

# **EXHIBIT J2**



TOWN OF GREENVILLE, PENNSYLVANIA

AUDITED FINANCIAL STATEMENTS,  
REQUIRED SUPPLEMENTARY INFORMATION,  
AND  
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2022



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

**TABLE OF CONTENTS**

<b>INDEPENDENT AUDITOR’S REPORT .....</b>	<b>1</b>
<b>REQUIRED SUPPLEMENTARY INFORMATION:</b>	
Management’s Discussion and Analysis .....	4
<b>BASIC FINANCIAL STATEMENTS:</b>	
<i>Government-wide Financial Statements:</i>	
Statement of Net Position.....	11
Statement of Activities.....	12
<i>Fund Financial Statements:</i>	
Balance Sheet – Governmental Funds.....	13
Reconciliation of Governmental Fund Balance Sheet to Statement of Net Position.....	14
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds to the Statement of Activities.....	16
Statement of Net Position – Proprietary Funds .....	17
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds .....	18
Statement of Cash Flows – Proprietary Funds.....	19
Statement of Fiduciary Net Position.....	21
Statement of Changes in Fiduciary Net Position.....	22
Notes to the Basic Financial Statements.....	23
<b>REQUIRED SUPPLEMENTARY INFORMATION:</b>	
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund .....	50
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Stormwater Fund .....	51

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Fire Service Fund.....	52
Schedule of Changes in Non-Uniformed Employees’ Pension Fund Net Pension Liability and Related Ratios .....	53
Schedule of Changes in Police Employees’ Pension Fund Net Pension Liability and Related Ratios .....	54
Schedule of Changes in Fire Employees’ Pension Fund Net Pension Liability and Related Ratios .....	55
Schedule of Non-Uniformed Employees’ Pension Fund Employer Contributions .....	56
Schedule of Police Employees’ Pension Fund Employer Contributions.....	57
Schedule of Fire Employees’ Pension Fund Employer Contributions .....	58
Notes to Required Supplementary Information .....	59
<b>SUPPLEMENTARY INFORMATION:</b>	
Combining Balance Sheets – Nonmajor Governmental Funds .....	60
Combining Statements of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds.....	61



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## INDEPENDENT AUDITOR'S REPORT

To the Town Council  
Town of Greenville, Pennsylvania

### Report on the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate discretely presented component unit, and the aggregate remaining fund information of the Town of Greenville, Mercer County, Pennsylvania, (the Town) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate discretely presented component unit, and the aggregate remaining fund information of the Town, as of December 31, 2022, 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 (GAAS). 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 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's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town'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'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, budgetary comparison 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's basic financial statements. The combining nonmajor governmental fund financial statements are 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 nonmajor governmental fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Change in Accounting Principle**

As described in Note O to the financial statements, in 2022, Town of Greenville adopted new accounting guidance relating to lease accounting and disclosures. Our opinion is not modified with respect to this matter

McGill, Power, Bell & Associates, LLP

*McGill, Power, Bell & Associates, LLP*

Grove City, Pennsylvania

June 12, 2023

**TOWN OF GREENVILLE, PENNSYLVANIA**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
DECEMBER 31, 2022

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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, 2022. 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, 2022 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, 2022 by \$14,740,168. Of this amount, net position of the Governmental Activities were \$9,045,690; Sanitary Authority \$3,296,699; and Sewer Fund \$2,397,779.
- The total net position increased by \$810,488. Of this amount, a \$1,128,617 increase was associated with governmental activities and a \$318,129 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 \$2,745,123, an increase of \$527,670 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$530,047 or 21.9% 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 \$14,740,168 and \$13,929,680 at December 31, 2022 and 2021.

