

CITY OF
GREENSBORO, GEORGIA



ANNUAL
FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2022

CITY OF GREENSBORO, GEORGIA
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2022 AND
INDEPENDENT AUDITOR'S REPORT

CITY OF GREENSBORO, GEORGIA

CONTENTS

Independent Auditor’s Report 1

Basic Financial Statements

Government-Wide Financial Statements

 Statement of Net Position 4

 Statement of Activities 6

Fund Financial Statements

 Balance Sheet - Governmental Funds 7

 Reconciliation of the Balance Sheet of Governmental Funds
 to the Statement of Net Position 8

 Statement of Revenues, Expenditures, and Changes in Fund
 Balances - Governmental Funds 9

 Reconciliation of the Statement of Revenues, Expenditures, and Changes in
 Fund Balances of Governmental Funds to the Statement of Activities 10

 Statement of Revenues, Expenditures, and Changes in Fund
 Balances - Budget and Actual - General Fund 11

 Statement of Revenues, Expenditures, and Changes in Fund
 Balance - Budget and Actual – American Rescue Plan Fund 13

 Statement of Net Position - Proprietary Funds 14

 Statement of Revenues, Expenses, and Changes in
 Net Position - Proprietary Funds 16

 Statement of Cash Flows - Proprietary Funds 18

Notes to the Financial Statements 20

Required Supplementary Information

 Schedule of Changes in the Net Pension Liability and Related Ratios 45

 Schedule of City Contributions 46

 Notes to the Required Supplementary Information 47

CITY OF GREENSBORO, GEORGIA

CONTENTS

Supplementary Information

Governmental Funds

Nonmajor Governmental Funds

Combining Balance Sheet - Nonmajor Governmental Funds..... 48

Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds 49

Confiscated Assets Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual 50

Revolving Loan Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual..... 51

Hotel/Motel Tax Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual 52

CHIP Fund
Schedules of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual - from Inception 53

Schedule of Projects Constructed with Special Sales Tax Proceeds 54

Component Units

Better Hometown - Balance Sheet..... 56

Better Hometown - Statement of Revenues,
Expenditures, and Changes in Fund Balances..... 57

Downtown Development Authority - Balance Sheet..... 58

Downtown Development Authority - Statement of Revenues,
Expenditures, and Changes in Fund Balances..... 59

Governmental Reports

Independent Auditor’s Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards* 60

Schedule of Findings and Responses 62

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March 27, 2024

INDEPENDENT AUDITOR'S REPORT

Mayor and Council
City of Greensboro, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Greensboro, Georgia (the "City")**, as of and for the fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information for the City, as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and American Rescue Plan Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (GAS)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As discussed in Notes 1 and 6, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases, as of October 1, 2021. This standard significantly changed the accounting for the City's lease activities. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of changes in the City's net pension liability and related ratios on page 45, the schedule of City contributions on page 46, and the notes to the required supplementary information on page 47 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The combining nonmajor fund financial statements, budgetary comparison schedules, schedule of projects constructed with special sales tax proceeds, Better Hometown’s financial statements, and the Downtown Development Authority’s financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements, budgetary comparison schedules, schedule of projects constructed with special sales tax proceeds, Better Hometown’s financial statements, and the Downtown Development Authority’s financial statements are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, budgetary comparison schedules, schedule of projects constructed with special sales tax proceeds, Better Hometown’s financial statements, and the Downtown Development Authority’s financial statements 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 March 27, 2024 on our consideration of the City’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City’s internal control over financial reporting and compliance.

McNair, McLemore, Middlebrooks & Co., LLC

McNAIR, McLEMORE, MIDDLEBROOKS & CO., LLC

FINANCIAL STATEMENTS

CITY OF GREENSBORO, GEORGIA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Better Hometown	Downtown Development Authority
Assets					
Current Assets					
Cash and Cash Equivalents	\$ 3,627,366	\$ 1,585,489	\$ 5,212,855	\$ 11,021	\$ 11,256
Certificates of Deposit	119,303	717,193	836,496	-	-
Restricted Cash and Cash Equivalents					
Cash and Cash Equivalents	1,267,989	975,523	2,243,512	-	-
Receivables, Net of Allowance					
Taxes	24,456	-	24,456	-	-
Accounts	127,192	1,325,831	1,453,023	-	-
Intergovernmental	573,732	-	573,732	-	-
Lease Receivable	12,734	-	12,734	-	-
Loan Balance	19,774	-	19,774	-	-
Internal Balances	9,907	(9,907)	-	-	-
Prepays	100,211	56,369	156,580	-	-
Total Current Assets	5,882,664	4,650,498	10,533,162	11,021	11,256
Noncurrent Assets					
Investment - Joint Venture	-	4,291,678	4,291,678	-	-
Loan Balance	427,154	-	427,154	-	-
Lease Receivable	33,616	-	33,616	-	-
Capital Assets					
Nondepreciable	3,532,863	666,799	4,199,662	-	195,063
Depreciable, Net	2,929,465	11,498,973	14,428,438	-	1,546,951
Total Noncurrent Assets	6,923,098	16,457,450	23,380,548	-	1,742,014
Total Assets	12,805,762	21,107,948	33,913,710	11,021	1,753,270
Deferred Outflow of Resources					
Related to Pensions	350,946	125,444	476,390	-	-
Total Deferred Outflow of Resources	350,946	125,444	476,390	-	-

See accompanying notes which are an integral part of these financial statements.

CITY OF GREENSBORO, GEORGIA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022
(CONTINUED)

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Better Hometown	Downtown Development Authority
Liabilities					
Current Liabilities					
Accounts Payable	\$ 257,511	\$ 762,301	\$ 1,019,812	\$ 6,349	\$ -
Accrued Interest	3,628	-	3,628	-	-
Accrued Expenses	61,216	10,827	72,043	-	-
Unearned Revenue	957,790	-	957,790	-	-
Customer Deposits	-	26,470	26,470	-	-
Total Current Liabilities	1,280,145	799,598	2,079,743	6,349	-
Noncurrent Liabilities					
Due within One Year					
Finance Purchase Payable	81,334	-	81,334	-	-
Notes Payable	-	258,388	258,388	-	-
Revenue Bonds Payable	-	40,000	40,000	-	-
Compensated Absences	45,018	16,818	61,836	-	-
Due in more than One Year					
Finance Purchase	1,042,316	-	1,042,316	-	-
Notes Payable	-	2,648,213	2,648,213	-	-
Revenue Bonds Payable	-	1,229,073	1,229,073	-	-
Net Pension Liability	521,200	186,301	707,501	-	-
Total Noncurrent Liabilities	1,689,868	4,378,793	6,068,661	-	-
Total Liabilities	2,970,013	5,178,391	8,148,404	6,349	-
Deferred Inflows of Resources					
Related to Pensions	404,652	144,641	549,293	-	-
Related to Leases	45,178	-	45,178	-	-
Total Deferred Inflows of Resources	449,830	144,641	594,471	-	-
Net Position					
Net Investment in Capital Assets	6,248,657	11,669,495	17,918,152	-	1,742,014
Restricted					
Debt Service	-	187,023	187,023	-	-
Cemetery Maintenance	85,759	-	85,759	-	-
Law Enforcement	23,129	-	23,129	-	-
Revolving Loan	84,032	-	84,032	-	-
Capital Outlay	1,647,220	-	1,647,220	-	-
Unrestricted	1,648,068	4,053,842	5,701,910	4,672	11,256
Total Net Position	\$ 9,736,865	\$ 15,910,360	\$ 25,647,225	\$ 4,672	\$ 1,753,270

See accompanying notes which are an integral part of these financial statements.

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CITY OF GREENSBORO, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Better Hometown	Downtown Development Authority
					Governmental Activities	Business-Type Activities	Total		
Primary Government									
Governmental Activities									
General Government	\$ 1,078,169	\$ 250,864	\$ 23,348	\$ 234,460	\$ (569,497)	\$ -	\$ (569,497)		
Judicial	81,240	-	-	-	(81,240)	-	(81,240)		
Public Safety	2,495,937	-	367,057	26,795	(2,102,085)	-	(2,102,085)		
Public Works	1,929,482	-	-	1,344,686	(584,796)	-	(584,796)		
Health and Welfare	12,500	-	-	-	(12,500)	-	(12,500)		
Culture and Recreation	264,985	-	-	-	(264,985)	-	(264,985)		
Housing and Development	484,105	-	-	-	(484,105)	-	(484,105)		
Interest on Long-Term Debt	48,286	-	-	-	(48,286)	-	(48,286)		
Total Governmental Activities	6,394,704	250,864	390,405	1,605,941	(4,147,494)	-	(4,147,494)		
Business-Type Activities									
Water and Sewer	2,079,856	2,273,441	-	393,196	-	586,781	586,781		
Gas System	6,508,285	7,157,757	-	430,492	-	1,079,964	1,079,964		
Total Business-Type Activities	8,588,141	9,431,198	-	823,688	-	1,666,745	1,666,745		
Total Primary Government	\$ 14,982,845	\$ 9,682,062	\$ 390,405	\$ 2,429,629	(4,147,494)	1,666,745	(2,480,749)		
Component Units									
Better Hometown	\$ 102,834	\$ -	\$ 106,034	\$ 13,250				\$ 16,450	\$ -
Downtown Development Authority	193,605	-	153,332	145,063				-	104,790
Total Component Units	\$ 296,439	\$ -	\$ 259,366	\$ 158,313				16,450	104,790
General Revenues									
Property Tax					698,037	-	698,037	-	-
Sales Tax					1,423,586	-	1,423,586	-	-
Franchise Tax					361,324	-	361,324	-	-
Other Tax					775,948	-	775,948	-	-
Investment Earnings					16,118	10,432	26,550	6	4
Joint Venture Income / (Loss)					-	(333,251)	(333,251)	-	-
Miscellaneous					87,123	-	87,123	-	-
Total General Revenues					3,362,136	(322,819)	3,039,317	6	4
Transfers					1,300,000	(1,300,000)	-	-	-
Total General Revenues and Transfers					4,662,136	(1,622,819)	3,039,317	6	4
Change in Net Position					514,642	43,926	558,568	16,456	104,794
Net Position - Beginning of Year - Restated					9,222,223	15,866,434	25,088,657	(11,784)	1,648,476
Net Position - End of Year					\$ 9,736,865	\$ 15,910,360	\$ 25,647,225	\$ 4,672	\$ 1,753,270

See accompanying notes which are an integral part of these financial statements.

CITY OF GREENSBORO, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	General Fund	American Rescue Plan Fund	SPLOST 2021	SPLOST 2015	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and Cash Equivalents	\$ 2,579,741	\$ 958,301	\$ 272,653	\$ 995,337	\$ 89,323	\$ 4,895,355
Certificates of Deposit	35,480	-	-	-	83,823	119,303
Receivables, Net of Allowance						
Taxes	24,456	-	-	-	-	24,456
Accounts	109,820	-	-	-	17,372	127,192
Intergovernmental	121,766	-	451,966	-	-	573,732
Lease Receivable	46,350	-	-	-	-	46,350
Loan Balance	-	-	-	-	446,928	446,928
Due from Other Funds	397,320	-	-	44,174	35,387	476,881
Prepays	100,211	-	-	-	-	100,211
Total Assets	\$ 3,415,144	\$ 958,301	\$ 724,619	\$ 1,039,511	\$ 672,833	\$ 6,810,408
Liabilities						
Accounts Payable	\$ 148,729	\$ -	\$ 56,023	\$ -	\$ 52,759	\$ 257,511
Accrued Expenses	61,216	-	-	-	-	61,216
Unearned Revenue	-	957,790	-	-	-	957,790
Due to Other Funds	406,087	-	60,887	-	-	466,974
Total Liabilities	616,032	957,790	116,910	-	52,759	1,743,491
Deferred Inflows of Resources						
Unavailable Revenue - Property Taxes Related To Leases	23,766	-	-	-	-	23,766
	45,178	-	-	-	-	45,178
Total Deferred Inflows of Resources	68,944	-	-	-	-	68,944
Fund Balances						
Nonspendable	101,383	-	-	-	427,154	528,537
Restricted	-	-	607,709	1,039,511	192,920	1,840,140
Unassigned	2,628,785	511	-	-	-	2,629,296
Total Fund Balances	2,730,168	511	607,709	1,039,511	620,074	4,997,973
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,415,144	\$ 958,301	\$ 724,619	\$ 1,039,511	\$ 672,833	\$ 6,810,408

See accompanying notes which are an integral part of these financial statements.

