

# **EXHIBIT J1**



TOWN OF GREENVILLE, PENNSYLVANIA

AUDITED FINANCIAL STATEMENTS,  
REQUIRED SUPPLEMENTARY INFORMATION,  
SUPPLEMENTARY INFORMATION, AND  
COMPLIANCE REPORTING

YEAR ENDED DECEMBER 31, 2021



McGill, Power, Bell & Associates, LLP  
Certified Public Accountants • Business & Financial Advisors

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## INDEPENDENT AUDITOR'S REPORT

To the Town Council  
Town of Greenville, Pennsylvania

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Greenville, Pennsylvania, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town of Greenville's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Greenville, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof 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 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 Town of Greenville 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*

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 Town of Greenville's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* 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 generally accepted auditing standards and *Government Auditing Standards*, 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 Town of Greenville'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 Town of Greenville'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 management's discussion and analysis, budget information, and pension plan information 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Greenville's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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 and individual nonmajor fund financial statements and the schedule of expenditures of federal awards 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 September 22, 2022, on our consideration of the Town of Greenville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Greenville's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Greenville's internal control over financial reporting and compliance.

McGill, Power, Bell & Associates, LLP

*McGill, Power, Bell & Associates, LLP*

Grove City, Pennsylvania

September 22, 2022

**TOWN OF GREENVILLE, PENNSYLVANIA**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
DECEMBER 31, 2021

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The discussion and analysis of the Town of Greenville's (the Town) financial performance provides an overall review of the Town's financial activities for the year ended December 31, 2021. The intent of this discussion and analysis is to look at the Town's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Town's financial performance.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the year ended December 31, 2021 are as follows:

*Government-wide Financial Statements*

- The combined total assets and deferred outflows of resources of the Town exceeded its total liabilities and deferred inflows of resources at December 31, 2021 by \$13,928,121. Of this amount, net position of the Governmental Activities were \$7,915,514; Sanitary Authority \$3,300,400; and Sewer Fund \$2,712,207.
- The total net position decreased by \$26,411. Of this amount, a \$627,112 increase was associated with governmental activities and a \$653,523 decrease with business-type activities.

*Fund Financial Statements*

- As of the close of the current year, the Town's governmental funds reported combined ending fund balances of \$2,217,453, an increase of \$719,396 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$743,167 or 21.0% of total General Fund expenditures.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Town's financial statements. The Town's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements** – The government-wide statements report information about the Town as a whole using accounting methods similar to those used by private-sector companies.

The Statement of Net Position presents information on all of the Town’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the remaining reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The Statement of Activities presents information showing how the government’s net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods.

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town of Greenville include general government, public safety, public works and streets, library and recreation, community development, airport, and other activities. The major business-type activities of the Town include the Sanitary Authority and Sewer Fund.

**Fund financial statements** – The Town’s fund financial statements, which begin on page 13, provide detailed information about the most significant funds – not the Town as a whole. Some funds are required by state law and bond requirements.

*Governmental funds* – Most of the Town’s activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town’s operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town’s programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

*Proprietary funds* – The Town maintains two individual enterprise funds. Information is presented separately in the proprietary Statement of Net Position and the proprietary Statement of Revenues, Expenses, and Changes in Net Position for the Sewer Fund and Sanitary Authority, which are considered major funds. Enterprise funds are used to report the same functions presented in business-type activities in the government-wide financial statements. The Sanitary Authority is a component unit which issues its own financial statements.

*Fiduciary Funds* – A fiduciary fund is used to account for resources held for the benefit of parties outside the government. A fiduciary fund is not reflected in the government-wide financial statements because the resources of this fund are not available to support the Town’s own programs. The accrual method of accounting is used for a fiduciary fund.

### FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

The Town’s total net position was \$13,928,121 and \$13,954,532 at December 31, 2021 and 2020.

#### Town of Greenville’s Net Position December 31, 2021 and 2020

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
Current and other assets	\$ 3,033,933	\$ 2,077,505	\$ 1,580,741	\$ 1,205,198	\$ 4,614,674	\$ 3,282,703
Capital assets	6,935,234	7,361,598	6,595,123	5,648,547	13,530,357	13,010,145
Net pension asset	1,765,484	1,194,443	-	-	1,765,484	1,194,443
	<u>11,734,651</u>	<u>10,633,546</u>	<u>8,175,864</u>	<u>6,853,745</u>	<u>19,910,515</u>	<u>17,487,291</u>
Deferred outflows of resources	509,052	193,924	-	-	509,052	193,924
Current liabilities	729,861	456,679	527,824	187,615	1,257,685	644,294
Long-term liabilities	1,180,708	1,471,196	1,635,433	-	2,816,141	1,471,196
	<u>1,910,569</u>	<u>1,927,875</u>	<u>2,163,257</u>	<u>187,615</u>	<u>4,073,826</u>	<u>2,115,490</u>
Deferred inflows of resources	2,417,620	1,611,193	-	-	2,417,620	1,611,193
<b>NET POSITION</b>						
Net investment in capital assets	5,517,506	5,669,073	4,849,419	5,648,547	10,366,925	11,317,620
Restricted	601,746	427,018	-	-	601,746	427,018
Unrestricted	1,796,262	1,192,311	1,163,188	1,017,583	2,959,450	2,209,894
<b>TOTAL NET POSITION</b>	<u><u>\$ 7,915,514</u></u>	<u><u>\$ 7,288,402</u></u>	<u><u>\$ 6,012,607</u></u>	<u><u>\$ 6,666,130</u></u>	<u><u>\$ 13,928,121</u></u>	<u><u>\$ 13,954,532</u></u>

The largest portion of the Town's net position (74.4%) reflects its investments in capital assets (e.g. land, building, equipment, improvements), less any debt used to acquire those assets that is still outstanding. Most of the unrestricted net position may be used to meet the government's ongoing obligation to citizens and creditors. Unrestricted net position in the Sanitary Authority and the Sewer Fund business-type activities must be utilized within these funds.

**Town of Greenville's Changes in Net Position**  
**Years ended December 31, 2021 and 2020**

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
<b>REVENUES</b>						
Program revenues:						
Charges for services	\$ 837,317	\$ 767,831	\$ 1,277,278	\$ 1,265,681	\$ 2,114,595	\$ 2,033,512
Operating grants and contributions	2,066,157	1,424,062	-	-	2,066,157	1,424,062
General revenues:						
Property taxes	1,408,440	1,381,221	-	-	1,408,440	1,381,221
Other taxes	856,070	510,850	-	-	856,070	510,850
Grants, subsidies, and contributions not restricted	37,101	45,082	-	-	37,101	45,082
Other	95,237	172,821	6,094	10,145	101,331	182,966
	<u>5,300,322</u>	<u>4,301,867</u>	<u>1,283,372</u>	<u>1,275,826</u>	<u>6,583,694</u>	<u>5,577,693</u>
<b>EXPENSES</b>						
General government	532,657	432,481	-	-	532,657	432,481
Public safety	1,767,932	1,199,452	-	-	1,767,932	1,199,452
Public works and streets	1,591,244	1,300,305	-	-	1,591,244	1,300,305
Library and recreation	72,499	89,682	-	-	72,499	89,682
Community development	513,109	52,967	-	-	513,109	52,967
Airport	151,971	120,895	-	-	151,971	120,895
Interest on long-term debt	43,798	49,243	-	-	43,798	49,243
Sanitary Authority	-	-	328,577	287,745	328,577	287,745
Sewer Fund	-	-	1,608,318	1,300,168	1,608,318	1,300,168
	<u>4,673,210</u>	<u>3,245,025</u>	<u>1,936,895</u>	<u>1,587,913</u>	<u>6,610,105</u>	<u>4,832,938</u>
<b>CHANGES IN NET POSITION</b>	627,112	1,056,842	(653,523)	(312,087)	(26,411)	744,755
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>7,288,402</u>	<u>6,231,560</u>	<u>6,666,130</u>	<u>6,978,217</u>	<u>13,954,532</u>	<u>13,209,777</u>
<b>NET POSITION, END OF YEAR</b>	<u><u>\$ 7,915,514</u></u>	<u><u>\$ 7,288,402</u></u>	<u><u>\$ 6,012,607</u></u>	<u><u>\$ 6,666,130</u></u>	<u><u>\$ 13,928,121</u></u>	<u><u>\$ 13,954,532</u></u>

*Governmental activities* Governmental activities increased the Town's net position by \$627,112.

*Business-Type activities* Business-Type activities decreased the Town's net position by \$653,523.

**Town of Greenville's Governmental Activities**  
**Years ended December 31, 2021 and 2020**

<i>Functions/Programs</i>	<i>Total Cost of Services</i>		<i>Net Cost (Benefit) of Services</i>	
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
General government	\$ 532,657	\$ 432,481	\$ (3,867)	\$ 88,003
Public safety	1,767,932	1,199,452	1,320,583	756,105
Public works and streets	1,591,244	1,300,305	133,018	559,091
Library and recreation	72,499	89,682	50,499	73,182
Community development	513,109	52,967	126,474	(10,434)
Airport	151,971	120,895	99,231	(462,058)
Interest and debt issuance costs	43,798	49,243	43,798	49,243
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 4,673,210</u></b>	<b><u>\$ 3,245,025</u></b>	1,769,736	1,053,132
Less:				
Grants, subsidies, and contributions not restricted			<u>37,101</u>	<u>45,082</u>
<b>TOTAL NEEDS FROM LOCAL TAXES AND OTHER REVENUES</b>			<b><u>\$ 1,732,635</u></b>	<b><u>\$ 1,008,050</u></b>

**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

*Governmental Funds* The purpose of the Town's governmental fund financial statements is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At December 31, 2021, the Town's governmental funds reported combined ending fund balances of \$2,217,453, an increase of \$719,396 in comparison to the prior year.

The General Fund is the Town's chief operating fund. During the year, the fund balance of the Town's General Fund increased by \$544,668.

*Proprietary Funds* The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Net position of the Sanitary Authority and Sewer Fund at the end of the year were \$3,300,400 and \$2,712,207, respectively. Sanitary Authority net position decreased by the amount of \$193,279, while the Sewer Fund net position decreased by the amount of \$460,244.

*General Fund Budgetary Highlights* Revenues, excluding other financing sources, of the General Fund were \$1,172,155 higher than budgeted for the year mainly due to tax revenues and government grants and subsidies being greater than anticipated. Expenditures were \$802,169 more than budgeted mainly attributable to public works and streets expenses being higher than anticipated. This was due to the Town receiving and spending a \$871,295 Department of Transportation grant.

### CAPITAL ASSET AND DEBT ADMINISTRATION

At December 31, 2021, the Town had \$13,530,357 invested in a broad range of capital assets, including land, buildings, sewer system, equipment and vehicles, and streets. This amount represents an increase of \$520,212 or 4.0% from last year.

#### Town of Greenville's Capital Assets December 31, 2021 and 2020

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
Land	\$ 336,783	\$ 336,783	\$ -	\$ -	\$ 336,783	\$ 336,783
Buildings and improvements	1,825,151	1,920,166	251,900	272,897	2,077,051	2,193,063
Land improvements	4,213,143	3,980,859	-	-	4,213,143	3,980,859
Infrastructure	-	-	4,171,008	4,579,049	4,171,008	4,579,049
Equipment and vehicles	560,157	687,276	293,913	328,299	854,070	1,015,575
Construction in progress	-	436,514	1,878,302	468,302	1,878,302	904,816
<b>TOTAL</b>	<b>\$ 6,935,234</b>	<b>\$ 7,361,598</b>	<b>\$ 6,595,123</b>	<b>\$ 5,648,547</b>	<b>\$ 13,530,357</b>	<b>\$ 13,010,145</b>

#### *Major Capital Asset Additions*

This year's major capital asset additions included:

- Wastewater Treatment Plant Expansion Project (construction in progress), \$1,410,000
- Purchase of Ford F-550, \$71,637

Detailed information about the Town's capital assets can be found in Note E of the financial statements.

### *Debt Administration*

As of January 1, 2021, the Town had total outstanding debt of \$1,726,548, including a bond discount of \$8,091. During the year, the Town made payments against principal of \$284,333 and incurred a new loan in the amount of \$1,745,704. The current year amortization of the bond discount was \$1,832, causing outstanding debt of \$3,189,751 at December 31, 2021.

Other obligations include accrued sick leave for specific employees of the Town. More detailed information about the long-term liabilities is included in Note F of the financial statements.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Town prepares an operating budget for the General, Stormwater, and Sewer Funds. The Town's elected and appointed officials considered many factors when setting the 2022 budget, tax rates, and fees that will be charged for the business-type activities.

The millage rate for 2022 will be reduced from 38.08 mills to 28.08 mills. The earned income tax rates for residents and non-residents will remain at 1.5% and 1%, respectively.

### **CONTACTING THE TOWN'S FINANCIAL MANAGEMENT**

Our financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Town's finances and to show Council's accountability for the money it receives. If you have questions about this report or wish to request additional information, please contact Jasson Urey, Town Manager, at the Town of Greenville, 125 Main Street, Greenville, PA 16125, (724) 588-4193.