#### Town of Greenville’s Net Position December 31, 2022 and 2021

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
Current and other assets	\$ 3,821,928	\$ 3,156,136	\$ 1,306,084	\$ 1,580,741	\$ 5,128,012	\$ 4,736,877
Capital assets	6,478,599	6,935,234	7,006,831	6,595,123	13,485,430	13,530,357
Net pension asset	3,260,227	1,765,484	-	-	3,260,227	1,765,484
Lease receivable	105,943	-	-	-	105,943	-
	<u>13,666,697</u>	<u>11,856,854</u>	<u>8,312,915</u>	<u>8,175,864</u>	<u>21,979,612</u>	<u>20,032,718</u>
Deferred outflows of resources	152,641	509,052	-	-	152,641	509,052
Current liabilities	992,333	729,861	579,527	527,824	1,571,860	1,257,685
Long-term liabilities	888,468	1,180,708	2,038,910	1,635,433	2,927,378	2,816,141
	<u>1,880,801</u>	<u>1,910,569</u>	<u>2,618,437</u>	<u>2,163,257</u>	<u>4,499,238</u>	<u>4,073,826</u>
Deferred inflows of resources	2,892,847	2,538,264	-	-	2,892,847	2,538,264
<b>NET POSITION</b>						
Net investment in capital assets	5,341,681	5,517,506	4,428,126	4,849,419	9,769,807	10,366,925
Restricted	752,886	601,746	-	-	752,886	601,746
Unrestricted	<u>2,951,123</u>	<u>1,797,821</u>	<u>1,266,352</u>	<u>1,163,188</u>	<u>4,217,475</u>	<u>2,961,009</u>
<b>TOTAL NET POSITION</b>	<u><b>\$ 9,045,690</b></u>	<u><b>\$ 7,917,073</b></u>	<u><b>\$ 5,694,478</b></u>	<u><b>\$ 6,012,607</b></u>	<u><b>\$ 14,740,168</b></u>	<u><b>\$ 13,929,680</b></u>

The largest portion of the Town's net position (66.3%) 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, 2022 and 2021**

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
<b>REVENUES</b>						
Program revenues:						
Charges for services	\$ 1,495,825	\$ 837,317	\$ 1,402,964	\$ 1,277,278	\$ 2,898,789	\$ 2,114,595
Operating grants and contributions	1,166,538	2,066,157	-	-	1,166,538	2,066,157
General revenues:						
Property taxes	1,061,438	1,408,440	-	-	1,061,438	1,408,440
Other taxes	978,802	856,070	-	-	978,802	856,070
Grants, subsidies, and contributions not restricted	39,301	37,101	-	-	39,301	37,101
Other	102,426	96,796	16,561	6,094	118,987	102,890
	<u>4,844,330</u>	<u>5,301,881</u>	<u>1,419,525</u>	<u>1,283,372</u>	<u>6,263,855</u>	<u>6,585,253</u>
<b>EXPENSES</b>						
General government	546,657	532,657	-	-	546,657	532,657
Public safety	1,477,441	1,767,932	-	-	1,477,441	1,767,932
Public works and streets	1,046,937	1,591,244	-	-	1,046,937	1,591,244
Library and recreation	134,749	72,499	-	-	134,749	72,499
Community development	187,650	513,109	-	-	187,650	513,109
Airport	271,345	151,971	-	-	271,345	151,971
Refund of prior year revenues	699	-	-	-	699	-
Interest on long-term debt	37,735	43,798	-	-	37,735	43,798
Sanitary Authority	-	-	348,546	328,577	348,546	328,577
Sewer Fund	-	-	1,401,608	1,608,318	1,401,608	1,608,318
	<u>3,703,213</u>	<u>4,673,210</u>	<u>1,750,154</u>	<u>1,936,895</u>	<u>5,453,367</u>	<u>6,610,105</u>
<b>CHANGES IN NET POSITION BEFORE TRANSFERS</b>						
	1,141,117	628,671	(330,629)	(653,523)	810,488	(24,852)
Transfers	(12,500)	-	12,500	-	-	-
<b>CHANGES IN NET POSITION</b>						
	1,128,617	628,671	(318,129)	(653,523)	810,488	(24,852)
<b>NET POSITION, BEGINNING OF YEAR, AS RESTATED</b>						
	<u>7,917,073</u>	<u>7,288,402</u>	<u>6,012,607</u>	<u>6,666,130</u>	<u>13,929,680</u>	<u>13,954,532</u>
<b>NET POSITION, END OF YEAR</b>						
	<u>\$ 9,045,690</u>	<u>\$ 7,917,073</u>	<u>\$ 5,694,478</u>	<u>\$ 6,012,607</u>	<u>\$ 14,740,168</u>	<u>\$ 13,929,680</u>

