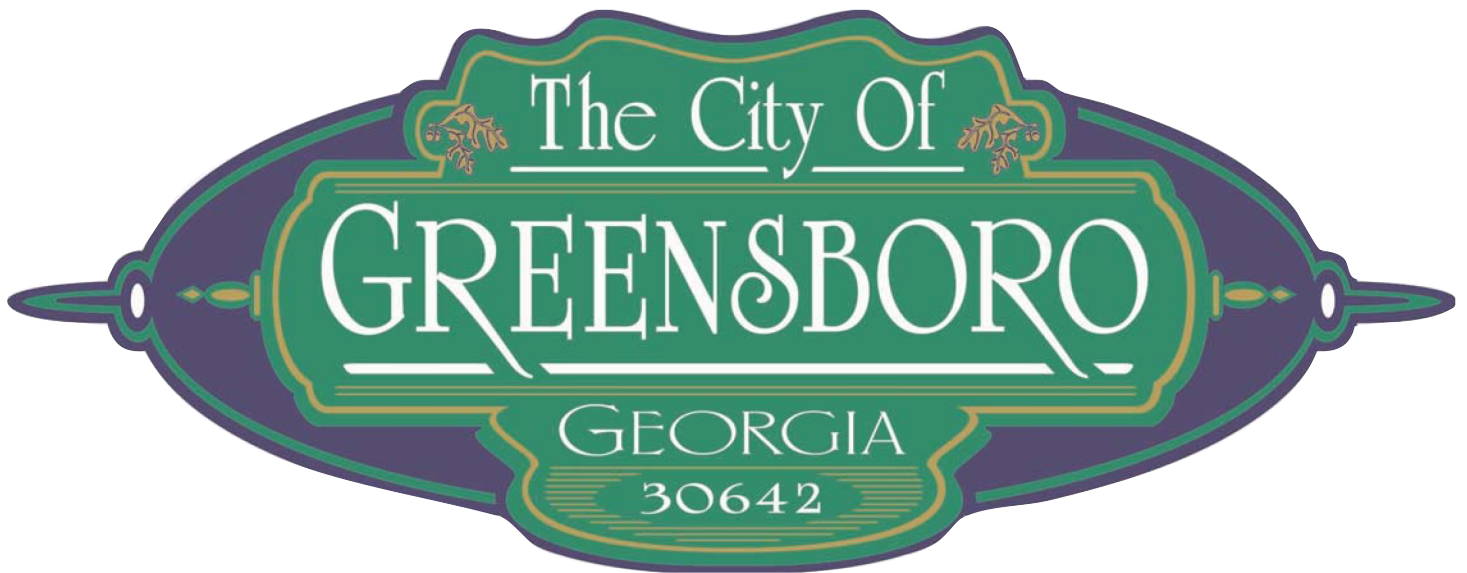


# **CITY OF GREENSBORO GEORGIA**



## **ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2021**



**CITY OF GREENSBORO, GEORGIA**  
**FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED**  
**SEPTEMBER 30, 2021 AND**  
**INDEPENDENT AUDITOR'S REPORT**

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# CITY OF GREENSBORO, GEORGIA

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# CITY OF GREENSBORO, GEORGIA

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August 31, 2023

## **INDEPENDENT AUDITOR'S REPORT**

Mayor and Council  
City of Greensboro, Georgia

### **Report on the Audit of the Financial Statements**

#### **Opinions**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **City of Greensboro, Georgia** (the "City"), as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information for the City, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Major Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

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

#### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with GAAS, we:

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

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

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the schedule of changes in the City's net pension liability and related ratios on page 44, the schedule of City contributions on page 45, and the notes to the required supplementary information on page 46 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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



## Supplementary Information

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

The combining nonmajor fund financial statements, budgetary comparison schedules, schedule of projects constructed with special sales tax proceeds, Better Hometown's financial statements, and the Downtown Development Authority's financial statements is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, budgetary comparison schedules, schedule of projects constructed with special sales tax proceeds, Better Hometown's financial statements, and the Downtown Development Authority's financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*McNair, McLeMore, Middlebrooks & Co., LLC*  
McNAIR, McLEMORE, MIDDLEBROOKS & CO., LLC

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## **FINANCIAL STATEMENTS**

**CITY OF GREENSBORO, GEORGIA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2021**

	<b>Primary Government</b>			<b>Component Units</b>	
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Better Hometown</b>	<b>Downtown Development Authority</b>
<b>Assets</b>					
Current Assets					
Cash and Cash Equivalents	\$ 3,172,679	\$ 1,335,454	\$ 4,508,133	\$ 202	\$ 7,527
Certificates of Deposit	118,419	709,020	827,439	-	-
Restricted Cash and Cash Equivalents					
Cash and Cash Equivalents	1,434,243	942,154	2,376,397	-	-
Receivables, Net of Allowance					
Taxes	36,494	-	36,494	-	-
Accounts	66,128	831,657	897,785	-	-
Intergovernmental	549,164	-	549,164	6,597	-
Loan Balance	19,521	-	19,521	-	-
Internal Balances	(293,159)	293,159	-	-	-
Prepays	98,880	55,620	154,500	-	-
<b>Total Current Assets</b>	<b>5,202,369</b>	<b>4,167,064</b>	<b>9,369,433</b>	<b>6,799</b>	<b>7,527</b>
Noncurrent Assets					
Investment - Joint Venture	-	4,624,929	4,624,929	-	-
Loan Balance	439,930	-	439,930	-	-
Capital Assets					
Nondepreciable	3,289,258	2,928,806	6,218,064	-	50,000
Depreciable, Net	3,155,035	9,260,054	12,415,089	-	1,590,949
<b>Total Noncurrent Assets</b>	<b>6,884,223</b>	<b>16,813,789</b>	<b>23,698,012</b>	<b>-</b>	<b>1,640,949</b>
<b>Total Assets</b>	<b>12,086,592</b>	<b>20,980,853</b>	<b>33,067,445</b>	<b>6,799</b>	<b>1,648,476</b>
<b>Deferred Outflow of Resources</b>					
Related to Pensions	470,624	167,395	638,019	-	-
<b>Total Deferred Outflow of Resources</b>	<b>470,624</b>	<b>167,395</b>	<b>638,019</b>	<b>-</b>	<b>-</b>

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

**CITY OF GREENSBORO, GEORGIA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2021**  
**(CONTINUED)**

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Better Hometown	Downtown Development Authority
<b>Liabilities</b>					
Current Liabilities					
Accounts Payable	\$ 462,889	\$ 441,600	\$ 904,489	\$ 18,583	\$ -
Accrued Interest	3,880	-	3,880	-	-
Accrued Expenses	55,395	8,818	64,213	-	-
Unearned Revenue	616,917	-	616,917	-	-
Customer Deposits	-	26,520	26,520	-	-
Total Current Liabilities	1,139,081	476,938	1,616,019	18,583	-
Noncurrent Liabilities					
Due within One Year					
Capital Lease	78,257	-	78,257	-	-
Notes Payable	-	199,855	199,855	-	-
Revenue Bonds Payable	-	40,000	40,000	-	-
Compensated Absences	55,403	17,836	73,239	-	-
Due in more than One Year					
Capital Lease	1,123,650	-	1,123,650	-	-
Notes Payable	-	2,906,523	2,906,523	-	-
Revenue Bonds Payable	-	1,267,838	1,267,838	-	-
Net Pension Liability	1,013,114	360,351	1,373,465	-	-
Total Noncurrent Liabilities	2,270,424	4,792,403	7,062,827	-	-
<b>Total Liabilities</b>	<b>3,409,505</b>	<b>5,269,341</b>	<b>8,678,846</b>	<b>18,583</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>					
Related to Pensions	35,070	12,473	47,543	-	-
<b>Total Deferred Inflows of Resources</b>	<b>35,070</b>	<b>12,473</b>	<b>47,543</b>	<b>-</b>	<b>-</b>
<b>Net Position</b>					
Net Investment in Capital Assets	6,176,962	11,586,923	17,763,885	-	1,640,949
Restricted					
Debt Service	-	155,914	155,914	-	-
Cemetery Maintenance	86,930	-	86,930	-	-
Law Enforcement	10,784	-	10,784	-	-
Revolving Loan	19,521	-	19,521	-	-
Capital Outlay	1,550,401	-	1,550,401	-	-
Unrestricted	1,268,043	4,123,597	5,391,640	(11,784)	7,527
<b>Total Net Position</b>	<b>\$ 9,112,641</b>	<b>\$ 15,866,434</b>	<b>\$24,979,075</b>	<b>\$ (11,784)</b>	<b>\$ 1,648,476</b>

