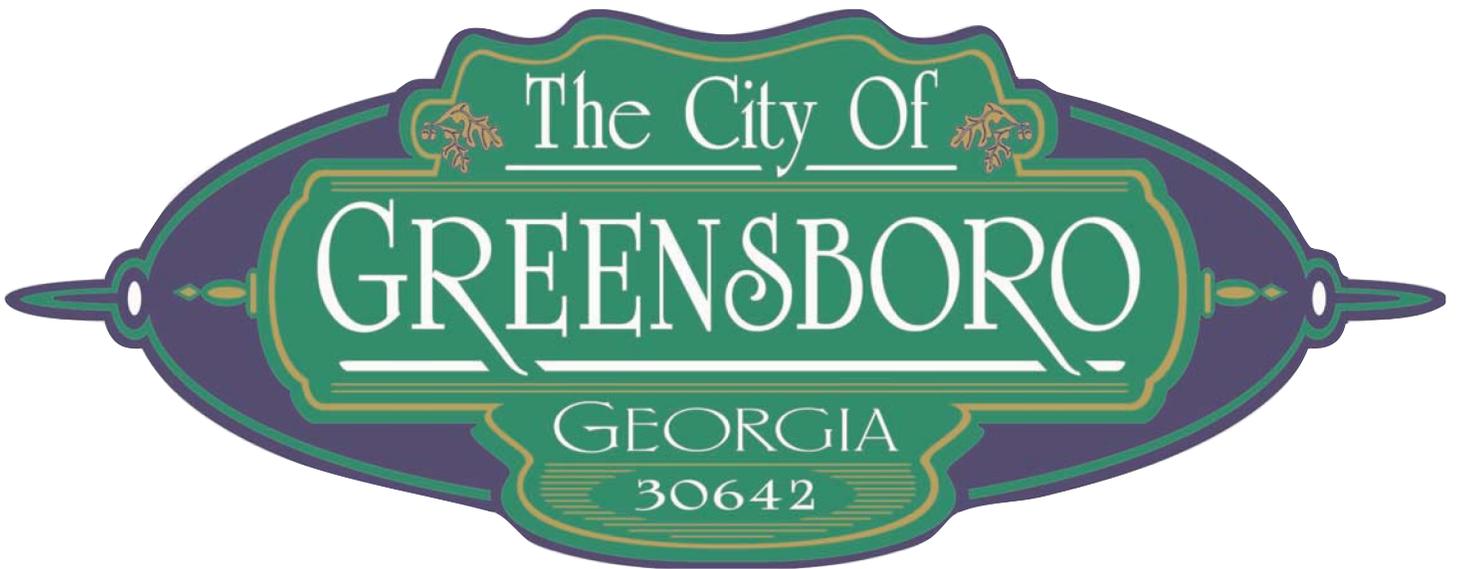


CITY OF GREENSBORO GEORGIA



ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2020

CITY OF GREENSBORO, GEORGIA
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2020 AND
INDEPENDENT AUDITOR'S REPORT

CITY OF GREENSBORO, GEORGIA

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October 25, 2022

INDEPENDENT AUDITOR'S REPORT

Mayor and Council
City of Greensboro, Georgia

Report on the Financial Statements

We have audited the accompanying 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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above 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 of the City of Greensboro, Georgia, as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of changes in the City's net pension liability and related ratios on page 42, the schedule of City contributions on page 43, and the notes to the required supplementary information on pages 44 and 45 be presented to supplement the basic financial statements. Such 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. 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 information 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 opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Greensboro, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, the schedule of projects constructed with special sales tax proceeds, and the component unit's financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, the schedule of projects constructed with special sales tax proceeds, and the component unit's financial statements are the responsibility of management and were derived from and relate 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 and individual nonmajor fund financial statements and schedules, the schedule of projects constructed with special sales tax proceeds, and the component unit'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 October 25, 2022, on our consideration of the City of Greensboro’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Greensboro, Georgia’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, 2020

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Better Hometown	Downtown Development Authority
Assets					
Current Assets					
Cash and Cash Equivalents	\$ 3,042,377	\$ 669,337	\$ 3,711,714	\$ 10,622	\$ 14,695
Certificates of Deposit	117,234	435,753	552,987	-	-
Restricted Cash and Cash Equivalents					
Cash and Cash Equivalents	995,585	2,174,471	3,170,056	-	-
Certificates of Deposit	-	264,808	264,808	-	-
Receivables, Net of Allowance					
Taxes	30,381	-	30,381	-	-
Accounts	66,832	742,997	809,829	-	-
Intergovernmental	299,314	-	299,314	830	-
Prepays	82,893	46,628	129,521	-	-
Total Current Assets	4,634,616	4,333,994	8,968,610	11,452	14,695
Noncurrent Assets					
Investment - Joint Venture	-	3,943,690	3,943,690	-	-
Capital Assets					
Nondepreciable	2,987,828	2,052,678	5,040,506	-	50,000
Depreciable, Net	3,294,170	9,535,912	12,830,082	-	1,635,516
Total Noncurrent Assets	6,281,998	15,532,280	21,814,278	-	1,685,516
Total Assets	10,916,614	19,866,274	30,782,888	11,452	1,700,211
Deferred Outflow of Resources					
Related to Pensions	490,812	166,801	657,613	-	-
Total Deferred Outflow of Resources	490,812	166,801	657,613	-	-

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

CITY OF GREENSBORO, GEORGIA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020
(CONTINUED)

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Better Hometown	Downtown Development Authority
Liabilities					
Current Liabilities					
Accounts Payable	\$ 261,101	\$ 271,141	\$ 532,242	\$ 952	\$ -
Accrued Interest	4,124	-	4,124	-	-
Accrued Expenses	51,649	5,493	57,142	-	-
Customer Deposits	-	30,047	30,047	-	-
Due To Primary Government	-	-	-	4,875	-
Noncurrent Liabilities					
Due within One Year					
Capital Lease	75,297	-	75,297	-	-
Notes Payable	-	218,528	218,528	-	-
Revenue Bonds Payable	-	40,000	40,000	-	-
Compensated Absences	43,422	17,694	61,116	-	-
Due in more than One Year					
Capital Lease	1,201,906	-	1,201,906	-	-
Notes Payable	-	3,075,454	3,075,454	-	-
Revenue Bonds Payable	-	1,306,604	1,306,604	-	-
Net Pension Liability	979,972	333,042	1,313,014	-	-
Total Liabilities	2,617,471	5,298,003	7,915,474	5,827	-
Deferred Inflows of Resources					
Related to Pensions	20,363	6,921	27,284	-	-
Total Deferred Inflows of Resources	20,363	6,921	27,284	-	-
Net Position					
Net Investment in Capital Assets	6,000,380	10,961,581	16,961,961	-	1,685,516
Restricted					
Debt Service	-	806,897	806,897	-	-
Cemetery Maintenance	87,310	-	87,310	-	-
Law Enforcement	7,619	-	7,619	-	-
Capital Outlay	2,174,473	-	2,174,473	-	-
Unrestricted	499,810	2,959,673	3,459,483	5,625	14,695
Total Net Position	\$ 8,769,592	\$ 14,728,151	\$23,497,743	\$ 5,625	\$ 1,700,211