*Governmental activities* Governmental activities increased the Town’s net position by \$1,128,617.

*Business-Type activities* Business-Type activities decreased the Town’s net position by \$318,129.

**Town of Greenville’s Governmental Activities  
Years ended December 31, 2022 and 2021**

<i>Functions/Programs</i>	<i>Total Cost of Services</i>		<i>Net Cost (Benefit) of Services</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
General government	\$ 546,657	\$ 532,657	\$ (195,701)	\$ (3,867)
Public safety	1,477,441	1,767,932	457,111	1,320,583
Public works and streets	1,046,937	1,591,244	403,477	133,018
Library and recreation	134,749	72,499	117,097	50,499
Community development	187,650	513,109	89,567	126,474
Airport	271,345	151,971	130,865	99,231
Refund of prior year revenues	699	-	699	-
Interest and debt issuance costs	37,735	43,798	37,735	43,798
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 3,703,213</b>	<b>\$ 4,673,210</b>	1,040,850	1,769,736
Less:				
Grants, subsidies, and contributions not restricted			39,301	37,101
<b>TOTAL NEEDS FROM LOCAL TAXES AND OTHER REVENUES</b>			<b>\$ 1,001,549</b>	<b>\$ 1,732,635</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, 2022, the Town’s governmental funds reported combined ending fund balances of \$2,745,123, an increase of \$527,670 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 \$376,530.

*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 \$3,296,699 and \$2,397,779, respectively. Sanitary Authority net position decreased by the amount of \$3,701, while the Sewer Fund net position decreased by the amount of \$314,428.

*General Fund Budgetary Highlights* Revenues, excluding other financing sources, of the General Fund were \$307,009 greater than budgeted for the year mainly due to tax revenues being greater than anticipated. Expenditures were \$240,757 greater than budgeted mainly attributable to public safety expenses being greater than anticipated.

### CAPITAL ASSET AND DEBT ADMINISTRATION

At December 31, 2022, the Town had \$13,485,430 invested in a broad range of capital assets, including land, buildings, sewer system, equipment and vehicles, and streets. This amount represents a decrease of \$44,927 or 0.3% from last year.

#### Town of Greenville's Capital Assets December 31, 2022 and 2021

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
Land	\$ 336,783	\$ 336,783	\$ -	\$ -	\$ 336,783	\$ 336,783
Buildings and improvements	1,730,136	1,825,151	230,903	251,900	1,961,039	2,077,051
Land improvements	3,980,999	4,213,143	-	-	3,980,999	4,213,143
Infrastructure	-	-	3,762,966	4,171,008	3,762,966	4,171,008
Equipment and vehicles	430,681	560,157	194,020	293,913	624,701	854,070
Construction in progress	-	-	2,818,942	1,878,302	2,818,942	1,878,302
<b>TOTAL</b>	<b>\$ 6,478,599</b>	<b>\$ 6,935,234</b>	<b>\$ 7,006,831</b>	<b>\$ 6,595,123</b>	<b>\$ 13,485,430</b>	<b>\$ 13,530,357</b>

#### *Major Capital Asset Additions*

This year's major capital asset additions included:

- Wastewater Treatment Plant Expansion Project (construction in progress), \$940,640

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

### *Debt Administration*

As of January 1, 2022, the Town had total outstanding debt of \$3,189,751, including a bond discount of \$6,259. During the year, the Town made payments against principal of \$511,640 and drew down on loan funding in the amount of \$1,054,296. The current year amortization of the bond discount was \$1,832, causing outstanding debt of \$3,734,239 at December 31, 2022.