**CITY OF GREENSBORO, GEORGIA
RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022**

Total Fund Balances - Governmental Funds \$ 4,997,973

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

Capital Assets

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

Cost of the Assets	11,079,905
Accumulated Depreciation	(4,617,577)

Deferred Outflows of Resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds.	350,946
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Long-Term Liabilities

Long-term liabilities, including capital leases payable and accrued interest, are not due and payable in the current period and, therefore, are not reported in the funds.

Finance Purchase	(1,123,650)
Accrued Interest	(3,628)
Compensated Absences	(45,018)
Net Pension Liability	(521,200)

Deferred Inflows of Resources related to pensions are not available to pay for current expenditures and, therefore, are not reported in the governmental funds.	(404,652)
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Revenues

Other long-term assets are not available to pay for current period expenditures and therefore are reported as unavailable revenue in the funds.

23,766

Total Net Position of Governmental Activities \$ 9,736,865

See accompanying notes which are an integral part of these financial statements.

CITY OF GREENSBORO, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	General Fund	American Rescue Plan Fund	SPLOST 2021	SPLOST 2015	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes						
Property Tax	\$ 708,332	\$ -	\$ -	\$ -	\$ -	\$ 708,332
Sales Tax	1,423,586	-	-	-	-	1,423,586
Other Taxes	920,522	-	-	-	216,750	1,137,272
Licenses and Permits	30,997	-	-	-	-	30,997
Intergovernmental	390,405	-	1,605,009	-	-	1,995,414
Fines and Forfeitures	207,393	-	-	-	12,474	219,867
Interest Earnings	5,986	511	-	931	9,621	17,049
Miscellaneous Revenues	76,338	-	-	-	10,785	87,123
Total Revenues	3,763,559	511	1,605,009	931	249,630	5,619,640
Expenditures						
Current						
General Government	985,287	-	-	-	90,006	1,075,293
Judicial	81,240	-	-	-	-	81,240
Public Safety	2,342,059	-	-	-	149	2,342,208
Public Works	684,847	-	-	-	225	685,072
Health and Welfare	12,500	-	-	-	-	12,500
Culture and Recreation	237,221	-	-	-	12,278	249,499
Housing and Development	477,315	-	-	-	6,790	484,105
Capital Outlay	-	-	1,447,575	-	-	1,447,575
Debt Service						
Principal	-	-	78,257	-	-	78,257
Interest	-	-	48,537	-	-	48,537
Total Expenditures	4,820,469	-	1,574,369	-	109,448	6,504,286
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,056,910)	511	30,640	931	140,182	(884,646)
Other Financing Sources (Uses)						
Transfers from Other Funds	1,430,050	-	25,526	-	6,790	1,462,366
Transfers to Other Funds	(6,790)	-	-	(25,526)	(130,050)	(162,366)
Total Other Financing Sources (Uses)	1,423,260	-	25,526	(25,526)	(123,260)	1,300,000
Net Change in Fund Balances	366,350	511	56,166	(24,595)	16,922	415,354
Fund Balances - Beginning of Year - Restated	2,363,818	-	551,543	1,064,106	603,152	4,582,619
Fund Balances - End of Year	\$ 2,730,168	\$ 511	\$ 607,709	\$ 1,039,511	\$ 620,074	\$ 4,997,973

See accompanying notes which are an integral part of these financial statements.

**CITY OF GREENSBORO, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

Net Change in Fund Balances - Total Governmental Funds \$ 415,354

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

Capital Assets

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

Total Capital Outlays	282,060
Total Depreciation	(264,025)

Deferred outflows of resources related to pensions is not available during the current period and therefore is not reported in the funds.

Change in Deferred Outflows of Resources Related to Pensions	(119,678)
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Long-Term Debt

Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The adjustments for these items are as follows:

Principal Payments	78,257
Accrued Interest	252
Compensated Absences	10,385
Net Pension Liability	491,914

Deferred inflows of resources related to pensions is not available during the current period and therefore is not reported in the funds.

Change in Deferred Inflows of Resources Related to Pensions	(369,582)
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Revenues

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

<u>(10,295)</u>

Change in Net Position of Governmental Activities \$ 514,642

See accompanying notes which are an integral part of these financial statements.

CITY OF GREENSBORO, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	<u>Budget Amounts</u>		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Property	\$ 642,900	\$ 642,900	\$ 708,332	\$ 65,432
Sales	1,147,610	1,147,610	1,423,586	275,976
Franchise	349,799	349,799	361,324	11,525
Insurance Premium	270,000	270,000	280,341	10,341
Occupational	56,954	56,954	64,362	7,408
Alcoholic Beverage	98,000	98,000	95,944	(2,056)
Other	104,743	104,743	118,551	13,808
Licenses and Permits	15,753	15,753	30,997	15,244
Intergovernmental	231,144	231,144	390,405	159,261
Fines and Forfeitures	152,495	152,495	207,393	54,898
Investment Earnings	2,239	2,239	5,986	3,747
Miscellaneous	298,153	298,153	76,338	(221,815)
Total Revenues	3,370,190	3,370,190	3,763,559	393,369
Expenditures				
Current				
General Government				
Governing Body	80,000	80,000	236,328	(156,328)
City Manager	124,500	124,500	114,525	9,975
Financial Administration	654,000	654,000	634,435	19,565
Judicial				
Municipal Court	78,000	78,000	70,028	7,972
Public Defender	10,000	10,000	11,211	(1,211)
Public Safety				
Police Protection	2,280,000	2,280,000	2,168,624	111,376
Fire Protection	110,000	110,000	115,390	(5,390)
Animal Control	65,000	65,000	58,044	6,956
Public Works				
Highways and Streets	688,000	688,000	639,063	48,937
Maintenance Shop	25,000	25,000	22,404	2,596
Cemetery	25,000	25,000	23,380	1,620
Health and Welfare				
Community Services	-	-	12,500	(12,500)
Culture and Recreation				
Recreation	110,000	110,000	237,221	(127,221)

See accompanying notes which are an integral part of these financial statements.

CITY OF GREENSBORO, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022
(CONTINUED)

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Housing and Development				
Planning and Zoning	\$ 120,000	\$ 120,000	\$ 126,876	\$ (6,876)
Economic Development	185,000	185,000	139,292	45,708
Downtown Development	130,000	130,000	211,148	(81,148)
Total Expenditures	<u>4,684,500</u>	<u>4,684,500</u>	<u>4,820,469</u>	<u>(135,969)</u>
Excess of Revenue Over (Under) Expenditure	<u>(1,314,310)</u>	<u>(1,314,310)</u>	<u>(1,056,910)</u>	<u>257,400</u>
Other Financing Sources (Uses)				
Transfer From Other Funds	1,374,000	1,374,000	1,430,050	56,050
Transfer To Other Funds	-	-	(6,790)	(6,790)
Total Other Financing Sources (Uses)	<u>1,374,000</u>	<u>1,374,000</u>	<u>1,423,260</u>	<u>49,260</u>
Net Change in Fund Balances	59,690	59,690	366,350	306,660
Fund Balances - Beginning of Year - Restated	<u>2,363,818</u>	<u>2,363,818</u>	<u>2,363,818</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 2,423,508</u>	<u>\$ 2,423,508</u>	<u>\$ 2,730,168</u>	<u>\$ 306,660</u>

See accompanying notes which are an integral part of these financial statements.

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CITY OF GREENSBORO, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
AMERICAN RESCUE PLAN FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment Earnings	\$ -	\$ -	\$ 511	\$ 511
Total Revenues	-	-	511	511
Expenditures				
Current				
General Government	-	-	-	-
Total Expenditures	-	-	-	-
Net Change in Fund Balance	-	-	511	511
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 511</u>	<u>\$ 511</u>

See accompanying notes which are an integral part of these financial statements.

CITY OF GREENSBORO, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2022

	Business-Type Activities - Enterprise Funds		
	Water and Sewer Fund	Gas System	Total
Assets			
Current Assets			
Cash and Cash Equivalents	\$ 916,641	\$ 668,848	\$ 1,585,489
Certificates of Deposit	451,090	266,103	717,193
Restricted Cash	187,023	788,500	975,523
Accounts Receivable, Net	479,775	846,056	1,325,831
Due from Other Funds	-	353,883	353,883
Prepaid Expenses	51,672	4,697	56,369
Total Current Assets	2,086,201	2,928,087	5,014,288
Long-Term Assets			
Investment - Joint Venture	-	4,291,678	4,291,678
Capital Assets			
Nondepreciable	666,473	326	666,799
Depreciable, Net	8,172,010	3,326,963	11,498,973
Total Capital Assets, Net	8,838,483	3,327,289	12,165,772
Total Long-Term Assets	8,838,483	7,618,967	16,457,450
Total Assets	10,924,684	10,547,054	21,471,738
Deferred Outflows of Resources			
Related to Pensions	102,579	22,865	125,444
Total Deferred Outflows of Resources	102,579	22,865	125,444

See accompanying notes which are an integral part of these financial statements.

CITY OF GREENSBORO, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2022
(CONTINUED)

	Business-Type Activities- Enterprise Funds		
	Water & Sewer Fund	Gas System	Total
Liabilities			
Current Liabilities			
Current Liabilities Payable from Unrestricted Assets			
Accounts Payable	\$ 67,038	\$ 695,263	\$ 762,301
Accrued Expenses	9,498	1,329	10,827
Customer Deposits	16,550	9,920	26,470
Due to Other Funds	363,790	-	363,790
Compensated Absences	14,523	2,295	16,818
Total Current Liabilities Payable from Unrestricted Assets	471,399	708,807	1,180,206
Current Liabilities Payable from Restricted Assets			
Notes Payable	78,953	179,435	258,388
Revenue Bonds Payable	-	40,000	40,000
Total Current Liabilities Payable from Restricted Assets	78,953	219,435	298,388
Total Current Liabilities	550,352	928,242	1,478,594
Long-Term Liabilities			
Notes Payable	417,323	2,230,890	2,648,213
Revenue Bonds Payable	-	1,229,073	1,229,073
Net Pension Liability	152,344	33,957	186,301
Total Long-Term Liabilities	569,667	3,493,920	4,063,587
Total Liabilities	1,120,019	4,422,162	5,542,181
Deferred Inflows of Resources			
Related to Pensions	118,277	26,364	144,641
Total Deferred Inflows of Resources	118,277	26,364	144,641
Net Position			
Net Investment in Capital Assets	8,342,206	3,327,289	11,669,495
Restricted for Debt Service	187,023	-	187,023
Unrestricted	1,259,738	2,794,104	4,053,842
Total Net Position	\$ 9,788,967	\$ 6,121,393	\$ 15,910,360

See accompanying notes which are an integral part of these financial statements.