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, 2020

Functions / Programs	Program Revenues					Net (Expense) Revenue and Changes in Net Position			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Governmental Activities	Business-Type Activities	Total	Better Hometown	Downtown Development Authority
Primary Government										
Governmental Activities										
General Government	\$ 888,848	\$ 129,795	\$ 10,848	\$ 202,865	\$ -	\$ (545,340)	\$ -	\$ (545,340)		
Judicial	75,888	-	-	-	-	(75,888)	-	(75,888)		
Public Safety	2,204,191	-	457,186	23,866	-	(1,723,139)	-	(1,723,139)		
Public Works	1,167,092	-	-	871,125	-	(295,967)	-	(295,967)		
Health and Welfare	3,817	-	-	-	-	(3,817)	-	(3,817)		
Culture and Recreation	107,912	-	-	4,773	-	(103,139)	-	(103,139)		
Housing and Development	396,506	-	-	3,200	-	(393,306)	-	(393,306)		
Interest on Long-Term Debt	51,020	-	-	-	-	(51,020)	-	(51,020)		
Total Governmental Activities	4,895,274	129,795	468,034	1,105,829	-	(3,191,616)	-	(3,191,616)		
Business-Type Activities										
Water and Sewer	1,865,027	2,184,540	-	44,978	-	-	364,491	364,491		
Gas System	2,672,346	3,133,849	-	220,270	-	-	681,773	681,773		
Total Business-Type Activities	4,537,373	5,318,389	-	265,248	-	-	1,046,264	1,046,264		
Total Primary Government	\$ 9,432,647	\$ 5,448,184	\$ 468,034	\$ 1,371,077	\$ -	(3,191,616)	1,046,264	(2,145,352)		
Component Units										
Better Hometown	\$ 65,630	\$ 1,220	\$ 77,073	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,663	\$ -
Downtown Development Authority	51,374	-	775	-	-	-	-	-	-	(50,599)
Total Component Units	\$ 117,004	\$ 1,220	\$ 77,848	\$ -	\$ -	\$ -	\$ -	\$ -	12,663	(50,599)
General Revenues										
Property Tax						606,521	-	606,521	-	-
Sales Tax						958,412	-	958,412	-	-
Franchise Tax						361,969	-	361,969	-	-
Other Tax						617,553	-	617,553	-	-
Investment Earnings						16,713	7,120	23,833	5	13
Joint Venture Income						-	1,551,155	1,551,155	-	-
Miscellaneous						60,357	-	60,357	-	-
Total General Revenues						2,621,525	1,558,275	4,179,800	5	13
Transfers						911,411	(911,411)	-	-	-
Total General Revenues and Transfers						3,532,936	646,864	4,179,800	5	13
Change in Net Position						341,320	1,693,128	2,034,448	12,668	(50,586)
Net Position - Beginning of Year (Deficit)						8,428,272	13,035,023	21,463,295	(7,043)	1,750,797
Net Position - End of Year						\$ 8,769,592	\$ 14,728,151	\$ 23,497,743	\$ 5,625	\$ 1,700,211

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

CITY OF GREENSBORO, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	General Fund	SPLOST 2015	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and Cash Equivalents	\$ 1,927,148	\$ 2,095,221	\$ 15,593	\$ 4,037,962
Certificates of Deposit	34,367	-	82,867	117,234
Receivables, Net of Allowance				
Taxes	30,381	-	-	30,381
Accounts	52,648	-	14,184	66,832
Intergovernmental	106,202	189,912	3,200	299,314
Due From Other Funds	3,200	5,000	14,033	22,233
Prepays	82,893	-	-	82,893
Total Assets	\$ 2,236,839	\$ 2,290,133	\$ 129,877	\$ 4,656,849
Liabilities				
Accounts Payable	\$ 113,693	\$ 119,191	\$ 28,217	\$ 261,101
Accrued Expenses	51,649	-	-	51,649
Due To Other Funds	19,033	-	3,200	22,233
Total Liabilities	184,375	119,191	31,417	334,983
Deferred Inflows of Resources				
Unavailable Revenue - Property Taxes	29,891	-	-	29,891
Total Deferred Inflows of Resources	29,891	-	-	29,891
Fund Balances				
Nonspendable	82,893	-	-	82,893
Restricted	-	2,170,942	98,460	2,269,402
Unassigned	1,939,680	-	-	1,939,680
Total Fund Balances	2,022,573	2,170,942	98,460	4,291,975
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,236,839	\$ 2,290,133	\$ 129,877	\$ 4,656,849

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, 2020**

Total Fund Balances - Governmental Funds \$ 4,291,975

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	10,408,465
Accumulated Depreciation	(4,126,467)

Deferred Outflows of Resources

Related to Pensions	490,812
---------------------	---------

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.

Capital Leases	(1,277,203)
Accrued Interest	(4,124)
Compensated Absences	(43,422)
Net Pension Liability	(979,972)

Deferred Inflows of Resources

Related to Pensions	(20,363)
---------------------	----------

Revenues

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

29,891

Total Net Position of Governmental Activities \$ 8,769,592

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, 2020

	General Fund	SPLOST 2015	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Taxes				
Property Tax	\$ 605,851	\$ -	\$ -	\$ 605,851
Sales Tax	958,412	-	-	958,412
Other Taxes	857,461	-	122,061	979,522
License and Permits	3,485	-	-	3,485
Intergovernmental	468,034	1,097,683	3,200	1,568,917
Fines and Forfeitures	126,310	-	-	126,310
Interest Earnings	15,647	4,946	1,066	21,659
Miscellaneous Revenues	39,086	-	21,271	60,357
Total Revenues	3,074,286	1,102,629	147,598	4,324,513
Expenditures				
Current				
General Government	622,729	84,828	46,319	753,876
Judicial	75,888	-	-	75,888
Public Safety	1,988,759	80,551	25	2,069,335
Public Works	591,073	405,801	-	996,874
Health and Welfare	3,817	-	-	3,817
Culture and Recreation	84,670	-	23,242	107,912
Housing and Development	390,363	2,943	3,200	396,506
Capital Outlay	-	244,318	-	244,318
Debt Service				
Principal	-	72,449	-	72,449
Interest	-	51,254	-	51,254
Total Expenditures	3,757,299	942,144	72,786	4,772,229
Excess (Deficiency) of Revenues Over (Under) Expenditures	(683,013)	160,485	74,812	(447,716)
Other Financing Sources (Uses)				
Transfers From Other Funds	987,153	-	-	987,153
Transfers To Other Funds	-	-	(75,742)	(75,742)
Total Other Financing Sources (Uses)	987,153	-	(75,742)	911,411
Net Change in Fund Balances	304,140	160,485	(930)	463,695
Fund Balances - Beginning of Year	1,718,433	2,010,457	99,390	3,828,280
Fund Balances - End of Year	\$ 2,022,573	\$ 2,170,942	\$ 98,460	\$ 4,291,975

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, 2020**

Net Change in Fund Balances - Total Governmental Funds \$ 463,695

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 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	216,489
Total Depreciation	(283,950)

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	294,317
--	---------

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	72,449
Accrued Interest	234
Compensated Absences	(8,542)
Net Pension Liability	(550,080)

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	136,038
---	---------

Revenues

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

670

Change in Net Position of Governmental Activities	\$ 341,320
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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, 2020