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

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

The Town prepares an operating budget for the General 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 2023 will be reduced from 28.08 mills to 25.58 mills. The earned income tax rates for residents will increase from 1.5% to 1.75% for 2023 and non-residents will remain at 1%.

### **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, 2022

	<i>Governmental Activities</i>	<i>Business-Type Activities</i>	<i>Total</i>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 2,909,196	\$ 1,145,716	\$ 4,054,912
Receivables:			
Taxes-delinquent and other	592,465	-	592,465
Grants	148,064	-	148,064
Accounts	73,016	187,302	260,318
Due from other governments	-	63,985	63,985
Leases - GASB 87	8,268	-	8,268
Internal balances	90,919	(90,919)	-
	<u>3,821,928</u>	<u>1,306,084</u>	<u>5,128,012</u>
<b>NONCURRENT ASSETS</b>			
Capital assets:			
Nondepreciable capital assets	336,783	2,818,942	3,155,725
Depreciable capital assets, net	6,141,816	4,187,889	10,329,705
Net pension asset	3,260,227	-	3,260,227
Lease receivable, net of current portion - GASB 87	105,943	-	105,943
	<u>9,844,769</u>	<u>7,006,831</u>	<u>16,851,600</u>
	<u>13,666,697</u>	<u>8,312,915</u>	<u>21,979,612</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Relating to net pension liability, net of amortization	134,025	-	134,025
Deferred amount on refunding	18,616	-	18,616
	<u>152,641</u>	<u>-</u>	<u>152,641</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b><u>\$ 13,819,338</u></b>	<b><u>\$ 8,312,915</u></b>	<b><u>\$ 22,132,253</u></b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	\$ 153,092	\$ 33,571	\$ 186,663
Accrued expenses	43,363	6,161	49,524
Escrow liability	6,716	-	6,716
Unearned grant revenue	498,561	-	498,561
Current portion of long-term debt	290,601	539,795	830,396
	<u>992,333</u>	<u>579,527</u>	<u>1,571,860</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term debt, net of current portion and unamortized bond discount	864,933	2,038,910	2,903,843
Compensated absences	23,535	-	23,535
	<u>888,468</u>	<u>2,038,910</u>	<u>2,927,378</u>
	<u>1,880,801</u>	<u>2,618,437</u>	<u>4,499,238</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Relating to net pension liability, net of amortization	2,781,855	-	2,781,855
Relating to leases - GASB 87	110,992	-	110,992
	<u>2,892,847</u>	<u>-</u>	<u>2,892,847</u>
<b>NET POSITION (DEFICIT)</b>			
Net investment in capital assets	5,341,681	4,428,126	9,769,807
Restricted	752,886	-	752,886
Unrestricted	2,951,123	1,266,352	4,217,475
	<u>9,045,690</u>	<u>5,694,478</u>	<u>14,740,168</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<b><u>\$ 13,819,338</u></b>	<b><u>\$ 8,312,915</u></b>	<b><u>\$ 22,132,253</u></b>

See accompanying notes to the basic financial statements.