CITY OF GREENSBORO, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Business-Type Activities - Enterprise Funds		
	Water and Sewer Fund	Gas System	Total
Operating Revenues			
Charges and Fees	\$ 2,273,441	\$ 7,157,757	\$ 9,431,198
Total Operating Revenues	<u>2,273,441</u>	<u>7,157,757</u>	<u>9,431,198</u>
Operating Expenses			
Salaries and Benefits	876,248	139,062	1,015,310
Contract Management	224,082	55,364	279,446
Cost of Sales	-	5,851,514	5,851,514
Legal and Professional	10,000	20,912	30,912
Operating Materials	139,608	31,809	171,417
Other Operating Expenses	137,324	133,241	270,565
Repairs and Maintenance	61,791	44,202	105,993
Utilities	256,095	24,699	280,794
Depreciation	352,989	89,607	442,596
Total Operating Expenses	<u>2,058,137</u>	<u>6,390,410</u>	<u>8,448,547</u>
Operating Income	<u>215,304</u>	<u>767,347</u>	<u>982,651</u>
Nonoperating Revenues (Expenses)			
Interest Income	3,928	6,505	10,433
Investment Loss - Joint Venture	-	(333,251)	(333,251)
Intergovernmental Revenue	-	430,492	430,492
Interest Expense	(21,719)	(117,876)	(139,595)
Total Nonoperating Revenues (Expenses)	<u>(17,791)</u>	<u>(14,130)</u>	<u>(31,921)</u>
Income Before Contributions and Transfers	<u>197,513</u>	<u>753,217</u>	<u>950,730</u>

See accompanying notes which are an integral part of these financial statements.

CITY OF GREENSBORO, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022
(CONTINUED)

	Business-Type Activities - Enterprise Funds		
	Water and Sewer Fund	Gas System	Total
Capital Contributions	\$ 393,196	\$ -	\$ 393,196
Transfers Out	(500,000)	(800,000)	(1,300,000)
Change in Net Position	90,709	(46,783)	43,926
Net Position - Beginning of Year	9,698,258	6,168,176	15,866,434
Net Position - End of Year	<u>\$ 9,788,967</u>	<u>\$ 6,121,393</u>	<u>\$ 15,910,360</u>

See accompanying notes which are an integral part of these financial statements.

CITY OF GREENSBORO, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Business-Type Activities - Enterprise Funds		
	Water and Sewer Fund	Gas System	Total
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 2,559,551	\$ 6,672,316	\$ 9,231,867
Cash Paid to Suppliers for Goods and Services	(810,771)	(5,859,917)	(6,670,688)
Cash Paid to Employees	(873,953)	(140,297)	(1,014,250)
Net Cash Flows Provided by (Used for) Operating Activities	<u>874,827</u>	<u>672,102</u>	<u>1,546,929</u>
Cash Flows from Noncapital Financing Activities			
Transfers	(500,000)	(800,000)	(1,300,000)
Net Cash Flows Provided by (Used for) Noncapital Financing Activities	<u>(500,000)</u>	<u>(800,000)</u>	<u>(1,300,000)</u>
Cash Flows from Capital and Related Financing Activities			
Principal Payments on Revenue Bonds and Notes	(75,832)	(163,945)	(239,777)
Interest and Fiscal Charges on Revenue Bonds and Notes	(21,719)	(116,641)	(138,360)
Acquisition of Assets	-	(26,313)	(26,313)
Intergovernmental Revenue	-	430,492	430,492
Net Cash Flows Provided by (Used for) Capital and Related Financing Activities	<u>(97,551)</u>	<u>123,593</u>	<u>26,042</u>
Cash Flows from Investing Activities			
Interest Income	3,928	6,505	10,433
Net Cash Flows Provided by (Used for) Investing Activities	<u>3,928</u>	<u>6,505</u>	<u>10,433</u>
Net Increase (Decrease) in Cash and Cash Equivalents	281,204	2,200	283,404
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	<u>822,460</u>	<u>1,455,148</u>	<u>2,277,608</u>
Cash, Cash Equivalents, and Restricted Cash - End of Year	<u>\$ 1,103,664</u>	<u>\$ 1,457,348</u>	<u>\$ 2,561,012</u>

See accompanying notes which are an integral part of these financial statements.

CITY OF GREENSBORO, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022
(CONTINUED)

	Business-Type Activities - Enterprise Funds		
	Water and Sewer Fund	Gas System	Total
Noncash Investing, Capital, and Financing Activities			
Loss on Joint Venture	\$ -	\$ (333,251)	\$ (333,251)
Contributions of Capital Assets from Government	393,196	-	393,196
Total Noncash Investing, Capital, and Financing Activities	\$ 393,196	\$ (333,251)	\$ 59,945
Classifications			
Current Assets	\$ 916,641	\$ 668,848	\$ 1,585,489
Restricted Assets	187,023	788,500	975,523
Total Cash, Cash Equivalents, and Restricted Cash - End of Year	\$ 1,103,664	\$ 1,457,348	\$ 2,561,012
Reconciliation of Net Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Net Operating Income	\$ 215,304	\$ 767,347	\$ 982,651
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Depreciation and Amortization	352,989	89,607	442,596
Changes in Assets and Liabilities			
(Increase) Decrease in Accounts Receivable	(67,479)	(426,695)	(494,174)
(Increase) Decrease in Due from Other Funds	-	(58,371)	(58,371)
(Increase) Decrease in Prepaid Expenses	(687)	(62)	(749)
(Increase) Decrease in Deferred Outflows - Pensions	34,924	7,027	41,951
Increase (Decrease) in Accounts Payable	18,816	301,886	320,702
Increase (Decrease) in Accrued Liabilities	2,999	(2,008)	991
Increase (Decrease) in Customer Deposits	325	(375)	(50)
Increase (Decrease) in Due to Other Funds	353,264	-	353,264
Increase (Decrease) in Net Pension Liability	(143,659)	(30,391)	(174,050)
Increase (Decrease) in Deferred Inflows - Pensions	108,031	24,137	132,168
Total Adjustments	659,523	(95,245)	564,278
Net Cash Provided by (Used for) Operating Activities	\$ 874,827	\$ 672,102	\$ 1,546,929

See accompanying notes which are an integral part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

CITY OF GREENSBORO, GEORGIA

NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies

The City of Greensboro, Georgia (the City) was incorporated under the laws of the State of Georgia and operates under a Mayor-Council form of government. The City provides the following services as authorized by its charter: public safety (police and fire), highways and streets, social services, culture and recreation, public improvements, planning and zoning, general and administrative services, and gas and water utilities.

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

Reporting Entity

As required by GAAP, the financial statements of the reporting entity include those of the City of Greensboro (the primary government) and any component units. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The component units discussed below are included in the City's reporting entity because of the significance of their operational and financial relationships with the City. In conformity with generally accepted accounting principles, as set forth in GASB Statement No. 61 *The Financial Reporting Entity: Omnibus, an amendment of GASB Statement No. 14 and 34*, the City's relationships with other governments and agencies have been examined.

Discretely Presented Component Units

Based on the aforementioned criteria, the component units' columns in the government-wide financial statements include the financial data of the City's two component units. These units are reported in a separate column to emphasize that they are legally separate from the City.

Greensboro Better Hometown Program - The Greensboro Better Hometown Program (Better Hometown) is governed by a seven-member Board of Directors. The Board consists of one representative of each of the following: Citizens Union Bank, Premier Bank, Farmers Bank, City of Greensboro, Greene County Commissioners, Development Authority of the City of Greensboro, and the Greene County Chamber of Commerce. All of the Board members are named and confirmed by the Greene County Chamber of Commerce Executive Board and the Greensboro City Council. Greensboro Better Hometown Program does not issue separate financial statements.

Downtown Development Authority of Greensboro, Georgia - The Downtown Development Authority is governed by a seven-member Board of Directors. The directors are appointed as provided by O.C.G.A. Section 36-41-1. All Directors must be approved by the City of Greensboro City Council. The Downtown Development Authority does not issue separate financial statements.

(1) Summary of Significant Accounting Policies (Continued)

Government-Wide and Fund Financial Statements

The government-wide financial statements (statement of net position and statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units, if any. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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. Internally dedicated resources are reported as general revenues rather than as program revenues.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt services expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

(1) Summary of Significant Accounting Policies (Continued)

Fund Financial Statements (Continued)

Property taxes, local option sales taxes, other taxes, intergovernmental revenues, interest, and charges for services associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues are considered to be measurable and available only when cash is received by the government.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the City's enterprise fund is charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The fund financial statements provide more detailed information about the government's most significant funds, not the government as a whole. The activities of the government are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The government reports the following major governmental funds:

General Fund - The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

American Rescue Plan Fund - The American Rescue Plan Fund is used to account for the federal grant funds received.

SPLOST 2021 Fund - The SPLOST 2021 Fund is used to account for the SPLOST monies received from Greene County to be used to finance SPLOST approved projects.

SPLOST 2015 Fund - The SPLOST 2015 Fund is used to account for the SPLOST monies received from Greene County to be used to finance SPLOST approved projects.

The government reports the following major proprietary funds:

Enterprise Funds - The Water and Sewer Fund accounts for the activities of the water and sewer distribution system. The Gas System Fund accounts for the activities of the government's gas distribution operations.

Additionally, the government reports the following fund types:

Special Revenue Funds - Special Revenue Funds are used to account for and report the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Capital Projects Funds - Capital Project Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

(1) Summary of Significant Accounting Policies (Continued)

Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments are reported at fair value, which is determined using selected bases. Short-term investments are reported at cost, which approximates fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates, and investments that do not have an established market are reported at estimated fair value. Cash deposits and certificates of deposit are reported at carrying amount, which reasonably estimates fair value.

Receivables

Receivables and due from other governments represent funds to be received from other local governments, state grant-in-aid, state contracts, or federal funds. No allowance is deemed necessary for these receivables.

Activity between funds that are representative of lending / borrowing arrangements outstanding at the end of the year are referred to as either "due to / from other funds" or "advances to/from other funds." All other outstanding balances between funds are reported as "due to / from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables have been reduced to their estimated net realizable value and are shown net of an allowance for doubtful accounts. Estimated uncollectible amounts are based upon historical experience rates.

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.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items acquired subsequent to October 1, 2003) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Property, plant, and equipment, except for infrastructure, with individual costs that equal or exceed \$5,000 are recorded as capital assets. Infrastructure with an individual cost that is equal to or exceeds \$100,000 is recorded as a capital asset. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their acquisition value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the primary government, as well as component units, are depreciated using the straight-line method over the following estimated useful lives:

Building and Improvements	20-50 Years
Water and Sewer Distribution System	20-50 Years
Equipment	10 Years
Infrastructure	15-99 Years
Furniture and Fixtures	10 Years
Vehicles	5 Years
Computer Equipment	5 Years
Heavy Machinery	5 Years

(1) Summary of Significant Accounting Policies (Continued)

Compensated Absences

It is the City's policy to permit employees to accumulate unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Deferred Inflows/Outflows 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 assets that applies to a future period or periods and so, will not be recognized as an outflow of resources (expense / expenditures) until then. The City has one item that qualifies for reporting in this category, deferred outflow of resources related to the pension plans. This amount is deferred and will be recognized as a reduction of the net pension liability in future years.

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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three types of items that qualify for reporting in this category. This first item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. The second is the deferred inflow of resources relative to difference between projected and actual earnings on the pension plan investments. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. The third is deferred amounts related to lease receivable.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance cost, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

(1) Summary of Significant Accounting Policies (Continued)

Fund Equity

In the financial statements, governmental funds report the following classifications of fund balance in accordance with GASB Statement No. 54:

Nonspendable - 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 - amounts are restricted when constraints have been placed on the use of resources by (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed - amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of Mayor and Council through adoption of a resolution. The Mayor and Council also may modify or rescind the commitment.

Assigned - amounts that are constrained by the City’s intent to be used for specific purposes but are neither restricted nor committed. Through resolution, Mayor and Council have authorized the City Manager or his designee to assign fund balances.

Unassigned - amounts that have not been assigned to other funds and that are not restricted, committed, or assigned to specific purposes within the General Fund.