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes				
Property	\$ 602,400	\$ 602,400	\$ 605,851	\$ 3,451
Sales	830,000	957,000	958,412	1,412
Franchise	358,000	358,000	361,969	3,969
Insurance Premium	220,000	260,000	255,508	(4,492)
Occupational	55,000	55,000	49,191	(5,809)
Alcoholic Beverage	85,000	85,000	94,734	9,734
Other	177,000	177,000	96,059	(80,941)
Licenses and Permits	10,000	10,000	3,485	(6,515)
Intergovernmental	310,856	359,176	468,034	108,858
Charges for Services	400	400	-	(400)
Fines and Forfeitures	62,000	62,000	126,310	64,310
Investment Earnings	5,000	5,000	15,647	10,647
Miscellaneous	53,000	53,000	39,086	(13,914)
Total Revenues	<u>2,768,656</u>	<u>2,983,976</u>	<u>3,074,286</u>	<u>90,310</u>
Expenditures				
Current				
General Government				
Governing Body	111,020	111,020	77,838	33,182
City Manager	102,880	102,880	101,156	1,724
Financial Administration	476,324	476,324	443,735	32,589
Judicial				
Municipal Court	79,100	79,100	65,951	13,149
Public Defender	20,000	20,000	9,937	10,063
Public Safety				
Police Protection	1,528,495	1,902,815	1,833,999	68,816
Fire Protection	122,930	122,930	90,598	32,332
Animal Control	35,000	64,000	64,162	(162)
Public Works				
Highways and Streets	589,733	589,733	553,179	36,554
Maintenance Shop	21,850	21,850	19,894	1,956
Cemetery	19,000	19,000	18,000	1,000
Health and Welfare				
Community Services	-	-	3,817	(3,817)
Culture and Recreation				
Recreation	82,360	88,360	84,670	3,690

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, 2020
(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	\$ 132,560	\$ 132,560	\$ 103,088	\$ 29,472
Economic Development	179,740	179,740	119,117	60,623
Downtown Development	170,760	170,760	168,158	2,602
Total Expenditures	3,671,752	4,081,072	3,757,299	323,773
Excess of Revenue Over (Under) Expenditure	(903,096)	(1,097,096)	(683,013)	414,083
Other Financing Sources (Uses)				
Transfer From Other Funds	1,028,990	1,044,990	987,153	(57,837)
Total Other Financing Sources (Uses)	1,028,990	1,044,990	987,153	(57,837)
Net Change in Fund Balances	125,894	(52,106)	304,140	356,246
Fund Balances - Beginning of Year	1,718,433	1,718,433	1,718,433	-
Fund Balances - End of Year	\$ 1,844,327	\$ 1,666,327	\$ 2,022,573	\$ 356,246

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

CITY OF GREENSBORO, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2020

	Business-Type Activities - Enterprise Funds		
	Water & Sewer Fund	Gas System	Total
Assets			
Current Assets			
Cash and Cash Equivalents	\$ 339	\$ 668,998	\$ 669,337
Certificates of Deposit	178,000	257,753	435,753
Restricted Cash	542,089	1,632,382	2,174,471
Restricted Certificates of Deposit	264,808	-	264,808
Accounts Receivable, Net	411,312	331,685	742,997
Prepaid Expenses	42,742	3,886	46,628
Total Current Assets	1,439,290	2,894,704	4,333,994
Long-Term Assets			
Investment - Joint Venture	-	3,943,690	3,943,690
Capital Assets			
Nondepreciable	394,548	1,658,130	2,052,678
Depreciable, Net	8,612,815	923,097	9,535,912
Total Capital Assets, Net	9,007,363	2,581,227	11,588,590
Total Long-Term Assets	9,007,363	6,524,917	15,532,280
Total Assets	10,446,653	9,419,621	19,866,274
Deferred Outflows of Resources			
Related to Pension	137,015	29,786	166,801
Total Deferred Outflows of Resources	137,015	29,786	166,801

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

CITY OF GREENSBORO, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2020
(CONTINUED)

	Business-type Activities- Enterprise Funds		
	Water & Sewer Fund	Gas System	Total
Liabilities			
Current Liabilities			
Accounts Payable	\$ 42,578	\$ 228,563	\$ 271,141
Accrued Expenses	4,429	1,064	5,493
Customer Deposits	18,326	11,721	30,047
Compensated Absences	12,411	5,283	17,694
Total Current Liabilities Payable from Unrestricted Assets	<u>77,744</u>	<u>246,631</u>	<u>324,375</u>
Current Liabilities Payable from Restricted Assets			
Notes Payable - Current	73,573	144,955	218,528
Revenue Bonds Payable - Current	-	40,000	40,000
Total Current Liabilities Payable from Restricted Assets	<u>73,573</u>	<u>184,955</u>	<u>258,528</u>
Total Current Liabilities	<u>151,317</u>	<u>431,586</u>	<u>582,903</u>
Long-Term Liabilities			
Notes Payable	553,436	2,522,018	3,075,454
Revenue Bonds Payable	-	1,306,604	1,306,604
Net Pension Liability	273,570	59,472	333,042
Total Long-Term Liabilities	<u>827,006</u>	<u>3,888,094</u>	<u>4,715,100</u>
Total Liabilities	<u>978,323</u>	<u>4,319,680</u>	<u>5,298,003</u>
Deferred Inflows of Resources			
Related to Pensions	5,685	1,236	6,921
Total Deferred Inflows of Resources	<u>5,685</u>	<u>1,236</u>	<u>6,921</u>
Net Position			
Net Investment in Capital Assets	8,380,354	2,581,227	10,961,581
Restricted for Debt Service	806,897	-	806,897
Unrestricted	412,409	2,547,264	2,959,673
Total Net Position	<u>\$ 9,599,660</u>	<u>\$ 5,128,491</u>	<u>\$ 14,728,151</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, 2020

	Business-Type Activities - Enterprise Funds		
	Water and Sewer Fund	Gas System	Total
Operating Revenues			
Charges and Fees	\$ 2,184,540	\$ 3,133,849	\$ 5,318,389
Total Operating Revenues	2,184,540	3,133,849	5,318,389
Operating Expenses			
Salaries and Benefits	726,242	190,943	917,185
Contract Management	195,520	57,732	253,252
Cost of Sales	-	2,089,221	2,089,221
Legal and Professional	37,588	10,526	48,114
Operating Materials	98,540	42,770	141,310
Other Operating Expenses	111,493	86,384	197,877
Repairs and Maintenance	53,964	54,164	108,128
Utilities	234,242	24,008	258,250
Depreciation	389,838	37,657	427,495
Total Operating Expenses	1,847,427	2,593,405	4,440,832
Operating Income (Loss)	337,113	540,444	877,557
Nonoperating Revenues (Expenses)			
Interest Income	2,771	4,349	7,120
Investment Gain - Joint Venture	-	1,551,155	1,551,155
Intergovernmental Revenue	-	220,270	220,270
Interest Expense	(17,600)	(78,941)	(96,541)
Total Nonoperating Revenues (Expenses)	(14,829)	1,696,833	1,682,004
Income (Loss) Before Contributions and Transfers	322,284	2,237,277	2,559,561

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, 2020
(CONTINUED)

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Water and Sewer Fund</u>	<u>Gas System</u>	<u>Total</u>
Capital Contributions	\$ 44,978	\$ -	\$ 44,978
Transfers Out	(246,871)	(664,540)	(911,411)
Change in Net Position	120,391	1,572,737	1,693,128
Net Position - Beginning of Year	9,479,269	3,555,754	13,035,023
Net Position - End of Year	<u>\$ 9,599,660</u>	<u>\$ 5,128,491</u>	<u>\$ 14,728,151</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, 2020

