122	1,378
Fire:			
Contributions		6,000	
Total fire	14,000	6,000	8,000
Total public safety	43,500	34,122	9,378
Transportation:			
Operating expense		7,424	
Powell Bill		5,042	
Total transportation	26,815	12,466	14,349

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, 2021

	Budget	Actual	Variance Positive (Negative)
Cultural/Recreation:			
Parks and recreation			
Salaries & benefits		6,939	
Operating expense		1,629	
Total parks and recreation	14,200	8,568	5,632
Community Center			
Salaries & benefits		6,939	
Operating expense		6,539	
Total community center	19,780	13,478	6,302
Total cultural and recreation	33,980	22,046	11,934
Total Expenditures	214,645	169,744	30,552
Revenues over (under) expenditures	70,065	164,712	94,647
Other financing sources (uses):			
Transfers to other funds	(278,065)	-	278,065
Fund balance appropriated	208,000	-	(208,000)
Total	(70,065)	-	70,065
Net Change in Fund Balance	\$ -	164,712	\$ 164,712
Fund balances, beginning		701,970	
Fund balances, ending		\$ 866,682	

PROPRIETARY FUNDS

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.

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, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Charges for services:			
Water & sewer sales:	\$ 290,000	\$ 306,599	
Water & sewer taps	18,300	15,300	
Other operating revenues	2,440	2,362	
Total Operating Revenues	<u>310,740</u>	<u>324,261</u>	<u>13,521</u>
Nonoperating revenues:			
Interest earnings	480	433	
Total Non-Operating Revenues	<u>480</u>	<u>433</u>	<u>(47)</u>
Total revenues	<u>311,220</u>	<u>324,694</u>	<u>13,474</u>
Expenditures:			
Water and Sewer Operations:			
Salaries and benefits		109,345	
Utilities		11,752	
Contracted services		103,425	
Maintenance and repairs		21,737	
Departmental supplies and materials		58,218	
Vehicle operations		10,112	
Other		10,799	
Total expenditures	<u>326,220</u>	<u>325,388</u>	<u>832</u>
Stabilization by State statute			
Transfers in (out)	15,000	-	(15,000)
Total other financing sources (uses):	<u>15,000</u>	<u>-</u>	<u>(15,000)</u>
Revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ (694)</u>	<u>\$ (694)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Revenues over expenditures		<u>\$ (694)</u>	
Reconciling items:			
Capital contributions		344,293	
Increase in accrued vacation payable		(2,415)	
Depreciation		(102,454)	
Total reconciling items		<u>239,424</u>	
Change in Net Position		<u>\$ 238,730</u>	

CAPITAL PROJECTS FUNDS

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

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, 2021

	Project	Actual			Variance
	ization	Prior Year	Current Year	Total To Date	(Negative)
Revenues - Project:					
Restricted intergovernmental:					
CDBG 16-l-2919	\$ 1,638,800	\$ 690,840	\$ 344,293	\$ 1,035,133	\$ (603,667)
USDA Grant	-	30,000	-	30,000	30,000
Total revenues	<u>1,638,800</u>	<u>720,840</u>	<u>344,293</u>	<u>1,065,133</u>	<u>(573,667)</u>
Expenditures - Project:					
Construction	1,475,000	607,790	344,293	952,083	522,917
Administration	<u>163,800</u>	<u>113,050</u>	<u>-</u>	<u>113,050</u>	<u>50,750</u>
Total expenditures	<u>1,638,800</u>	<u>720,840</u>	<u>344,293</u>	<u>1,065,133</u>	<u>573,667</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			<u>-</u>		
Fund balance, ending			<u>\$ -</u>		

OTHER SCHEDULES

This section includes additional information on property taxes.

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

Town of Greenevers, North Carolina
Schedule of Ad Valorem Taxes Receivable
June 30, 2021

	Uncollected Balance June 30, 2020	Additions	Collections and Credits	Uncollected Balance June 30, 2021
2020 - 2021	\$ -	\$ 67,977	\$ 64,581	\$ 3,396
2019 - 2020	7,636	-	5,940	1,696
2018 - 2019	2,615	-	1,455	1,160
2017 - 2018	1,591	-	772	819
2016 - 2017	1,253	-	661	592
2015 - 2016	11,193	-	84	11,109
2014 - 2015	9,455	-	85	9,370
2013 - 2014	7,467	-	105	7,362
2012 - 2013	7,034	-	58	6,976
2011 - 2012	7,028	-	207	6,821
2010 - 2011	6,105	-	6,105	-
	<u>\$ 61,377</u>	<u>\$ 67,977</u>	<u>\$ 80,053</u>	<u>\$ 49,301</u>

Ad valorem taxes receivable - net \$ 49,301

Reconcilement with revenues:

Ad valorem taxes - General Fund	\$ 76,423
Reconciling items:	
Interest & Penalties collected	(2,146)
Releases and write offs	<u>5,776</u>
Subtotal	<u>3,630</u>
Total collections and credits	<u>\$ 80,053</u>

Town of Greenevers, North Carolina
Analysis of Current Tax Levy
Town - Wide Levy
For the Fiscal Year Ended June 30, 2021

	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	\$ 67,977	\$ 56,271	\$ 11,706
Penalties	-		-	-	-
Total	<u>18,582,667</u>		<u>67,977</u>	<u>56,271</u>	<u>11,706</u>
Total property valuation	<u>\$ 18,582,667</u>				
Net levy			67,977	56,271	11,706
Uncollected taxes at June 30, 2021			<u>3,396</u>	<u>3,396</u>	<u>-</u>
Current year's taxes collected			<u>\$ 64,581</u>	<u>\$ 52,875</u>	<u>\$ 11,706</u>
Current levy collection percentage			<u>95.00%</u>	<u>93.96%</u>	<u>100.00%</u>

COMPLIANCE SECTION



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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, 2021, 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 October 14, 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 as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of 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 2021-001.

Compliance and Other Matters

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

Town of Greener's Response to Findings

The Town of Greener's 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

October 14, 2021

**Town of Greenevers, North Carolina
Schedule of Findings and Responses
For the Fiscal Year Ended June 30, 2021**

Section I. Summary of Auditors' Results

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, 2021**

Section II. Financial Statement Findings

SIGNIFICANT DEFICIENCY

2021-001

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, 2020-001.

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.

Town of Greenevers, North Carolina

Corrective Action Plan For the Fiscal Year Ended June 30, 2021

Section II - Financial Statement Findings

2021 - 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.

Town of Greenevers, North Carolina
Summary Schedule of Prior Year Audit Findings
For the Fiscal Year Ended June 30, 2021

Finding: 2020-001

Status: Duties are being separated as much as possible and alternative controls are being implemented to compensate for lack of separation. The governing board is becoming more involved in providing some of these controls.

Finding: 2020-002
Corrected

Finding: 2020-003
Corrected