Flow Assumptions - When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City’s policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City’s policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

The City does not have a formal minimum fund balance policy. The following is a summary of the fund balance classifications as of September 30, 2022:

	General Fund	American Rescue Plan Fund	SPLOST 2021	SPLOST 2015	Nonmajor Governmental Funds	Total
Fund Balances						
Nonspendable						
Prepays	\$ 100,211	\$ -	\$ -	\$ -	\$ 427,154	\$ 527,365
Related to Leases	1,172	-	-	-	-	1,172
Restricted						
Cemetery Maintenance	-	-	-	-	85,759	85,759
Revolving Loan	-	-	-	-	84,032	84,032
Law Enforcement	-	-	-	-	23,129	23,129
Capital Outlay	-	-	607,709	1,039,511	-	1,647,220
Unassigned	2,628,785	511	-	-	-	2,629,296
Total Fund Balance	\$ 2,730,168	\$ 511	\$ 607,709	\$ 1,039,511	\$ 620,074	\$ 4,997,973

(1) Summary of Significant Accounting Policies (Continued)

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; and errors or omissions. The City purchases commercial insurance for most types of risk. For these risks, settlements have not exceeded coverage for each of the past three years. The City had no significant reduction in insurance coverage from coverage in the prior year.

Leases

The City has implemented GASB Statement 87, *Leases*, effective October 1, 2021. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are a financing of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The City is a lessor of real property. The City recognizes leases receivable and deferred inflows of resources at both the fund level and government-wide level of reporting.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term on a straight-line basis.

Key estimates and judgments related to leases receivable include how the City determines the discount rate it uses to discount the expected lease payments to present value, the lease term, and the lease payments:

- The City uses the interest rate charged as the discount rate. When the interest rate charged is not specified, the City uses its estimated incremental leasing rate as the discount rate for leases.
- The lease term includes the non-cancellable period of the lease. Lease payments included in the measurement of the lease receivable are composed of fixed payments due to the City over the term of the lease and residual value guarantee payments that are fixed in substance.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable and deferred inflows of resources.

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. To calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the government's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

(2) Budgets and Budgetary Accounting

Budget Process

The annual budget document is the financial plan for the operation of the City of Greensboro. The budget process exists for the purpose of providing a professional management approach to the establishment of priorities and the implementation of work programs while providing an orderly means for control and evaluation of the financial posture of the City.

An annual operating budget is prepared for the General Fund and the Special Revenue Funds. A project-length budget is adopted for all Capital Projects Funds. Annual operating budgets are prepared for each enterprise fund for planning, control, cost allocation, and evaluation purposes.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- Prior to October 1, the City Manager submits to the Mayor and Council a proposed budget for the fiscal year commencing the following October 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted at City Hall to obtain taxpayer comments.
- The budget is legally enacted through passage of an ordinance.
- Any revisions must be approved by the City Council.

Formal budgetary integration is employed as a management control device during the year. The budgets for the General Fund and Special Revenue Funds are adopted on a basis consistent with GAAP. The General Fund is subject to budgetary control on a departmental basis, while the Special Revenue funds are subject to budgetary control on an individual fund basis.

Excess of Expenditures Over Appropriations

The General Fund and Nonmajor Special Revenue Fund had expenditures in excess of appropriations as follows:

Fund	Amount
General Fund	
Governing Body	\$ 156,328
Public Defender	1,211
Fire Protection	5,390
Community Services	12,500
Planning & Zoning	6,876
Recreation	127,221
Downtown Development	81,148
Nonmajor Governmental Funds	
Hotel / Motel Fund	
General Governmental	10,700

The City did not prepare a budget for the American Rescue Plan Fund and Revolving Loan Fund for fiscal year 2022.

(3) Deposits and Investments

Custodial Credit Risk - Deposits

The custodial credit risk of deposits is the risk that in the event of the failure of a bank, the City's deposits may not be recovered. The City's bank balances of deposits as of September 30, 2022, are entirely insured or collateralized with securities held by the City's agent in the City's name. State statutes require banks holding public funds to secure these funds by FDIC insurance, securities pledged at par value, and surety bonds at face value in combined aggregate totaling not less than 110 percent of the public funds held.

At September 30, 2022, the City's certificates of deposit were as follows:

Certificates of Deposit	Maturity	Amount
Certificates of Deposit - Nonmajor Governmental Fund	12 Months	\$ 83,823
Certificates of Deposit - General Fund	60 Months	35,480
Certificates of Deposit - Water and Sewer Fund	30 Days	259,927
Certificates of Deposit - Water and Sewer Fund	60 Months	183,766
Certificates of Deposit - Water and Sewer Fund	60 Months	7,397
Certificates of Deposit - Gas Fund	60 Months	266,103

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The City does not have a formal policy for managing interest rate risk.

Credit Risk

Georgia law authorizes the City to invest in the following types of obligations: obligations of the State of Georgia or any other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; prime banker's acceptance; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. At September 30, 2022, the City's only investments were in certificates of deposit.

(4) Property Taxes

State law requires that property taxes be based on assessed value, which is 40 percent of market value. All real and personal property (including motor vehicles) is valued as of January 1 of each year and must be returned for tax purposes by March 1. With the exception of motor vehicles and the property of public utilities, which are valued by the State Revenue Department, all assessments are made by the Greene County Board of Tax Assessors.

Exemptions are permitted for certain inventories. A homestead exemption is allowed for each taxpayer that is a homeowner and resides in the household as of January 1. There are other exemptions provided by state and local laws.

Upon completion of all assessments and tax returns, the information is compiled to form the tax digest. The completed tax digest must be submitted to the State Revenue Commissioner for approval. The State Revenue Commissioner must ascertain that real property on the tax digest has been assessed at the state mandated 40 percent of fair market value. The Commissioner has the option to withhold certain state funding if the mandated 40 percent level is not reached.

For most vehicles purchased after March 1, 2013, motor vehicle taxes are due upon the transfer of title and based on the fair value of the vehicle. For vehicles not subject to title ad valorem tax, the Tax Commissioner sends annual tax notices due by the owner's birthday. Property taxes are sent out and collected by the City and are usually billed in October of each year.

(4) Property Taxes (Continued)

The property tax calendar is as follows:

	Real / Personal Property (Excluding Vehicles)
Assessment Date	January 1
Levy Date	September 1
Due Date and Collection Date	December 1

Property taxes receivable have been reduced to their estimated net realizable value. Estimated uncollectible amounts are based upon historical experience rates and result in a direct reduction of the related revenue amount at the end of the period. The 2021 tax digest receivable and amounts collected at year-end are reported as deferred inflows of resources - unavailable revenues on the governmental funds balance sheet.

(5) Hotel / Motel Excise Tax

A summary of the hotel / motel excise tax expenditures and receipts for the year ended September 30, 2022, is as follows:

<u>Expenditures by Purpose</u>	<u>Amount</u>	<u>Tax Receipts</u>	<u>Percentage</u>
Promote Tourism	\$ 86,700	\$ 216,750	40%
General Fund	130,050	-	60%
Total	<u>\$ 216,750</u>	<u>\$ 216,750</u>	<u>100%</u>

(6) Receivables

Receivables as of September 30, 2022, consist of the following:

	<u>General</u>	<u>SPLOST 2021</u>	<u>Water and Sewer</u>	<u>Gas System</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Receivables						
Taxes	\$ 116,984	\$ -	\$ -	\$ -	\$ 17,372	\$ 134,356
Accounts	89,507	-	1,833,393	1,084,930	-	3,007,830
Intergovernmental	121,766	451,966	-	-	-	573,732
Loan	-	-	-	-	446,928	446,928
Lease	46,350	-	-	-	-	46,350
Gross Receivables	<u>374,607</u>	<u>451,966</u>	<u>1,833,393</u>	<u>1,084,930</u>	<u>464,300</u>	<u>4,209,196</u>
Less Allowance for Uncollectibles	<u>(92,528)</u>	<u>-</u>	<u>(1,353,618)</u>	<u>(238,874)</u>	<u>-</u>	<u>(1,685,020)</u>
Total Net Receivables	<u>\$ 282,079</u>	<u>\$ 451,966</u>	<u>\$ 479,775</u>	<u>\$ 846,056</u>	<u>\$ 464,300</u>	<u>\$ 2,524,176</u>

(6) Receivables (Continued)

The City is a lessor of real property. The City receives monthly payments that include both principal and interest components of the lease arrangements. As the leases do not contain a specified interest rate, the City has used the incremental borrowing rate of 3.1 percent.

For fiscal year 2022, the City recognized \$11,740 in lease revenues and \$1,590 in interest revenues in the General Fund. The City reports a deferred inflow of resources associated with the lease that will be recognized on a straight-line basis over the lease terms. The deferred inflow of resources has a balance of \$46,472 as of September 30, 2022. The City’s receivable for lease payments was \$46,350 as of September 30, 2022.

Lease receivable principal and interest payments to maturity are as follows:

Governmental Activities	Principal	Interest	Total
Fiscal Year Ending September 30,			
2023	\$ 12,734	\$ 1,257	\$ 13,991
2024	13,135	856	13,991
2025	13,548	443	13,991
2026	6,933	63	6,996
Total Leases Receivable	<u>\$ 46,350</u>	<u>\$ 2,619</u>	<u>\$ 48,969</u>

(7) Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of September 30, 2022, is as follows:

Due To / From Other Funds		
Receivable Fund	Payable Fund	Amount
General Fund	Water and Sewer Fund	\$ 363,790
General Fund	SPLOST 2015 Fund	33,530
Nonmajor Governmental	General Fund	35,387
SPLOST 2015 Fund	General Fund	16,817
SPLOST 2015 Fund	SPLOST 2021	27,357
Gas Fund	General Fund	353,883
		<u>\$ 830,764</u>

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

(7) Interfund Receivables, Payables, and Transfers (Continued)

	Transfer In			
	General Fund	SPLOST 2021 Fund	Nonmajor Governmental	Total
Transfer Out				
General Fund	\$ -	\$ -	\$ 6,790	\$ 6,790
SPLOST 2015	-	25,526	-	25,526
Gas System Fund	800,000	-	-	800,000
Water and Sewer Fund	500,000	-	-	500,000
Nonmajor Governmental Funds	130,050	-	-	130,050
Total	\$ 1,430,050	\$ 25,526	\$ 6,790	\$ 1,462,366

Transfers are used to move unrestricted revenue to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

(8) Revolving Loan

During fiscal year 2015, the City received a Redevelopment Fund Program Grant from the Georgia Department of Community Affairs (DCA). DCA approved a redevelopment fund loan for the City to loan \$470,000 to Lake Country Brewing. The loan stipulates that Lake Country Brewing makes interest only payments for the first two years at an interest rate of one percent, then beginning in year three the loan shall carry an interest rate of two percent amortized over a 20-year period with monthly principal and interest payments of \$2,378 and an annual debt service of \$28,532. Due to the covid pandemic, DCA did extend the interest only period for two additional years.

Annual revolving loan collections to maturity, as of September 30, 2022, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 19,774	\$ 8,758
2024	20,173	8,359
2025	20,580	7,952
2026	20,996	7,536
2027	21,419	7,112
2028-2032	113,759	28,900
2033-2037	125,712	16,947
2038-2041	104,515	4,117
	<u>\$ 446,928</u>	<u>\$ 89,681</u>

(9) Capital Assets (Continued)

	Balance	Increase	Decrease	Transfers	Balance
Business-Type Activities					
Capital Assets Not Being Depreciated					
Land	\$ 394,874	\$ -	\$ -	\$ -	\$ 394,874
Construction in Progress	2,533,932	274,796	-	(2,536,803)	271,925
Total Capital Assets	2,928,806	274,796	-	(2,536,803)	666,799
Capital Assets Being Depreciated					
Buildings and Improvements	13,640,129	99,650	-	32,699	13,772,478
Infrastructure	5,292,963	-	-	2,504,104	7,797,067
Machinery and Equipment	1,922,395	45,063	-	-	1,967,458
Vehicles	160,893	-	-	-	160,893
Total Capital Assets Being Depreciated	21,016,380	144,713	-	2,536,803	23,697,896
Less Accumulated Depreciation					
Buildings and Improvements	(5,100,075)	(345,673)	-	-	(5,445,748)
Infrastructure	(4,874,826)	(50,050)	-	-	(4,924,876)
Machinery and Equipment	(1,634,798)	(44,180)	-	-	(1,678,978)
Vehicles	(146,627)	(2,694)	-	-	(149,321)
Total Accumulated Depreciation	(11,756,326)	(442,597)	-	-	(12,198,923)
Total Capital Assets Being Depreciated, Net	9,260,054	(297,884)	-	2,536,803	11,498,973
Business-Type Activities Capital Assets, Net	\$ 12,188,860	\$ (23,088)	\$ -	\$ -	12,165,772
					Less Related Long-Term Debt Outstanding *
					(496,277)
					Net Investment in Capital Assets
					\$ 11,669,495

* - The capital assets associated with the Series 2013 Bonds in the gas system are reported as a part of Tri-County Natural Gas System, a joint venture of the City, and therefore the Series 2013 bonds payable of \$1,269,074 is not included in the related long-term debt outstanding for the calculation of the net investment in capital assets.