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

**CITY OF GREENSBORO, GEORGIA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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	Primary Government			Better Hometown	Downtown Development Authority
					Governmental Activities	Business-Type Activities	Total		
<b>Primary Government</b>									
Governmental Activities									
General Government									
Judicial	\$ 920,034	\$ 200,340	\$ 10,848	\$ 91,743	\$ (617,103)	\$ -	\$ (617,103)		
	80,038	-	-	-	(80,038)	-	(80,038)		
Public Safety	2,343,421	-	278,521	168,920	(1,895,980)	-	(1,895,980)		
Public Works	2,231,560	-	-	1,263,427	(968,133)	-	(968,133)		
Culture and Recreation	150,469	-	-	9,361	(141,108)	-	(141,108)		
Housing and Development	389,870	-	-	2,300	(387,570)	-	(387,570)		
Interest on Long-Term Debt	48,163	-	-	-	(48,163)	-	(48,163)		
Total Governmental Activities	6,163,555	200,340	289,369	1,535,751	(4,138,095)	-	(4,138,095)		
Business-Type Activities									
Water and Sewer	2,097,668	2,400,340	-	182,198	-	484,870	484,870		
Gas System	3,549,608	3,935,043	-	540,122	-	925,557	925,557		
Total Business-Type Activities	5,647,276	6,335,383	-	722,320	-	1,410,427	1,410,427		
<b>Total Primary Government</b>	<b>\$ 11,810,831</b>	<b>\$ 6,535,723</b>	<b>\$ 289,369</b>	<b>\$ 2,258,071</b>	<b>(4,138,095)</b>	<b>1,410,427</b>	<b>(2,727,668)</b>		
<b>Component Units</b>									
Better Hometown	\$ 77,293	\$ -	\$ 59,875	\$ -			\$ (17,418)	\$ -	\$ (51,740)
Downtown Development Authority	51,740	-	-	-					(51,740)
<b>Total Component Units</b>	<b>\$ 129,033</b>	<b>\$ -</b>	<b>\$ 59,875</b>	<b>\$ -</b>			<b>(17,418)</b>		<b>(51,740)</b>
<b>General Revenues</b>									
Property Tax					676,021	-	676,021	-	-
Sales Tax					1,182,811	-	1,182,811	-	-
Franchise Tax					351,261	-	351,261	-	-
Other Tax					698,669	-	698,669	-	-
Investment Earnings					13,883	8,608	22,491	9	5
Joint Venture Income					-	681,239	681,239	-	-
Miscellaneous					104,370	-	104,370	-	-
<b>Total General Revenues</b>					3,027,015	689,847	3,716,862	9	5
<b>Transfers</b>					961,991	(961,991)	-	-	-
<b>Total General Revenues and Transfers</b>					3,989,006	(272,144)	3,716,862	9	5
<b>Change in Net Position</b>					(149,089)	1,138,283	989,194	(17,409)	(51,735)
<b>Net Position - Beginning of Year - Restated</b>					9,261,730	14,728,151	23,989,881	5,625	1,700,211
<b>Net Position - End of Year (Deficit)</b>					\$ 9,112,641	\$ 15,866,434	\$ 24,979,075	\$ (11,784)	\$ 1,648,476

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

**CITY OF GREENSBORO, GEORGIA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2021**

	<b>General Fund</b>	<b>American Rescue Plan</b>	<b>SPLOST 2021</b>	<b>SPLOST 2015</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>						
Cash and Cash Equivalents	\$ 3,112,483	\$ -	\$ 499,667	\$ 934,576	\$ 60,196	\$ 4,606,922
Certificates of Deposit	34,914	-	-	-	83,505	118,419
Receivables, Net of Allowance						
Taxes	36,494	-	-	-	-	36,494
Accounts	47,772	-	-	-	18,356	66,128
Intergovernmental	109,347	-	203,095	236,722	-	549,164
Loan Balance	-	-	-	-	459,451	459,451
Due from Other Funds	20,127	616,917	15,280	-	3,984	656,308
Prepays	98,880	-	-	-	-	98,880
<b>Total Assets</b>	<b>\$ 3,460,017</b>	<b>\$ 616,917</b>	<b>\$ 718,042</b>	<b>\$ 1,171,298</b>	<b>\$ 625,492</b>	<b>\$ 6,591,766</b>
<b>Liabilities</b>						
Accounts Payable	\$ 114,333	\$ -	\$ 174,941	\$ 151,275	\$ 22,340	\$ 462,889
Accrued Expenses	55,395	-	-	-	-	55,395
Unearned Revenue	-	616,917	-	-	-	616,917
Due to Other Funds	933,213	-	-	16,254	-	949,467
<b>Total Liabilities</b>	<b>1,102,941</b>	<b>616,917</b>	<b>174,941</b>	<b>167,529</b>	<b>22,340</b>	<b>2,084,668</b>
<b>Deferred Inflows of Resources</b>						
Unavailable Revenue - Property Taxes	34,061	-	-	-	-	34,061
<b>Total Deferred Inflows of Resources</b>	<b>34,061</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,061</b>
<b>Fund Balances</b>						
Nonspendable	98,880	-	-	-	482,386	581,266
Restricted	-	-	543,101	1,003,769	120,766	1,667,636
Unassigned	2,224,135	-	-	-	-	2,224,135
<b>Total Fund Balances</b>	<b>2,323,015</b>	<b>-</b>	<b>543,101</b>	<b>1,003,769</b>	<b>603,152</b>	<b>4,473,037</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 3,460,017</b>	<b>\$ 616,917</b>	<b>\$ 718,042</b>	<b>\$ 1,171,298</b>	<b>\$ 625,492</b>	<b>\$ 6,591,766</b>

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, 2021**

<b>Total Fund Balances - Governmental Funds</b>	<b>\$ 4,473,037</b>
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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	10,797,845
Accumulated Depreciation	(4,353,552)

Deferred Outflows of Resources

Related to Pensions	470,624
---------------------	---------

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	(1,201,907)
Accrued Interest	(3,880)
Compensated Absences	(55,403)
Net Pension Liability	(1,013,114)

Deferred Inflows of Resources

Related to Pensions	(35,070)
---------------------	----------

Revenues

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

	34,061
--	--------

<b>Total Net Position of Governmental Activities</b>	<b>\$ 9,112,641</b>
--	---------------------

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, 2021**

	<b>General Fund</b>	<b>American Rescue Plan</b>	<b>SPLOST 2021</b>	<b>SPLOST 2015</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>						
Taxes						
Property Tax	\$ 671,851	\$ -	\$ -	\$ -	\$ -	\$ 671,851
Sales Tax	1,182,811	-	-	-	-	1,182,811
Other Taxes	877,052	-	-	-	172,878	1,049,930
License and Permits	22,158	-	-	-	-	22,158
Intergovernmental	289,369	-	918,362	616,598	-	1,824,329
Fines and Forfeitures	174,632	-	-	-	3,550	178,182
Interest Earnings	3,463	-	-	791	10,420	14,674
Miscellaneous Revenues	89,424	-	-	-	14,946	104,370
<b>Total Revenues</b>	<b>3,310,760</b>	<b>-</b>	<b>918,362</b>	<b>617,389</b>	<b>201,794</b>	<b>5,048,305</b>
<b>Expenditures</b>						
Current						
General Government	778,845	-	-	2,726	67,618	849,189
Judicial	80,038	-	-	-	-	80,038
Public Safety	2,120,273	-	12,087	98,757	395	2,231,512
Public Works	621,515	-	174,317	1,122,693	-	1,918,525
Culture and Recreation	93,339	-	-	25,675	15,967	134,981
Housing and Development	382,259	-	-	6,311	1,300	389,870
Capital Outlay	-	-	157,931	435,624	-	593,555
Debt Service						
Principal	-	-	19,403	55,893	-	75,296
Interest	-	-	11,523	36,883	-	48,406
<b>Total Expenditures</b>	<b>4,076,269</b>	<b>-</b>	<b>375,261</b>	<b>1,784,562</b>	<b>85,280</b>	<b>6,321,372</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(765,509)</b>		<b>543,101</b>	<b>(1,167,173)</b>	<b>116,514</b>	<b>(1,273,067)</b>
<b>Other Financing Sources (Uses)</b>						
Transfers from Other Funds	1,067,251	-	-	-	1,300	1,068,551
Transfers to Other Funds	(1,300)	-	-	-	(105,260)	(106,560)
<b>Total Other Financing Sources (Uses)</b>	<b>1,065,951</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(103,960)</b>	<b>961,991</b>
<b>Net Change in Fund Balances</b>	<b>300,442</b>	<b>-</b>	<b>543,101</b>	<b>(1,167,173)</b>	<b>12,554</b>	<b>(311,076)</b>
<b>Fund Balances - Beginning of Year - Restated</b>	<b>2,022,573</b>	<b>-</b>	<b>-</b>	<b>2,170,942</b>	<b>590,598</b>	<b>4,784,113</b>
<b>Fund Balances - End of Year</b>	<b>\$ 2,323,015</b>	<b>\$ -</b>	<b>\$ 543,101</b>	<b>\$ 1,003,769</b>	<b>\$ 603,152</b>	<b>\$ 4,473,037</b>

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, 2021**

**Net Change in Fund Balances - Total Governmental Funds** \$ (311,076)

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	427,556
Total Depreciation	(261,595)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net position.	(3,666)
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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	(20,188)
--	----------

**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	75,296
Accrued Interest	243
Compensated Absences	(11,981)
Net Pension Liability	(33,142)