**TOWN OF GREENVILLE, PENNSYLVANIA**

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2022

<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	\$ 546,657	\$ 178,771	\$ 563,587	\$ 195,701	\$ -	\$ 195,701
Public safety	1,477,441	849,488	170,842	(457,111)	-	(457,111)
Public works and streets	1,046,937	420,495	222,965	(403,477)	-	(403,477)
Library and recreation	134,749	17,652	-	(117,097)	-	(117,097)
Community development	187,650	-	98,083	(89,567)	-	(89,567)
Airport	271,345	29,419	111,061	(130,865)	-	(130,865)
Miscellaneous	699	-	-	(699)	-	(699)
Interest and debt issuance costs	37,735	-	-	(37,735)	-	(37,735)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>3,703,213</b>	<b>1,495,825</b>	<b>1,166,538</b>	<b>(1,040,850)</b>	<b>-</b>	<b>(1,040,850)</b>
<b>BUSINESS-TYPE ACTIVITIES:</b>						
Sanitary Authority	348,546	1	-	-	(348,545)	(348,545)
Sewer Fund	1,401,608	1,402,963	-	-	1,355	1,355
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>1,750,154</b>	<b>1,402,964</b>	<b>-</b>	<b>-</b>	<b>(347,190)</b>	<b>(347,190)</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 5,453,367</b>	<b>\$ 2,898,789</b>	<b>\$ 1,166,538</b>	<b>(1,040,850)</b>	<b>(347,190)</b>	<b>(1,388,040)</b>
<b>GENERAL REVENUES:</b>						
Property taxes, levied for general purposes, net				1,061,438	-	1,061,438
Other taxes, primarily income taxes				978,802	-	978,802
Grants, subsidies, and contributions not restricted				39,301	-	39,301
Investment income				22,675	14,963	37,638
Other				77,626	1,598	79,224
Gain from the disposal of capital assets				2,125	-	2,125
Transfers				(12,500)	12,500	-
<b>TOTAL GENERAL REVENUES</b>				<b>2,169,467</b>	<b>29,061</b>	<b>2,198,528</b>
<b>CHANGES IN NET POSITION</b>				<b>1,128,617</b>	<b>(318,129)</b>	<b>810,488</b>
<b>NET POSITION, BEGINNING OF YEAR, AS RESTATED</b>				<b>7,917,073</b>	<b>6,012,607</b>	<b>13,929,680</b>
<b>NET POSITION, END OF YEAR</b>				<b>\$ 9,045,690</b>	<b>\$ 5,694,478</b>	<b>\$ 14,740,168</b>

See accompanying notes to the basic financial statements.

**TOWN OF GREENVILLE, PENNSYLVANIA**

BALANCE SHEET

GOVERNMENTAL FUNDS

DECEMBER 31, 2022

	<i>General Fund</i>	<i>Motor License</i>	<i>Stormwater Fund</i>	<i>Fire Service Fund</i>	<i>Nonmajor Funds</i>	<i>Total Governmental Funds</i>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 847,126	\$ 300,881	\$ 366,817	\$ 162,742	\$ 1,231,630	\$ 2,909,196
Receivables:						
Taxes	592,465	-	-	-	-	592,465
Grants	131,157	-	-	-	16,907	148,064
Accounts	20,480	-	39,605	12,563	368	73,016
Due from other funds	959,972	-	-	44,597	-	1,004,569
<b>TOTAL ASSETS</b>	<b>\$ 2,551,200</b>	<b>\$ 300,881</b>	<b>\$ 406,422</b>	<b>\$ 219,902</b>	<b>\$ 1,248,905</b>	<b>\$ 4,727,310</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 115,999	\$ -	\$ 11,131	\$ 6,989	\$ 18,973	\$ 153,092
Accrued expenses	31,877	-	1,859	9,627	-	43,363
Escrow liability	-	-	-	-	6,716	6,716
Unearned grant revenue	-	-	-	-	498,561	498,561
Due to other funds	44,282	1,687	114,386	-	753,295	913,650
	192,158	1,687	127,376	16,616	1,277,545	1,615,382
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - taxes	366,805	-	-	-	-	366,805
<b>FUND BALANCES</b>						
Fund balances:						
Restricted:						
Street expenditures	-	299,194	-	-	-	299,194
Capital projects	-	-	-	-	(65,191)	(65,191)
Airport	-	-	-	-	36,551	36,551
Storm sewers	-	-	279,046	-	-	279,046
Fire service	-	-	-	203,286	-	203,286
Committed:						
General Council reserves	400,000	-	-	-	-	400,000
Assigned:						
Checking account required minimum balance	125,000	-	-	-	-	125,000
Capital projects	681,865	-	-	-	-	681,865
Payroll and related liabilities	251,754	-	-	-	-	251,754
HRA funds	3,571	-	-	-	-	3,571
Unassigned	530,047	-	-	-	-	530,047
	1,992,237	299,194	279,046	203,286	(28,640)	2,745,123
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 2,551,200</b>	<b>\$ 300,881</b>	<b>\$ 406,422</b>	<b>\$ 219,902</b>	<b>\$ 1,248,905</b>	<b>\$ 4,727,310</b>

See accompanying notes to the basic financial statements.