* - The capital assets associated with the Farmers and Merchants Bank Loan in the gas system are reported as a part of Tri-County Natural Gas System, a joint venture of the City, and therefore the Farmers and Merchants Bank Loan payable of \$2,410,324 is not included in the related long-term debt outstanding for the calculation of the net investment in capital assets.

(9) Capital Assets (Continued)

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

Governmental Activities	
General Government	\$ 7,700
Public Safety	80,445
Public Works	127,688
Culture and Recreation	48,192
Total Depreciation Expense - Governmental Activities	\$ 264,025
Business-Type Activities	
Water and Sewer	\$ 352,989
Gas System	89,608
Total Depreciation Expense - Business-Type Activities	\$ 442,597

Component unit activities for the year ended September 30, 2022, are as follows:

Downtown Development Authority	Beginning Balance	Increase	Decrease	Ending Balance
Capital Assets Not Being Depreciated				
Land	\$ 50,000	\$ -	\$ -	\$ 50,000
Construction in Progress	-	145,063	-	145,063
Total Capital Asset Not Being Depreciated	50,000	145,063	-	195,063
Capital Assets Being Depreciated				
Buildings	650,000	-	-	650,000
Buildings and Improvements	1,500,047	-	-	1,500,047
Equipment	41,162	-	-	41,162
Total Capital Assets Being Depreciated	2,191,209	-	-	2,191,209
Less Accumulated Depreciation for				
Buildings	(200,417)	(13,000)	-	(213,417)
Buildings and Improvements	(360,013)	(30,001)	-	(390,014)
Equipment	(39,830)	(997)	-	(40,827)
Total Accumulated Depreciation	(600,260)	(43,998)	-	(644,258)
Total Capital Assets Being Depreciated, Net	1,590,949	(43,998)	-	1,546,951
Downtown Development Authority				
Capital Assets, Net	\$ 1,640,949	\$ 101,065	\$ -	\$ 1,742,014

Depreciation expense charged to functions / programs of component unit as follows:

Depreciation expense charged to functions / programs of component unit as follows:	
Downtown Development Authority	\$ 43,998
Total Depreciation Expense - Component Unit	\$ 43,998

(10) Long-Term Debt

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2022, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Compensated Absences	\$ 55,403	\$ 65,247	\$ (75,632)	\$ 45,018	\$ 45,018
Finance Purchase Payable	1,201,907	-	(78,257)	1,123,650	81,334
Net Pension Liability	1,013,114	-	(491,914)	521,200	-
Governmental Activity Long-Term Liabilities					
	<u>\$ 2,270,424</u>	<u>\$ 65,247</u>	<u>\$ (645,803)</u>	<u>\$ 1,689,868</u>	<u>\$ 126,352</u>
Business-Type Activities					
Compensated Absences	\$ 17,836	\$ -	\$ (1,018)	\$ 16,818	\$ 16,818
Notes Payable	3,106,378	-	(199,777)	2,906,601	258,388
Revenue Bonds Payable	1,335,000	-	(40,000)	1,295,000	40,000
Deferred Amounts					
Less Bond Discount	(27,162)	-	1,235	(25,927)	-
Net Pension Liability	360,351	-	(174,050)	186,301	-
Business-Type Activity Long-Term Liabilities					
	<u>\$ 4,792,403</u>	<u>\$ -</u>	<u>\$ (413,610)</u>	<u>\$ 4,378,793</u>	<u>\$ 315,206</u>

For the governmental activities, compensated absences and net pension liability are generally liquidated by the general fund. For the business-type activities, long-term liabilities are liquidated by the Water and Sewer Fund and Gas System Fund.

Finance Purchase Payable

On January 1, 2019, the City and the Georgia Municipal Association, Inc. entered into an installment agreement for \$1,410,000 with an interest rate of 3.875 percent to purchase and renovate a building for a new city hall. Principal and interest payments in the amount of \$30,926 are due March 1, June 1, September 1, and December 1 of each year through December 2033. The debt is secured by the building. As of September 30, 2022, all assets related to this agreement have been included in construction in progress, therefore, no depreciation expense or accumulated depreciation has been calculated.

Year	Principal	Interest
2023	\$ 81,334	\$ 42,369
2024	84,532	39,171
2025	87,855	35,848
2026	91,309	32,394
2027	94,899	28,804
2028-2032	533,486	85,029
2033-2034	150,235	4,394
Total	<u>\$ 1,123,650</u>	<u>\$ 268,009</u>

(10) Long-Term Debt (Continued)

Revenue Bonds

Combined Utility Revenue Refunding and Improvement Bonds, Series 2013 - The City issued bonds in the original amount of \$1,635,000 bearing interest at a rate of 4.25 percent. Interest on the Series 2013 Bonds is payable on January 1 and July 1 of each year. Principal payments are due each January 1 through 2043 with principal payments of amounts ranging from \$40,000 to \$90,000. The purpose of the Series 2013 bonds was to (i) to finance the cost of additions, extensions, and improvements to the gas portions of the System, (ii) to fund in part a reasonably required debt service reserve, and (iii) to pay the costs of issuance. These bonds are secured by a first lien pledge of the net revenues of the System (combined water, sewerage, and gas system) remaining after payment of the reasonable and necessary expenses of operating, maintaining, and repairing the System. During fiscal year 2022, the City received \$331,742 from Tri-County Natural Gas as reimbursement for principal and interest paid by the City on these bonds. This revenue is reflected as intergovernmental revenue on the statement of revenues, expenses, and changes in net position.

Annual debt service requirements to maturity for these revenue bonds are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 40,000	\$ 50,775
2024	45,000	49,416
2025	45,000	47,897
2026	45,000	46,378
2027	50,000	44,775
2028-2032	265,000	195,163
2033-2037	320,000	136,588
2038-2042	395,000	62,109
2043	90,000	1,913
Total	<u>\$ 1,295,000</u>	<u>\$ 635,014</u>

Notes Payable

Project 2004-L15-WJ - The Water & Sewer Fund is obligated under a 20-year term note to the Georgia Environmental Facilities Authority. The total amount of the loan was \$1,327,616. The payments on this loan are to be made monthly in the amount of \$8,129 at an interest rate of 4.04 percent. The payments began in March 2008 and will continue until final payment in February 2028. The purpose of the note is to finance improvements to the Water and Sewer System.

Annual debt service requirements to maturity for this note payable as of September 30 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 78,953	\$ 18,598
2024	82,203	15,349
2025	85,586	11,966
2026	89,108	8,443
2027	92,776	4,776
2028	67,651	1,085
Total	<u>\$ 496,277</u>	<u>\$ 60,217</u>

(10) Long-Term Debt (Continued)

Notes Payable (Continued)

The Gas System Fund is obligated under a 10-year term note to the Farmers and Merchants Bank. The total amount of the loan was \$2,700,000. The payments on this loan are to be made monthly in the amount of \$18,786 at an interest rate of 3.094 percent, with a final payment of \$1,061,797 due on June 8, 2030. The purpose of the note is to finance a Tri-County Natural Gas System joint project with the City of Union Point, Georgia.

Annual debt service requirements to maturity for this note payable as of September 30 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 179,435	\$ 71,234
2024	159,036	66,395
2025	164,027	61,404
2026	169,175	56,256
2027	174,484	50,947
2028-2030	1,564,167	111,348
Total	<u>\$ 2,410,324</u>	<u>\$ 417,584</u>

(11) Employee Retirement Plans

Georgia Municipal Employees Benefit System Plan

Plan Description

The City contributes to the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer public employee retirement system administered by the Georgia Municipal Association. The City of Greensboro Retirement Plan is a defined benefit plan that provides retirement and disability benefits and death benefits to plan members and beneficiaries. The Public Retirement Systems Standard Law (Georgia Code Section 47-20-10) assigned the authority to establish and amend the plan to the City of Greensboro. The GMEBS issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Georgia Municipal Employees Benefit System, 201 Pryor Street S.W., Atlanta, Georgia 30303.

Benefits Provided

The GMEBS Plan provides retirement, disability, and death benefits to plan members and beneficiaries. Effective January 1, 2016, the Plan was amended to provide for immediate participation for employees. This change has no impact on service credited under the Plan and has no impact on benefits.

Plan Membership

As of January 1, 2022, the date of the most recent actuarial valuation date, pension plan membership consisted of the following:

Retirees and Beneficiaries Currently Receiving Benefits	31
Terminated Employees Entitled to Benefits but Not Yet Receiving Them	32
Current Active Employees	39
Nonvested Benefits	9
Total Membership in the Plan	<u>111</u>

(11) Employee Retirement Plans (Continued)

Georgia Municipal Employees Benefit System Plan (Continued)

Contributions

The plan members are not required to contribute to the plan. The City is required to contribute at an actuarially determined rate; the current rate is 10.53 percent of annual covered payroll. The contribution requirements of the City are established and may be amended by the GMEBS Board of Trustees.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2022, the City reported a net pension liability. The net pension liability was measured as of September 30, 2021. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of January 1, 2022. An expected total pension liability as of September 30, 2022, was determined using standard roll-forward techniques.

For the year ended September 30, 2022, the City recognized pension expense relative to GMEBS in the amount of \$247,726. At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to the Pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 137,929	\$ -
Changes of Assumptions	88,150	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	549,293
Employer Contributions Subsequent to the Measurement Date	250,311	-
	<u>\$ 476,390</u>	<u>\$ 549,293</u>

City contributions subsequent to the measurement date of September 30, 2021, are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense for the years ended September 30 are as follows:

Year	Amount
2023	\$ 46,889
2024	(85,522)
2025	(147,378)
2026	(137,203)
2027	-

(11) Employee Retirement Plans (Continued)

Georgia Municipal Employees Benefit System Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions

The total pension liability as of September 30, 2022, was determined by an actuarial valuation as of January 1, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Salary Increase	2.25%, plus service-based merit increases
Investment Rate of Return	7.375%, On-going basis, based on long-term expected rate of return of pension plan investments

Mortality rates were based on the Sex-distinct Pre-2012 head-count weighted Healthy Retiree mortality Table with rates multiplied by 1.25.

The mortality and economic actuarial assumptions used in the January 1, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2019.

Net Pension Liability

The net pension liability changes for the fiscal year ended September 30, 2022, were as follows:

<u>Changes in the Net Pension Liability</u>	<u>Total Pension Liability</u>	<u>Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balances at September 30, 2021	<u>\$ 5,445,113</u>	<u>\$ 4,071,648</u>	<u>\$ 1,373,465</u>
Changes for the Year			
Service Cost	95,930	-	95,930
Interest	401,028	-	401,028
Differences Between Expected and Actual Experience	28,050	-	28,050
Contributions - Employer	-	219,424	(219,424)
Net Investment Income	-	986,225	(986,225)
Benefit Payments	(206,737)	(206,737)	-
Administrative Expense	-	(14,677)	14,677
Other	-	-	-
Net Changes	<u>318,271</u>	<u>984,235</u>	<u>(665,964)</u>
Balance at September 30, 2022	<u><u>\$ 5,763,384</u></u>	<u><u>\$ 5,055,883</u></u>	<u><u>\$ 707,501</u></u>

The City's pension liability is recorded in the government-wide statement of net position for governmental activities and business-type activities in the amounts of \$521,200 and \$186,301, respectively.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2022, is summarized in the following table:

(11) Employee Retirement Plans (Continued)

Georgia Municipal Employees Benefit System Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Net Pension Liability (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	45%	6.55%
International Equity	20%	7.30%
Real Estate	10%	3.65%
Global Fixed Income	5%	0.50%
Domestic Fixed Income	20%	0.40%
Cash	0%	
Total	<u>100%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.375 percent. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at the actuarially determined contribution rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the City’s net pension liability calculated using the discount rate of 7.375 percent, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.375 percent) or 1-percentage-point higher (8.375 percent) than the current rate:

	<u>1% Decrease (6.375%)</u>	<u>Current Discount Rate (7.375%)</u>	<u>1% Increase (8.375%)</u>
Sensitivity of the Net Pension Liability to Changes in the Discount Rate	<u>\$ 1,414,729</u>	<u>\$ 707,501</u>	<u>\$ 114,763</u>

Pension Plan Fiduciary Net Position - Detailed information about the pension plan’s fiduciary net position is available in the separately issued GMEBS financial report which is publicly available at www.gmanet.com.