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	(14,706)
---	----------

**Revenues**

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

4,170

<b>Change in Net Position of Governmental Activities</b>	<b><u><u>\$ (149,089)</u></u></b>
--	-----------------------------------

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, 2021**

	<b>Budget Amounts</b>			<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
<b>Revenues</b>				
Taxes				
Property	\$ 602,400	\$ 602,400	\$ 671,851	\$ 69,451
Sales	880,000	1,130,000	1,182,811	52,811
Franchise	368,000	368,000	351,261	(16,739)
Insurance Premium	231,000	271,000	269,525	(1,475)
Occupational	55,000	55,000	55,750	750
Alcoholic Beverage	85,000	85,000	95,238	10,238
Other	171,000	171,000	105,278	(65,722)
Licenses and Permits	10,000	10,000	22,158	12,158
Intergovernmental	310,856	310,856	289,369	(21,487)
Charges for Services	400	400	-	(400)
Fines and Forfeitures	62,000	122,000	174,632	52,632
Investment Earnings	5,000	5,000	3,463	(1,537)
Miscellaneous	53,000	53,000	89,424	36,424
<b>Total Revenues</b>	<b>2,833,656</b>	<b>3,183,656</b>	<b>3,310,760</b>	<b>127,104</b>
<b>Expenditures</b>				
Current				
General Government				
Governing Body	111,020	111,020	76,117	34,903
City Manager	109,630	109,630	115,110	(5,480)
Financial Administration	63,072	501,072	587,618	(86,546)
Judicial				
Municipal Court	79,100	79,100	71,677	7,423
Public Defender	20,000	20,000	8,361	11,639
Public Safety				
Police Protection	1,608,695	1,608,695	1,959,438	(350,743)
Fire Protection	162,930	162,930	106,074	56,856
Animal Control	38,500	45,500	54,761	(9,261)
Public Works				
Highways and Streets	625,792	625,792	578,848	46,944
Maintenance Shop	22,943	22,943	21,592	1,351
Cemetery	19,000	19,000	21,075	(2,075)
Culture and Recreation				
Recreation	84,860	84,860	93,339	(8,479)

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, 2021**  
**(CONTINUED)**

	<b>Budget Amounts</b>			<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
Housing and Development				
Planning and Zoning	\$ 135,560	\$ 135,560	\$ 100,250	\$ 35,310
Economic Development	182,740	182,740	121,995	60,745
Downtown Development	175,960	175,960	160,014	15,946
<b>Total Expenditures</b>	<b>3,439,802</b>	<b>3,884,802</b>	<b>4,076,269</b>	<b>(191,467)</b>
<b>Excess of Revenue Over (Under) Expenditure</b>	<b>(606,146)</b>	<b>(701,146)</b>	<b>(765,509)</b>	<b>(64,363)</b>
<b>Other Financing Sources (Uses)</b>				
Transfer From Other Funds	998,990	998,990	1,067,251	68,261
Transfer To Other Funds	-	-	(1,300)	(1,300)
<b>Total Other Financing Sources (Uses)</b>	<b>998,990</b>	<b>998,990</b>	<b>1,065,951</b>	<b>66,961</b>
<b>Net Change in Fund Balances</b>	<b>392,844</b>	<b>297,844</b>	<b>300,442</b>	<b>2,598</b>
<b>Fund Balances - Beginning of Year</b>	<b>2,022,573</b>	<b>2,022,573</b>	<b>2,022,573</b>	<b>-</b>
<b>Fund Balances - End of Year</b>	<b>\$ 2,415,417</b>	<b>\$ 2,320,417</b>	<b>\$ 2,323,015</b>	<b>\$ 2,598</b>

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**  
**AMERICAN RESCUE PLAN**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	<b>Budget Amounts</b>			<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
<b>Revenues</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Investment Earnings	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	-	-	-	-
<b>Expenditures</b>				
Current				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
<b>Total Expenditures</b>	-	-	-	-
<b>Excess of Revenue Over (Under) Expenditure</b>	-	-	-	-
<b>Other Financing Sources (Uses)</b>				
Transfer from Other Funds	-	-	-	-
Transfer to Other Funds	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	-	-	-	-
<b>Net Change in Fund Balances</b>	-	-	-	-
<b>Fund Balances - Beginning of Year</b>	-	-	-	-
<b>Fund Balances - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**CITY OF GREENSBORO, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2021**

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Water and Sewer Fund</b>	<b>Gas System</b>	<b>Total</b>
<b>Assets</b>			
Current Assets			
Cash and Cash Equivalents	\$ 666,546	\$ 668,908	\$ 1,335,454
Certificates of Deposit	447,161	261,859	709,020
Restricted Cash	155,914	786,240	942,154
Accounts Receivable, Net	412,296	419,361	831,657
Due from Other Funds	-	299,757	299,757
Prepaid Expenses	50,985	4,635	55,620
Total Current Assets	1,732,902	2,440,760	4,173,662
Long-Term Assets			
Investment - Joint Venture	-	4,624,929	4,624,929
Capital Assets			
Nondepreciable	424,376	2,504,430	2,928,806
Depreciable, Net	8,373,901	886,153	9,260,054
Total Capital Assets, Net	8,798,277	3,390,583	12,188,860
Total Long-Term Assets	8,798,277	8,015,512	16,813,789
<b>Total Assets</b>	10,531,179	10,456,272	20,987,451
<b>Deferred Outflows of Resources</b>			
Related to Pension	137,503	29,892	167,395
<b>Total Deferred Outflows of Resources</b>	137,503	29,892	167,395

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

**CITY OF GREENSBORO, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2021**  
**(CONTINUED)**

	<b>Business-Type Activities- Enterprise Funds</b>		
	<b>Water &amp; Sewer</b>	<b>Gas</b>	
	<b>Fund</b>	<b>System</b>	<b>Total</b>
<b>Liabilities</b>			
Current Liabilities			
Current Liabilities Payable from Unrestricted Assets			
Accounts Payable	\$ 48,222	\$ 393,378	\$ 441,600
Accrued Expenses	7,042	1,776	8,818
Customer Deposits	16,225	10,295	26,520
Due to Other Funds	6,598	-	6,598
Compensated Absences	13,980	3,856	17,836
Total Current Liabilities Payable from Unrestricted Assets	92,067	409,305	501,372
Current Liabilities Payable from Restricted Assets			
Notes Payable	54,900	144,955	199,855
Revenue Bonds Payable	-	40,000	40,000
Total Current Liabilities Payable from Restricted Assets	54,900	184,955	239,855
Total Current Liabilities	146,967	594,260	741,227
Long-Term Liabilities			
Notes Payable	517,208	2,389,315	2,906,523
Revenue Bonds Payable	-	1,267,838	1,267,838
Net Pension Liability	296,003	64,348	360,351
Total Long-Term Liabilities	813,211	3,721,501	4,534,712
<b>Total Liabilities</b>	960,178	4,315,761	5,275,939
<b>Deferred Inflows of Resources</b>			
Related to Pensions	10,246	2,227	12,473
<b>Total Deferred Inflows of Resources</b>	10,246	2,227	12,473
<b>Net Position</b>			
Net Investment in Capital Assets	8,196,340	3,390,583	11,586,923
Restricted for Debt Service	155,914	-	155,914
Unrestricted	1,346,004	2,777,593	4,123,597
<b>Total Net Position</b>	\$ 9,698,258	\$ 6,168,176	\$ 15,866,434

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, 2021**

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Water and Sewer Fund</b>	<b>Gas System</b>	<b>Total</b>
<b>Operating Revenues</b>			
Charges and Fees	\$ 2,400,340	\$ 3,935,043	\$ 6,335,383
<b>Total Operating Revenues</b>	<b>2,400,340</b>	<b>3,935,043</b>	<b>6,335,383</b>
<b>Operating Expenses</b>			
Salaries and Benefits	857,569	199,322	1,056,891
Contract Management	226,549	51,698	278,247
Cost of Sales	-	2,865,959	2,865,959
Legal and Professional	24,239	6,070	30,309
Operating Materials	160,747	51,603	212,350
Other Operating Expenses	119,512	97,189	216,701
Repairs and Maintenance	57,887	81,189	139,076
Utilities	241,619	30,520	272,139
Depreciation	391,283	36,944	428,227
<b>Total Operating Expenses</b>	<b>2,079,405</b>	<b>3,420,494</b>	<b>5,499,899</b>
<b>Operating Income</b>	<b>320,935</b>	<b>514,549</b>	<b>835,484</b>
<b>Nonoperating Revenues (Expenses)</b>			
Interest Income	4,353	4,255	8,608
Investment Gain - Joint Venture	-	681,239	681,239
Intergovernmental Revenue	-	540,122	540,122
Interest Expense	(18,263)	(129,114)	(147,377)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(13,910)</b>	<b>1,096,502</b>	<b>1,082,592</b>
<b>Income Before Contributions and Transfers</b>	<b>307,025</b>	<b>1,611,051</b>	<b>1,918,076</b>