	Business-Type Activities - Enterprise Funds		
	Water and Sewer Fund	Gas System	Total
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 1,660,461	\$ 3,451,000	\$ 5,111,461
Cash Paid to Suppliers for Goods and Services	(727,312)	(2,302,146)	(3,029,458)
Cash Paid to Employees	(697,952)	(182,958)	(880,910)
Net Cash Flows Provided by (Used for) Operating Activities	235,197	965,896	1,201,093
Cash Flows from Noncapital Financing Activities			
Transfers	(246,871)	(664,540)	(911,411)
Net Cash Flows Provided by (Used for) Noncapital Financing Activities	(246,871)	(664,540)	(911,411)
Cash Flows from Capital and Related Financing Activities			
Principal Payments on Revenue Bonds and Notes	(53,265)	(73,027)	(126,292)
Interest and Fiscal Charges on Revenue Bonds and Notes	(17,600)	(71,268)	(88,868)
Acquisition of Assets	-	(1,657,804)	(1,657,804)
Intergovernmental Revenue	-	220,270	220,270
Proceeds from Notes Payable	-	2,700,000	2,700,000
Net Cash Flows Provided by (Used for) Capital and Related Financing Activities	(70,865)	1,118,171	1,047,306
Cash Flows from Investing Activities			
Interest Income	2,771	4,349	7,120
Purchase of Investments	(136,474)	(13,783)	(150,257)
Net Cash Flows Provided by (Used for) Investing Activities	(133,703)	(9,434)	(143,137)
Net Increase (Decrease) in Cash and Cash Equivalents	(216,242)	1,410,093	1,193,851
Cash and Cash Equivalents - Beginning of Year	758,670	891,287	1,649,957
Cash and Cash Equivalents - End of Year	\$ 542,428	\$ 2,301,380	\$ 2,843,808

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, 2020
(CONTINUED)

	Business-Type Activities - Enterprise Funds		
	Water and Sewer Fund	Gas System	Total
Noncash Investing, Capital, and Financing Activities			
Contributions of Capital Assets from Government	\$ 44,978	\$ -	\$ 44,978
Classifications			
Current Assets	\$ 339	\$ 668,998	\$ 669,337
Restricted Assets	542,089	1,632,382	2,174,471
Total Cash and Cash Equivalents, End of Year	\$ 542,428	\$ 2,301,380	\$ 2,843,808
Reconciliation of Net Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Net Operating Income (Loss)	\$ 337,113	\$ 540,444	\$ 877,557
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Depreciation and Amortization	389,838	37,657	427,495
Changes in Assets and Liabilities			
(Increase) Decrease in Accounts Receivable	(132,649)	(60,701)	(193,350)
(Increase) Decrease in Due From Other Funds	-	384,215	384,215
(Increase) Decrease in Prepaid Expenses	(3,845)	(349)	(4,194)
(Increase) Decrease in Deferred Outflows - Pensions	(81,573)	(17,734)	(99,307)
Increase (Decrease) in Accounts Payable	7,880	63,008	70,888
Increase (Decrease) in Accrued Liabilities	(3,965)	973	(2,992)
Increase (Decrease) in Customer Deposits	626	(6,363)	(5,737)
Increase (Decrease) in Due To Other Funds	(392,056)	-	(392,056)
Increase (Decrease) in Net Pension Liability	152,273	33,103	185,376
Increase (Decrease) in Deferred Inflows - Pensions	(38,445)	(8,357)	(46,802)
Total Adjustments	(101,916)	425,452	323,536
Net Cash Provided by (Used for) Operating Activities	\$ 235,197	\$ 965,896	\$ 1,201,093

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 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 of Greensboro, Georgia (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 generally accepted accounting principles, 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 is legally separate from the City.

Greensboro Better Hometown Program - The Greensboro Hometown Program 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. 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 is 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.

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.

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 are reported at carrying amount, which reasonably estimates fair value.

(1) Summary of Significant Accounting Policies (Continued)

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 position 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 position 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 two types of items, which arises under a modified accrual basis of accounting that qualifies 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. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second is the deferred inflow of resources relative to the differences between expected and actual experience and the net difference between projected and actual earnings on the pension plan investments. This amount is deferred and will be recognized as a reduction of the net pension liability in future years.

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 GABS 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, 2020:

	General Fund	SPLOST 2015	Nonmajor Governmental	Total
Fund Balances				
Nonspendable				
Prepays	\$ 82,893	\$ -	\$ -	\$ 82,893
Restricted				
Cemetery Maintenance	-	-	87,310	87,310
Law Enforcement	-	-	7,619	7,619
Capital Outlay	-	2,170,942	3,531	2,174,473
Unassigned	1,939,680	-	-	1,939,680
Total Fund Balance	\$ 2,022,573	\$ 2,170,942	\$ 98,460	\$ 4,291,975

(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 coverages for each of the past three years. The City had no significant reduction in insurance coverage from coverage in the prior year.

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.

(2) Budgets and Budgetary Accounting (Continued)

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	
Animal Control	\$ 162
Community Services	3,817
Nonmajor Governmental Funds	
Hotel / Motel Fund	
General Governmental	4,319
Transfers to General Fund	28,742

(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, 2020 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, 2020, the City's certificates of deposit were as follows:

Certificates of Deposit	Maturity	Amount
Certificates of Deposit - Nonmajor Governmental Fund	12 Months	\$ 82,867
Certificates of Deposit - General Fund	60 Months	34,367
Certificates of Deposit - Water and Sewer Fund	30 Days	257,643
Certificates of Deposit - Water and Sewer Fund	60 Months	178,000
Certificates of Deposit - Water and Sewer Fund	60 Months	7,165
Certificates of Deposit - Gas Fund	60 Months	257,753

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, 2020, 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 (40%) of fair market value. The Commissioner has the option to withhold certain state funding if the mandated 40 percent level is not reached.

The Greene County Tax Commissioner distributes motor vehicle tax notices and collects those tax payments. Motor vehicle taxes are due based on the birthday of the owner. Property taxes are sent out and collected by the City and are usually billed in October of each year.

The property tax calendar is as follows:

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

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 2019 tax digest receivable and amounts collected at year-end are reported as deferred inflows of resources - unavailable revenues on the Governmental Fund statements.

(5) Hotel / Motel Excise Tax

A summary of the hotel / motel excise tax expenditures and receipts for the year ended September 30, 2020, is as follows:

Expenditures by Purpose	Amount	Tax Receipts	Percentage
Promote Tourism	\$ 46,319	\$ 122,061	38%
General Fund	75,742	-	62%
Total	<u>\$ 122,061</u>	<u>\$ 122,061</u>	<u>100%</u>

(6) Receivables

Receivables as of September 30, 2020, consist of the following:

	General	SPLOST 2015	Water and Sewer	Gas System	Nonmajor Governmental	Total
Receivables						
Taxes	\$ 141,905	\$ -	\$ -	\$ -	\$ 14,184	\$ 156,089
Accounts	52,648	-	1,287,840	516,814	-	1,857,302
Intergovernmental	106,202	189,912	-	-	3,200	299,314
Gross Receivables	300,755	189,912	1,287,840	516,814	17,384	2,312,705
Less Allowance for Uncollectibles	(111,524)	-	(876,528)	(185,129)	-	(1,173,181)
Total Net Receivables	\$ 189,231	\$ 189,912	\$ 411,312	\$ 331,685	\$ 17,384	\$ 1,139,524

(7) Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of September 30, 2020, is as follows:

Due To / From Other Funds		
Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental	\$ 3,200
SPLOST Fund	General Fund	5,000
Nonmajor Governmental	General Fund	14,033
		<u>\$ 22,233</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.