(12) Special Funding Defined Benefit Pension Plan

Peace Officers’ Annuity and Benefit Fund of Georgia

The City’s Deputies are covered by the State of Georgia Peace Officers’ Annuity and Benefit Fund. The City makes no contribution to this plan. Contributions are collected by the City as the agent for this fund through its court systems. This plan is administered through the Peace Officers’ Annuity and Benefit Fund of Georgia located at 1210 Greenbelt Parkway in Griffin, Georgia where separate financial statements may be obtained. This plan is considered immaterial to the City’s financial statements.

(12) Special Funding Defined Benefit Pension Plan (Continued)

Georgia Firefighters' Pension Fund

The City's volunteer firemen are eligible to participate in the Georgia Firefighters' Pension Fund, a voluntary pension system. The City makes no contributions to this plan. Contributions are made through monthly dues by eligible firefighters electing to participate in the plan and non-employer contributions which consist of insurance premium taxes collected and remitted by insurers directly to the pension fund in accordance with the law. The plan is administered by the Georgia Firefighters' Pension Fund located at 2171 Eastview Parkway NE in Conyers, Georgia where separate financial statements may be obtained. This plan is considered immaterial to the City's financial statements.

(13) Risk Management

The City is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for these various risks with a deductible as follows: contractor's equipment protection - \$500, public official liabilities - \$5,000, police professional liability - \$5,000, and all other risks have a deductible of \$1,000.

The City participates in the Georgia Municipal Association Worker's Compensation Self Insurance Fund. The City has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency (GIRMA) for Workers' Compensation Self Insurance Fund (WCSIF), a public entity risk pool currently operating as a common risk management and insurance program for member local governments. The Georgia Municipal Association operates the risk pool.

As a part of this risk pool, the City is obligated to pay all contributions and assessments as prescribed by the pool, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the fund, and to report as promptly as possible, and in accordance with any coverage descriptions issues, all incidents which could result in the funds being required to pay any claim of loss. The City is also to allow the pools' agents and attorneys to represent the City in any investigation, settlement discussions, and all levels of litigation arising out of any claim made against the city within the scope of protection furnished by the fund.

The fund is to defend and protect the members of the funds against liability or loss as prescribed in the member governments' contracts and in accordance with the workers' compensation laws of Georgia. The fund is to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation, or defense.

Settled claims in the past three years have not exceeded coverage.

(14) Contingent Liabilities

Litigation

During the course of normal operations of the City, various claims and lawsuits arise. The City's management has advised that there are no potential liabilities that will impair the position as of the date of this audit report.

Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

(15) Joint Ventures

A joint venture has the following characteristics:

- It is a legal entity that results from a contractual arrangement.
- It is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control.
- Participants retain an ongoing financial interest or an ongoing financial responsibility.

Northeast Georgia Regional Commission

Under Georgia law, the City, in conjunction with other cities and counties in the 12-county Northeast Georgia area is a member of the Northeast Georgia Regional Commission (the RC) and is required to pay annual dues thereto. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Council membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from the RC's administrative office at 305 Research Drive, Athens, Georgia 30610.

(16) Related Entity

Housing Authority of the City of Greensboro, Georgia

On September 10, 1957, the City of Greensboro, Georgia entered into a cooperative agreement with the Housing Authority of the City of Union Point, Georgia (the Housing Authority). Under the terms of this agreement, the Housing Authority agrees to endeavor to secure a contract with the Public Housing Authority (the PHA) for loans and annual contributions and agrees to endeavor to develop and administer one or more projects. The obligations of the parties apply only to projects aggregating not more than 200 units of low-rent housing located within the corporate limits of the City of Greensboro. Under the constitution and statutes of the State of Georgia, all projects are exempt from all real and personal property taxes levied or imposed by any taxing body.

The City agrees that it will not levy or impose real or personal taxes or special assessments upon such projects or upon the Housing Authority with respect thereto as long as:

- The projects are owned by a public body or government agency,
- A contract exists between the Housing Authority and the PHA,
- Bonds issued in connection with such projects are outstanding.

During such period, the Housing Authority shall make *Payments in Lieu of Taxes* and special assessments and in payment for the public services and facilities from time to time without other cost or charge or with respect to such project. The payment in lieu of taxes shall be lower of either 10 percent of the aggregate Shelter Rent collected but in no event to exceed the Shelter Rent charged by the local Housing Authority in respect to such project during the fiscal year or the amount permitted to be paid by applicable state law.

For the fiscal year ended September 30, 2022, the Housing Authority made payments of \$10,848 *in lieu of taxes*.

(17) Investments - Joint Venture

The City is a member of a joint venture, Tri-County Natural Gas System, with the City of Union Point, Georgia. The purpose of Tri-County Natural Gas is to acquire, construct, and operate a gas transmission line that passes through the City of Crawford, the City of Lexington, and the City of Maxeys, all located in Oglethorpe County; the City of Crawfordville, located in Taliaferro County; and the City of Woodville located in Greene County. These cities are referred to as Franchise Cities. The Franchise Cities obtain natural gas for their residents from the Tri-County Natural Gas System.

The City of Greensboro, Georgia’s investment in Tri-County Natural Gas System is as follows:

Investment, October 1, 2021	\$ 4,624,929
Greensboro’s Share of Net Loss	<u>(333,251)</u>
Investment, September 30, 2022	<u>\$ 4,291,678</u>

(18) Concentration of Risk - Major Customer

The City receives a substantial amount of its support from gas sales to Novelis. A significant reduction in the sales, if this were to occur, may have an effect on the City’s programs and activities. Gas sales for fiscal year 2022 were as follows:

	<u>Gas Revenue</u>	<u>Gas Receivables, Net</u>
Total Gas System	\$ 7,096,864	\$ 846,056
Novelis	5,749,695	661,651
Percent of Total	81%	78%

(19) Tax Abatements

The City’s Mary Leila Mill District Enterprise Zone (EZ) was established in 2013 by action of the City Council. The EZ exists to encourage investment and improvements to properties within an area determined to consist of pervasive poverty, unemployment, general distress, underdevelopment, and persistent blight.

Under the EZ ordinance, council may choose to grant incentives such as waiving fees or ad valorem taxes for projects that meet the criteria of the EZ. These incentives are negotiated on a case-by-case basis by the council.

On August 7, 2017, the City entered into a property tax abatement agreement with the Oconee Brewing Company. Under the agreement, property tax for years 2016-2020 is based on the 2015 assessment value of \$7,450.

(20) Restatement of Equity Balances

During fiscal year 2022, the City determined that a restatement to the September 30, 2021, governmental activities net position and governmental funds fund balance was required in the following funds due to an error in the recording of grant activity during fiscal year 2021. The impact of these restatements are as follows:

	<u>Governmental Activities</u>	<u>Governmental Funds</u>
Net Position / Fund Balance September 30, 2021, as Previously Reported	\$ 9,112,641	\$ 4,473,037
General Fund	40,803	40,803
SPLOST 2021 Fund	8,442	8,442
SPLOST 2015 Fund	<u>60,337</u>	<u>60,337</u>
Net Position / Fund Balance September 30, 2021, Restated	<u>\$ 9,222,223</u>	<u>\$ 4,582,619</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GREENSBORO, GEORGIA
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability								
Service Cost	\$ 95,930	\$ 79,253	\$ 63,434	\$ 89,180	\$ 94,709	\$ 88,267	\$ 77,141	\$ 63,945
Interest on Total Pension Liability	401,028	373,944	322,634	303,938	285,972	264,519	244,994	217,268
Difference Between Expected and Actual Experience	28,050	111,389	244,784	44,258	(14,190)	50,096	55,478	230,237
Benefit Payments, Including Refunds of Employee Contributions	(206,737)	(221,286)	(239,993)	(169,919)	(127,414)	(124,716)	(126,650)	(132,130)
Other	-	-	352,599	42,607	55,543	-	-	(24,306)
Net Change in Total Pension Liability	318,271	343,300	743,458	310,064	294,620	278,166	250,963	355,014
Total Pension Liability - Beginning of Year	5,445,113	5,101,813	4,358,355	4,048,291	3,753,671	3,475,505	3,224,542	2,869,528
Total Pension Liability - End of Year	\$ 5,763,384	\$ 5,445,113	\$ 5,101,813	\$ 4,358,355	\$ 4,048,291	\$ 3,753,671	\$ 3,475,505	\$ 3,224,542
Plan Fiduciary Net Position								
Contributions - Employee	\$ 219,424	\$ 156,135	\$ 152,473	\$ 168,719	\$ 137,400	\$ 108,544	\$ 108,028	\$ 98,204
Net Investment Income	986,225	362,450	109,672	343,151	453,434	303,730	31,486	282,451
Benefit Payments, Including Refunds of Member Contributions	(206,737)	(221,286)	(239,993)	(169,919)	(127,414)	(124,716)	(126,650)	(132,130)
Administrative Expense:	(14,677)	(14,451)	(14,150)	(16,233)	(16,266)	(8,796)	(10,471)	(8,565)
Net Change in Plan Fiduciary Net Position	984,235	282,848	8,002	325,718	447,154	278,762	2,393	239,960
Plan Fiduciary Net Position - Beginning of Year	4,071,648	3,788,800	3,780,797	3,455,079	3,007,925	2,729,163	2,726,770	2,486,810
Plan Fiduciary Net Position - End of Year	\$ 5,055,883	\$ 4,071,648	\$ 3,788,799	\$ 3,780,797	\$ 3,455,079	\$ 3,007,925	\$ 2,729,163	\$ 2,726,770
City's Net Pension Liability - Ending	\$ 707,501	\$ 1,373,465	\$ 1,313,014	\$ 577,558	\$ 593,212	\$ 745,746	\$ 746,342	\$ 497,772
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.72%	74.78%	74.26%	86.75%	85.35%	80.13%	78.53%	84.56%
Covered-Employee Payroll	\$ 1,951,623	\$ 2,082,854	\$ 1,768,469	\$ 1,524,711	\$ 1,958,710	\$ 2,020,222	\$ 1,939,393	\$ 1,633,323
Net Pension Liability as a Percentage of Covered-Employee Payroll	36.25%	65.94%	74.25%	37.88%	30.29%	36.91%	38.48%	30.48%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

See accompanying notes which are an integral part of this schedule.

**CITY OF GREENSBORO, GEORGIA
SCHEDULE OF CITY CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	2022*	2021	2020	2019	2018	2017	2016	2015
Schedule of City Contributions								
Actuarially Determined Contributions	\$ -	\$ 225,262	\$ 155,208	\$ 166,334	\$ 155,925	\$ 139,126	\$ 118,412	\$ 99,794
Contributions in Relation to the Actuarially Determined Contribution	-	219,424	155,208	166,334	168,719	137,400	108,544	99,794
Contribution Deficiency (Excess)	\$ -	\$ 5,838	\$ -	\$ -	\$ (12,794)	\$ 1,726	\$ 9,868	\$ -
City's Covered-Employee Payroll	\$ -	\$ 2,082,854	\$ 1,556,750	\$ 1,999,207	\$ 1,958,710	\$ 2,020,222	\$ 1,939,393	\$ 1,633,323
Contributions as a Percentage of Covered-Employee Payroll	N/A	10.53%	9.97%	8.32%	8.61%	6.80%	5.60%	6.11%

* 2022 information will be determined after fiscal year end and will be included in the 2023 valuation report.