**TOWN OF GREENVILLE, PENNSYLVANIA**  
**RECONCILIATION OF GOVERNMENTAL FUND BALANCE SHEET**  
**TO STATEMENT OF NET POSITION**  
**DECEMBER 31, 2022**

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**TOTAL FUND BALANCES - GOVERNMENTAL FUNDS** **\$ 2,745,123**

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 \$12,868,458, and the accumulated depreciation is \$6,389,859. 6,478,599

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. 366,805

The lease receivable and related deferred inflow of resources is not reported in the funds. 3,219

The net pension asset is not reported in the funds. 3,260,227

Deferred outflows and deferred inflows of resources relating to the net pension liability are not reported in the funds. (2,647,830)

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	\$ (1,159,961)	
Unamortized deferred amount on refunding	18,616	
Unamortized bond discount	4,427	
Compensated absences	(23,535)	(1,160,453)

**NET POSITION - GOVERNMENTAL ACTIVITIES** **\$ 9,045,690**

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, 2022

	<i>General Fund</i>	<i>Motor License</i>	<i>Stormwater Fund</i>	<i>Fire Service Fund</i>	<i>Nonmajor Funds</i>	<i>Total Governmental Funds</i>
<b>REVENUES</b>						
Taxes	\$ 1,954,357	\$ -	\$ -	\$ 96,043	\$ -	\$ 2,050,400
Licenses and permits	143,109	-	-	-	-	143,109
Fines and violations	35,507	-	155	-	-	35,662
Government grants and subsidies	349,731	188,743	-	105,004	525,357	1,168,835
Charges for services	151,956	-	410,995	697,532	-	1,260,483
Interest earnings and rentals	33,206	6,175	2,053	1,205	38,955	81,594
Contributions	37,004	-	-	-	-	37,004
Miscellaneous	73,618	-	-	-	-	73,618
	<u>2,778,488</u>	<u>194,918</u>	<u>413,203</u>	<u>899,784</u>	<u>564,312</u>	<u>4,850,705</u>
<b>EXPENDITURES</b>						
General government	440,875	-	-	-	261,213	702,088
Public safety	1,182,289	-	-	716,498	78,533	1,977,320
Public works and streets	381,412	220,405	221,541	-	-	823,358
Library and recreation	65,378	-	-	-	-	65,378
Community development	-	-	-	-	187,650	187,650
Airport	-	-	-	-	40,183	40,183
Capital outlay	56,524	-	47,179	-	95,215	198,918
Miscellaneous	199	-	-	-	-	199
Debt service:						
Principal	270,251	-	20,094	-	-	290,345
Interest	26,966	-	3,066	-	-	30,032
	<u>2,423,894</u>	<u>220,405</u>	<u>291,880</u>	<u>716,498</u>	<u>662,794</u>	<u>4,315,471</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	354,594	(25,487)	121,323	183,286	(98,482)	535,234
<b>OTHER FINANCING SOURCES (USES)</b>						
Refunds of prior year revenues	-	-	(500)	-	-	(500)
Proceeds from disposition of capital assets	5,436	-	-	-	-	5,436
Transfers (to) from other funds	16,500	-	6,000	20,000	(55,000)	(12,500)
	<u>21,936</u>	<u>-</u>	<u>5,500</u>	<u>20,000</u>	<u>(55,000)</u>	<u>(7,564)</u>
<b>NET CHANGES IN FUND BALANCES</b>	376,530	(25,487)	126,823	203,286	(153,482)	527,670
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>1,615,707</u>	<u>324,681</u>	<u>152,223</u>	<u>-</u>	<u>124,842</u>	<u>2,217,453</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 1,992,237</u>	<u>\$ 299,194</u>	<u>\$ 279,046</u>	<u>\$ 203,286</u>	<u>\$ (28,640)</u>	<u>\$ 2,745,123</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, 2022**