Interfund transfers

	Transfer In	
	General Fund	Total
Transfer Out		
Gas System Fund	\$ 664,540	\$ 664,540
Water and Sewer Fund	246,871	246,871
Nonmajor Governmental Funds	75,742	75,742
Total	<u>\$ 987,153</u>	<u>\$ 987,153</u>

(8) Capital Assets (Continued)

	Beginning Balance	Increase	Decrease	Transfers	Ending Balance
Business-Type Activities					
Capital Assets Not Being Depreciated					
Land	\$ 394,874	\$ -	\$ -	\$ -	\$ 394,874
Construction in Progress	43,197	1,657,804	-	(43,197)	1,657,804
Total Capital Assets	438,071	1,657,804	-	(43,197)	2,052,678
Capital Assets Being Depreciated					
Buildings and Improvements	13,587,728	-	-	-	13,587,728
Infrastructure	5,326,084	19,280	-	-	5,345,364
Equipment	1,719,837	25,697	-	43,197	1,788,731
Vehicles	149,711	-	-	-	149,711
Total Capital Assets Being Depreciated	20,783,360	44,977	-	43,197	20,871,534
Less Accumulated Depreciation					
Buildings and Improvements	(4,490,576)	(304,535)	-	-	(4,795,111)
Infrastructure	(4,716,456)	(79,185)	-	-	(4,795,641)
Equipment	(1,557,144)	(41,813)	-	-	(1,598,957)
Vehicles	(143,953)	(1,961)	-	-	(145,914)
Total Accumulated Depreciation	(10,908,129)	(427,494)	-	-	(11,335,623)
Total Capital Assets Being Depreciated, Net	9,875,231	(382,517)	-	43,197	9,535,911
Business-Type Activities Capital Assets, Net	\$ 10,313,302	\$ 1,275,287	\$ -	\$ -	11,588,589
					(627,008)
					\$ 10,961,581

* - 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 \$1,346,604 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 \$2,666,973 is not included in the related long-term debt outstanding for the calculation of the net investment in capital assets.

(8) Capital Assets (Continued)

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

Governmental Activities	
General Government	\$ 6,706
Public Safety	134,856
Public Works	129,075
Culture and Recreation	13,313
Total Depreciation Expense - Governmental Activities	\$ 283,950
Business-Type Activities	
Water and Sewer	\$ 389,838
Gas System	37,657
Total Depreciation Expense - Business - Type Activities	\$ 427,495

Component unit activities for the year ended September 30, 2020 are as follows:

Downtown Development Authority	Beginning Balance	Increase	Decrease	Ending Balance
Capital Assets Not Being Depreciated				
Land	\$ 50,000	\$ -	\$ -	\$ 50,000
Total Capital Asset Not Being Depreciated	50,000	-	-	50,000
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	(174,417)	(13,000)	-	(187,417)
Buildings and Improvements	(300,010)	(30,001)	-	(330,011)
Equipment	(32,830)	(5,435)	-	(38,265)
Total Accumulated Depreciation	(507,257)	(48,436)	-	(555,693)
Total Capital Assets Being Depreciated, Net	1,683,952	(48,436)	-	1,635,516
Downtown Development Authority				
Capital Assets, Net	\$ 1,733,952	\$ (48,436)	\$ -	\$ 1,685,516

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

Downtown Development Authority	\$ 48,436
Total Depreciation Expense - Component Unit	\$ 48,436

(9) Long-Term Debt

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2020, was as follows

	Beginning			Ending	Due Within
	Balance	Additions	Reductions	Balance	One Year
Governmental Activities					
Compensated Absences	\$ 34,880	\$ 71,990	\$ (63,448)	\$ 43,422	\$ 43,422
Capital Lease Payable	1,349,652	-	(72,449)	1,277,203	75,297
Net Pension Liability	429,892	550,080	-	979,972	-
Governmental Activity					
Long-Term Liabilities	\$ 1,814,424	\$ 622,070	\$ (135,897)	\$ 2,300,597	\$ 118,719
Business-Type Activities					
Compensated Absences	\$ 11,840	\$ 14,824	\$ (8,970)	\$ 17,694	\$ 17,694
Notes Payable	680,273	2,700,000	(86,292)	3,293,981	218,528
Revenue Bonds Payable	1,415,000	-	(40,000)	1,375,000	40,000
Deferred Amounts					
Less Bond Discount	(29,631)	-	1,235	(28,396)	-
Net Pension Liability	147,666	185,376	-	333,042	-
Business-Type Activity					
Long-Term Liabilities	\$ 2,225,148	\$ 2,900,200	\$ (134,027)	\$ 4,991,321	\$ 276,222

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.

Capital Lease 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, 2020, 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
2021	\$ 75,297	\$ 48,406
2022	78,257	45,446
2023	81,334	42,369
2024	84,532	39,171
2025	87,855	35,848
2026-2030	493,886	124,658
2031-2034	376,042	25,992
Total	<u>\$ 1,277,203</u>	<u>\$ 361,890</u>

(9) 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 2020, the City received \$220,270 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>
2021	\$ 40,000	\$ 53,175
2022	40,000	51,975
2023	40,000	50,775
2024	45,000	49,416
2025	45,000	47,897
2026-2030	250,000	214,628
2031-2035	295,000	161,566
2036-2040	365,000	94,050
2041-2043	255,000	16,681
Total	<u>\$ 1,375,000</u>	<u>\$ 740,163</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. As of September 30, 2020, drawdowns from the loan totaled \$1,327,616. The total amount of the loan is \$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>
2021	\$ 73,573	\$ 23,979
2022	76,601	20,951
2023	79,753	17,798
2024	83,036	14,516
2025	86,453	11,098
2026-2028	227,592	11,857
Total	<u>\$ 627,008</u>	<u>\$ 100,199</u>

(9) Long-Term Debt (Continued)

Notes Payable

The Gas System Fund is obligated under a 10-year term note to the Farmers and Merchants Bank. The total amount of the loan is \$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 06/08/2030. 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>
2021	\$ 144,955	\$ 80,476
2022	149,504	75,926
2023	154,196	71,234
2024	159,035	66,395
2025	164,027	61,404
2026-2030	1,895,256	218,551
Total	<u>\$ 2,666,973</u>	<u>\$ 573,986</u>

(10) 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, 2020, the date of the most recent actuarial valuation date, pension plan membership consisted of the following:

Retirees and Beneficiaries Currently Receiving Benefits	28
Terminated Employees Entitled to Benefits but Not Yet Receiving Them	27
Current Active Employees	43
Nonvested Benefits	3
Total Membership in the Plan	<u>101</u>

(10) Employee Retirement Plans (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 12.53 percent of annual covered payroll. The contribution requirements of the City are established and may be amended by the GMEBS Board of Trustees.