**TOWN OF GREENVILLE, PENNSYLVANIA**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2021**

	<i>Governmental Activities</i>	<i>Business-Type Activities</i>	<i>Total</i>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 2,207,734	\$ 1,399,769	\$ 3,607,503
Receivables:			
Taxes-delinquent and other	615,867	-	615,867
Grants	31,780	-	31,780
Accounts	126,034	174,367	300,401
Due from other governments	-	59,123	59,123
Internal balances	52,518	(52,518)	-
	<u>3,033,933</u>	<u>1,580,741</u>	<u>4,614,674</u>
<b>CAPITAL ASSETS</b>			
Nondepreciable capital assets	336,783	1,878,302	2,215,085
Depreciable capital assets, net	6,598,451	4,716,821	11,315,272
	<u>6,935,234</u>	<u>6,595,123</u>	<u>13,530,357</u>
<b>NET PENSION ASSET</b>			
	1,765,484	-	1,765,484
	<u>11,734,651</u>	<u>8,175,864</u>	<u>19,910,515</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Relating to net pension asset, net of amortization	482,733	-	482,733
Deferred amount on refunding	26,319	-	26,319
	<u>509,052</u>	<u>-</u>	<u>509,052</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
	<u><b>\$ 12,243,703</b></u>	<u><b>\$ 8,175,864</b></u>	<u><b>\$ 20,419,567</b></u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	\$ 121,193	\$ 410,397	\$ 531,590
Accrued expenses	21,748	7,156	28,904
Escrow liability	20,666	-	20,666
Unearned grant revenue	275,908	-	275,908
Current portion of long-term debt	290,346	110,271	400,617
	<u>729,861</u>	<u>527,824</u>	<u>1,257,685</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term debt, net of current portion and unamortized bond discount	1,153,701	1,635,433	2,789,134
Compensated absences	27,007	-	27,007
	<u>1,180,708</u>	<u>1,635,433</u>	<u>2,816,141</u>
	<u>1,910,569</u>	<u>2,163,257</u>	<u>4,073,826</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Relating to net pension asset, net of amortization	2,417,620	-	2,417,620
<b>NET POSITION</b>			
Net investment in capital assets	5,517,506	4,849,419	10,366,925
Restricted	601,746	-	601,746
Unrestricted	1,796,262	1,163,188	2,959,450
	<u>7,915,514</u>	<u>6,012,607</u>	<u>13,928,121</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>			
	<u><b>\$ 12,243,703</b></u>	<u><b>\$ 8,175,864</b></u>	<u><b>\$ 20,419,567</b></u>

See accompanying notes to the basic financial statements.

**TOWN OF GREENVILLE, PENNSYLVANIA**

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2021

<i>Functions/Programs</i>	<i>Expenses</i>	<i>Program Revenues</i>		<i>Net Revenue (Expense) and Changes in Net Position</i>		
		<i>Charges for Services</i>	<i>Operating Grants &amp; Contributions</i>	<i>Governmental Activities</i>	<i>Business-Type Activities</i>	<i>Total</i>
<b>GOVERNMENTAL ACTIVITIES:</b>						
General government	\$ 532,657	\$ 185,030	\$ 351,494	\$ 3,867	\$ -	\$ 3,867
Public safety	1,767,932	261,298	186,051	(1,320,583)	-	(1,320,583)
Public works and streets	1,591,244	350,999	1,107,227	(133,018)	-	(133,018)
Library and recreation	72,499	22,000	-	(50,499)	-	(50,499)
Community development	513,109	-	386,635	(126,474)	-	(126,474)
Airport	151,971	17,990	34,750	(99,231)	-	(99,231)
Interest and debt issuance costs	43,798	-	-	(43,798)	-	(43,798)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>4,673,210</b>	<b>837,317</b>	<b>2,066,157</b>	<b>(1,769,736)</b>	<b>-</b>	<b>(1,769,736)</b>
<b>BUSINESS-TYPE ACTIVITIES:</b>						
Sanitary Authority	328,577	1	-	-	(328,576)	(328,576)
Sewer Fund	1,608,318	1,277,277	-	-	(331,041)	(331,041)
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>1,936,895</b>	<b>1,277,278</b>	<b>-</b>	<b>-</b>	<b>(659,617)</b>	<b>(659,617)</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 6,610,105</b>	<b>\$ 2,114,595</b>	<b>\$ 2,066,157</b>	<b>(1,769,736)</b>	<b>(659,617)</b>	<b>(2,429,353)</b>
<b>GENERAL REVENUES:</b>						
Property taxes, levied for general purposes, net				1,408,440	-	1,408,440
Other taxes, primarily income taxes				856,070	-	856,070
Grants, subsidies, and contributions not restricted				37,101	-	37,101
Investment income				2,332	1,349	3,681
Other				74,142	4,745	78,887
Gain from the disposal of capital assets				18,763	-	18,763
<b>TOTAL GENERAL REVENUES</b>				<b>2,396,848</b>	<b>6,094</b>	<b>2,402,942</b>
<b>CHANGES IN NET POSITION</b>				<b>627,112</b>	<b>(653,523)</b>	<b>(26,411)</b>
<b>NET POSITION, BEGINNING OF YEAR</b>				<b>7,288,402</b>	<b>6,666,130</b>	<b>13,954,532</b>
<b>NET POSITION, END OF YEAR</b>				<b>\$ 7,915,514</b>	<b>\$ 6,012,607</b>	<b>\$ 13,928,121</b>

See accompanying notes to the basic financial statements.

**TOWN OF GREENVILLE, PENNSYLVANIA**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2021

	<i>General Fund</i>	<i>Motor License</i>	<i>Stormwater Fund</i>	<i>Nonmajor Funds</i>	<i>Total Governmental Funds</i>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,062,626	\$ 326,368	\$ 197,737	\$ 621,003	\$ 2,207,734
Receivables:					
Taxes	615,867	-	-	-	615,867
Grants	17,486	-	-	14,294	31,780
Accounts	56,100	-	69,504	430	126,034
Due from other funds	312,358	-	-	1,099	313,457
<b>TOTAL ASSETS</b>	<b>\$ 2,064,437</b>	<b>\$ 326,368</b>	<b>\$ 267,241</b>	<b>\$ 636,826</b>	<b>\$ 3,294,872</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 50,412	\$ -	\$ 14,797	\$ 55,984	\$ 121,193
Accrued expenses	20,254	-	1,494	-	21,748
Escrow liability	-	-	-	20,666	20,666
Unearned grant revenue	-	-	-	275,908	275,908
Due to other funds	1,099	1,687	98,727	159,426	260,939
	71,765	1,687	115,018	511,984	700,454
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - taxes	376,965	-	-	-	376,965
<b>FUND BALANCES</b>					
Fund balances:					
Restricted:					
Street expenditures	-	324,681	-	-	324,681
Capital projects	-	-	-	93,373	93,373
Airport	-	-	-	31,469	31,469
Storm sewers	-	-	152,223	-	152,223
Committed:					
General Council reserves	400,000	-	-	-	400,000
Assigned:					
Checking account required minimum balance	125,000	-	-	-	125,000
Capital projects	166,042	-	-	-	166,042
Payroll and related liabilities	178,000	-	-	-	178,000
HRA funds	3,498	-	-	-	3,498
Unassigned	743,167	-	-	-	743,167
	1,615,707	324,681	152,223	124,842	2,217,453
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 2,064,437</b>	<b>\$ 326,368</b>	<b>\$ 267,241</b>	<b>\$ 636,826</b>	<b>\$ 3,294,872</b>

See accompanying notes to the basic financial statements.

**TOWN OF GREENVILLE, PENNSYLVANIA**  
**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO STATEMENT OF NET POSITION**  
**DECEMBER 31, 2021**

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**TOTAL FUND BALANCES - GOVERNMENTAL FUNDS** **\$ 2,217,453**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets are not financial resources and therefore are not reported in governmental funds. The cost of assets is \$13,002,557, and the accumulated depreciation is \$6,067,323. 6,935,234

Property and earned income taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred inflows of resources in the funds. 376,965

The net pension asset is not reported in the funds. 1,765,484

Deferred outflows and deferred inflows of resources relating to the net pension asset are not reported in the funds. (1,934,887)

Some liabilities are not due and payable in the current period, and therefore are not reported as liabilities in the funds. Those liabilities at year end consist of:

Long-term debt	\$ (1,450,306)	
Unamortized deferred amount on refunding	26,319	
Unamortized bond discount	6,259	
Compensated absences	(27,007)	(1,444,735)

**NET POSITION - GOVERNMENTAL ACTIVITIES** **\$ 7,915,514**

See accompanying notes to the basic financial statements.

**TOWN OF GREENVILLE, PENNSYLVANIA**  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2021

	<i>General Fund</i>	<i>Motor License</i>	<i>Stormwater Fund</i>	<i>Nonmajor Funds</i>	<i>Total Governmental Funds</i>
<b>REVENUES</b>					
Taxes	\$ 2,294,648	\$ -	\$ -	\$ -	\$ 2,294,648
Licenses and permits	145,277	-	-	-	145,277
Fines and violations	31,018	-	-	-	31,018
Government grants and subsidies	1,186,447	196,518	-	682,672	2,065,637
Charges for services	267,866	-	342,999	-	610,865
Interest earnings and rentals	33,647	39	395	18,408	52,489
Contributions	37,621	-	-	-	37,621
Miscellaneous	74,142	-	-	-	74,142
	<u>4,070,666</u>	<u>196,557</u>	<u>343,394</u>	<u>701,080</u>	<u>5,311,697</u>
<b>EXPENDITURES</b>					
General government	370,903	-	-	261,287	632,190
Public safety	1,582,644	-	-	12,723	1,595,367
Public works and streets	1,197,694	58,874	147,360	2,200	1,406,128
Library and recreation	52,919	-	-	-	52,919
Community development	-	-	-	513,109	513,109
Airport	-	-	-	26,574	26,574
Capital outlay	42,634	-	-	21,716	64,350
Debt service:					
Principal	264,439	-	19,894	-	284,333
Interest	32,828	-	3,266	-	36,094
	<u>3,544,061</u>	<u>58,874</u>	<u>170,520</u>	<u>837,609</u>	<u>4,611,064</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>526,605</u>	<u>137,683</u>	<u>172,874</u>	<u>(136,529)</u>	<u>700,633</u>
<b>OTHER FINANCING SOURCES</b>					
Proceeds from disposition of capital assets	18,063	-	-	700	18,763
Transfers from (to) other funds	-	-	(216,040)	216,040	-
	<u>18,063</u>	<u>-</u>	<u>(216,040)</u>	<u>216,740</u>	<u>18,763</u>
<b>NET CHANGES IN FUND BALANCES</b>	544,668	137,683	(43,166)	80,211	719,396
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>1,071,039</u>	<u>186,998</u>	<u>195,389</u>	<u>44,631</u>	<u>1,498,057</u>
<b>FUND BALANCES, END OF YEAR</b>	<u><u>\$ 1,615,707</u></u>	<u><u>\$ 324,681</u></u>	<u><u>\$ 152,223</u></u>	<u><u>\$ 124,842</u></u>	<u><u>\$ 2,217,453</u></u>

See accompanying notes to the basic financial statements.

**TOWN OF GREENVILLE, PENNSYLVANIA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL**  
**FUNDS TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2021**

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<b>NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS</b>	<b>\$ 719,396</b>
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>	
<p>Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay (\$34,515) is less than depreciation (\$460,879) during the year.</p>	(426,364)
<p>Bond discounts and deferred charges on refunding are reported in governmental funds as expenditures. However, in the Statement of Activities, they are capitalized and amortized over the life of the bonds.</p>	(9,536)
<p>Because some property and earned income taxes will not be collected for several months after the Town's fiscal year ends, they are not considered as "available" revenues in the governmental funds. Unavailable tax revenues changed by this amount during the year.</p>	(30,138)
<p>Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.</p>	284,333
<p>In the Statement of Activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used. This amount represents the difference between the amount earned versus the amount used.</p>	89,421
<b>CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 627,112</u></b>

See accompanying notes to the basic financial statements.

# TOWN OF GREENVILLE, PENNSYLVANIA

## STATEMENT OF NET POSITION

### PROPRIETARY FUNDS

DECEMBER 31, 2021

	<i>Sanitary Authority</i>	<i>Sewer Fund</i>	<i>Total Proprietary Funds</i>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 362,654	\$ 1,037,115	\$ 1,399,769
Accounts receivable	-	174,367	174,367
Intergovernmental receivable	-	59,123	59,123
Due from other funds	-	2,363	2,363
	<u>362,654</u>	<u>1,272,968</u>	<u>1,635,622</u>
<b>NONCURRENT ASSETS</b>			
Nondepreciable capital assets	1,878,302	-	1,878,302
Depreciable capital assets, net	3,118,481	1,598,340	4,716,821
	<u>4,996,783</u>	<u>1,598,340</u>	<u>6,595,123</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 5,359,437</u></b>	<b><u>\$ 2,871,308</u></b>	<b><u>\$ 8,230,745</u></b>
<b>LIABILITIES</b>			
Current portion of long-term debt	\$ 110,271	\$ -	\$ 110,271
Accounts payable	313,333	97,064	410,397
Accrued payroll expenses	-	7,156	7,156
Due to other funds	-	54,881	54,881
	<u>423,604</u>	<u>159,101</u>	<u>582,705</u>
<b>LONG-TERM DEBT, net of current portion</b>	<b><u>1,635,433</u></b>	<b><u>-</u></b>	<b><u>1,635,433</u></b>
<b>NET POSITION</b>			
Net investment in capital assets	3,251,079	1,598,340	4,849,419
Unrestricted	49,321	1,113,867	1,163,188
	<u>3,300,400</u>	<u>2,712,207</u>	<u>6,012,607</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b><u>\$ 5,359,437</u></b>	<b><u>\$ 2,871,308</u></b>	<b><u>\$ 8,230,745</u></b>

See accompanying notes to the basic financial statements.