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available

See accompanying notes which are in integral part of this schedule.

CITY OF GREENSBORO, GEORGIA

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

Changes of Assumptions

- There were no changes in plan provisions in this valuation.
- There were no changes in methods or assumptions in this valuation.

Benefit Changes

There were no changes in benefit provisions in the last two fiscal years.

Valuation Date	The actuarially determined contribution rate was determined as of January 1, 2022, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending September 30, 2023.
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Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method	Entry Age Normal
Amortization Method	Closed level dollar for the remaining unfunded liability.
Remaining Amortization Period	Remaining amortization period varies for the bases, with a net effective amortization period of 15 years.
Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.

Actuarial Assumptions

Net Investment Rate of Return	7.375%
Projected Salary Increases	2.25% plus service based merit increases
Cost of Living Adjustments	0.00%
Retirement Age for Inactive Vested Participants	65 years
Mortality	Sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25 Sex-distinct Pri-2012 head-count weighted Disable Retiree Mortality Table with rates multiplied by 1.25 1994 Group Annuity Reserving Unisex Table for Plan termination basis (all lives)

**CITY OF GREENSBORO, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS**

Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Confiscated Asset Fund - to account for the cash received either from a cash confiscation or cash received from a sale of capital assets acquired from a drug raid.

Revolving Loan Fund - to account for and report the issuance and repayment of loans.

Hotel / Motel Tax Fund - to account for funds collected from the hotel / motel tax and disbursed to other agencies.

Capital Project Funds

Capital project funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

CHIP Fund - to account for the Georgia Department of Community Affairs Fiscal Year 2014 Community HOME Investment Program grant monies received to be used for approved renovation projects.

2009 SPLOST Fund - to account for the SPLOST monies received from Greene County to be used to finance SPLOST approved projects.

Permanent Funds

Permanent funds are used to account for and report financial resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs.

Cemetery Trust Fund - to account for the monies received and maintenance of the City cemetery.

**CITY OF GREENSBORO, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022**

	<u>Special Revenue Funds</u>			<u>Capital Project Funds</u>		<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Confiscated Assets</u>	<u>Revolving Loan Fund</u>	<u>Hotel Motel Tax</u>	<u>CHIP Fund</u>	<u>2009 SPLOST</u>	<u>Cemetery Trust</u>	
Assets							
Cash and Cash Equivalents	\$ 23,129	\$ 64,258	\$ -	\$ -	\$ -	\$ 1,936	\$ 89,323
Certificates of Deposit	-	-	-	-	-	83,823	83,823
Accounts Receivable	-	-	17,372	-	-	-	17,372
Loan Receivable	-	446,928	-	-	-	-	446,928
Due from Other Funds	-	-	35,387	-	-	-	35,387
Total Assets	<u>\$ 23,129</u>	<u>\$ 511,186</u>	<u>\$ 52,759</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 85,759</u>	<u>\$ 672,833</u>
Liabilities and Fund Balances							
Liabilities							
Accounts Payable	\$ -	\$ -	\$ 52,759	\$ -	\$ -	\$ -	\$ 52,759
Total Liabilities	<u>-</u>	<u>-</u>	<u>52,759</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,759</u>
Fund Balances							
Nonspendable	-	427,154	-	-	-	-	427,154
Restricted	23,129	84,032	-	-	-	85,759	192,920
Total Fund Balances	<u>23,129</u>	<u>511,186</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,759</u>	<u>620,074</u>
Total Liabilities and Fund Balances	<u>\$ 23,129</u>	<u>\$ 511,186</u>	<u>\$ 52,759</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 85,759</u>	<u>\$ 672,833</u>

**CITY OF GREENSBORO, GEORGIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Special Revenue Funds			Capital Project Funds		Permanent Fund	Total Nonmajor Governmental Funds
	Confiscated Assets	Revolving Loan Fund	Hotel Motel Tax	CHIP Fund	2009 SPLOST	Cemetery Trust	
Revenues							
Taxes	\$ -	\$ -	\$ 216,750	\$ -	\$ -	\$ -	\$ 216,750
Fines and Forfeitures	12,474	-	-	-	-	-	12,474
Interest Earnings	20	9,279	-	-	-	322	9,621
Other Revenues	-	-	-	-	-	10,785	10,785
Total Revenues	<u>12,494</u>	<u>9,279</u>	<u>216,750</u>	<u>-</u>	<u>-</u>	<u>11,107</u>	<u>249,630</u>
Expenditures							
Current							
General Government	-	-	86,700	-	3,306	-	90,006
Public Safety	149	-	-	-	-	-	149
Public Works	-	-	-	-	225	-	225
Culture and Recreation	-	-	-	-	-	12,278	12,278
Housing and Development	-	-	-	6,790	-	-	6,790
Total Expenditures	<u>149</u>	<u>-</u>	<u>86,700</u>	<u>6,790</u>	<u>3,531</u>	<u>12,278</u>	<u>109,448</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>12,345</u>	<u>9,279</u>	<u>130,050</u>	<u>(6,790)</u>	<u>(3,531)</u>	<u>(1,171)</u>	<u>140,182</u>
Other Financing Sources (Uses)							
Transfers From Other Funds	-	-	-	6,790	-	-	6,790
Transfers To Other Funds	-	-	(130,050)	-	-	-	(130,050)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(130,050)</u>	<u>6,790</u>	<u>-</u>	<u>-</u>	<u>(123,260)</u>
Net Change in Fund Balances	<u>12,345</u>	<u>9,279</u>	<u>-</u>	<u>-</u>	<u>(3,531)</u>	<u>(1,171)</u>	<u>16,922</u>
Fund Balances - Beginning of Year	<u>10,784</u>	<u>501,907</u>	<u>-</u>	<u>-</u>	<u>3,531</u>	<u>86,930</u>	<u>603,152</u>
Fund Balances - End of Year	<u>\$ 23,129</u>	<u>\$ 511,186</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 85,759</u>	<u>\$ 620,074</u>

CITY OF GREENSBORO, GEORGIA
CONFISCATED ASSETS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Final Budget	Actual	Variance with Budget
Revenues			
Forfeitures	\$ 5,000	\$ 12,474	\$ 7,474
Interest Earnings	-	20	20
Total Revenues	5,000	12,494	7,494
Expenditures			
Current			
Public Safety	5,000	149	4,851
Total Expenditures	5,000	149	4,851
Net Change in Fund Balance	-	12,345	12,345
Fund Balance - Beginning of Year	10,784	10,784	-
Fund Balance - End of Year	\$ 10,784	\$ 23,129	\$ 12,345

CITY OF GREENSBORO, GEORGIA
REVOLVING LOAN FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Final Budget	Actual	Variance with Budget
Revenues			
Interest	\$ -	\$ 9,279	\$ 9,279
Total Revenues	-	9,279	9,279
Expenditures			
Current			
General Government	-	-	-
Total Expenditures	-	-	-
Net Change in Fund Balances	-	9,279	9,279
Fund Balances - Beginning of Year	501,907	501,907	-
Fund Balances - End of Year	\$ 501,907	\$ 511,186	\$ 9,279

CITY OF GREENSBORO, GEORGIA
HOTEL / MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Final Budget	Actual	Variance with Budget
Revenues			
Taxes	\$ 150,000	\$ 216,750	\$ 66,750
Total Revenues	<u>150,000</u>	<u>216,750</u>	<u>66,750</u>
Expenditures			
Current			
General Government	76,000	86,700	(10,700)
Total Expenditures	<u>76,000</u>	<u>86,700</u>	<u>(10,700)</u>
Excess of Revenues Over (Under) Expenditures	<u>74,000</u>	<u>130,050</u>	<u>56,050</u>
Other Financing Sources (Uses)			
Transfer to General Fund	(74,000)	(130,050)	(56,050)
Total Other Financing Sources (Uses)	<u>(74,000)</u>	<u>(130,050)</u>	<u>(56,050)</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning of Year	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF GREENSBORO, GEORGIA
COMMUNITY HOME INVESTMENT PROGRAM
#2014-914
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Prior Years	Current Year	Total to Date	Project Authorization
Revenues				
Department of Community Affairs	\$ 578,626	\$ -	\$ 578,626	\$ 302,557
Total Revenues	578,626	-	578,626	302,557
Expenditures				
Homeowner Rehabilitation Assistance	553,918	6,790	560,708	296,625
General Administration	28,108	-	28,108	5,932
Total Expenditures	582,026	6,790	588,816	302,557
Excess of Revenues Over (Under) Expenditures	(3,400)	(6,790)	(10,190)	-
Other Financing Sources (Uses)				
Transfer from General Fund	3,400	6,790	10,190	-
Total Other Financing Sources (Uses)	3,400	6,790	10,190	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance - End of Year	\$ -	\$ -	\$ -	\$ -

**CITY OF GREENSBORO, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Year(s)	Current Year	Total
<u>2009 Referendum</u>					
Roads, Streets, Bridges, and Sidewalks	\$ 4,311,791	\$ 2,105,500	\$ 2,041,019	\$ 225	\$ 2,041,244
Public Safety Facilities and Equipment	900,000	926,000	926,113	-	926,113
Water, Sewer, and Stormwater Facilities and Equipment	1,000,000	1,100,000	1,232,677	-	1,232,677
Administrative Facilities and Equipmen	250,000	162,500	10,579	3,306	13,885
Cultural Facilities and Equipment	500,000	620,000	587,166	-	587,166
Total 2009 Referendum	\$ 6,961,791	\$ 4,914,000	\$ 4,797,554	\$ 3,531	\$ 4,801,085

*The City's 2009 SPLOST Fund closed in fiscal year 2022.

	Original Estimated Cost	Expenditures		
		Prior Year(s)	Current Year	Total
<u>2015 Referendum</u>				
Roads, Streets, Bridges, and Sidewalks	\$ 3,550,000	\$ 2,013,542	\$ -	\$ 2,013,542
Public Safety Facilities and Equipment	100,000	852,269	-	852,269
Water, Sewer, and Stormwater Facilities and Equipment	100,000	2,309,186	-	2,309,186
Administrative Facilities and Equipment	425,000	700,596	-	700,596
Blight Abatement	425,000	54,379	-	54,379
Culture Facilities and Equipment	20,000	88,662	-	88,662
Total 2015 Referendum	\$ 4,620,000	\$ 6,018,634	\$ -	\$ 6,018,634

Reconciliation of SPLOST schedule to financial statements:

2015 Referendum Above	\$ -
Additions	
Transfer to SPLOST 2021	25,526
Total Expenditures per Financial Statements	\$ 25,526

CITY OF GREENSBORO, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022
(Continued)

	Original Estimated Cost	Expenditures		Total
		Prior Year(s)	Current Year	
<u>2021 Referendum</u>				
Roads, Streets, Bridges, and Sidewalks	\$ 3,550,000	\$ 116,930	\$ 470,143	\$ 587,073
Public Safety Facilities and Equipment	100,000	42,680	73,284	115,964
Water, Sewer, and Stormwater Facilities and Equipment	790,700	159,199	880,633	1,039,832
Acquiring a new city hall through payments on an installment sale agreement and renovating and equipping city hall	875,000	25,526	23,515	49,041
Total 2021 Referendum	<u>\$ 5,315,700</u>	<u>\$ 344,335</u>	<u>\$ 1,447,575</u>	<u>\$1,791,910</u>

Reconciliation of SPLOST schedule to financial statements:

2021 Referendum Above	\$ 1,447,575
Additions	
Current Year Interest Payments	48,537
Current Year Principal Payments	<u>78,257</u>
Total Expenditures per Financial Statements	<u>\$ 1,574,369</u>