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, 2021**  
**(CONTINUED)**

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Water and Sewer Fund</b>	<b>Gas System</b>	<b>Total</b>
<b>Capital Contributions</b>	\$ 182,198	\$ -	\$ 182,198
<b>Transfers In</b>	-	93,174	93,174
<b>Transfers Out</b>	(390,625)	(664,540)	(1,055,165)
<b>Change in Net Position</b>	98,598	1,039,685	1,138,283
<b>Net Position - Beginning of Year</b>	9,599,660	5,128,491	14,728,151
<b>Net Position - End of Year</b>	<u>\$ 9,698,258</u>	<u>\$ 6,168,176</u>	<u>\$ 15,866,434</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, 2021**

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Water and Sewer Fund</b>	<b>Gas System</b>	<b>Total</b>
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$ 2,403,853	\$ 3,539,745	\$ 5,943,598
Cash Paid to Suppliers for Goods and Services	(833,152)	(3,020,162)	(3,853,314)
Cash Paid to Employees	(826,881)	(194,276)	(1,021,157)
<b>Net Cash Flows Provided by (Used for) Operating Activities</b>	<b>743,820</b>	<b>325,307</b>	<b>1,069,127</b>
<b>Cash Flows from Noncapital Financing Activities</b>			
Transfers	(390,625)	(571,366)	(961,991)
<b>Net Cash Flows Provided by (Used for) Noncapital Financing Activities</b>	<b>(390,625)</b>	<b>(571,366)</b>	<b>(961,991)</b>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Principal Payments on Revenue Bonds and Notes	(54,900)	(172,704)	(227,604)
Interest and Fiscal Charges on Revenue Bonds and Notes	(18,263)	(125,546)	(143,809)
Acquisition of Assets	-	(846,300)	(846,300)
Intergovernmental Revenue	-	540,122	540,122
<b>Net Cash Flows Provided by (Used for) Capital and Related Financing Activities</b>	<b>(73,163)</b>	<b>(604,428)</b>	<b>(677,591)</b>
<b>Cash Flows from Investing Activities</b>			
Interest Income	-	4,255	4,255
<b>Net Cash Flows Provided by (Used for) Investing Activities</b>	<b>-</b>	<b>4,255</b>	<b>4,255</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>280,032</b>	<b>(846,232)</b>	<b>(566,200)</b>
<b>Cash, Cash Equivalents, and Restricted Cash - Beginning of Year</b>	<b>542,428</b>	<b>2,301,380</b>	<b>2,843,808</b>
<b>Cash, Cash Equivalents, and Restricted Cash - End of Year</b>	<b>\$ 822,460</b>	<b>\$ 1,455,148</b>	<b>\$ 2,277,608</b>

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, 2021**  
**(CONTINUED)**

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Water and Sewer Fund</b>	<b>Gas System</b>	<b>Total</b>
<b>Noncash Investing, Capital, and Financing Activities</b>			
Contributions of Capital Assets from Government	\$ 182,198	\$ -	\$ 182,198
Classifications			
Current Assets	\$ 666,546	\$ 668,908	\$ 1,335,454
Restricted Assets	155,914	786,240	942,154
<b>Total Cash, Cash Equivalents, and Restricted Cash - End of Year</b>	<b>\$ 822,460</b>	<b>\$ 1,455,148</b>	<b>\$ 2,277,608</b>
<b>Reconciliation of Net Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</b>			
Net Operating Income	\$ 320,935	\$ 514,549	\$ 835,484
<b>Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</b>			
Depreciation and Amortization	391,283	36,944	428,227
Changes in Assets and Liabilities			
(Increase) Decrease in Accounts Receivable	(984)	(87,676)	(88,660)
(Increase) Decrease in Due from Other Funds	-	(299,757)	(299,757)
(Increase) Decrease in Prepaid Expenses	(8,243)	(749)	(8,992)
(Increase) Decrease in Deferred Outflows - Pensions	(488)	(106)	(594)
Increase (Decrease) in Accounts Payable	5,644	164,815	170,459
Increase (Decrease) in Accrued Liabilities	4,182	(715)	3,467
Increase (Decrease) in Customer Deposits	(2,101)	(7,865)	(9,966)
Increase (Decrease) in Due to Other Funds	6,598	-	6,598
Increase (Decrease) in Net Pension Liability	22,433	4,876	27,309
Increase (Decrease) in Deferred Inflows - Pensions	4,561	991	5,552
<b>Total Adjustments</b>	<b>422,885</b>	<b>(189,242)</b>	<b>233,643</b>
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>\$ 743,820</b>	<b>\$ 325,307</b>	<b>\$ 1,069,127</b>

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

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## **NOTES TO THE FINANCIAL STATEMENTS**

**CITY OF GREENSBORO, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**

**(1) Summary of Significant Accounting Policies**

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

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

***Reporting Entity***

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

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

***Discretely Presented Component Units***

Based on the aforementioned criteria, the component units' columns in the government-wide financial statements include the financial data of the City's two component units. These units are reported in a separate column to emphasize that 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. The Downtown Development Authority does not issue separate financial statements.

## **(1) Summary of Significant Accounting Policies (Continued)**

### ***Government-Wide and Fund Financial Statements***

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

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

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

### ***Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

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

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues.

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

### ***Fund Financial Statements***

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

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

## **(1) Summary of Significant Accounting Policies (Continued)**

### ***Fund Financial Statements (Continued)***

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

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

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

The government reports the following major governmental funds:

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

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

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

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

The government reports the following major proprietary funds:

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

Additionally, the government reports the following fund types:

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

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



## **(1) Summary of Significant Accounting Policies (Continued)**

### ***Deposits and Investments***

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

### ***Receivables***

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

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

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

### ***Prepaid Items***

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

### ***Capital Assets***

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

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

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

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

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

## **(1) Summary of Significant Accounting Policies (Continued)**

### ***Compensated Absences***

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

### ***Deferred Inflows/Outflows of Resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period or periods and so, will not be recognized as an outflow of resources (expense / expenditures) until then. The City has one item that qualifies for reporting in this category, deferred outflow of resources related to the pension plans. This amount is deferred and will be recognized as a reduction of the net pension liability in future years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items, which arise 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 GASB Statement No. 54:

*Nonspendable* - amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

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

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

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

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

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

- Committed
- Assigned
- Unassigned

The City does not have a formal minimum fund balance policy. The following is a summary of the fund balance classifications as of September 30, 2021:

	<b>General Fund</b>	<b>SPLOST 2021</b>	<b>SPLOST 2015</b>	<b>Nonmajor Governmental</b>	<b>Total</b>
<b>Fund Balances</b>					
Nonspendable					
Prepays	\$ 98,880	\$ -	\$ -	\$ 482,386	\$ 581,266
Restricted					
Cemetery Maintenance	-	-	-	86,930	86,930
Revolving Loan	-	-	-	19,521	19,521
Law Enforcement	-	-	-	10,784	10,784
Capital Outlay	-	543,101	1,003,769	3,531	1,550,401
Unassigned	2,224,135	-	-	-	2,224,135
<b>Total Fund Balance</b>	<b>\$ 2,323,015</b>	<b>\$ 543,101</b>	<b>\$ 1,003,769</b>	<b>\$ 603,152</b>	<b>\$ 4,473,037</b>

## **(1) Summary of Significant Accounting Policies (Continued)**

### ***Risk Management***

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

### ***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:

<u>Fund</u>	<u>Amount</u>
General Fund	
City Manager	\$ 5,480
Financial Administration	86,546
Police Protection	350,743
Animal Control	9,261
Cemetery	2,075
Recreation	8,479
Transfers to Other Funds	1,300
Nonmajor Governmental Funds	
Hotel / Motel Fund	
General Governmental	41,618
Transfers to General Fund	68,260

The City did not prepare a budget for the American Rescue Plan and Revolving Loan Fund for fiscal year 2021.

## (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, 2021, 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, 2021, the City's certificates of deposit were as follows:

<u>Certificates of Deposit</u>	<u>Maturity</u>	<u>Amount</u>
Certificates of Deposit - Nonmajor Governmental Fund	12 Months	\$ 83,505
Certificates of Deposit - General Fund	60 Months	34,914
Certificates of Deposit - Water and Sewer Fund	30 Days	259,047
Certificates of Deposit - Water and Sewer Fund	60 Months	180,835
Certificates of Deposit - Water and Sewer Fund	60 Months	7,279
Certificates of Deposit - Gas Fund	60 Months	261,859

### *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.

### (3) Deposits and Investments (Continued)

#### *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, 2021, the City's only investments were in certificates of deposit.

### (4) Property Taxes

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

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

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

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:

	<b>Real / Personal Property (Excluding Vehicles)</b>	<b>Motor Vehicles</b>
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 2020 tax digest receivable and amounts collected at year-end are reported as deferred inflows of resources - unavailable revenues on the governmental funds balance sheet.