# TOWN OF GREENVILLE, PENNSYLVANIA

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

### PROPRIETARY FUNDS

YEAR ENDED DECEMBER 31, 2021

	<i>Sanitary Authority</i>	<i>Sewer Fund</i>	<i>Total Proprietary Funds</i>
<b>OPERATING REVENUES</b>			
Charges for service	\$ -	\$ 1,277,277	\$ 1,277,277
Lease payment	1	-	1
	<u>1</u>	<u>1,277,277</u>	<u>1,277,278</u>
<b>OPERATING EXPENSES</b>			
Collection and disposal	-	1,145,140	1,145,140
Administrative and general	-	215,862	215,862
Depreciation	287,745	247,316	535,061
	<u>287,745</u>	<u>1,608,318</u>	<u>1,896,063</u>
<b>OPERATING LOSS</b>	<u>(287,744)</u>	<u>(331,041)</u>	<u>(618,785)</u>
<b>NON-OPERATING REVENUES</b>			
Tap-in fees	4,745	-	4,745
Interest income	455	894	1,349
Interest expense	(40,832)	-	(40,832)
	<u>(35,632)</u>	<u>894</u>	<u>(34,738)</u>
<b>LOSS BEFORE TRANSFERS</b>	<u>(323,376)</u>	<u>(330,147)</u>	<u>(653,523)</u>
Transfers	130,097	(130,097)	-
<b>CHANGES IN NET POSITION</b>	<u>(193,279)</u>	<u>(460,244)</u>	<u>(653,523)</u>
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>3,493,679</u>	<u>3,172,451</u>	<u>6,666,130</u>
<b>NET POSITION, END OF YEAR</b>	<u><u>\$ 3,300,400</u></u>	<u><u>\$ 2,712,207</u></u>	<u><u>\$ 6,012,607</u></u>

See accompanying notes to the basic financial statements.

**TOWN OF GREENVILLE, PENNSYLVANIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2021**

	<i>Sanitary Authority</i>	<i>Sewer Fund</i>	<i>Total Proprietary Funds</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ -	\$ 1,275,505	\$ 1,275,505
Lease payment received	1	-	1
Cash paid to employees for services	-	(301,541)	(301,541)
Cash paid to suppliers for goods or services	-	(1,140,226)	(1,140,226)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<u>1</u>	<u>(166,262)</u>	<u>(166,261)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Proceeds from tap-in fees	4,745	-	4,745
Transfers	(338,205)	338,205	-
Purchases of capital assets	(1,096,667)	(71,637)	(1,168,304)
Proceeds from long-term debt	1,745,704	-	1,745,704
Interest paid on long-term debt	(40,832)	-	(40,832)
<b>NET CASH PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>274,745</u>	<u>266,568</u>	<u>541,313</u>
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest income	455	894	1,349
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	275,201	101,200	376,401
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>87,453</u>	<u>935,915</u>	<u>1,023,368</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u><u>\$ 362,654</u></u>	<u><u>\$ 1,037,115</u></u>	<u><u>\$ 1,399,769</u></u>

See accompanying notes to the basic financial statements.

**TOWN OF GREENVILLE, PENNSYLVANIA**  
 STATEMENT OF CASH FLOWS (CONTINUED)  
 PROPRIETARY FUNDS  
 YEAR ENDED DECEMBER 31, 2021

**RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN)  
 OPERATING ACTIVITIES**

	<i>Sanitary Authority</i>	<i>Sewer Fund</i>	<i>Total Proprietary Funds</i>
<b>OPERATING LOSS</b>	\$ (287,744)	\$ (331,041)	\$ (618,785)
Adjustments To Reconcile Operating Loss to Net Cash Provided by (Used in) Operating Activities			
Depreciation	287,745	247,316	535,061
Increase in accounts receivable	-	(2,989)	(2,989)
Decrease in intergovernmental receivable	-	1,217	1,217
Increase in due from other funds	-	(2,363)	(2,363)
Decrease in accounts payable	-	(85,885)	(85,885)
Increase in accrued payroll expenses	-	2,490	2,490
Increase in due to other funds	-	4,993	4,993
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>\$ 1</b>	<b>\$ (166,262)</b>	<b>\$ (166,261)</b>

**SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:**

Purchases of capital assets included in accounts payable	<b>\$ 313,333</b>	<b>\$ -</b>	<b>\$ 313,333</b>
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See accompanying notes to the basic financial statements.

**TOWN OF GREENVILLE, PENNSYLVANIA**

STATEMENT OF FIDUCIARY NET POSITION

DECEMBER 31, 2021

	<i>Private Purpose Trust Funds</i>			<i>Total</i>
	<i>Non-Uniformed Employees' Pension</i>	<i>Police Employees' Pension</i>	<i>Fire Employees' Pension</i>	
<b>ASSETS</b>				
Investments	\$ 4,651,426	\$ 8,898,417	\$ 3,959,714	\$ 17,509,557
<b>NET POSITION</b>				
Restricted for pension benefits	\$ 4,651,426	\$ 8,898,417	\$ 3,959,714	\$ 17,509,557

See accompanying notes to the basic financial statements.

**TOWN OF GREENVILLE, PENNSYLVANIA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**YEAR ENDED DECEMBER 31, 2021**

	<i>Private Purpose Trust Funds</i>			<i>Total</i>
	<i>Non-Uniformed Employees' Pension</i>	<i>Police Employees' Pension</i>	<i>Fire Employees' Pension</i>	
<b>ADDITIONS:</b>				
Contributions	\$ 56,097	\$ 79,382	\$ 59,312	\$ 194,791
Investment income	203,071	394,108	171,345	768,524
Net realized and unrealized gains and losses	331,944	687,741	382,926	1,402,611
	<u>591,112</u>	<u>1,161,231</u>	<u>613,583</u>	<u>2,365,926</u>
<b>DEDUCTIONS:</b>				
Benefit payments	180,165	417,176	203,299	800,640
Administrative fees	9,528	17,671	7,685	34,884
	<u>189,693</u>	<u>434,847</u>	<u>210,984</u>	<u>835,524</u>
<b>CHANGE IN NET POSITION</b>	401,419	726,384	402,599	1,530,402
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>4,250,007</u>	<u>8,172,033</u>	<u>3,557,115</u>	<u>15,979,155</u>
<b>NET POSITION, END OF YEAR</b>	<u><b>\$ 4,651,426</b></u>	<u><b>\$ 8,898,417</b></u>	<u><b>\$ 3,959,714</b></u>	<u><b>\$ 17,509,557</b></u>

See accompanying notes to the basic financial statements.

# TOWN OF GREENVILLE, PENNSYLVANIA

## NOTES TO THE BASIC FINANCIAL STATEMENTS

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### NOTE A – DESCRIPTION OF THE TOWN AND REPORTING ENTITY

The Town of Greenville (the Town) is a municipal corporation, incorporated under the laws of the Commonwealth of Pennsylvania. The Town is organized as a Council/Manager form of government. The Mayor and a seven-member Council are all elected to four-year terms. The Town Manager and department directors are appointed by Council.

#### Reporting Entity

A reporting entity consists of the primary government, component units and other organizations that are included to ensure that financial statements are not misleading. The primary government of the Town consists of all funds and departments that are not legally separate from the Town. For the Town of Greenville, this includes various services including police protection, recreation (including parks), planning and zoning, street maintenance and repair, sanitation, sewer services, and general and administrative services. The operation of each of these activities is directly controlled by Council through the budgetary process.

*Component Unit* The Greenville Sanitary Authority (the Authority) is governed by a five member board appointed by the Town. Although it is legally separate from the Town, the Authority is reported as if it were part of the primary government because its purpose is to finance, construct, and maintain the sewer system operated by the Town. The Authority is reported as a proprietary fund type. Separate financial statements are published for the Sanitary Authority and can be obtained at the Town office.

### NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES

The Town's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

*Government-wide Financial Statements* The Statement of Net Position and the Statement of Activities display information for the Town as a whole. These statements include the financial activities of the primary government. The statements distinguish between activities of the Town that are governmental and those that are considered business-type activities.

The Statement of Net Position presents the financial condition of the governmental and business-type activities of the Town at year end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the Town's governmental activities and for business-type activities of the Town. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Town, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the Town.

# TOWN OF GREENVILLE, PENNSYLVANIA

## NOTES TO THE BASIC FINANCIAL STATEMENTS

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### NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES (CONTINUED)

*Fund Financial Statements* During the year, the Town segregates transactions to certain Town functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Town at this more detailed level. The focus of governmental and proprietary fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

#### *Fund Accounting*

The Town uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds used by the Town: governmental, proprietary, and fiduciary.

*Governmental Funds* Governmental funds are those through which most governmental functions of the Town are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets, deferred outflows of resources, liabilities, and deferred inflows of resources is reported as fund balance. The following are the Town's major governmental fund:

*General Fund* The General Fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the Town for any purpose provided it is expended or transferred according to the Town Code of the Commonwealth of Pennsylvania.

*Special Revenue Funds* These funds account for monies that are received and designated for specific purposes.

*Proprietary Funds* Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. The Town's proprietary funds are all classified as enterprise funds. Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. All of the Town's enterprise funds are major funds.

*Sanitary Authority* This is a component unit of the Town. Its primary purpose is to finance, construct, and maintain the sewer system operated by the Town.

*Sewer Fund* The Sewer Fund is used to account for the revenues generated from the charges for sanitary sewage treatment services to the residential and commercial users of the Town, and nearby municipalities.

# TOWN OF GREENVILLE, PENNSYLVANIA

## NOTES TO THE BASIC FINANCIAL STATEMENTS

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### NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES (CONTINUED)

*Fiduciary Funds* These are the funds that account for the assets held by the Town as a trustee or agent for individuals, private organizations, and/or governmental units and are therefore not available to support the Town's own programs. The funds included in this category are the Private Purpose Pension Funds.

#### Measurement Focus

*Government-wide Financial Statements* These statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operating of the Town are included on the Statement of Net Position.

*Fund Financial Statements* All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources generally are included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary funds are accounted for using a flow of economic resources measurement focus. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of these funds are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The Statement of Cash Flows provides information about how the Town finances and meets the cash flow needs of its proprietary activities.

#### Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting; proprietary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenues, and in the presentation of expenses versus expenditures.

# TOWN OF GREENVILLE, PENNSYLVANIA

## NOTES TO THE BASIC FINANCIAL STATEMENTS

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### NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES (CONTINUED)

*Revenues – Exchange and Non-exchange Transactions* Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is reported on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is reported in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the Town, available means expected to be received within sixty days of year end.

Non-exchange transactions, in which the Town receives value without directly giving equal value in return, include earned income taxes, property taxes, grants, entitlements, and donations. On an accrual basis, revenue from earned income taxes is recognized in the period in which the taxpayer earns income. Revenue from property taxes is recognized in the year for which the taxes are levied (see Note D). Revenue from grants, entitlements, and donations are recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the Town must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Town on a reimbursement basis. On a modified accrual basis, revenue from a non-exchange transaction must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at year end: earned income taxes, delinquent real estate taxes, interest, and grants.

*Expenses/Expenditures* On the accrual basis of accounting, expenses are recorded at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

The Town's basic financial statements are prepared in accordance with Generally Accepted Accounting Principles in the United States of America (GAAP) issued by the Governmental Accounting Standards Board (GASB) applicable to governmental entities that use proprietary fund accounting, including GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Revenues are recognized when earned, and costs and expenses are recognized when incurred.

#### *Short-term Interfund Receivables/Payables*

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "interfund receivables/payables." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

**TOWN OF GREENVILLE, PENNSYLVANIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES (CONTINUED)**

*Capital Assets*

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$1,500 and an estimated useful life in excess of one year. Management has elected to include certain homogeneous asset categories with individual assets less than \$1,500 as composite groups for financial reporting purposes. In addition, capital assets purchased with long-term debt may be capitalized regardless of the thresholds established. Such assets are reported at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are reported at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed and are reported in the Statement of Net Position as construction in progress.

All reported capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u><i>Asset Category</i></u>	<u><i>Governmental Activities Estimated Lives</i></u>	<u><i>Business-Type Activities Estimated Lives</i></u>
Buildings and improvements	20 - 40	40 - 50
Land improvements	20	30 - 40
Sewer system	N/A	30 - 50
Equipment and vehicles	5 - 10	3 - 15
Streets	40	N/A

*Accrued Liabilities and Long-Term Obligations*

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Long-term loans are recognized as a liability on the governmental fund financial statements when due.

TOWN OF GREENVILLE, PENNSYLVANIA  
NOTES TO THE BASIC FINANCIAL STATEMENTS

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NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES (CONTINUED)

Deferred Outflows/Inflows of Resources

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The deferred outflows of resources affecting the Statement of Net Position in the current year include the deferred amount on refunding. The deferred amount on refunding represents the difference between the reacquisition price and the net carrying amount of the old debt on the advance refunding. Deferred outflows related to the pension are also reported on the Statement of Net Position.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The Town has two items that qualify for reporting in this category. They are delinquent taxes, reported in the Balance Sheet of the governmental fund statement and deferred inflows related to the pension, reported on the Statement of Net Position.

Net Position

Net position is classified into three categories according to external donor or legal restrictions or availability of assets to satisfy the Town's obligations. Net position is classified as follows:

*Net Investment in Capital Assets:* This component of net position consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of debt that is attributable to the acquisition, construction, and improvement of the capital assets, plus deferred outflows of resources less deferred inflows of resources related to those assets.