**CITY OF GREENSBORO, GEORGIA
BALANCE SHEET
COMPONENT UNIT - BETTER HOMETOWN
SEPTEMBER 30, 2022**

Assets

Cash and Cash Equivalents \$ 11,021

Total Assets \$ 11,021

Liabilities

Accounts Payable \$ 6,349

Total Liabilities 6,349

Fund Balance

Unassigned 4,672

Total Fund Balance 4,672

Total Liabilities and Fund Balance \$ 11,021

CITY OF GREENSBORO, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
COMPONENT UNIT - BETTER HOMETOWN
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

Revenues	
Contributions	\$ 13,250
Intergovernmental	106,034
Interest Earnings	<u>6</u>
Total Revenues	<u>119,290</u>
Expenditures	
Current	
Professional Services	40,676
Rental	6,401
Advertising	6,919
Supplies	36,239
Travel	3,768
Other	<u>8,831</u>
Total Expenditures	<u>102,834</u>
Net Change in Fund Balance	16,456
Fund Balance - Beginning of Year (Deficit)	<u>(11,784)</u>
Fund Balance - End of Year	<u><u>\$ 4,672</u></u>

**CITY OF GREENSBORO, GEORGIA
BALANCE SHEET
COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY
SEPTEMBER 30, 2022**

Assets	
Cash and Cash Equivalents	<u>\$ 11,256</u>
Total Assets	<u><u>\$ 11,256</u></u>
Liabilities	
Accounts Payable	<u>\$ -</u>
Total Liabilities	<u>-</u>
Fund Balance	
Unassigned	<u>11,256</u>
Total Fund Balance	<u>11,256</u>
Total Liabilities and Fund Balance	<u><u>\$ 11,256</u></u>
 Total Fund Balance - Governmental Funds	 <u>\$ 11,256</u>
 Amounts reported for governmental activities in the statement of net position are different because:	
Capital Assets	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Cost of the Assets	<u>1,742,014</u>
Net Position of Governmental Activities	<u><u>\$ 1,753,270</u></u>

CITY OF GREENSBORO, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

Revenues	
Intergovernmental	\$ 5,769
Contributions	147,563
Interest Earnings	<u>4</u>
Total Revenues	<u>153,336</u>
Expenditures	
Current	
Professional Services	750
Other	3,794
Capital Outlay	<u>145,063</u>
Total Expenditures	<u>149,607</u>
Net Change in Fund Balance	3,729
Fund Balance - Beginning of Year	<u>7,527</u>
Fund Balance - End of Year	<u><u>\$ 11,256</u></u>
Net Change in Fund Balances - Total Governmental Funds	\$ 3,729
Amounts reported for governmental activities in the statement of activities are different because:	
Capital Assets	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.	
Capital Outlays	145,063
Current Year Depreciation Expense	<u>(43,998)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 104,794</u></u>

March 27, 2024

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Mayor and Council
The City of Greensboro, Georgia

We have audited, 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Greensboro, Georgia (the “City”)** as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated March 27, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’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 City’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2022-001, 2022-002, 2022-003, 2022-004, and 2022-005 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed 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 2022-006, and 2022-007.

City of Greensboro, Georgia's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The City's responses were not subjected to the other 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 results of that testing, and not to provide an opinion on the effectiveness of the City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McNair, McLemore, Middlebrooks & Co., LLC

McNAIR, McLEMORE, MIDDLEBROOKS & CO., LLC

**CITY OF GREENSBORO, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022**

(1) Financial Statement Findings

Findings noted on the Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Governmental Auditing Standards*:

2022-001 *Timely Financial Reporting*

CRITERIA

Timely and accurate financial reports are essential in order to perform analysis of the financial condition of the City, review data for accuracy and completeness, monitor compliance with budget appropriations, and to prepare annual financial statements. Georgia code establishes requirements of audits for local governments. Each annual audit report of a local unit of government shall be completed and a copy of the report forwarded to the state auditor within 180 days after the close of the unit’s fiscal year.

CONDITION

The City’s internal control structure over accounting and financial reporting requires the utilization of a governmental consultant to provide significant supervision of the City’s accounting staff. Some of the monthly accounting and reconciliation procedures are not being performed on a timely basis during the fiscal year. Material adjustments are required to be made by the City’s consultant several months after year end to correct financial activity.

CONTEXT

Material adjustments were made by the City’s consultant after fiscal year end 2022.

EFFECT

During the fiscal year, certain financial activity contained material errors that required adjustments to record revenues and expenditures in the proper fiscal period. The City was not prepared and ready for the annual audit in a timely manner to meet the State of Georgia’s audit submission due date of March 31, 2023.

CAUSE

Financial personnel may have lacked the appropriate training on the accounting software and governmental accounting.

RECOMMENDATION

We recommend that the City enhance internal control procedures with the overall accounting system and financial reporting to ensure that accounting activity is recorded properly during the fiscal year. The City should establish new internal due dates that require the accounting records to be ready for the annual audit within 75 days after the fiscal year end of September 30.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The City concurs with the finding. The City has experienced turnover in key positions related to the financial records. The City hired a Finance Officer in August 2023 who is working to improve the timeliness of monthly reconciliation procedures.

(1) Financial Statement Findings (Continued)

2022-002 Segregation of Duties

CRITERIA

An effective system of internal controls includes the shared responsibilities of key processes that disperses the critical functions of that process to more than one person or department.

CONDITION

During the course of our audit, key processes were identified that lacked adequate segregation of duties.

CONTEXT

The processes of cash collections / postings and adjustments to accounts receivable were vested in the utility billing clerk. We also noted multiple instances where Utility Billing adjustments were not properly reviewed and approved.

EFFECT

A lack of segregation of duties and checks and balances increases the likelihood that misstatements to the financial records, due to either error or fraud, could occur and go undetected.

CAUSE

The limited number of employees and the resulting overlapping of duties make segregating duties difficult.

RECOMMENDATION

We recommend that the City review its processes and determine where it can cost-effectively separate incompatible functions or provide management oversight to mitigate risk. We also recommend the City implement and follow a policy for the recording and approval by appropriate levels of utility billing adjustments.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The City concurs with the finding. The City is in the process of updating the utility billing adjustment procedures to ensure there is more oversight and approval.

2022-003 Intergovernmental Revenues and Receivables

CRITERIA

Under modified accrual basis of accounting, amounts are recognized as revenue when earned, only as long as they are collectible within the period or soon enough afterwards to be used to pay liabilities of the current period.

CONDITION

The City did not record current year intergovernmental receivables and corresponding revenues.

CONTEXT

The following material adjustments were required to properly record intergovernmental revenues and receivables in the SPLOST 2021 Fund:

- Intergovernmental Revenues \$225,809
- Intergovernmental Receivables \$225,809

EFFECT

The City's accounting records contained material errors which were identified and adjusted during the annual audit process.

(1) Financial Statement Findings (Continued)

2022-003 Intergovernmental Revenues and Receivables (Continued)

CAUSE

The City did not have controls in place to ensure proper recording of intergovernmental revenues and receivables.

RECOMMENDATION

We recommend that the City develop procedures to ensure that intergovernmental revenues are recognized in the correct fiscal year and that receivables are properly stated at year-end.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The City concurs with the finding. The City hired a Finance Officer in August 2023 and will develop procedures to ensure that intergovernmental revenues and receivables are properly recorded.

2022-004 Prior Period Adjustment – Grant Activity

CRITERIA

Under modified accrual basis of accounting, amounts are recognized as revenue when earned in the proper fund, only as long as they are collectible within the period or soon enough afterwards to be used to pay liabilities of the current period in the proper fund.

CONDITION

The City's fiscal year 2021 financial statements did not properly reflect grant activity in the General Fund, SPLOST 2015 Fund, and SPLOST 2021 Fund for fiscal year 2021.

CONTEXT

A prior period adjustment was required to properly state the City's fund balances in the General Fund, SPLOST 2015 Fund, and SPLOST 2021 Fund and to properly state the City's net position for governmental activities.

EFFECT

Adjustments to net position for governmental activities totaled \$109,582 and adjustments to fund balance were required in the following funds:

- General Fund \$40,803
- SPLOST 2015 \$60,337
- SPLOST 2021 \$8,442

CAUSE

The City's internal controls did not identify the errors of grant activity for each fund.

RECOMMENDATION

The City should enhance internal controls to ensure all City grant activity are properly stated in each fund.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The City concurs with the finding. The City hired a Finance Officer in August 2023 to ensure grant activity is properly recorded.

(1) Financial Statement Findings (Continued)

2022-005 Credit Cards

CRITERIA

An effective system of internal controls includes the review and approval of all credit card transactions charged to the City credit cards.

CONDITION

During fiscal year 2022, multiple credit card charges did not undergo review and approval procedures and lacked proper documentation for validity.

CONTEXT

Auditors tested seventy-seven (77) credit card transactions during the months of July and August of 2022. Of the seventy-seven (77) tested, twenty-seven (27) transactions lacked proper documentation, review, and approval.

EFFECT

A Lack of proper internal controls over credit card purchases increases the risk of misappropriation of City funds.

CAUSE

The City did not adhere to its policy for reviewing and approving credit card transactions.

RECOMMENDATION

The City should enhance internal controls to ensure all City credit card transactions have proper documentation for each transaction and that each transaction is properly reviewed and approved for validity.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The City concurs with the finding. The City hired a Finance Officer in August 2023 to ensure all credit card transactions comply with City policy.

(2) Compliance Findings

2022-006 *Violation of Georgia Law – SPLOST 2015 Fund*

CRITERIA

The Official Code of Georgia (O.C.G.A.) Section 48-8-121(a)(1) requires that SPLOST proceeds be used exclusively for the purposes specified in the SPLOST resolution.

CONDITION

At September 30, 2022, the SPLOST 2015 Fund had a receivable from the General Fund.

CONTEXT

The City used SPLOST proceeds to fund non-SPLOST activity during the current fiscal year.

EFFECT

The City is in violation of O.C.G.A. Section 48-8-121(a)(1).

CAUSE

The City's internal controls did not identify non-SPLOST activity prior to expending SPLOST proceeds.

RECOMMENDATION

The City should enhance internal controls to ensure SPLOST proceeds is only used for approved SPLOST projects.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The City concurs with the finding. The City hired a Finance Officer in August 2023 to ensure compliance requirements are met. The Finance Officer will examine each invoice to determine whether the expenditure is an eligible SPLOST project before the disbursement is made. Reimbursement will be made from the General Fund to the SPLOST Fund.

(2) Compliance Findings (Continued)

2022-007 Budgetary Control – Expenditures Exceeding Appropriations

CRITERIA

In order to comply with the applicable legal requirements regarding budgets, procedures must exist to properly monitor compliance with the State law. The Official Code of Georgia (O.C.G.A.) Section 36-81-3 requires an annual balanced budget for the general fund and special revenue funds.

CONDITION

Expenditures in the City’s General Fund exceeded appropriations in various departments and the City’s Hotel\Motel Fund exceeded appropriations at the fund level as of September 30, 2022. The City did not prepare a budget for the American Rescue Plan Fund and Revolving Loan Fund for fiscal year 2022.

CONTEXT

Expenditures exceeded appropriations as follows:

Fund	Amount
General Fund	
Governing Body	\$ 156,328
Public Defender	1,211
Fire Protection	5,390
Community Services	12,500
Planning & Zoning	6,876
Recreation	127,221
Downtown Development	81,148
Nonmajor Governmental Funds	
Hotel / Motel Fund	
General Governmental	10,700

EFFECT

The City is in violation of O.C.G.A. Section 36-18-3.

CAUSE

The City lacked timely financial reporting to properly monitor the status of budgeted expenditures.

RECOMMENDATION

We recommend the City modify its financial reporting system to monitor budgeted expenditures more closely.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The City concurs with the finding. The City hired a Finance Officer in August 2023 to ensure compliance requirements are met. The Finance Officer will monitor the budget to actual activity and propose budget amendments to the Mayor and Council when necessary.