## (5) Hotel / Motel Excise Tax

A summary of the hotel / motel excise tax expenditures and receipts for the year ended September 30, 2021, is as follows:

<u>Expenditures by Purpose</u>	<u>Amount</u>	<u>Tax Receipts</u>	<u>Percentage</u>
Promote Tourism	\$ 67,618	\$ 172,878	39%
General Fund	105,260	-	61%
Total	<u>\$ 172,878</u>	<u>\$ 172,878</u>	<u>100%</u>

## (6) Receivables

Receivables as of September 30, 2021, consist of the following:

	<u>General</u>	<u>SPLOST 2021</u>	<u>SPLOST 2015</u>	<u>Water and Sewer</u>	<u>Gas System</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
<b>Receivables</b>							
Taxes	\$ 134,874	\$ -	\$ -	\$ -	\$ -	\$ 18,356	\$ 153,230
Accounts	47,772	-	-	1,513,164	644,840	-	2,205,776
Intergovernmental	109,347	203,095	236,722	-	-	-	549,164
Gross Receivables	<u>291,993</u>	<u>203,095</u>	<u>236,722</u>	<u>1,513,164</u>	<u>644,840</u>	<u>18,356</u>	<u>2,908,170</u>
Less Allowance for Uncollectibles	<u>(98,380)</u>	<u>-</u>	<u>-</u>	<u>(1,100,868)</u>	<u>(225,479)</u>	<u>-</u>	<u>(1,424,727)</u>
<b>Total Net Receivables</b>	<u>\$ 193,613</u>	<u>\$ 203,095</u>	<u>\$ 236,722</u>	<u>\$ 412,296</u>	<u>\$ 419,361</u>	<u>\$ 18,356</u>	<u>\$ 1,483,443</u>

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

The composition of interfund balances as of September 30, 2021, is as follows:

### **Due To / From Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Water and Sewer Fund	\$ 6,598
General Fund	SPLOST 2015 Fund	13,529
American Rescue Plan	General Fund	616,917
Nonmajor Governmental	General Fund	3,984
SPLOST 2021	General Fund	12,555
SPLOST 2021	SPLOST 2015 Fund	2,725
Gas Fund	General Fund	<u>299,757</u>
		<u>\$ 956,065</u>

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

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

	Transfer In			
	General Fund	Nonmajor Governmental	Gas Fund	Total
<b>Transfer Out</b>				
General Fund	\$ -	\$ 1,300	\$ -	\$ 1,300
Gas System Fund	664,540	-	-	664,540
Water and Sewer Fund	297,451	-	93,174	390,625
Nonmajor Governmental Funds	105,260	-	-	105,260
Total	<u>\$ 1,067,251</u>	<u>\$ 1,300</u>	<u>\$ 93,174</u>	<u>\$ 1,161,725</u>

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

**(8) Revolving Loan**

During fiscal year 2015, the City received a Redevelopment Fund Program Grant from the Georgia Department of Community Affairs (DCA). DCA approved a redevelopment fund loan for the City to loan \$470,000 to Lake County Brewing. The loan stipulates that Lake County Brewing makes interest only payments for the first two years at an interest rate of 1 percent, then beginning in year 3 the loan shall carry an interest rate of 2 percent amortized over a 20 year period with monthly principal and interest payments of \$2,378 and an annual debt service of \$28,532. Due to the covid pandemic, DCA did extend the interest only period for two additional years.

Annual Revolving Loan collections to maturity are as follows:

Year	Principal	Interest
2022	\$ 19,521	\$ 9,011
2023	19,915	8,617
2024	20,317	8,215
2025	20,727	7,805
2026	21,146	7,386
2027-2031	112,305	30,354
2032-2036	124,106	18,553
2037-2041	121,414	5,586
	<u>\$ 459,451</u>	<u>\$ 95,527</u>



**(9) Capital Assets**

	<b>Beginning Balance</b>	<b>Increase</b>	<b>Decrease</b>	<b>Ending Balance</b>
<b>Governmental Activities</b>				
Capital Assets Not Being Depreciated				
Land	\$ 1,216,843	\$ -	\$ -	\$ 1,216,843
Construction in Progress	1,770,985	301,430	-	2,072,415
Total Capital Assets Not Being Depreciated	2,987,828	301,430	-	3,289,258
Capital Assets Being Depreciated				
Buildings	1,477,085	-	-	1,477,085
Machinery and Equipment	1,439,891	76,729	-	1,516,620
Furniture and Fixtures	12,165	-	-	12,165
Vehicles	1,684,916	-	(38,176)	1,646,740
Infrastructure	2,806,580	49,397	-	2,855,977
Total Capital Assets Being Depreciated	7,420,637	126,126	(38,176)	7,508,587
Less Accumulated Depreciation for				
Buildings	(520,733)	(33,367)	-	(554,100)
Machinery and Equipment	(1,221,568)	(41,930)	-	(1,263,498)
Furniture and Fixtures	(12,165)	-	-	(12,165)
Vehicles	(1,385,760)	(75,999)	34,510	(1,427,249)
Infrastructure	(986,241)	(110,299)	-	(1,096,540)
Total Accumulated Depreciation	(4,126,467)	(261,595)	34,510	(4,353,552)
Total Capital Assets Being Depreciated, Net	3,294,170	(135,469)	(3,666)	3,155,035
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 6,281,998</b>	<b>\$ 165,961</b>	<b>\$ (3,666)</b>	<b>6,444,293</b>
Less Related Long-Term Debt Outstanding				(1,201,907)
Unspent Debt Proceeds Related to Installment Sale				934,576
<b>Net Investment in Capital Assets</b>				<b>\$ 6,176,962</b>

## (9) Capital Assets (Continued)

	Balance	Increase	Decrease	Transfers	Balance
<b>Business-Type Activities</b>					
Capital Assets Not Being Depreciated					
Land	\$ 394,874	\$ -	\$ -	\$ -	\$ 394,874
Construction in Progress	1,657,804	876,128	-	-	2,533,932
Total Capital Assets	2,052,678	876,128	-	-	2,928,806
Capital Assets Being Depreciated					
Buildings and Improvements	13,587,728	-	-	52,401	13,640,129
Infrastructure	5,345,364	-	-	(52,401)	5,292,963
Equipment	1,788,731	141,188	(7,524)	-	1,922,395
Vehicles	149,711	11,182	-	-	160,893
Total Capital Assets Being Depreciated	20,871,534	152,370	(7,524)	-	21,016,380
Less Accumulated Depreciation					
Buildings and Improvements	(4,795,111)	(304,964)	-	-	(5,100,075)
Infrastructure	(4,795,641)	(79,185)	-	-	(4,874,826)
Equipment	(1,598,957)	(43,365)	7,524	-	(1,634,798)
Vehicles	(145,914)	(713)	-	-	(146,627)
Total Accumulated Depreciation	(11,335,623)	(428,227)	7,524	-	(11,756,326)
Total Capital Assets Being Depreciated, Net	9,535,911	(275,857)	-	-	9,260,054
<b>Business-Type Activities Capital Assets, Net</b>	<b>\$ 11,588,589</b>	<b>\$ 600,271</b>	<b>\$ -</b>	<b>\$ -</b>	<b>12,188,860</b>
					Less Related Long-Term Debt Outstanding *
					(572,108)
					Less Other (Non-debt) Capital Related Liabilities
					(29,829)
					Net Investment in Capital Assets
					<u>\$ 11,586,923</u>

\* - 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 \$1,307,839 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 \$2,534,269 is not included in the related long-term debt outstanding for the calculation of the net investment in capital assets.

**(9) Capital Assets (Continued)**

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

Public Safety	108,241
Public Works	130,837
Culture and Recreation	15,488
<b>Total Depreciation Expense - Governmental Activities</b>	<b>\$ 261,595</b>
<b>Business-Type Activities</b>	
Water and Sewer	\$ 391,283
Gas System	36,944
<b>Total Depreciation Expense - Business-Type Activities</b>	<b>\$ 428,227</b>

Component unit activities for the year ended September 30, 2021, are as follows:

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	(187,417)	(13,000)	-	(200,417)
Buildings and Improvements	(330,011)	(30,002)	-	(360,013)
Equipment	(38,265)	(1,565)	-	(39,830)
Total Accumulated Depreciation	(555,693)	(44,567)	-	(600,260)
Total Capital Assets Being Depreciated, Net	1,635,516	(44,567)	-	1,590,949
<b>Downtown Development Authority</b>				
<b>Capital Assets, Net</b>	<b>\$ 1,685,516</b>	<b>\$ (44,567)</b>	<b>\$ -</b>	<b>\$ 1,640,949</b>

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

Depreciation expense charged to functions / programs of component unit as follows:	
Downtown Development Authority	\$ 44,567
<b>Total Depreciation Expense - Component Unit</b>	<b>\$ 44,567</b>

## (10) Long-Term Debt

### *Changes in Long-Term Liabilities*

Long-term liability activity for the year ended September 30, 2021, was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Governmental Activities</b>					
Compensated Absences	\$ 43,422	\$ 63,104	\$ (51,123)	\$ 55,403	\$ 55,403
Capital Lease Payable	1,277,203	-	(75,296)	1,201,907	78,257
Net Pension Liability	979,972	33,142	-	1,013,114	-
<b>Governmental Activity Long-Term Liabilities</b>	<b>\$ 2,300,597</b>	<b>\$ 96,246</b>	<b>\$ (126,419)</b>	<b>\$ 2,270,424</b>	<b>\$ 133,660</b>
<b>Business-Type Activities</b>					
Compensated Absences	\$ 11,840	\$ 14,824	\$ (8,828)	\$ 17,836	\$ 17,836
Notes Payable	3,293,981	-	(187,603)	3,106,378	237,587
Revenue Bonds Payable	1,375,000	-	(40,000)	1,335,000	40,000
Deferred Amounts					
Less Bond Discount	(28,396)	-	1,234	(27,162)	-
Net Pension Liability	333,042	27,309	-	360,351	-
<b>Business-Type Activity Long-Term Liabilities</b>	<b>\$ 4,985,467</b>	<b>\$ 42,133</b>	<b>\$ (235,197)</b>	<b>\$ 4,792,403</b>	<b>\$ 295,423</b>

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, 2021, all assets related to this agreement have been included in construction in progress, therefore, no depreciation expense or accumulated depreciation has been calculated.