*Restricted:* This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

*Unrestricted:* This consists of all other net position that does not meet the definition of net investment in capital assets or restricted net position.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the Town's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

TOWN OF GREENVILLE, PENNSYLVANIA  
NOTES TO THE BASIC FINANCIAL STATEMENTS

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NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES (CONTINUED)

Fund Equity

The Government Accounting Standards Board (GASB) issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* with the intention of providing a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the Town's financial statements. The reporting standard established a hierarchy for fund balance classifications and the constraints imposed on the users of those resources.

GASB 54 provides for two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact.

In addition to the nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

*Restricted:* This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed:* These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the Town's council, the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Town's council removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

*Assigned:* This classification reflects the amounts constrained by the Town's "intent" to be used for specific purposes, but are neither restricted nor committed. The Town's Manager has the authority to assign the amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

*Unassigned:* This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, the Town considers restricted funds to have been used first, then unrestricted resources – committed, assigned, and unassigned – in order as needed.

# TOWN OF GREENVILLE, PENNSYLVANIA

## NOTES TO THE BASIC FINANCIAL STATEMENTS

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### NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES (CONTINUED)

#### Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Town, these revenues are charges for sewer services. Operating expenses are necessary costs that have been incurred in order to provide the good or service that is the primary activity of the fund.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds.

#### Pension

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Town's pension plans and additions to/deductions from the Town's fiduciary net position have been determined on the same basis as they are reported by the Town. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

#### Recently Issued Accounting Pronouncements

Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, is effective for periods beginning after June 15, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Management is currently evaluating the impact of the adoption of this Statement on the Town's financial statements.

**TOWN OF GREENVILLE, PENNSYLVANIA**  
NOTES TO THE BASIC FINANCIAL STATEMENTS

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**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES (CONTINUED)**

*Subsequent Events*

Management has evaluated subsequent events through September 22, 2022, the date on which the financial statements were available to be issued.

**NOTE C – CASH AND CASH EQUIVALENTS**

The Town Code imposes various restrictions on deposits. Among these are that monies of the various funds can only be invested in United States Treasury bills or interest paying deposits or receipts of bank depositories insured by Federal Deposit Insurance Corporation (FDIC) or the Federal Savings and Loan Insurance Corporation (FSLIC).

Cash and cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and include investments with original maturities of three months or less. Cash and cash equivalents consist of demand deposits with local financial institutions and cash on hand of \$167.

*Custodial credit risk* – The risk that in the event of a bank failure, the government's deposits may not be returned. The Town does not have a policy for custodial risk on deposits. The carrying amount of the Town's deposits with financial institutions was \$2,834,010, and the bank balance was \$2,844,878. The bank balance is insured to \$250,000, and the remaining balance is collateralized with securities held by the pledging financial institutions in separate pooled accounts but not in the Town's name.

In addition to deposits with financial institutions, \$773,326 is on deposit with Pennsylvania Local Government Investment Trust (PLGIT). The portfolio of the Trust is comprised of investments with relatively consistent yields at, however, minimum risk. Although the portfolios of these funds may contain certain insured or guaranteed deposits and investments, the fund shares are not insured or guaranteed. Standard and Poor's has given PLGIT a credit rating of AAA.

Additionally, the Town has investments maintained in fiduciary funds. At December 31, 2021, investments amounted to \$17,509,557 for the pension funds.

# TOWN OF GREENVILLE, PENNSYLVANIA

## NOTES TO THE BASIC FINANCIAL STATEMENTS

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### NOTE D – TAXES

The Elected Real Estate Tax Collector collects property taxes on behalf of the Town. The Elected Real Estate Tax Collector periodically remits to the Town its portion of the taxes collected. The Town rate levied on January 1 was 38.08 mills based on a county assessed valuation. Property taxes receivable represents real estate taxes and outstanding delinquencies measurable as of December 31, 2021, and for which there is an enforceable legal claim. Taxes are levied on January 1 and payable at a 2% discount to April 30, at face from May 1 to June 30 and at a penalty of 10% thereafter. All uncollected real estate taxes are filed with the Mercer County Tax Claim Bureau on January 15 of the year following assessment. In the governmental funds, the portion of the collectible taxes that is collected beyond sixty days is reported as deferred tax revenue. On a full accrual basis, delinquent property taxes have been recorded as revenue.

Council levies under Act 511 of the 1965 Local Tax Enabling Act, as amended, a \$52 local services tax, a 1% tax rate on earned income, and a 1% realty transfer tax. The earned income tax is levied on all income earned within the Town.

The balances at December 31, 2021 are as follows:

	<u>Collectible</u>	<u>Recognized</u>	<u>Unavailable Taxes</u>
Real estate	\$ 401,304	\$ 24,339	\$ 376,965
Earned income	195,880	195,880	-
Local services	18,683	18,683	-
<b>TOTAL</b>	<b><u><u>\$ 615,867</u></u></b>	<b><u><u>\$ 238,902</u></u></b>	<b><u><u>\$ 376,965</u></u></b>

**TOWN OF GREENVILLE, PENNSYLVANIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE E – CHANGES IN CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2021 was as follows:

	<i>Beginning Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balance</i>
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated:				
Land	\$ 336,783	\$ -	\$ -	\$ 336,783
Construction in progress	436,514	14,750	(451,264)	-
Total capital assets not being depreciated	<u>773,297</u>	<u>14,750</u>	<u>(451,264)</u>	<u>336,783</u>
Capital assets being depreciated:				
Building and improvements	4,130,661	-	-	4,130,661
Land improvements	6,110,136	-	451,264	6,561,400
Equipment and vehicles	1,953,948	19,765	-	1,973,713
Total capital assets being depreciated	<u>12,194,745</u>	<u>19,765</u>	<u>451,264</u>	<u>12,665,774</u>
Accumulated depreciation for:				
Building and improvements	(2,210,495)	(95,015)	-	(2,305,510)
Land improvements	(2,129,277)	(218,980)	-	(2,348,257)
Equipment and vehicles	(1,266,672)	(146,884)	-	(1,413,556)
Total accumulated depreciation	<u>(5,606,444)</u>	<u>(460,879)</u>	<u>-</u>	<u>(6,067,323)</u>
Total capital assets being depreciated, net	<u>6,588,301</u>	<u>(441,114)</u>	<u>451,264</u>	<u>6,598,451</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<u><b>\$ 7,361,598</b></u>	<u><b>\$ (426,364)</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 6,935,234</b></u>
	<i>Beginning Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balance</i>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets not being depreciated:				
Construction in progress	\$ 468,302	\$ 1,410,000	\$ -	\$ 1,878,302
Capital assets being depreciated:				
Building and improvements	419,937	-	-	419,937
Infrastructure	16,771,446	-	-	16,771,446
Equipment and vehicles	942,206	71,637	-	1,013,843
Total capital assets being depreciated	<u>18,133,589</u>	<u>71,637</u>	<u>-</u>	<u>18,205,226</u>
Accumulated depreciation for:				
Building and improvements	(147,040)	(20,997)	-	(168,037)
Infrastructure	(12,192,397)	(408,041)	-	(12,600,438)
Equipment and vehicles	(613,907)	(106,023)	-	(719,930)
Total accumulated depreciation	<u>(12,953,344)</u>	<u>(535,061)</u>	<u>-</u>	<u>(13,488,405)</u>
Total capital assets being depreciated, net	<u>5,180,245</u>	<u>(463,424)</u>	<u>-</u>	<u>4,716,821</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<u><b>\$ 5,648,547</b></u>	<u><b>\$ 946,576</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 6,595,123</b></u>

**TOWN OF GREENVILLE, PENNSYLVANIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE E – CHANGES IN CAPITAL ASSETS (CONTINUED)**

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

Governmental Activities:	
General government	\$ 58,245
Public safety	77,937
Public works and streets	183,321
Library and recreation	15,979
Airport	<u>125,397</u>
<b>TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 460,879</u></b>
Business-Type Activities:	
Sanitary Authority	\$ 287,745
Sewer Fund	<u>247,316</u>
<b>TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES</b>	<b><u>\$ 535,061</u></b>

**NOTE F – LONG-TERM DEBT**

During the fiscal year ended December 31, 2021, the Town's long-term debt changed as follows:

	<i>Interest Rate</i>	<i>Maturity Date</i>	<i>Beginning Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balance</i>	<i>Due Within One Year</i>
<b>GOVERNMENTAL ACTIVITIES:</b>							
2013 General Obligation							
Bonds	0.5-2.625%	2025	\$ 1,220,000	\$ -	\$ (235,000)	\$ 985,000	\$ 240,000
Unamortized Bond							
Discount	N/A	N/A	(8,091)	1,832	-	(6,259)	-
Pennvest loan	1.00%	2036	335,711	-	(19,894)	315,817	20,094
USDA Loan							
Police	2.25%	2023	44,608	-	(16,421)	28,187	16,794
First National Bank - Roof	3.38%	2029	134,320	-	(13,018)	121,302	13,458
			<u>1,726,548</u>	<u>1,832</u>	<u>(284,333)</u>	<u>1,444,047</u>	<u>290,346</u>
<b>BUSINESS-TYPE ACTIVITIES:</b>							
Sewer Revenue Note	2.29%	2027	-	1,745,704	-	1,745,704	110,271
Total long-term debt			1,726,548	1,747,536	(284,333)	3,189,751	400,617
Net pension (asset) liability	N/A	N/A	(1,194,443)	-	(571,041)	(1,765,484)	-
Compensated Absences	N/A	N/A	28,982	-	(1,975)	27,007	-
<b>TOTAL</b>			<b><u>\$ 561,087</u></b>	<b><u>\$ 1,747,536</u></b>	<b><u>\$ (857,349)</u></b>	<b><u>\$ 1,451,274</u></b>	<b><u>\$ 400,617</u></b>

**TOWN OF GREENVILLE, PENNSYLVANIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE F – LONG-TERM DEBT (CONTINUED)**

The future payments required to amortize the debt as of December 31, 2021 are as follows:

*Governmental Activities:*

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 290,346	\$ 34,004	\$ 324,350
2023	290,601	27,931	318,532
2024	284,881	21,554	306,435
2025	285,572	14,828	300,400
2026	36,283	4,430	40,713
2027-2031	157,071	11,404	168,475
2032-2036	105,552	2,527	108,079
<b>TOTAL</b>	<b>\$ 1,450,306</b>	<b>\$ 116,678</b>	<b>\$ 1,566,984</b>

*Business-Type Activities:*

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 110,271	\$ 39,661	\$ 149,932
2023	335,903	33,940	369,843
2024	343,676	26,167	369,843
2025	351,629	18,214	369,843
2026	359,767	10,076	369,843
2027	244,458	2,104	246,562
<b>TOTAL</b>	<b>\$ 1,745,704</b>	<b>\$ 130,162</b>	<b>\$ 1,875,866</b>

General Obligation Bonds, Series of 2013

On April 29, 2013, the Town issued \$2,995,000 of general obligation bonds for a refunding of \$2,855,000 of General Obligation Bonds, Series of 2005. The refunding was undertaken due to more favorable interest rates. The cash flow requirements of the refunded bond, prior to refunding, were \$3,722,148. The cash flow requirements for the 2013 refunding bonds are \$3,404,899 for the same period. This transaction resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of approximately \$282,000. The loan balance outstanding at December 31, 2021 was \$985,000.

Pennvest Loan

On August 3, 2015, the Town entered into a \$497,500 loan for a stormwater project. The balance outstanding at December 31, 2021 is \$315,817.

**TOWN OF GREENVILLE, PENNSYLVANIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE F – LONG-TERM DEBT (CONTINUED)**

*First National Bank Loan – Roof*

On November 6, 2019, the Town entered into a \$150,000 loan for roof repairs at the Town Building. The balance outstanding at December 31, 2021 was \$121,302.

*USDA Loan – Police Cruisers*

On August 26, 2020, the Town entered into a \$50,000 loan for police cruisers. The balance outstanding at December 31, 2021 was \$28,187.

*Sewer Revenue Note, Series of 2021*

During April 2021, the Greenville Sanitary Authority, a component unit of the Town, entered into a Sewer Revenue Note, Series of 2021 for upgrades to the sewer system in the amount of \$2,800,000 at an interest rate of 2.29%. Interest only payments are due through August 2022. Principal and interest payments are due beginning September 2022. The Town has guaranteed the debt of the Authority. During 2021, the Town drew down loan proceeds of \$1,745,704. The balance outstanding at December 31, 2021 was \$1,745,704.

*Compensated Absences*

The Town allows all employees to accumulate their unused sick leave. Employees may accumulate sick days based on contractual provisions and upon retirement or termination may receive payment up to a stipulated maximum number of days. Payment is \$30 per day for all employees except the Police, which is \$72.50 per day, and the Fire, which does not get compensated for unused sick time.

**NOTE G – INTERFUND RECEIVABLES/PAYABLES**

The composition of interfund balances at December 31, 2021 is as follows:

<u><i>Receivable Fund</i></u>	<u><i>Payable Fund</i></u>	<u><i>Purpose</i></u>	<u><i>Amount</i></u>
General Fund	Sewer Fund	Sewer operations	\$ 54,881
General Fund	Capital Projects Fund	Capital projects	159,426
General Fund	Motor License Fund	Highways and streets	1,687
General Fund	Stormwater Fund	Payroll items	96,364
Airport Fund	General Fund	General operations	1,099
Sewer Fund	Stormwater Fund	Sewer lateral inspections	2,363
<b>TOTAL</b>			<b>\$ 315,820</b>

The interfund balances resulted 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.