Georgia Municipal Employees Benefit System (Continued)

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

At September 30, 2020 the City reported a net pension liability. The net pension liability was measured as of September 30, 2019. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of January 1, 2020. An expected total pension liability as of September 30, 2020 was determined using standard roll-forward techniques.

For the year ended September 30, 2020, the City recognized pension expense relative to GMEBS in the amount of \$314,201. At September 30, 2020, 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	\$ 215,737	\$ 5,676
Changes of Assumptions	286,668	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	21,608
Employer Contributions Subsequent to the Measurement Date	155,208	-
	<u>\$ 657,613</u>	<u>\$ 27,284</u>

City contributions subsequent to the measurement date of September 30, 2019 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, 2021. 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:

<u>Year</u>	<u>Amount</u>
2021	\$ 133,031
2022	141,649
2023	166,426
2024	34,015

Actuarial Assumptions

The total pension liability as of September 30, 2020 was determined by an actuarial valuation as of January 1, 2020 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

(10) Employee Retirement Plans (Continued)

Georgia Municipal Employees Benefit System (Continued)

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

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, 2020 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, 2020 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, 2019	<u>\$ 4,358,355</u>	<u>\$ 3,780,797</u>	<u>\$ 577,558</u>
Changes for the Year			
Service Cost	63,434	-	63,434
Interest	322,634	-	322,634
Differences Between Expected and Actual Experience	244,784	-	244,784
Contributions - Employer	-	152,473	(152,473)
Net Investment Income	-	109,672	(109,672)
Benefit Payments	(239,993)	(239,993)	-
Administrative Expense	-	(14,150)	14,150
Other	352,599	-	352,599
Net Changes	<u>743,458</u>	<u>8,002</u>	<u>735,456</u>
Balance at September 30, 2020	<u><u>\$ 5,101,813</u></u>	<u><u>\$ 3,788,799</u></u>	<u><u>\$ 1,313,014</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 \$979,972 and \$333,042, respectively.

(10) Employee Retirement Plans (Continued)

Contributions (Continued)

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

Net Pension Liability (Continued)

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, 2020 is summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	45%	6.41%
International Equity	20%	6.96%
Real Estate	10%	4.76%
Global Fixed Income	5%	3.06%
Domestic Fixed Income	20%	1.96%
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%) or 1-percentage-point higher (8.375%) 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>\$ 1,957,627</u>	<u>\$ 1,313,014</u>	<u>\$ 775,001</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.

(11) 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 of Greensboro's financial statements.

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 of Greensboro's financial statements.

(12) 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 cost 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.

(13) Contingent Liabilities

Litigation

During the course of normal operations of the City, various claims and lawsuits arise. The City attorney 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.

(14) 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.

(15) 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.

(15) Related Entity (Continued)

Housing Authority of the City of Greensboro, Georgia (Continued)

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 project are outstanding.

During such period, the Housing Authority shall make *Payments in Lieu of Taxes* in lieu of such 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, 2020, the Housing Authority made payments of \$10,848 *in lieu of taxes*.

(16) 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’s, Georgia’s investment in Tri-County Natural Gas System is as follows:

Investment, October 1, 2019	\$	2,392,535
Greensboro’s Share of Net Income		<u>1,551,155</u>
Investment, September 30, 2020	\$	<u><u>3,943,690</u></u>

(17) 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.

	<u>Gas Revenue</u>	<u>Gas Receivables</u>
Total Gas System	\$ 3,091,255	\$ 516,814
Novelis	2,182,720	242,908
Percent of Total	71%	47%

(18) 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.

(19) Evaluation of Subsequent Events

The City has evaluated subsequent events through October 25, 2022 the date which the financial statements were available to be issued.

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, 2020

	2020	2019	2018	2017	2016	2015
Total Pension Liability						
Service Cost	\$ 63,434	\$ 89,180	\$ 94,709	\$ 88,267	\$ 77,141	\$ 63,945
Interest on Total Pension Liability	322,634	303,938	285,972	264,519	244,994	217,268
Difference Between Expected and Actual Experience	244,784	44,258	(14,190)	50,096	55,478	230,237
Benefit Payments, Including Refunds of Employee Contributions	(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	743,458	310,064	294,620	278,166	250,963	355,014
Total Pension Liability - Beginning of Year	4,358,355	4,048,291	3,753,671	3,475,505	3,224,542	2,869,528
Total Pension Liability - End of Year	\$ 5,101,813	\$ 4,358,355	\$ 4,048,291	\$ 3,753,671	\$ 3,475,505	\$ 3,224,542
Plan Fiduciary Net Position						
Contributions - Employer	\$ 152,473	\$ 168,719	\$ 137,400	\$ 108,544	\$ 108,028	\$ 98,204
Net Investment Income	109,672	343,151	453,434	303,730	31,486	282,451
Benefit Payments, Including Refunds of Member Contributions	(239,993)	(169,919)	(127,414)	(124,716)	(126,650)	(132,130)
Administrative Expenses	(14,150)	(16,233)	(16,266)	(8,796)	(10,471)	(8,565)
Net Change in Plan Fiduciary Net Position	8,002	325,718	447,154	278,762	2,393	239,960
Plan Fiduciary Net Position - Beginning of Year	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	\$ 3,788,799	\$ 3,780,797	\$ 3,455,079	\$ 3,007,925	\$ 2,729,163	\$ 2,726,770
City's Net Pension Liability (Asset) - Ending	\$ 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	74.26%	86.75%	85.35%	80.13%	78.53%	84.56%
Covered-Employee Payroll						
Net Pension Liability as a Percentage of Covered-Employee Payroll	\$ 1,768,469	\$ 1,524,711	\$ 1,958,710	\$ 2,020,222	\$ 1,939,393	\$ 1,633,323
	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, 2020**

	2020	2019	2018	2017	2016	2015
Schedule of City Contributions						
Actuarially Determined Contributions	\$ 155,208	\$ 166,334	\$ 155,925	\$ 139,126	\$ 118,412	\$ 99,794
Contributions in Relation to the Actuarially Determined Contribution	155,208	166,334	168,719	137,400	108,544	99,794
Contribution Deficiency (Excess)	\$ -	\$ -	\$ (12,794)	\$ 1,726	\$ 9,868	\$ -
City's Covered-Employee Payroll	\$ 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	9.97%	8.32%	8.61%	6.80%	5.60%	6.11%

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, 2020**

Changes of Assumptions

Based on the results of an actuarial study conducted in November and December of 2019, the following assumptions were changed in this valuation:

- The mortality table for healthy retirees and beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.
- The mortality table for disabled participants was changed from the sex-distinct RP-2000 Disabled Retiree Mortality Table to the sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.
- The mortality table for active participants, terminated vested participants, and deferred beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Employee Mortality Table.
- Future mortality improvement is based on projecting generationally from 2012 using 60 percent of the sex-distinct Scale SSA2019. Previously future mortality improvements were not explicitly projected.
- The prior retirement assumption was based on the Plan's normal retirement eligibility. If normal retirement eligibility was only available on or after age 65, the prior assumption was 60 percent at ages 65 to 69 and 100 percent at age 70 and older. If normal retirement eligibility was available prior to age 65, the rates were 10 percent at ages 55 to 59, 20 percent at age 60, 25 percent at age 61, 35 percent at age 62, 40 percent at age 63, 45 percent at age 64, 50 percent at ages 65 to 69, and 100 percent at age 70 and older as long as a participant was at least eligible for early retirement.
- The new assumption relates to when a given participant is eligible for normal retirement (either regular normal retirement or alternative normal retirement). Retirement rates do not apply if a participant is not eligible for either early or normal retirement. The retirement rates where normal retirement is available on or after age 65 are 5 percent at ages 55 to 59, 7 percent at ages 60 and 61, 20 percent at age 62, 10 percent at ages 63 and 64, 35 percent at age 65, 25 percent at ages 66 to 71, and 100 percent at ages 72 and older.
- Where normal retirement is available to a given participant at age 62, 63, or 64, the new retirement rates are 3 percent when first eligible for early retirement through age 60, 10 percent at ages 61 to 64, 35 percent at age 65, 25 percent at ages 66 to 71, and 100 percent at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 30 percent.
- Where normal retirement is available at age 60 or 61, the new retirement rates are 3 percent when first eligible for early retirement through age 59, 10 percent at ages 60 to 64, 35 percent at age 65, 25 percent at ages 66 to 71, and 100 percent at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 20 percent.
- Where normal retirement is available prior to age 60, the new retirement rates are 3 percent when first eligible for early retirement through the year prior to normal retirement eligibility, 10 percent from normal retirement eligibility through age 59, 20 percent at age 60, 25 percent at age 61, 35 percent at age 62, 40 percent at age 63, 45 percent at age 64, 50 percent at age 65, 25 percent at ages 66 to 71 and 100 percent at ages 72, and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 10 percent.

- The turnover rates were changed from the greater of age-based rates and select rates for the first five years of service followed by age-based rates thereafter to service-based rates only.
- The disability rates were changed to 50 percent of the rates in the prior age-based table.
- The inflation assumption was decreased from 2.75 percent to 2.25 percent.
- The salary increase assumption was changed from a service-based salary scale starting at 8.25 percent for the first 2 years of service with an ultimate rate of 3.25 percent at 10 years of service to a service-based scale starting at 8.50 percent for the first 2 years of service with an ultimate rate of 3.00 percent at 15 years of service.
- The investment return assumption was decreased from 7.50 percent to 7.375 percent.

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, 2020, 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, 2021.
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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 17 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 weighed Disable Retiree Mortality Table with rates multiplied by 1.25 1994 Group Annuity Reserving Unisex Table for Plan termination basis (all lives)

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**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.

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

Capital Project Funds

Capital projects 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, 2020**

	<u>Special Revenue Funds</u>		<u>Capital Project Funds</u>		<u>Permanent</u>	<u>Total</u>
	<u>Confiscated</u>	<u>Hotel</u>	<u>CHIP</u>	<u>2009</u>	<u>Fund</u>	
	<u>Assets</u>	<u>Motel Tax</u>	<u>Fund</u>	<u>SPLOST</u>	<u>Cemetery</u>	<u>Governmental</u>
					<u>Trust</u>	<u>Funds</u>
Assets						
Cash and Cash Equivalents	\$ 7,619	\$ -	\$ -	\$ 3,531	\$ 4,443	\$ 15,593
Certificates of Deposit	-	-	-	-	82,867	82,867
Accounts Receivable	-	14,184	-	-	-	14,184
Intergovernmental Receivable	-	-	3,200	-	-	3,200
Due From Other Funds	-	14,033	-	-	-	14,033
Total Assets	\$ 7,619	\$ 28,217	\$ 3,200	\$ 3,531	\$ 87,310	\$ 129,877
Liabilities and Fund Balances						
Liabilities						
Accounts Payable	\$ -	\$ 28,217	\$ -	\$ -	\$ -	\$ 28,217
Due To Other Funds	-	-	3,200	-	-	3,200
Total Liabilities	-	28,217	3,200	-	-	31,417
Fund Balances						
Restricted	7,619	-	-	3,531	87,310	98,460
Total Fund Balances	7,619	-	-	3,531	87,310	98,460
Total Liabilities and Fund Balances	\$ 7,619	\$ 28,217	\$ 3,200	\$ 3,531	\$ 87,310	\$ 129,877

CITY OF GREENSBORO, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Special Revenue Funds</u>		<u>Capital Project Funds</u>		<u>Permanent</u>	<u>Total</u>
	<u>Confiscated</u>	<u>Hotel</u>	<u>CHIP</u>	<u>2009</u>	<u>Fund</u>	
	<u>Assets</u>	<u>Motel Tax</u>	<u>Fund</u>	<u>SPLOST</u>	<u>Cemetery</u>	<u>Nonmajor</u>
					<u>Trust</u>	<u>Governmental</u>
						<u>Funds</u>
Revenues						
Taxes	\$ -	\$ 122,061	\$ -	\$ -	\$ -	\$ 122,061
Intergovernmental	-	-	3,200	-	-	3,200
Interest earnings	8	-	-	-	1,058	1,066
Other Revenues	-	-	-	-	21,271	21,271
Total Revenues	<u>8</u>	<u>122,061</u>	<u>3,200</u>	<u>-</u>	<u>22,329</u>	<u>147,598</u>
Expenditures						
Current						
General Government	-	46,319	-	-	-	46,319
Public Safety	25	-	-	-	-	25
Culture and Recreation	-	-	-	-	23,242	23,242
Housing and Development	-	-	3,200	-	-	3,200
Total Expenditures	<u>25</u>	<u>46,319</u>	<u>3,200</u>	<u>-</u>	<u>23,242</u>	<u>72,786</u>
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	<u>(17)</u>	<u>75,742</u>	<u>-</u>	<u>-</u>	<u>(913)</u>	<u>74,812</u>
Other Financing Sources (Uses)						
Transfers To Other Funds	-	(75,742)	-	-	-	(75,742)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(75,742)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(75,742)</u>
Net Change in Fund Balances	<u>(17)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(913)</u>	<u>(930)</u>
Fund Balances - Beginning of Year	<u>7,636</u>	<u>-</u>	<u>-</u>	<u>3,531</u>	<u>88,223</u>	<u>99,390</u>
Fund Balances - End of Year	<u>\$ 7,619</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,531</u>	<u>\$ 87,310</u>	<u>\$ 98,460</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, 2020

	Final Budget	Actual	Variance with Budget
Revenues			
Forfeitures	\$ 4,000	\$ -	\$ (4,000)
Interest Earnings	-	8	8
Total Revenues	<u>4,000</u>	<u>8</u>	<u>(3,992)</u>
Expenditures			
Current			
Public Safety	4,000	25	3,975
Total Expenditures	<u>4,000</u>	<u>25</u>	<u>3,975</u>
Net Change in Fund Balances	-	(17)	(17)
Fund Balances - Beginning of Year	<u>7,636</u>	<u>7,636</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 7,636</u>	<u>\$ 7,619</u>	<u>\$ (17)</u>

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, 2020

	Final Budget	Actual	Variance with Budget
Revenues			
Taxes	\$ 89,000	\$ 122,061	\$ 33,061
Total Revenues	<u>89,000</u>	<u>122,061</u>	<u>33,061</u>
Expenditures			
Current			
General Government	42,000	46,319	(4,319)
Total Expenditures	<u>42,000</u>	<u>46,319</u>	<u>(4,319)</u>
Excess of Revenues Over (Under) Expenditures	<u>47,000</u>	<u>75,742</u>	<u>28,742</u>
Other Financing Sources (Uses):			
Transfer To General Fund	(47,000)	(75,742)	(28,742)
Total Other Financing Sources (Uses)	<u>(47,000)</u>	<u>(75,742)</u>	<u>(28,742)</u>
Net Change in Fund Balances	-	-	-
Fund Balances - 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 BALANCES
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