<b>Year</b>	<b>Principal</b>	<b>Interest</b>
2022	\$ 78,257	\$ 45,446
2023	81,334	42,369
2024	84,532	39,171
2025	87,855	35,848
2026	91,309	32,394
2027-2031	513,304	105,211
2032-2034	265,316	13,017
Total	<u>\$ 1,201,907</u>	<u>\$ 313,456</u>

## (10) Long-Term Debt (Continued)

### Revenue Bonds

*Combined Utility Revenue Refunding and Improvement Bonds, Series 2013* - The City issued bonds in the original amount of \$1,635,000 bearing interest at a rate of 4.25 percent. Interest on the Series 2013 Bonds is payable on January 1 and July 1 of each year. Principal payments are due each January 1 through 2043 with principal payments of amounts ranging from \$40,000 to \$90,000. The purpose of the Series 2013 bonds was to (i) to finance the cost of additions, extensions, and improvements to the gas portions of the System, (ii) to fund in part a reasonably required debt service reserve, and (iii) to pay the costs of issuance. These bonds are secured by a first lien pledge of the net revenues of the System (combined water, sewerage, and gas system) remaining after payment of the reasonable and necessary expenses of operating, maintaining, and repairing the System. During fiscal year 2021, the City received \$425,374 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>
2022	\$ 40,000	\$ 51,975
2023	40,000	50,775
2024	45,000	49,416
2025	45,000	47,897
2026	45,000	46,378
2027-2031	260,000	205,194
2032-2036	305,000	149,369
2037-2041	380,000	78,441
2042-2043	175,000	7,544
Total	<u>\$ 1,335,000</u>	<u>\$ 686,989</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, 2021, 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>
2022	\$ 75,832	\$ 21,719
2023	78,953	18,598
2024	82,203	15,349
2025	85,586	11,966
2026	89,108	8,443
2027-2028	160,426	5,860
Total	<u>\$ 572,108</u>	<u>\$ 81,935</u>

## **(10) Long-Term Debt (Continued)**

### ***Notes Payable (Continued)***

The Gas System Fund is obligated under a 10-year term note to the Farmers and Merchants Bank. The total amount of the loan 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 June 8, 2030. The purpose of the note is to finance a Tri-County Natural Gas System joint project with the City of Union Point, Georgia.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 161,755	\$ 82,461
2023	154,196	75,926
2024	159,035	71,234
2025	164,027	66,395
2026	169,175	56,256
2027-2030	1,726,081	162,295
Total	<u>\$ 2,534,269</u>	<u>\$ 514,567</u>

## **(11) Employee Retirement Plans**

### ***Georgia Municipal Employees Benefit System Plan***

#### *Plan Description*

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

#### *Benefits Provided*

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

#### *Plan Membership*

As of January 1, 2021, the date of the most recent actuarial valuation date, pension plan membership consisted of the following:

Retirees and Beneficiaries Currently Receiving Benefits	27
Terminated Employees Entitled to Benefits but Not Yet Receiving Them	30
Current Active Employees	42
Nonvested Benefits	10
Total Membership in the Plan	<u>109</u>

## (11) Employee Retirement Plans (Continued)

### *Georgia Municipal Employees Benefit System Plan (Continued)*

#### *Contributions*

The plan members are not required to contribute to the plan. The City is required to contribute at an actuarially determined rate; the current rate is 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.

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

At September 30, 2021 the City reported a net pension liability. The net pension liability was measured as of September 30, 2020. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of January 1, 2021. An expected total pension liability as of September 30, 2021, was determined using standard roll-forward techniques.

For the year ended September 30, 2021, the City recognized pension expense relative to GMEBS in the amount of \$333,916. At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to the Pension from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$ 216,998	\$ 2,838
Changes of Assumptions	187,409	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	44,705
Employer Contributions Subsequent to the Measurement Date	233,612	-
	<u>\$ 638,019</u>	<u>\$ 47,543</u>

City contributions subsequent to the measurement date of September 30, 2020, 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, 2022. 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:

<b>Year</b>	<b>Amount</b>
2022	\$ 152,304
2023	177,081
2024	44,670
2025	(17,191)

## (11) Employee Retirement Plans (Continued)

### Georgia Municipal Employees Benefit System Plan (Continued)

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

#### Actuarial Assumptions

The total pension liability as of September 30, 2021, was determined by an actuarial valuation as of January 1, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The mortality and economic actuarial assumptions used in the January 1, 2021, 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, 2021, were as follows:

<b>Changes in the Net Pension Liability</b>	<b>Total Pension Liability</b>	<b>Fiduciary Net Position</b>	<b>Net Pension Liability</b>
<b>Balances at September 30, 2020</b>	<b>\$ 5,101,813</b>	<b>\$ 3,788,800</b>	<b>\$ 1,313,013</b>
Changes for the Year			
Service Cost	79,253	-	79,253
Interest	373,944	-	373,944
Differences Between Expected and Actual Experience	111,389	-	111,389
Contributions - Employer	-	156,135	(156,135)
Net Investment Income	-	362,450	(362,450)
Benefit Payments	(221,286)	(221,286)	-
Administrative Expense	-	(14,451)	14,451
Other	-	-	-
Net Changes	343,300	282,848	60,452
<b>Balance at September 30, 2021</b>	<b>\$ 5,445,113</b>	<b>\$ 4,071,648</b>	<b>\$ 1,373,465</b>

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 \$1,013,114 and \$360,351, respectively.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2021, is summarized in the following table:



## (11) Employee Retirement Plans (Continued)

### *Georgia Municipal Employees Benefit System Plant (Continued)*

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

#### Net Pension Liability (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	45%	6.40%
International Equity	20%	7.05%
Real Estate	10%	4.50%
Global Fixed Income	5%	1.25%
Domestic Fixed Income	20%	1.15%
Cash	0%	
Total	100%	

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

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

	<u>1% Decrease (6.375%)</u>	<u>Current Discount Rate (7.375%)</u>	<u>1% Increase (8.375%)</u>
Sensitivity of the Net Pension Liability to Changes in the Discount Rate	\$ 2,052,759	\$ 1,373,465	\$ 804,574

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](http://www.gmanet.com).

## (12) Special Funding Defined Benefit Pension Plan

### *Peace Officers' Annuity and Benefit Fund of Georgia*

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

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

### ***Georgia Firefighters' Pension Fund***

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

## **(13) Risk Management**

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

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

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

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

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

## **(14) Contingent Liabilities**

### ***Litigation***

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

## **(15) Joint Ventures**

A joint venture has the following characteristics:

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

### ***Northeast Georgia Regional Commission***

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

## **(16) Related Entity**

### ***Housing Authority of the City of Greensboro, Georgia***

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

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

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

During such period, the Housing Authority shall make *Payments in Lieu of Taxes* 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, 2021, the Housing Authority made payments of \$10,848 *in lieu of taxes*.

### **(17) Investments - Joint Venture**

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

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

Investment, October 1, 2020	\$ 3,943,690
Greensboro's Share of Net Income	<u>681,239</u>
Investment, September 30, 2021	<u><u>\$ 4,624,929</u></u>

### **(18) Concentration of Risk - Major Customer**

The City receives a substantial amount of its support from gas sales to Novelis. A significant reduction in the sales, if this were to occur, may have an effect on the City's programs and activities.

	<u>Gas Revenue</u>	<u>Gas Receivables</u>
Total Gas System	\$ 3,873,020	\$ 644,840
Novelis	3,024,063	340,622
Percent of Total	78%	53%

### **(19) Tax Abatements**

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

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

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

**(20) Restatement of Equity Balances**

During 2021, the City determined that a restatement to the September 30, 2020, governmental activities net position and governmental funds fund balance was required to report the Revolving Loan Fund, which was not previously reported. The impact of these restatements are as follows:

	<b>Governmental Activities</b>	<b>Governmental Funds</b>
<b>Net Position / Fund Balance September 30, 2020, as Previously Reported</b>	\$ 8,769,592	\$ 4,291,975
Revolving Loan Fund	492,138	492,138
<b>Net Position / Fund Balance September 30, 2020, Restated</b>	<u>\$ 9,261,730</u>	<u>\$ 4,784,113</u>

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## **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, 2021**

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

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, 2021**

	2021*	2020	2019	2018	2017	2016	2015
<b>Schedule of City Contributions</b>							
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	N/A	9.97%	8.32%	8.61%	6.80%	5.60%	6.11%

\* 2021 information will be determined after fiscal year end and will be included in the 2022 valuation report.