**TOWN OF GREENVILLE, PENNSYLVANIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE H – INTERFUND TRANSFERS**

On occasion, the Town will transfer monies between funds for various activities. Such activity for the year ended December 31, 2021 is identified below.

<u>Recipient Fund</u>	<u>Payor Fund</u>	<u>Purpose</u>	<u>Amount</u>
Capital Projects	Stormwater Fund	Capital Projects	\$ 216,040

**NOTE I – PENSION PLANS**

*Plan Description* The Town participates in the Pennsylvania Municipal Retirement System (PMRS), an agent multiple-employer defined benefit pension plan that covers all full-time (Non-Uniform, police, and fire) employees of the Town. PMRS acts as a common investment and administrative agent for participating municipal pension plans. PMRS issues a separate Comprehensive Annual Financial Report (CAFR). The CAFR is available on the PMRS website. A copy can be obtained by contacting the PMRS accounting office. The system provides retirement, disability, and death benefits to members and their beneficiaries.

As a participant in PMRS, the Town receives a separate actuarial valuation to determine its periodic contribution rate on each of its three plans, the Non-Uniform Pension Plan, the Police Pension Plan, and the Fire Pension Plan.

*Significant Accounting Policies* The plans' financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. Employer contributions to the plans are recognized when due, in accordance with Act 205, as amended. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

*Investments* Investments are reported at fair value. The plans' assets with PMRS are pooled for investment purposes and, therefore, do not represent specific identifiable investment securities. Disclosures required by Statement No. 3 of the Governmental Accounting Standards Board for aggregate PMRS investments are included in PMRS's separately issued CAFR.

*Funding* Act 205 requires that annual contributions be based upon the plans' Minimum Municipal Obligation (MMO). The MMO is based upon the plans' biennial actuarial valuations. In accordance with the plans' governing Ordinances, members are required to contribute 3.00%, 0.00%, and 4.00% of compensation to the non-uniform, police, and fire plans, respectively. The plans may also be eligible to receive an allocation of state aid from the General Municipal Pension System State Aid Program which must be used for pension funding. Any funding requirement established by the MMO in excess of employee contributions and state aid must be paid by the municipality in accordance with Act 205. Administrative costs, including the investment manager, custodial trustee, and actuarial services are charged to the plans and funded through investment earnings.

**TOWN OF GREENVILLE, PENNSYLVANIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE I – PENSION PLANS (CONTINUED)**

*Non-Uniform Pension Plan*

Membership of the Plan consisted of the following as of the most recent actuarial valuation dated January 1, 2021:

Inactive employees or beneficiaries currently receiving benefits	15
Inactive employees entitled to but not yet receiving benefits	2
Active Employees	<u>14</u>
<b>TOTAL</b>	<b><u><u>31</u></u></b>

*Actuarial Assumptions* Total pension liability was determined by an actuarial valuation as of January 1, 2017 utilizing the Entry Age actuarial funding method and the following actuarial assumptions applied to all periods included in the measurement:

Inflation	2.8%
Salary increases	Age related scale with merit and inflation component

Pre-retirement mortality rates were based on the RP-2000 Non-Annuitant Male table projected 15 years with Scale AA for males and RP-2000 Non-Annuitant Female table projected 15 years with Scale AA, setback five years. Post-retirement mortality rates were based on the RP-2000 Annuitant Male table projected 5 years with Scale AA for males and RP-2000 Annuitant Female table projected 10 years with Scale AA, setback five years.

*Historical Changes in Assumptions*

12/31/2015: Assumptions based on the PMRS Experience Study for the period covering January 1, 2009 through December 31, 2013 issued by the actuary in July 2015 first effective.

12/31/2016: Investment Return Assumption for municipal assets decreased from 5.50% to 5.25%.

12/31/2020: Assumptions based on the PMRS Experience Study for the period covering January 1, 2014 through December 31, 2018 issued by the actuary in September 2020.

The contribution to the plan for 2021 was \$36,128 computed through an actuarial valuation performed January 1, 2017 and represented 5.43% of covered payroll.

*Net Pension Liability of the Pension Plan* The net pension liability is equal to the total pension liability minus the net position of the plan. The result as of December 31, 2021 is as follows:

Total pension liability	\$ 3,992,541
Pension plan net position	<u>4,651,426</u>
<b>NET PENSION LIABILITY (ASSET)</b>	<b><u><u>\$ (658,885)</u></u></b>

The pension plan's net position as a percentage of total pension liability is 116.50%.

**TOWN OF GREENVILLE, PENNSYLVANIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE I – PENSION PLANS (CONTINUED)**

*Discount Rate* The discount rate used to measure the total pension liability was 5.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the Town contributions will be made equal to the Minimum Municipal Obligation. Based on those assumptions, the pension plan’s 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 was applied to all periods of projected benefit payments to determine the total pension liability.

*Schedule of Changes in the Net Pension Asset*

	<i>Total Pension Liability (a)</i>	<i>Plan Fiduciary Net Position (b)</i>	<i>Net Pension Liability (Asset) (a) - (b)</i>
<b>MEASUREMENT YEAR ENDING 12/31/2019</b>	\$ 3,914,151	\$ 4,250,007	\$ (335,856)
Changes for the year:			
Service cost	70,643	-	70,643
Interest	204,533	-	204,533
Changes of benefits	-	-	-
Changes of assumptions	160,766	-	160,766
Differences between expected and actual experience	(177,387)	-	(177,387)
Contributions - employer	-	36,108	(36,108)
Contributions - PMRS assessment	-	20	(20)
Contributions - employee	-	19,969	(19,969)
PMRS investment income	-	203,071	(203,071)
Market value investment income	-	331,944	(331,944)
Transfers	-	-	-
Benefit payments	(180,165)	(180,165)	-
PMRS administrative expense	-	(680)	680
Additional administrative expense	-	(8,848)	8,848
Net changes	78,390	401,419	(323,029)
<b>MEASUREMENT YEAR ENDING 12/31/2020</b>	<b>\$ 3,992,541</b>	<b>\$ 4,651,426</b>	<b>\$ (658,885)</b>

*Sensitivity of the Net Pension Asset to Change in the Discount Rate* The following presents the net pension liability of the plan, calculated using the discount rate of 5.25% as well as what the plan’s net position liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.25%) or 1-percentage point higher (6.25%) than the current rate:

	<i>1.0% Decrease 4.25%</i>	<i>Current Rate 5.25%</i>	<i>1.0% Increase 6.25%</i>
Net pension liability (asset)	\$ (217,059)	\$ (658,885)	\$ (1,033,502)

**TOWN OF GREENVILLE, PENNSYLVANIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE I – PENSION PLANS (CONTINUED)**

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

For the year ended December 31, 2021, the Town recognized pension expense of (\$125,074). At December 31, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 28,691	\$ 191,557
Changes of assumptions	158,975	4,314
Net difference between projected and actual earnings on pension plan investments	-	497,117
<b>TOTAL</b>	<b><u>\$ 187,666</u></b>	<b><u>\$ 692,988</u></b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<i>Year ended December 31:</i>	
2021	\$ (168,478)
2022	(70,381)
2023	(186,261)
2024	(77,436)
2025	(2,766)
Thereafter	-

***Police Pension Plan***

Membership of the Plan consisted of the following as of the most recent actuarial valuation dated January 1, 2021:

Inactive employees or beneficiaries currently receiving benefits	15
Inactive employees entitled to but not yet receiving benefits	2
Active employees	<u>9</u>
<b>TOTAL</b>	<b><u>26</u></b>

**TOWN OF GREENVILLE, PENNSYLVANIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE I – PENSION PLANS (CONTINUED)**

*Actuarial Assumptions* Total pension liability was determined by an actuarial valuation as of January 1, 2017 utilizing the Entry Age actuarial funding method and the following actuarial assumptions applied to all periods included in the measurement:

Inflation	2.8%
Salary increases	Age related scale with merit and inflation component

Pre-retirement mortality rates were based on the RP-2000 Non-Annuitant Male table projected 15 years with Scale AA for males and RP-2000 Non-Annuitant Female table projected 15 years with Scale AA, setback five years. Post-retirement mortality rates were based on the RP-2000 Annuitant Male table projected 5 years with Scale AA for males and RP-2000 Annuitant Female table projected 10 years with Scale AA, setback five years.

*Historical Changes in Assumptions*

12/31/2015: Assumptions based on the PMRS Experience Study for the period covering January 1, 2009 through December 31, 2013 issued by the actuary in July 2015 first effective.

12/31/2016: Investment Return Assumption for municipal assets decreased from 5.50% to 5.25%.

12/31/2020: Assumptions based on the PMRS Experience Study for the period covering January 1, 2014 through December 31, 2018 issued by the actuary in September 2020.

The contribution to the plan for 2021 was \$79,382 computed through an actuarial valuation performed January 1, 2017 and represented 13.96% of covered payroll.

*Net pension liability of the pension plan* The net pension liability is equal to the total pension liability minus the net position of the plan. The result as of December 31, 2021 is as follows:

Total pension liability	\$ 7,915,576
Pension plan net position	8,898,417
<b>NET PENSION LIABILITY (ASSET)</b>	<b>\$ (982,841)</b>

The pension plan's net position as a percentage of total pension liability is 100.54%.

*Discount Rate* The discount rate used to measure the total pension liability was 5.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the Town contributions will be made equal to the Minimum Municipal Obligation. Based on those assumptions, the pension plan's 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.

**TOWN OF GREENVILLE, PENNSYLVANIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE I – PENSION PLANS (CONTINUED)**

*Schedule of Changes in the Net Pension Asset*

	<i>Total Pension Liability (a)</i>	<i>Plan Fiduciary Net Position (b)</i>	<i>Net Pension Liability (a) - (b)</i>
<b>MEASUREMENT YEAR ENDING 12/31/2019</b>	\$ 7,785,793	\$ 8,172,033	\$ (386,240)
Changes for the year:			
Service cost	113,246	-	113,246
Interest	403,889	-	403,889
Changes of assumptions	178,220	-	178,220
Differences between expected and actual experience	(148,396)	-	(148,396)
Contributions - employer	-	79,322	(79,322)
Contributions - PMRS assessment	-	60	(60)
PMRS investment income	-	394,108	(394,108)
Market value investment income	-	687,741	(687,741)
Transfers	-	-	-
Benefit payments	(417,176)	(417,176)	-
PMRS investment expense	-	(500)	500
Additional administrative expense	-	(17,171)	17,171
Net changes	<u>129,783</u>	<u>726,384</u>	<u>(596,601)</u>
<b>MEASUREMENT YEAR ENDING 12/31/2020</b>	<u><u>\$ 7,915,576</u></u>	<u><u>\$ 8,898,417</u></u>	<u><u>\$ (982,841)</u></u>

*Sensitivity of the Net Pension Asset to Change in the Discount Rate* The following presents the net pension liability of the plan, calculated using the discount rate of 5.25% as well as what the plan's net position liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.25%) or 1-percentage point higher (6.25%) than the current rate:

	<i>1.0% Decrease 4.25%</i>	<i>Current Rate 5.25%</i>	<i>1.0% Increase 6.25%</i>
Net pension liability (asset)	\$ (47,825)	\$ (982,841)	\$ (1,760,279)

**TOWN OF GREENVILLE, PENNSYLVANIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE I – PENSION PLANS (CONTINUED)**

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

For the year ended December 31, 2021, the Town recognized pension expense of (\$160,892). At December 31, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 74,198
Changes of assumptions	89,110	-
Net difference between projected and actual earnings on pension plan investments	-	1,094,907
<b>TOTAL</b>	<b><u>\$ 89,110</u></b>	<b><u>\$ 1,169,105</u></b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<i>Year ended December 31:</i>	
2021	\$ (368,654)
2022	(221,173)
2023	(352,619)
2024	(137,549)
2025	-
Thereafter	-

***Fire Pension Plan***

Membership of the Plan consisted of the following as of the most recent actuarial valuation dated January 1, 2021:

Inactive employees or beneficiaries currently receiving benefits	9
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>3</u>
<b>TOTAL</b>	<b><u>12</u></b>

# TOWN OF GREENVILLE, PENNSYLVANIA

## NOTES TO THE BASIC FINANCIAL STATEMENTS

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### NOTE I – PENSION PLANS (CONTINUED)

*Actuarial Assumptions* Total pension liability was determined by an actuarial valuation as of January 1, 2017 utilizing the Entry Age actuarial funding method and the following actuarial assumptions applied to all periods included in the measurement:

Inflation	2.8%
Salary increases	Age related scale with merit and inflation component

Pre-retirement mortality rates were based on the RP-2000 Non-Annuitant Male table projected 15 years with Scale AA for males and RP-2000 Non-Annuitant Female table projected 15 years with Scale AA, setback five years. Post-retirement mortality rates were based on the RP-2000 Annuitant Male table projected 5 years with Scale AA for males and RP-2000 Annuitant Female table projected 10 years with Scale AA, setback five years.

#### *Historical Changes in Assumptions*

12/31/2015: Assumptions based on the PMRS Experience Study for the period covering January 1, 2009 through December 31, 2013 issued by the actuary in July 2015 first effective.

12/31/2016: Investment Return Assumption for municipal assets decreased from 5.50% to 5.25%.

12/31/2020: Assumptions based on the PMRS Experience Study for the period covering January 1, 2014 through December 31, 2018 issued by the actuary in September 2020.

The contribution to the plan for 2021 was \$50,625 computed through an actuarial valuation performed January 1, 2017 and represented 23.31% of covered payroll.