	Prior Years	Current Year	Total to Date	Project Authorization
Revenues				
Department of Community Affairs	\$ 575,426	\$ 3,200	\$ 578,626	\$ 302,557
Total Revenues	575,426	3,200	578,626	302,557
Expenditures				
Homeowner Rehabilitation Assistance	549,418	3,200	552,618	296,625
General Administration	28,108	-	28,108	5,932
Total Expenditures	577,526	3,200	580,726	302,557
Excess of Revenues Over (Under) Expenditures	(2,100)	-	(2,100)	-
Other Financing Sources (Uses)				
Transfer from General Fund	2,100	-	2,100	-
Total Other Financing Sources (Uses)	2,100	-	2,100	-
Net Change in Fund Balances	-	-	-	-
Fund Balances - Beginning of Year	-	-	-	-
Fund Balances - End of Year	\$ -	\$ -	\$ -	\$ -

**CITY OF GREENSBORO, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

	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	\$ -	\$ 2,041,019
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 Equipment	250,000	162,500	10,579	-	10,579
Cultural Facilities and Equipment	500,000	620,000	587,166	-	587,166
Total 2009 Referendum	<u>\$ 6,961,791</u>	<u>\$ 4,914,000</u>	<u>\$ 4,797,554</u>	<u>\$ -</u>	<u>\$ 4,797,554</u>

	Original Estimated Cost	Expenditures		
		Prior Year(s)	Current Year	Total
<u>2015 Referendum</u>				
Roads, Streets, Bridges, and Sidewalks	\$ 3,550,000	\$ 1,378,096	\$ 214,627	\$ 1,592,723
Public Safety Facilities and Equipment	100,000	613,149	173,370	786,519
Water, Sewer, and Stormwater Facilities and Equipment	100,000	1,184,271	331,613	1,515,884
Administrative Facilities and Equipment	425,000	487,029	147,142	634,171
Blight Abatement	425,000	49,968	-	49,968
Culture Facilities and Equipment	20,000	60,044	2,943	62,987
Total 2015 Referendum	<u>\$ 4,620,000</u>	<u>\$ 3,772,557</u>	<u>\$ 869,695</u>	<u>\$ 4,642,252</u>

Reconciliation of SPLOST schedule to financial statements:

2015 Referendum Above	\$ 869,695
Additions	
Current Year Principal Payments	<u>72,449</u>
Total Expenditures per Financial Statements	<u>\$ 942,144</u>

**CITY OF GREENSBORO, GEORGIA
BALANCE SHEET
COMPONENT UNIT - BETTER HOMETOWN
SEPTEMBER 30, 2020**

Assets	
Cash and Cash Equivalents	\$ 10,622
Receivables, Net of Allowance Accounts	<u>830</u>
Total Assets	<u><u>\$ 11,452</u></u>
Liabilities	
Accounts Payable	\$ 952
Due To Primary Government	<u>4,875</u>
Total Liabilities	<u>5,827</u>
Fund Balances	
Unassigned	<u>5,625</u>
Total Fund Balance	<u>5,625</u>
Total Liabilities and Fund Balances	<u><u>\$ 11,452</u></u>

CITY OF GREENSBORO, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
COMPONENT UNIT - BETTER HOMETOWN
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

Revenues	
Intergovernmental	\$ 77,073
Special Events	1,220
Interest Earnings	<u>5</u>
Total Revenues	<u>78,298</u>
 Expenditures	
Current	
Professional Services	27,083
Rental	4,494
Advertising	6,332
Supplies	9,027
Travel	1,973
Other	<u>16,721</u>
Total Expenditures	<u>65,630</u>
 Net Change in Fund Balances	 12,668
 Fund Balances - Beginning of Year, (Deficit)	 <u>(7,043)</u>
 Fund Balances - End of Year	 <u><u>\$ 5,625</u></u>

**CITY OF GREENSBORO, GEORGIA
BALANCE SHEET
COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY
SEPTEMBER 30, 2020**

Assets	
Cash and Cash Equivalents	<u>\$ 14,695</u>
Total Assets	<u><u>\$ 14,695</u></u>
Liabilities	
Accounts Payable	<u>\$ -</u>
Total Liabilities	<u>-</u>
Fund Balances	
Unassigned	<u>14,695</u>
Total Fund Balance	<u>14,695</u>
Total Liabilities and Fund Balances	<u><u>\$ 14,695</u></u>
Total Fund Balances - Governmental Funds	\$ 14,695
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>1,685,516</u>
Net Position of Governmental Activities	<u><u>\$ 1,700,211</u></u>

CITY OF GREENSBORO, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

Revenues	
Intergovernmental	\$ 775
Interest Earnings	13
	788
Total Revenues	788
Expenditures	
Current	
Professional Services	90
Other	2,848
	2,938
Total Expenditures	2,938
Net Change in Fund Balances	(2,150)
Fund Balances - Beginning of Year	16,845
Fund Balances - End of Year	\$ 14,695
 Net Change in Fund Balances - Total Governmental Funds	 \$ (2,150)
 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.	
Current Year Depreciation Expense	48,436
Change in Net Position of Governmental Activities	\$ (50,586)

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GOVERNMENTAL REPORT

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October 25, 2022

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

Honorable Mayor and City 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 as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise City of Greensboro, Georgia's basic financial statements, and have issued our report thereon dated October 25, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Greensboro, Georgia'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 of Greensboro's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Greensboro, Georgia's internal control.

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

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 have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2020-001, and 2020-002 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Greensboro'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 items 2020-003 and 2020-004.

City of Greensboro, Georgia's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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, 2020**

(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*:

2020-001 *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 2020.

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, 2021.

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 30th.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The City concurs with the finding. The City Clerk is currently working with the City's accounting consultant to ensure the monthly reconciliation procedures are performed timely on all accounts.

(1) Financial Statement Findings (Continued)

2020-002 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.

EFFECT

A lack of segregation of duties 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.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The City concurs with the finding. Effective March 1, 2020, the City implemented a policy that requires adjustments to customer's utility accounts be approved, entered and posted to the customer's account by management.

(2) Compliance Finding

2020-003 Violation of Georgia Law – SPLOST 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, 2020, the SPLOST 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.

(2) Compliance Findings (Continued)

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 General Fund has repaid the \$5,000 due to the SPLOST Fund. The City is aware of O.C.G.A. 48-8-121(a)(1) which requires that SPLOST proceeds be used exclusively for the purposes specified in the SPLOST resolution. The City Clerk will examine each invoice to determine whether the expenditure is an eligible SPLOST project before the disbursement is made.

2020-004 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, 2020.

CONTEXT

Expenditures exceeded appropriations as follows:

General Fund:	
Animal Control	\$ 162
Community Services	3,817
Hotel/Motel Tax Fund:	
General Government	4,319
Transfers to General Fund	28,742

EFFECT

The City is in violation of O.C.G.A. Section 36-81-3.

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 Clerk is monitoring the budget to actual activity of all funds. The City Manager will propose budget amendments to the Mayor and Council when necessary.