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

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

## CITY OF GREENSBORO, GEORGIA

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

#### Changes of Assumptions

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

#### Benefit Changes

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

Valuation Date	The actuarially determined contribution rate was determined as of January 1, 2021, 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, 2022.
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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 16 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)

## **SUPPLEMENTARY INFORMATION**

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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.

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

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

**Capital Project Funds**

Capital 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, 2021**

	Special Revenue Funds				Capital Project Funds			Permanent Fund	Total Nonmajor Governmental Funds
	Confiscated Assets	Revolving Loan Fund	Hotel Motel Tax		CHIP Fund	2009 SPLOST		Cemetery Trust	
<b>Assets</b>									
Cash and Cash Equivalents	\$ 10,784	\$ 42,456	\$ -	\$ -	\$ -	\$ 3,531	\$ -	\$ 3,425	\$ 60,196
Certificates of Deposit	-	-	-	-	-	-	-	83,505	83,505
Accounts Receivable	-	-	18,356	-	-	-	-	-	18,356
Loan Receivable	-	459,451	-	-	-	-	-	-	459,451
Due from Other Funds	-	-	3,984	-	-	-	-	-	3,984
<b>Total Assets</b>	<b>\$ 10,784</b>	<b>\$ 501,907</b>	<b>\$ 22,340</b>	<b>\$ 22,340</b>	<b>\$ -</b>	<b>\$ 3,531</b>	<b>\$ -</b>	<b>\$ 86,930</b>	<b>\$ 625,492</b>
<b>Liabilities and Fund Balances</b>									
<b>Liabilities</b>									
Accounts Payable	\$ -	\$ -	\$ 22,340	\$ 22,340	\$ -	\$ -	\$ -	\$ -	\$ 22,340
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>22,340</b>	<b>22,340</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,340</b>
<b>Fund Balances</b>									
Nonspendable	-	482,386	-	-	-	-	-	-	482,386
Restricted	10,784	19,521	-	-	-	3,531	-	86,930	120,766
<b>Total Fund Balances</b>	<b>10,784</b>	<b>501,907</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,531</b>	<b>-</b>	<b>86,930</b>	<b>603,152</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 10,784</b>	<b>\$ 501,907</b>	<b>\$ 22,340</b>	<b>\$ 22,340</b>	<b>\$ -</b>	<b>\$ 3,531</b>	<b>\$ -</b>	<b>\$ 86,930</b>	<b>\$ 625,492</b>

**CITY OF GREENSBORO, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	Special Revenue Funds			Capital Project Funds			Permanent Fund	Total Nonmajor Governmental Funds
	Confiscated Assets	Revolving Loan Fund	Hotel Motel Tax	CHIP Fund	2009 SPLOST		Cemetery Trust	
<b>Revenues</b>								
Taxes	\$ -	\$ -	\$ 172,878	\$ -	\$ -	\$ -	\$ -	\$ 172,878
Fines and Forfeitures	3,550	-	-	-	-	-	-	3,550
Interest earnings	10	9,769	-	-	-	-	641	10,420
Other Revenues	-	-	-	-	-	-	14,946	14,946
<b>Total Revenues</b>	<b>3,560</b>	<b>9,769</b>	<b>172,878</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,587</b>	<b>201,794</b>
<b>Expenditures</b>								
Current								
General Government	-	-	67,618	-	-	-	-	67,618
Public Safety	395	-	-	-	-	-	-	395
Culture and Recreation	-	-	-	-	-	-	15,967	15,967
Housing and Development	-	-	-	1,300	-	-	-	1,300
<b>Total Expenditures</b>	<b>395</b>	<b>-</b>	<b>67,618</b>	<b>1,300</b>	<b>-</b>	<b>-</b>	<b>15,967</b>	<b>85,280</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>3,165</b>	<b>9,769</b>	<b>105,260</b>	<b>(1,300)</b>	<b>-</b>	<b>-</b>	<b>(380)</b>	<b>116,514</b>
<b>Other Financing Sources (Uses)</b>								
Transfers From Other Funds	-	-	-	1,300	-	-	-	1,300
Transfers To Other Funds	-	-	(105,260)	-	-	-	-	(105,260)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(105,260)</b>	<b>1,300</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(103,960)</b>
<b>Net Change in Fund Balances</b>	<b>3,165</b>	<b>9,769</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(380)</b>	<b>12,554</b>
<b>Fund Balances - Beginning of Year - Restated</b>	<b>7,619</b>	<b>492,138</b>	<b>-</b>	<b>-</b>	<b>3,531</b>	<b>-</b>	<b>87,310</b>	<b>590,598</b>
<b>Fund Balances - End of Year</b>	<b>\$ 10,784</b>	<b>\$ 501,907</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,531</b>	<b>\$ -</b>	<b>\$ 86,930</b>	<b>\$ 603,152</b>

**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, 2021**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Budget</b>
<b>Revenues</b>			
Forfeitures	\$ 4,000	\$ 3,550	\$ (450)
Interest Earnings	-	10	10
<b>Total Revenues</b>	<u>4,000</u>	<u>3,560</u>	<u>(440)</u>
<b>Expenditures</b>			
Current			
Public Safety	4,000	395	3,605
<b>Total Expenditures</b>	<u>4,000</u>	<u>395</u>	<u>3,605</u>
<b>Net Change in Fund Balances</b>	-	3,165	3,165
<b>Fund Balances - Beginning of Year</b>	<u>7,619</u>	<u>7,619</u>	<u>-</u>
<b>Fund Balances - End of Year</b>	<u><u>\$ 7,619</u></u>	<u><u>\$ 10,784</u></u>	<u><u>\$ 3,165</u></u>



**CITY OF GREENSBORO, GEORGIA**  
**REVOLVING LOAN FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Budget</b>
<b>Revenues</b>			
Interest	\$ -	\$ 9,769	\$ 9,769
<b>Total Revenues</b>	-	9,769	9,769
<b>Expenditures</b>			
Current			
General Government	-	-	-
<b>Total Expenditures</b>	-	-	-
<b>Net Change in Fund Balances</b>	-	9,769	9,769
<b>Fund Balances - Beginning of Year - Restated</b>	492,138	492,138	-
<b>Fund Balance - End of Year</b>	\$ 492,138	\$ 501,907	\$ 9,769

**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, 2021**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Budget</b>
<b>Revenues</b>			
Taxes	\$ 63,000	\$ 172,878	\$ 109,878
<b>Total Revenues</b>	<u>63,000</u>	<u>172,878</u>	<u>109,878</u>
<b>Expenditures</b>			
Current			
General Government	26,000	67,618	(41,618)
<b>Total Expenditures</b>	<u>26,000</u>	<u>67,618</u>	<u>(41,618)</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>37,000</u>	<u>105,260</u>	<u>68,260</u>
<b>Other Financing Sources (Uses)</b>			
Transfer to General Fund	(37,000)	(105,260)	(68,260)
<b>Total Other Financing Sources (Uses)</b>	<u>(37,000)</u>	<u>(105,260)</u>	<u>(68,260)</u>
<b>Net Change in Fund Balances</b>	-	-	-
<b>Fund Balances - Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance - End of Year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</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, 2021**

	<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>	<b>Project Authorization</b>
<b>Revenues</b>				
Department of Community Affairs	\$ 578,626	\$ -	\$ 578,626	\$ 302,557
<b>Total Revenues</b>	578,626	-	578,626	302,557
<b>Expenditures</b>				
Homeowner Rehabilitation Assistance	552,618	1,300	553,918	296,625
General Administration	28,108	-	28,108	5,932
<b>Total Expenditures</b>	580,726	1,300	582,026	302,557
<b>Excess of Revenues Over (Under) Expenditures</b>	(2,100)	(1,300)	(3,400)	-
<b>Other Financing Sources (Uses)</b>				
Transfer from General Fund	2,100	1,300	3,400	-
<b>Total Other Financing Sources (Uses)</b>	2,100	1,300	3,400	-
<b>Net Change in Fund Balances</b>	-	-	-	-
<b>Fund Balances - Beginning of Year</b>	-	-	-	-
<b>Fund Balances - End of Year</b>	\$ -	\$ -	\$ -	\$ -

**CITY OF GREENSBORO, GEORGIA  
SCHEDULE OF PROJECTS CONSTRUCTED  
WITH SPECIAL SALES TAX PROCEEDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Year(s)	Current Year	Total
<b><u>2009 Referendum</u></b>					
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	\$6,961,791	\$4,914,000	\$4,797,554	\$ -	\$4,797,554

	Original Estimated Cost	Expenditures		
		Prior Year(s)	Current Year	Total
<b><u>2015 Referendum</u></b>				
Roads, Streets, Bridges, and Sidewalks	\$ 3,550,000	\$ 1,592,723	\$ 420,819	\$2,013,542
Public Safety Facilities and Equipment	100,000	786,519	65,750	852,269
Water, Sewer, and Stormwater Facilities and Equipment	100,000	1,515,884	793,302	2,309,186
Administrative Facilities and Equipment	425,000	634,171	66,425	700,596
Blight Abatement	425,000	49,968	4,411	54,379
Culture Facilities and Equipment	20,000	62,987	25,675	88,662
Total 2015 Referendum	\$ 4,620,000	\$ 4,642,252	\$ 1,376,382	\$6,018,634