*Net pension liability of the pension plan* The net pension liability is equal to the total pension liability minus the net position of the plan. The result as of December 31, 2021 is as follows:

Total pension liability	\$ 3,835,956
Pension plan net position	3,959,714
<b>NET PENSION LIABILITY (ASSET)</b>	<b><u><u>\$ (123,758)</u></u></b>

The pension plan's net position as a percentage of total pension liability is 103.23%.

*Discount Rate* The discount rate used to measure the total pension liability was 5.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the Town contributions will be made equal to the Minimum Municipal Obligation. Based on those assumptions, the pension plan's 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.

**TOWN OF GREENVILLE, PENNSYLVANIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE I – PENSION PLANS (CONTINUED)**

*Schedule of Changes in the Net Pension Asset*

	<i>Total Pension Liability (a)</i>	<i>Plan Fiduciary Net Position (b)</i>	<i>Net Pension Liability (a) - (b)</i>
<b>MEASUREMENT YEAR ENDING 12/31/2019</b>	\$ 3,413,239	\$ 3,557,115	\$ (143,876)
Changes for the year:			
Service cost	38,169	-	38,169
Interest	175,931	-	175,931
Changes of assumptions	69,623	-	69,623
Differences between expected and actual experience	342,293	-	342,293
Contributions - employer	-	50,405	(50,405)
Contributions - PMRS assessment	-	220	(220)
Contributions - employee	-	8,687	(8,687)
PMRS investment income	-	171,345	(171,345)
Market value investment income	-	382,926	(382,926)
Benefit payments	(203,299)	(203,299)	-
PMRS administrative expense	-	(220)	220
Additional administrative expense	-	(7,465)	7,465
Net changes	<u>422,717</u>	<u>402,599</u>	<u>20,118</u>
<b>MEASUREMENT YEAR ENDING 12/31/2020</b>	<b><u>\$ 3,835,956</u></b>	<b><u>\$ 3,959,714</u></b>	<b><u>\$ (123,758)</u></b>

*Sensitivity of the Net Pension Asset to Change in the Discount Rate* The following presents the net pension liability of the plan, calculated using the discount rate of 5.25% as well as what the plan's net position liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.25%) or 1-percentage point higher (6.25%) than the current rate:

	<i>1.0% Decrease 4.25%</i>	<i>Current Rate 5.25%</i>	<i>1.0% Increase 6.25%</i>
Net pension liability (asset)	\$ 300,474	\$ (123,758)	\$ (482,232)

**TOWN OF GREENVILLE, PENNSYLVANIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE I – PENSION PLANS (CONTINUED)**

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

For the year ended December 31, 2021, the Town recognized pension expense of \$36,184. At December 31, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 171,146	\$ -
Changes of assumptions	34,811	-
Net difference between projected and actual earnings on pension plan investments	-	555,527
<b>TOTAL</b>	<b><u>\$ 205,957</u></b>	<b><u>\$ 555,527</u></b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<i>Year ended December 31:</i>	
2021	\$ 17,286
2022	(118,380)
2023	(171,890)
2024	(76,586)
2025	-
Thereafter	-

**NOTE J – CONTINGENT LIABILITIES**

Grant Programs

The Town participates in federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The Town is potentially liable for any expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

# TOWN OF GREENVILLE, PENNSYLVANIA

## NOTES TO THE BASIC FINANCIAL STATEMENTS

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### NOTE K – RISK MANAGEMENT

The Town is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Town has purchased various insurance policies to safeguard its assets from risk of loss. Insurance coverage appears to be consistent with previous years. During the year ended December 31, 2021 and the two previous fiscal years, no settlements exceeded insurance coverage.

### NOTE L – SEWER SYSTEM LEASE

The Town leases annually the sewer system from the Greenville Sanitary Authority for a fee of \$1. In accordance with the agreement, the Town may retain in the sewer system operating fund 25% of the operating budget and transfer the remainder to the Sanitary Authority. As discussed in Note A, the Sanitary Authority has been incorporated into the Town's financial statements and the above transfer has been netted in the process of blending the entities.

### NOTE M – MUNICIPAL RECOVERY PLAN

In 2003, Town Council applied for and was approved for assistance under the Pennsylvania Municipalities Financial Recovery Act (Act of 1987, P.L. 246, Number 47) also known as Act 47.

During 2003, Town Council adopted its initial Municipal Recovery Plan for the Borough of Greenville as prepared and submitted by the Act 47 Coordinator. The plan "sets forth a number of recommendations to correct both short and long-term fiscal problems that were intended to restore the fiscal integrity of the municipality." The plan proposed both revenue enhancement and cost reduction initiatives, as well as improved management controls and changes in the approach to service delivery.

In connection with this, the Town received court approval to increase earned income tax rates for April 1, 2003 to December 31, 2003, from 1% (including the School portion of .5%) to 1.93% for residents and 1.66% for non-residents. Effective January 1, 2004, these rates changed to 1.7% for residents and 1.5% for non-residents. These rates changed again at January 1, 2006 to 1.5% for residents and 1.25% for non-residents. For the year ending December 31, 2007, the rates increased to 1.6% for residents and to 1.34% for non-residents. For the year ending December 31, 2009, the rates increased to 1.65% for residents and to 1.42% for non-residents. The rates remained unchanged for 2010, 2011, and 2012. To implement the Town's intent to exit distress, it began to decrease its reliance on the EIT levied under Act 47. For 2013, the rates were 1.56% for residents and 1.37% for non-residents. For 2014, the rates were 1.28% for residents and 1.185% for non-residents. For 2015, the rates were 1.25% for residents and 1.092% for non-residents. For 2016, the rates were 1.125% for residents and 1.046% for non-residents. In 2016 the municipality took the final steps toward eliminating the structural deficit and did not seek authorization from the Mercer County Court of Common Pleas for an Act 47 earned income tax levy on resident and non-resident wage owners for 2017, 2018, 2019, and 2020. The earned income rate as permitted under Act 511 has been levied at 1.0% for both residents and non-resident earned income since then.

**TOWN OF GREENVILLE, PENNSYLVANIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE M – MUNICIPAL RECOVERY PLAN (CONTINUED)**

Amendments to the Recovery Plan were adopted by Greenville in 2008, 2011, 2012, 2013, 2015, and 2016. The plan amendments included a list of action items for implementation, workforce expenditure limitations, and General Fund budget projections as required by PA Act 133 of 2012.

In mid-2018, the Act 47 Coordinator filed a Financial Condition Report with the PA Department of Community and Economic Development in accordance with PA Act 199. Following that submission, the Coordinator submitted an Exit Plan/Recovery Plan Amendment to the Council for review and consideration. The Exit Plan/Recovery Plan Amendment was adopted in April 2019 by the Council. Implementation of the Exit Plan per Act 199 should occur within three years of adoption. The Exit Plan then would expire in April 2022. In May 2020, the state's fiscal code was amended to permit an 18-month extension for municipalities in the midst of implementing their Exit Plans due to the financial uncertainties posed by the COVID-19 pandemic. In early 2021, the Act 47 Coordinator recommended the Town Council adopt an amendment to extend the Exit Plan's termination date. The Town, by ordinance in April 2021, authorized an 18-month extension to October 2023. Actions to implement essential elements of the Exit Plan/Recovery Plan Amendment initiated during 2019 and have continued since that time.

**NOTE N – ECONOMIC UNCERTAINTIES**

Due to the COVID-19 outbreak, the Town has experienced unprecedented interruption in its operations including, but not limited to, daily business management. While the disruption is considered to be temporary, there is still uncertainty related to the total financial impact and duration of the outbreak. Additionally, the Town may be subject to mandated closings without warning. While there has been no material decline in funding received from state or federal sources, there is the potential for such. The Town is continuing to monitor and implement best practices to ensure the financial health of the Town. At the date of the financial statements, the financial impact cannot be reasonably estimated.

**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF GREENVILLE, PENNSYLVANIA**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND  
 YEAR ENDED DECEMBER 31, 2021

	<i>Original and Final Budget</i>	<i>Actual</i>	<i>Variance Favorable (Unfavorable)</i>	<i>Budgetary Basis to GAAP Difference</i>	<i>Actual Amounts GAAP Basis</i>
<b>REVENUES</b>					
Taxes	\$ 2,049,947	\$ 2,294,648	\$ 244,701	\$ (30,138)	\$ 2,264,510
Licenses and permits	138,783	145,277	6,494	-	145,277
Fines and violations	29,600	31,018	1,418	-	31,018
Government grants and subsidies	297,532	1,186,447	888,915	-	1,186,447
Charges for services	239,004	267,866	28,862	-	267,866
Interest earnings and rentals	32,875	33,647	772	-	33,647
Contributions	41,500	37,621	(3,879)	-	37,621
Miscellaneous	69,270	74,142	4,872	-	74,142
	<u>2,898,511</u>	<u>4,070,666</u>	<u>1,172,155</u>	<u>(30,138)</u>	<u>4,040,528</u>
<b>EXPENDITURES</b>					
General government	374,333	372,495	1,838	(101,125)	271,370
Public safety	1,666,640	1,607,286	59,354	147,923	1,755,209
Public works and streets	328,718	1,197,694	(868,976)	185,116	1,382,810
Library and recreation	73,041	69,319	3,722	3,180	72,499
Airport	-	-	-	125,397	125,397
Miscellaneous	300	-	300	-	-
Debt service:					
Principal	264,491	264,439	52	(264,439)	-
Interest	34,369	32,828	1,541	7,704	40,532
	<u>2,741,892</u>	<u>3,544,061</u>	<u>(802,169)</u>	<u>103,756</u>	<u>3,647,817</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	156,619	526,605	369,986	(133,894)	392,711
<b>OTHER FINANCING SOURCES</b>					
Proceeds from disposition of capital assets	500	18,063	17,563	-	18,063
Transfers from other funds	(157,119)	-	157,119	-	-
	<u>(156,619)</u>	<u>18,063</u>	<u>174,682</u>	<u>-</u>	<u>18,063</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	544,668	544,668	(133,894)	410,774
<b>FUND BALANCE, BEGINNING OF YEAR</b>	-	1,071,039	1,071,039	133,894	1,204,933
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ -</u>	<u>\$ 1,615,707</u>	<u>\$ 1,615,707</u>	<u>\$ -</u>	<u>\$ 1,615,707</u>

See accompanying notes.

**TOWN OF GREENVILLE, PENNSYLVANIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL - STORMWATER FUND**  
**YEAR ENDED DECEMBER 31, 2021**

	<i>Original and Final Budget</i>	<i>Actual</i>	<i>Variance Favorable (Unfavorable)</i>
<b>REVENUES</b>			
Charges for services	\$ 313,525	\$ 342,999	\$ 29,474
Interest earnings and rentals	625	395	(230)
	<u>314,150</u>	<u>343,394</u>	<u>29,244</u>
<b>EXPENDITURES</b>			
Public works and streets	243,897	147,360	96,537
Debt service:			
Principal	19,894	19,894	-
Interest	3,266	3,266	-
	<u>267,057</u>	<u>170,520</u>	<u>96,537</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	47,093	172,874	125,781
<b>OTHER FINANCING SOURCES</b>			
Transfers to other funds	<u>(47,093)</u>	<u>(216,040)</u>	<u>(168,947)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	(43,166)	(43,166)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>-</u>	<u>195,389</u>	<u>195,389</u>
<b>FUND BALANCE, END OF YEAR</b>	<u><u>\$ -</u></u>	<u><u>\$ 152,223</u></u>	<u><u>\$ 152,223</u></u>

See accompanying notes.

**TOWN OF GREENVILLE, PENNSYLVANIA**

SCHEDULE OF CHANGES IN NON-UNIFORMED EMPLOYEES' PENSION FUND

NET PENSION LIABILITY AND RELATED RATIOS

LAST TEN FISCAL YEARS

	<i>Measurement Year Ending 12/31/2020</i>	<i>Measurement Year Ending 12/31/2019</i>	<i>Measurement Year Ending 12/31/2018</i>	<i>Measurement Year Ending 12/31/2017</i>	<i>Measurement Year Ending 12/31/2016</i>	<i>Measurement Year Ending 12/31/2015</i>	<i>Measurement Year Ending 12/31/2014</i>
<b>TOTAL PENSION LIABILITY:</b>							
Service cost	\$ 70,643	\$ 62,194	\$ 72,627	\$ 78,872	\$ 71,157	\$ 76,704	\$ 65,924
Interest (includes interest on service cost)	204,533	199,464	196,632	189,920	175,922	172,481	169,045
Changes of benefit terms	-	-	-	-	135,448	-	-
Differences between expected and actual experience	(177,387)	-	(57,927)	-	100,416	(74,425)	16,961
Changes of assumptions	160,766	-	-	-	87,513	(30,216)	-
Transfers	-	-	-	-	-	-	(658)
Benefit payments, including refunds of member contributions	(180,165)	(167,129)	(127,268)	(141,974)	(175,931)	(126,455)	(124,507)
<b>NET CHANGE IN TOTAL PENSION LIABILITY</b>	<b>78,390</b>	<b>94,529</b>	<b>84,064</b>	<b>126,818</b>	<b>394,525</b>	<b>18,089</b>	<b>126,765</b>
<b>TOTAL PENSION LIABILITY, BEGINNING</b>	<b>3,914,151</b>	<b>3,819,622</b>	<b>3,735,558</b>	<b>3,608,740</b>	<b>3,214,215</b>	<b>3,196,126</b>	<b>3,069,361</b>
<b>TOTAL PENSION LIABILITY, ENDING (a)</b>	<b>\$ 3,992,541</b>	<b>\$ 3,914,151</b>	<b>\$ 3,819,622</b>	<b>\$ 3,735,558</b>	<b>\$ 3,608,740</b>	<b>\$ 3,214,215</b>	<b>\$ 3,196,126</b>
<b>PLAN FIDUCIARY NET POSITION:</b>							
Contributions - employer	\$ 36,108	\$ 43,911	\$ 29,802	\$ 28,841	\$ 41,756	\$ 24,803	\$ 14,267
Contributions - PMRS assessment	20	720	-	-	20	40	-
Contributions - employee	19,969	17,580	20,342	22,091	23,048	23,054	22,318
PMRS investment income	203,071	196,977	197,509	187,861	190,994	181,639	174,079
Market value investment income	331,944	544,126	(445,164)	415,751	103,418	(171,759)	22,948
Transfers	-	-	-	-	-	-	(3,437)
Benefit payments, including refunds of member contributions	(180,165)	(167,129)	(127,268)	(141,974)	(175,931)	(126,455)	(124,507)
PMRS administrative expense	(680)	(720)	(700)	(680)	(680)	(720)	(700)
Additional administrative expense	(8,848)	(6,809)	(8,814)	(8,640)	(9,357)	(7,572)	(6,676)
<b>NET CHANGE IN PLAN FIDUCIARY NET POSITION</b>	<b>401,419</b>	<b>628,656</b>	<b>(334,293)</b>	<b>503,250</b>	<b>173,268</b>	<b>(76,970)</b>	<b>98,292</b>
<b>PLAN FIDUCIARY NET POSITION, BEGINNING</b>	<b>4,250,007</b>	<b>3,621,351</b>	<b>3,955,644</b>	<b>3,452,394</b>	<b>3,279,126</b>	<b>3,356,096</b>	<b>3,257,804</b>
<b>PLAN FIDUCIARY NET POSITION, ENDING (b)</b>	<b>\$ 4,651,426</b>	<b>\$ 4,250,007</b>	<b>\$ 3,621,351</b>	<b>\$ 3,955,644</b>	<b>\$ 3,452,394</b>	<b>\$ 3,279,126</b>	<b>\$ 3,356,096</b>
<b>TOWN'S NET PENSION LIABILITY (ASSET), ENDING (a) - (b)</b>	<b>\$ (658,885)</b>	<b>\$ (335,856)</b>	<b>\$ 198,271</b>	<b>\$ (220,086)</b>	<b>\$ 156,346</b>	<b>\$ (64,911)</b>	<b>\$ (159,970)</b>
Plan fiduciary net position as a percentage of total pension liability	116.50%	108.58%	94.81%	105.89%	95.67%	102.02%	105.01%
Covered employee payroll	\$ 665,622	\$ 586,012	\$ 678,060	\$ 736,361	\$ 768,255	\$ 768,467	\$ 663,718
Net pension liability as a percentage of covered employee payroll	-98.99%	-57.31%	29.24%	-29.89%	20.35%	-8.45%	-24.10%

The Town is required to present the information for the last ten fiscal years. Additional years will be displayed as they become available.

The data provided in this schedule is based on the measurement date at the beginning of the Town's fiscal year.

See accompanying notes.

**TOWN OF GREENVILLE, PENNSYLVANIA**

SCHEDULE OF CHANGES IN POLICE EMPLOYEES' PENSION FUND

NET PENSION LIABILITY AND RELATED RATIOS

LAST TEN FISCAL YEARS

	<i>Measurement Year Ending 12/31/2020</i>	<i>Measurement Year Ending 12/31/2019</i>	<i>Measurement Year Ending 12/31/2018</i>	<i>Measurement Year Ending 12/31/2017</i>	<i>Measurement Year Ending 12/31/2016</i>	<i>Measurement Year Ending 12/31/2015</i>	<i>Measurement Year Ending 12/31/2014</i>
<b>TOTAL PENSION LIABILITY:</b>							
Service cost	\$ 113,246	\$ 84,696	\$ 90,522	\$ 82,145	\$ 78,295	\$ 99,934	\$ 116,864
Interest (includes interest on service cost)	403,889	398,882	378,682	373,353	380,200	373,184	368,732
Changes of benefit terms	-	-	79,842	-	-	-	-
Differences between expected and actual experience	(148,396)	-	230,811	-	(96,611)	-	(64,567)
Changes of assumptions	178,220	-	-	-	191,037	15,711	-
Transfers	-	-	2,769	-	-	-	-
Benefit payments, including refunds of member contributions	(417,176)	(416,361)	(365,625)	(361,907)	(354,018)	(325,601)	(320,781)
<b>NET CHANGE IN TOTAL PENSION LIABILITY</b>	<b>129,783</b>	<b>67,217</b>	<b>417,001</b>	<b>93,591</b>	<b>198,903</b>	<b>163,228</b>	<b>100,248</b>
<b>TOTAL PENSION LIABILITY, BEGINNING</b>	<b>7,785,793</b>	<b>7,718,576</b>	<b>7,301,575</b>	<b>7,207,984</b>	<b>7,009,081</b>	<b>6,845,853</b>	<b>6,745,605</b>
<b>TOTAL PENSION LIABILITY, ENDING (a)</b>	<b>\$ 7,915,576</b>	<b>\$ 7,785,793</b>	<b>\$ 7,718,576</b>	<b>\$ 7,301,575</b>	<b>\$ 7,207,984</b>	<b>\$ 7,009,081</b>	<b>\$ 6,845,853</b>
<b>PLAN FIDUCIARY NET POSITION:</b>							
Contributions - employer	\$ 79,322	\$ 61,832	\$ 99,551	\$ 77,856	\$ 62,507	\$ 72,749	\$ 83,855
Contributions - PMRS assessment	60	440	-	-	20	-	-
Contributions - employee	-	-	-	-	-	-	-
PMRS investment income	394,108	388,718	389,986	364,095	371,059	371,942	357,922
Market value investment income	687,741	1,075,351	(657,217)	811,947	49,371	(278,832)	(125,993)
Transfers	-	-	2,769	-	-	-	-
Benefit payments, including refunds of member contributions	(417,176)	(416,361)	(365,625)	(361,907)	(354,018)	(325,601)	(320,781)
PMRS administrative expense	(500)	(440)	(380)	(380)	(400)	(400)	(400)
Additional administrative expense	(17,171)	(13,436)	(17,403)	(16,744)	(18,179)	(15,505)	(13,726)
<b>NET CHANGE IN PLAN FIDUCIARY NET POSITION</b>	<b>726,384</b>	<b>1,096,104</b>	<b>(548,319)</b>	<b>874,867</b>	<b>110,360</b>	<b>(175,647)</b>	<b>(19,123)</b>
<b>PLAN FIDUCIARY NET POSITION, BEGINNING</b>	<b>8,172,033</b>	<b>7,075,929</b>	<b>7,624,248</b>	<b>6,749,381</b>	<b>6,639,021</b>	<b>6,814,668</b>	<b>6,833,791</b>
<b>PLAN FIDUCIARY NET POSITION, ENDING (b)</b>	<b>\$ 8,898,417</b>	<b>\$ 8,172,033</b>	<b>\$ 7,075,929</b>	<b>\$ 7,624,248</b>	<b>\$ 6,749,381</b>	<b>\$ 6,639,021</b>	<b>\$ 6,814,668</b>
<b>TOWN'S NET PENSION LIABILITY (ASSET), ENDING (a) - (b)</b>	<b>\$ (982,841)</b>	<b>\$ (386,240)</b>	<b>\$ 642,647</b>	<b>\$ (322,673)</b>	<b>\$ 458,603</b>	<b>\$ 370,060</b>	<b>\$ 31,185</b>
Plan fiduciary net position as a percentage of total pension liability	112.42%	104.96%	91.67%	104.42%	93.64%	94.72%	99.54%
Covered employee payroll	\$ 568,467	\$ 425,150	\$ 455,576	\$ 413,419	\$ 416,523	\$ 437,442	\$ 513,022
Net pension liability as a percentage of covered employee payroll	-172.89%	-90.85%	141.06%	-78.05%	110.10%	84.60%	6.08%

The Town is required to present the information for the last ten fiscal years. Additional years will be displayed as they become available.

The data provided in this schedule is based on the measurement date at the beginning of the Town's fiscal year.

See accompanying notes.

**TOWN OF GREENVILLE, PENNSYLVANIA**  
SCHEDULE OF CHANGES IN FIRE EMPLOYEES' PENSION FUND  
NET PENSION LIABILITY AND RELATED RATIOS  
LAST TEN FISCAL YEARS

	<i>Measurement Year Ending 12/31/2020</i>	<i>Measurement Year Ending 12/31/2019</i>	<i>Measurement Year Ending 12/31/2018</i>	<i>Measurement Year Ending 12/31/2017</i>	<i>Measurement Year Ending 12/31/2016</i>	<i>Measurement Year Ending 12/31/2015</i>	<i>Measurement Year Ending 12/31/2014</i>
<b>TOTAL PENSION LIABILITY:</b>							
Service cost	\$ 38,169	\$ 40,821	\$ 40,519	\$ 37,431	\$ 38,249	\$ 52,772	\$ 53,065
Interest (includes interest on service cost)	175,931	175,347	175,052	172,583	161,209	159,343	158,028
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	342,293	-	(26,540)	-	241,429	-	(50,663)
Changes of assumptions	69,623	-	-	-	81,761	(11,650)	-
Transfers	-	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(203,299)	(201,531)	(166,343)	(165,806)	(165,335)	(139,014)	(133,541)
<b>NET CHANGE IN TOTAL PENSION LIABILITY</b>	<b>422,717</b>	<b>14,637</b>	<b>22,688</b>	<b>44,208</b>	<b>357,313</b>	<b>61,451</b>	<b>26,889</b>
<b>TOTAL PENSION LIABILITY, BEGINNING</b>	<b>3,413,239</b>	<b>3,398,602</b>	<b>3,375,914</b>	<b>3,331,706</b>	<b>2,974,393</b>	<b>2,912,942</b>	<b>2,886,053</b>
<b>TOTAL PENSION LIABILITY, ENDING (a)</b>	<b>\$ 3,835,956</b>	<b>\$ 3,413,239</b>	<b>\$ 3,398,602</b>	<b>\$ 3,375,914</b>	<b>\$ 3,331,706</b>	<b>\$ 2,974,393</b>	<b>\$ 2,912,942</b>
<b>PLAN FIDUCIARY NET POSITION:</b>							
Contributions - employer	\$ 50,405	\$ 54,468	\$ 42,164	\$ 36,481	\$ 51,033	\$ 45,199	\$ 43,931
Contributions - PMRS assessment	220	220	-	-	220	220	-
Contributions - employee	8,687	9,291	9,279	8,571	9,170	10,644	10,197
PMRS investment income	171,345	153,542	159,940	157,483	162,163	166,432	153,427
Market value investment income	382,926	476,521	(267,545)	351,451	70,068	(130,312)	(30,147)
Transfers	-	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(203,299)	(201,531)	(166,343)	(165,806)	(165,335)	(139,014)	(133,541)
PMRS administrative expense	(220)	(220)	(220)	(220)	(220)	(220)	(220)
Additional administrative expense	(7,465)	(5,307)	(7,137)	(7,242)	(7,945)	(6,938)	(5,884)
<b>NET CHANGE IN PLAN FIDUCIARY NET POSITION</b>	<b>402,599</b>	<b>486,984</b>	<b>(229,862)</b>	<b>380,718</b>	<b>119,154</b>	<b>(53,989)</b>	<b>37,763</b>
<b>PLAN FIDUCIARY NET POSITION, BEGINNING</b>	<b>3,557,115</b>	<b>3,070,131</b>	<b>3,299,993</b>	<b>2,919,275</b>	<b>2,800,121</b>	<b>2,854,110</b>	<b>2,816,347</b>
<b>PLAN FIDUCIARY NET POSITION, ENDING (b)</b>	<b>\$ 3,959,714</b>	<b>\$ 3,557,115</b>	<b>\$ 3,070,131</b>	<b>\$ 3,299,993</b>	<b>\$ 2,919,275</b>	<b>\$ 2,800,121</b>	<b>\$ 2,854,110</b>
<b>TOWN'S NET PENSION LIABILITY (ASSET), ENDING (a) - (b)</b>	<b>\$ (123,758)</b>	<b>\$ (143,876)</b>	<b>\$ 328,471</b>	<b>\$ 75,921</b>	<b>\$ 412,431</b>	<b>\$ 174,272</b>	<b>\$ 58,832</b>
Plan fiduciary net position as a percentage of total pension liability	103.23%	104.22%	90.34%	97.75%	87.62%	94.14%	97.98%
Covered employee payroll	\$ 217,178	\$ 232,266	\$ 231,966	\$ 214,287	\$ 229,253	\$ 266,092	\$ 266,423
Net pension liability as a percentage of covered employee payroll	-56.98%	-61.94%	141.60%	35.43%	179.90%	65.49%	22.08%

The Town is required to present the information for the last ten fiscal years. Additional years will be displayed as they become available.

The data provided in this schedule is based on the measurement date at the beginning of the Town's fiscal year.

See accompanying notes.