Reconciliation of SPLOST schedule to financial statements:

2015 Referendum Above	\$ 1,376,382
Additions	
Expenditures Paid with FEMA Grant Funds	85,357
Expenditures Paid with DOT Grant Funds	230,045
Current Year Interest Payments	36,884
Current Year Principal Payments	55,894
Total Expenditures per Financial Statements	<u>\$ 1,784,562</u>

**CITY OF GREENSBORO, GEORGIA**  
**SCHEDULE OF PROJECTS CONSTRUCTED**  
**WITH SPECIAL SALES TAX PROCEEDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**  
**(Continued)**

	<b>Original Estimated Cost</b>		<b>Expenditures</b>		
		<b>Prior Year(s)</b>	<b>Current Year</b>	<b>Total</b>	
<b><u>2021 Referendum</u></b>					
Roads, Streets, Bridges, and Sidewalks	\$ 3,550,000	\$ -	\$ 116,930	\$ 116,930	
Public Safety Facilities and Equipment	100,000	-	42,680	42,680	
Water, Sewer, and Stormwater Facilities and Equipment	790,700	-	159,199	159,199	
Acquiring a new city hall through payments on an installment sale agreement and renovating and equipping city hall	875,000	-	25,526	25,526	
Total 2021 Referendum	<u>\$ 5,315,700</u>	<u>\$ -</u>	<u>\$ 344,335</u>	<u>\$ 344,335</u>	

Reconciliation of SPLOST schedule to financial statements:

2021 Referendum Above	\$ 344,335
Additions	
Current Year Interest Payments	11,523
Current Year Principal Payments	<u>19,403</u>
Total Expenditures per Financial Statements	<u>\$ 375,261</u>

**CITY OF GREENSBORO, GEORGIA**  
**BALANCE SHEET**  
**COMPONENT UNIT - BETTER HOMETOWN**  
**SEPTEMBER 30, 2021**

**Assets**

Cash and Cash Equivalents	\$ 202
Receivables, Net of Allowance	
Accounts	<u>6,597</u>

<b>Total Assets</b>	<u><u>\$ 6,799</u></u>
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**Liabilities**

Accounts Payable	<u>\$ 18,583</u>
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<b>Total Liabilities</b>	<u>18,583</u>
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**Fund Balances**

Unassigned	<u>(11,784)</u>
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<b>Total Fund Balance</b>	<u>(11,784)</u>
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<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 6,799</u></u>
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**CITY OF GREENSBORO, GEORGIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**COMPONENT UNIT - BETTER HOMETOWN**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

<b>Revenues</b>	
Intergovernmental	\$ 59,875
Interest Earnings	9
	<hr/>
<b>Total Revenues</b>	<b>59,884</b>
	<hr/>
<b>Expenditures</b>	
Current	
Professional Services	48,847
Rental	1,910
Advertising	3,617
Supplies	16,602
Travel	998
Other	5,319
	<hr/>
<b>Total Expenditures</b>	<b>77,293</b>
	<hr/>
<b>Net Change in Fund Balances</b>	<b>(17,409)</b>
<b>Fund Balances - Beginning of Year</b>	<b>5,625</b>
	<hr/>
<b>Fund Balances - End of Year, (Deficit)</b>	<b>\$ (11,784)</b>
	<hr/> <hr/>

**CITY OF GREENSBORO, GEORGIA**  
**BALANCE SHEET**  
**COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY**  
**SEPTEMBER 30, 2021**

**Assets**

Cash and Cash Equivalents	\$ 7,527
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<b>Total Assets</b>	<u>\$ 7,527</u>
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**Liabilities**

Accounts Payable	\$ -
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<b>Total Liabilities</b>	<u>-</u>
--------------------------	----------

**Fund Balances**

Unassigned	<u>7,527</u>
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<b>Total Fund Balance</b>	<u>7,527</u>
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<b>Total Liabilities and Fund Balances</b>	<u>\$ 7,527</u>
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<b>Total Fund Balances - Governmental Funds</b>	\$ 7,527
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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>1,640,949</u>
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<b>Net Position of Governmental Activities</b>	<u>\$ 1,648,476</u>
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**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, 2021**

<b>Revenues</b>	
Interest Earnings	\$ 5
<b>Total Revenues</b>	<u>5</u>
<b>Expenditures</b>	
Current	
Other	<u>7,173</u>
<b>Total Expenditures</b>	<u>7,173</u>
<b>Net Change in Fund Balances</b>	(7,168)
<b>Fund Balances - Beginning of Year</b>	<u>14,695</u>
<b>Fund Balances - End of Year</b>	<u><u>\$ 7,527</u></u>
<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$ (7,168)
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	<u>44,566</u>
<b>Change in Net Position of Governmental Activities</b>	<u><u>\$ (51,734)</u></u>

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# **GOVERNMENTAL REPORT**

August 31, 2023

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

Mayor and Council  
The City of Greensboro, Georgia

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Greensboro, Georgia** (the “City”) as of and for the year ended September 30, 2021, 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 August 31, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City’s internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2021-001, 2021-002, 2021-003, and 2021-004 that we consider to be material weaknesses.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and responses as 2021-005, and 2021-006.

## **City of Greensboro, Georgia's Response to Findings**

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The City'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, 2021**

**(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*:

**2021-001    *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 2021.

*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, 2022.

*CAUSE*

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

*RECOMMENDATION*

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

*VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS*

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

## **(1) Financial Statement Findings (Continued)**

### **2021-002    *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. The City is in the process of updating the utility billing adjustment procedures to ensure there is more oversight and approval.

### **2021-003    *Water and Sewer Fund – Capital Contributions and Expenses***

#### *CRITERIA*

GASB No. 34 states proprietary fund statements of revenues, expenses, and changes in fund net position should distinguish between operating and nonoperating revenues and expenses. These statements should also report capital contributions.

#### *CONDITION*

During fiscal year 2021, capital contributions from the City's capital projects to the Water and Sewer Fund included non-capital related items.

#### *CONTEXT*

The City overstated capital contribution revenue by \$789,489 and operating expenses by \$789,489 in the Water and Sewer Fund.

#### *EFFECT*

Material adjustments totaling \$789,489 were required to fairly state capital contribution revenue and operating expenses in the Water and Sewer Fund.

#### *CAUSE*

The City's internal controls failed to detect a formula error in the calculation of capital contributions from the 2015 SPLOST and 2021 SPLOST funds.

## **(1) Financial Statement Findings (Continued)**

### **2021-003    *Water and Sewer Fund – Capital Contributions and Expenses (Continued)***

#### *RECOMMENDATION*

We recommend that the City review its processes for recording capital contributions to proprietary funds from capital project funds.

#### *VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS*

The City concurs with the finding. The City has reviewed the process and calculation procedures for recording capital contributions from capital projects funds to proprietary funds to ensure the calculations are accurate.

### **2021-004    *Prior Period Adjustment – Revolving Loan Fund***

#### *CRITERIA*

In order to comply with the requirements of the Department of Community Affairs, the financial position of all Revolving Loan Funds must be included in the local government's annual audit.

#### *CONDITION*

The City's financial statements did not include the Revolving Loan Fund as of October 1, 2020.

#### *CONTEXT*

A prior period adjustment of \$492,138 was required to record the revolving loan receivable balance as of October 1, 2020.

#### *EFFECT*

The City is in violation of the Revolving Loan Fund reporting requirements.

#### *CAUSE*

The City's internal controls did not identify the Revolving Loan Fund.

#### *RECOMMENDATION*

The City should enhance internal controls to ensure all City funds are reported in the City's annual audit.

#### *VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS*

The City concurs with the finding. The City hired a Finance Officer in August 2023 to ensure reporting requirements are met.

## **(2) Compliance Findings**

### **2021-005    *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, 2021, 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.



## (2) Compliance Findings (Continued)

### 2021-005 *Violation of Georgia Law – SPLOST Fund (Continued)*

#### EFFECT

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

#### CAUSE

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

#### RECOMMENDATION

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

#### VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

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

### 2021-006 *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, 2021.

#### CONTEXT

Expenditures exceeded appropriations as follows:

Fund	Amount
General Fund	
City Manager	\$ 5,480
Financial Administration	86,546
Police Protection	350,743
Animal Control	9,261
Cemetery	2,075
Recreation	8,479
Transfers to Other Funds	1,300
Nonmajor Governmental Funds	
Hotel / Motel Fund	
General Governmental	41,618
Transfers to General Fund	68,260

## **(2) Compliance Findings (Continued)**

### ***2021-006 Budgetary Control – Expenditures Exceeding Appropriations (Continued)***

#### ***EFFECT***

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

#### ***CAUSE***

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

#### ***RECOMMENDATION***

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

#### ***VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS***

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