## TOWN OF GREENVILLE, PENNSYLVANIA

### SCHEDULE OF NON-UNIFORMED EMPLOYEES' PENSION FUND EMPLOYER CONTRIBUTIONS

#### LAST TEN FISCAL YEARS

	<i>2021</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
Actuarially determined contribution	\$ 35,945	\$ 44,571	\$ 23,594	\$ 28,386	\$ 26,709	\$ 24,803	\$ 15
Contributions in relation to the actuarially determined contribution	36,128	44,631	29,802	28,841	41,776	24,843	14,267
<b>CONTRIBUTION DEFICIENCY (EXCESS)</b>	<b>\$ (183)</b>	<b>\$ (60)</b>	<b>\$ (6,208)</b>	<b>\$ (455)</b>	<b>\$ (15,067)</b>	<b>\$ (40)</b>	<b>\$ (14,252)</b>
Covered employee payroll	\$ 665,622	\$ 586,012	\$ 678,060	\$ 736,361	\$ 768,255	\$ 768,467	\$ 663,718
Contributions as a percentage of covered employee payroll	5.43%	7.62%	4.40%	3.92%	5.44%	3.23%	2.15%

The Town is required to present the information for the last ten fiscal years.

Additional years will be displayed as they become available.

See accompanying notes.

## TOWN OF GREENVILLE, PENNSYLVANIA

### SCHEDULE OF POLICE EMPLOYEES' PENSION FUND EMPLOYER CONTRIBUTIONS

#### LAST TEN FISCAL YEARS

	<i>2021</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
Actuarially determined contribution	\$ 78,964	\$ 62,212	\$ 78,814	\$ 76,627	\$ 60,856	\$ 72,749	\$ 66,408
Contributions in relation to the actuarially determined contribution	79,382	62,272	99,551	77,856	62,527	72,749	83,855
<b>CONTRIBUTION DEFICIENCY (EXCESS)</b>	<b>\$ (418)</b>	<b>\$ (60)</b>	<b>\$ (20,737)</b>	<b>\$ (1,229)</b>	<b>\$ (1,671)</b>	<b>\$ -</b>	<b>\$ (17,447)</b>
Covered employee payroll	\$ 568,467	\$ 425,150	\$ 455,576	\$ 413,419	\$ 416,523	\$ 437,442	\$ 513,022
Contributions as a percentage of covered employee payroll	13.96%	14.65%	21.85%	18.83%	15.01%	16.63%	16.35%

The Town is required to present the information for the last ten fiscal years.

Additional years will be displayed as they become available.

See accompanying notes.

## TOWN OF GREENVILLE, PENNSYLVANIA

### SCHEDULE OF FIRE EMPLOYEES' PENSION FUND EMPLOYER CONTRIBUTIONS

#### LAST TEN FISCAL YEARS

	<i>2021</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
Actuarially determined contribution	\$ 50,397	\$ 54,688	\$ 33,381	\$ 35,905	\$ 46,384	\$ 45,419	\$ 38,494
Contributions in relation to the actuarially determined contribution	50,625	54,688	42,164	36,481	51,253	45,419	43,931
<b>CONTRIBUTION DEFICIENCY (EXCESS)</b>	<b>\$ (228)</b>	<b>\$ -</b>	<b>\$ (8,783)</b>	<b>\$ (576)</b>	<b>\$ (4,869)</b>	<b>\$ -</b>	<b>\$ (5,437)</b>
Covered employee payroll	\$ 217,178	\$ 232,266	\$ 231,966	\$ 214,287	\$ 229,253	\$ 266,092	\$ 266,423
Contributions as a percentage of covered employee payroll	23.31%	23.55%	18.18%	17.02%	22.36%	17.07%	16.49%

The Town is required to present the information for the last ten fiscal years.

Additional years will be displayed as they become available.

See accompanying notes.

**TOWN OF GREENVILLE, PENNSYLVANIA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

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**NOTE A – BUDGETARY INFORMATION**

*Budget Process*

The General Fund is legally required to be budgeted and appropriated. The budget demonstrates a need for existing or increased tax rates and user fees. Council’s final adoption of the budget is the authorization to spend resources and sets annual limits on expenditures at the level of control selected by Council. Although a major fund, the Motor License Fund does not have an adopted budget, as one is not legally required to do so.

*Excess of expenditures over appropriations*

For the year ended December 31, 2021, expenditures exceeded appropriations in one function by approximately \$869,000 for the General Fund. These over-expenditures were funded by greater than anticipated revenues.

For the year ended December 31, 2021, expenditures did not exceed appropriations for any function for the Stormwater Fund.

**NOTE B – PENSION INFORMATION – ACTUARIAL METHODS AND ASSUMPTIONS**

Methods and assumptions used to determine contribution rates for the non-uniform, police, and fire pension funds under Act 205 for the year ended December 31, 2021 are as follows:

Valuation date	1/1/2017
Actuarial cost method	Entry age
Amortization period	Level dollar based on the periods in Act 205
Asset valuation method	Based upon the municipal reserves
Discount rate	5.25%
Inflation	2.80%
Salary increases	Age related scale with merit and inflation components
Cost of living adjustments	2.80%
Mortality	RP-2000 Mortality Table

**SUPPLEMENTARY INFORMATION**

**TOWN OF GREENVILLE, PENNSYLVANIA**  
COMBINING BALANCE SHEETS  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2021

	<i>Fire Department Imaging Camera</i>	<i>Capital Projects Fund</i>	<i>Airport Fund</i>	<i>Brownfield Grant Fund</i>	<i>Community Development Programs</i>	<i>Total Nonmajor Funds</i>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 20,666	\$ 528,707	\$ 30,987	\$ 40,643	\$ -	\$ 621,003
Grant receivable	-	-	-	14,294	-	14,294
Accounts receivable	-	-	430	-	-	430
Due from other funds	-	-	1,099	-	-	1,099
<b>TOTAL ASSETS</b>	<b>\$ 20,666</b>	<b>\$ 528,707</b>	<b>\$ 32,516</b>	<b>\$ 54,937</b>	<b>\$ -</b>	<b>\$ 636,826</b>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ 1,047	\$ 54,937	\$ -	\$ 55,984
Escrow liability	20,666	-	-	-	-	20,666
Unearned grant revenue	-	275,908	-	-	-	275,908
Due to other funds	-	159,426	-	-	-	159,426
	20,666	435,334	1,047	54,937	-	511,984
<b>FUND BALANCES</b>						
Fund balances:						
Restricted:						
Capital projects	-	93,373	-	-	-	93,373
Airport	-	-	31,469	-	-	31,469
	-	93,373	31,469	-	-	124,842
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 20,666</b>	<b>\$ 528,707</b>	<b>\$ 32,516</b>	<b>\$ 54,937</b>	<b>\$ -</b>	<b>\$ 636,826</b>

**TOWN OF GREENVILLE, PENNSYLVANIA**

COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED DECEMBER 31, 2021

	<i>Fire Department Imaging Camera</i>	<i>Capital Projects Fund</i>	<i>Airport Fund</i>	<i>Brownfield Grant Fund</i>	<i>Community Development Programs</i>	<i>Total Nonmajor Funds</i>
<b>REVENUES</b>						
Government grants and subsidies	\$ -	\$ 194,248	\$ 34,750	\$ 261,287	\$ 192,387	\$ 682,672
Interest earnings and rentals	-	418	17,990	-	-	18,408
	<u>-</u>	<u>194,666</u>	<u>52,740</u>	<u>261,287</u>	<u>192,387</u>	<u>701,080</u>
<b>EXPENDITURES</b>						
General government	-	-	-	261,287	-	261,287
Public safety	-	12,723	-	-	-	12,723
Public works and streets	-	2,200	-	-	-	2,200
Community development	-	320,722	-	-	192,387	513,109
Airport	-	-	26,574	-	-	26,574
Capital outlay	-	6,966	14,750	-	-	21,716
	<u>-</u>	<u>342,611</u>	<u>41,324</u>	<u>261,287</u>	<u>192,387</u>	<u>837,609</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	(147,945)	11,416	-	-	(136,529)
<b>OTHER FINANCING SOURCES</b>						
Proceeds from sale of capital assets	-	700	-	-	-	700
Transfers from other funds	-	216,040	-	-	-	216,040
	<u>-</u>	<u>216,740</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>216,740</u>
<b>NET CHANGES IN FUND BALANCES</b>	-	68,795	11,416	-	-	80,211
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>-</u>	<u>24,578</u>	<u>20,053</u>	<u>-</u>	<u>-</u>	<u>44,631</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ 93,373</u>	<u>\$ 31,469</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 124,842</u>



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**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***

To the Town Council  
Town of Greenville, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Greenville, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town of Greenville’s basic financial statements, and have issued our report thereon dated September 22, 2022.

**Report on Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a material weakness.

## Report on Compliance and Other Matters

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

## Town of Greenville's Response to Finding

*Government Auditing Standards* requires the auditor to perform limited procedures on the Town of Greenville's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Town of Greenville's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

McGill, Power, Bell & Associates, LLP

*McGill, Power, Bell & Associates, LLP*

Grove City, Pennsylvania

September 22, 2022



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**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Town Council  
Town of Greenville, Pennsylvania

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the Town of Greenville’s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Town of Greenville’s major federal programs for the year ended December 31, 2021. The Town of Greenville’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town of Greenville complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town of Greenville and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town of Greenville’s compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Town of Greenville’s federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town of Greenville's compliance based on our audit. 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town of Greenville's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Town of Greenville's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town of Greenville's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town of Greenville's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

McGill, Power, Bell & Associates, LLP

*McGill, Power, Bell & Associates, LLP*

Grove City, Pennsylvania

September 22, 2022

**TOWN OF GREENVILLE**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2021

<i>Federal Grantor Project Title</i>	<i>Source</i>	<i>Federal CFDA Number</i>	<i>Pass-Through Grantor's Number</i>	<i>Receipts</i>	<i>Revenue Recognized</i>	<i>Expenditures</i>
<b><u>U.S. DEPARTMENT OF JUSTICE</u></b>						
<b>PASSED THROUGH THE PENNSYLVANIA EMERGENCY MANAGEMENT AGENCY</b>						
Emergency Law Enforcement Assistance Grant	I	16.824	N/A	\$ 1,746	\$ 1,746	\$ 1,746
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>						
<b>PASSED THROUGH THE PENNSYLVANIA DEPARTMENT OF TRANSPORTATION</b>						
Airport Improvement Program	I	20.106	N/A	34,750	34,750	34,750
<i>Highway Planning and Construction Cluster</i>						
Highway Planning and Construction	I	20.205	R18010027	871,295	871,295	871,295
<i>Total Highway Planning and Construction Cluster</i>						
<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>				<u>906,045</u>	<u>906,045</u>	<u>906,045</u>
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>						
<b>PASSED THROUGH THE MERCER COUNTY REGIONAL PLANNING COMMISSION</b>						
2017 CDBG - Housing Rehabilitation	I	14.228	C000069518	59,364	59,364	59,364
2018 CDBG - Housing Rehabilitation	I	14.228	C000072002	102,139	102,139	102,139
2019 CDBG - Housing Rehabilitation	I	14.228	C000073789	30,885	30,885	30,885
<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				<u>192,388</u>	<u>192,388</u>	<u>192,388</u>
<b><u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u></b>						
Brownfields Assessment and Cleanup Cooperative Agreements	D	66.818	N/A	261,287	261,287	261,287
<b>TOTAL FEDERAL AWARDS</b>				<u>\$ 1,361,466</u>	<u>\$ 1,361,466</u>	<u>\$ 1,361,466</u>

SOURCE CODE:

D = DIRECT FUNDING

I = INDIRECT FUNDING

**TOWN OF GREENVILLE, PENNSYLVANIA**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

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**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Town of Greenville under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town of Greenville, it is not intended to be and does not present the net position, changes in net position, or cash flows for the Town of Greenville.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to the reimbursement. Any negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The Town has elected to not use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE C – SUBRECIPIENT FUNDING**

There were no funds passed through to subrecipients from any of the federal programs.

**TOWN OF GREENVILLE, PENNSYLVANIA**  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 YEAR ENDED DECEMBER 31, 2021

Section I - Summary of Auditor's Results

*Financial Statements*

Type of auditor's report issued: UNMODIFIED

Internal control over financial reporting:

- \* Material weakness(es) identified?  yes  no
- \* Significant deficiency(ies) identified that are not considered to be material weakness?  yes  none reported
- \* Noncompliance material to financial statements noted?  yes  no

*Federal Awards*

Internal control over major programs:

- \* Material weakness(es) identified?  yes  no
- \* Significant deficiency(ies) identified that are not considered to be material weakness?  yes  none reported

Type of auditor's report issued on compliance for major programs: UNMODIFIED

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?  yes  no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program(s) or Cluster(s)</u>
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between type A and type B programs:  
\$750,000

Auditee qualified as low-risk auditee?  yes  no

Section II - Financial Statement Findings

**INTERNAL CONTROL - MATERIAL WEAKNESS**

2021-001 **Recording Federal Funding Activity at Net**

*Finding:* During the audit procedures it was noted that activity related to the federal program Highway Planning and Construction CFDA #20.205 in the amount of \$871,295 was recorded at its net activity for the year ended December 31, 2021. This misstatement lead to a miscalculation of federal funding expenditures that would be required to be reported in accordance with the Uniform Guidance.

*Recommendation:* The Town of Greenville should ensure that all financial activity should be recorded at gross amounts by utilizing appropriate revenue and expense accounts, as necessary, in accordance with accounting principles generally accepted in the United States of America.

*Town of Greenville's Response:* The Town of Greenville agrees with the recommendation and will ensure that all financial activity is recorded at gross amounts.

Section III - Federal Award Findings and Questioned Costs

There are no findings and questioned costs in the current year.