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<b>NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS</b>	<b>\$ 527,670</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 (\$15,651) is less than depreciation (\$468,975) during the year.</p>	(453,324)
<p>Gross proceeds from fixed assets are reported as revenues in the governmental funds. The governmental activities reflect the actual gain or loss from the sales and disposals of fixed assets.</p>	(3,311)
<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>	(9,535)
<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>	(10,160)
<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>	290,345
<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>	<u>786,932</u>
<b>CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES</b>	<b><u><u>\$ 1,128,617</u></u></b>

See accompanying notes to the basic financial statements.

**TOWN OF GREENVILLE, PENNSYLVANIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2022**

	<i>Sanitary Authority</i>	<i>Sewer Fund</i>	<i>Total Proprietary Funds</i>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 268,737	\$ 876,979	\$ 1,145,716
Accounts receivable	-	187,302	187,302
Intergovernmental receivable	-	63,985	63,985
Due from other funds	-	2,363	2,363
	<u>268,737</u>	<u>1,130,629</u>	<u>1,399,366</u>
<b>NONCURRENT ASSETS</b>			
Nondepreciable capital assets	2,775,931	43,011	2,818,942
Depreciable capital assets, net	2,830,736	1,357,153	4,187,889
	<u>5,606,667</u>	<u>1,400,164</u>	<u>7,006,831</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 5,875,404</u></b>	<b><u>\$ 2,530,793</u></b>	<b><u>\$ 8,406,197</u></b>
<b>LIABILITIES</b>			
Current portion of long-term debt	\$ 539,795	\$ -	\$ 539,795
Accounts payable	-	33,571	33,571
Accrued payroll expenses	-	6,161	6,161
Due to other funds	-	93,282	93,282
	<u>539,795</u>	<u>133,014</u>	<u>672,809</u>
<b>LONG-TERM DEBT, net of current portion</b>	<u>2,038,910</u>	<u>-</u>	<u>2,038,910</u>
<b>NET POSITION</b>			
Net investment in capital assets	3,027,962	1,400,164	4,428,126
Unrestricted	268,737	997,615	1,266,352
	<u>3,296,699</u>	<u>2,397,779</u>	<u>5,694,478</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b><u>\$ 5,875,404</u></b>	<b><u>\$ 2,530,793</u></b>	<b><u>\$ 8,406,197</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, 2022

	<i>Sanitary Authority</i>	<i>Sewer Fund</i>	<i>Total Proprietary Funds</i>
<b>OPERATING REVENUES</b>			
Charges for service	\$ -	\$ 1,402,963	\$ 1,402,963
Lease payment	1	-	1
	<u>1</u>	<u>1,402,963</u>	<u>1,402,964</u>
<b>OPERATING EXPENSES</b>			
Collection and disposal	-	918,692	918,692
Administrative and general	-	241,729	241,729
Depreciation	287,745	241,187	528,932
	<u>287,745</u>	<u>1,401,608</u>	<u>1,689,353</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(287,744)</u>	<u>1,355</u>	<u>(286,389)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Tap-in fees	1,598	-	1,598
Interest income	4,484	10,479	14,963
Interest expense	(60,801)	-	(60,801)
	<u>(54,719)</u>	<u>10,479</u>	<u>(44,240)</u>
<b>LOSS BEFORE TRANSFERS</b>	<u>(342,463)</u>	<u>11,834</u>	<u>(330,629)</u>
Transfers	<u>338,762</u>	<u>(326,262)</u>	<u>12,500</u>
<b>CHANGES IN NET POSITION</b>	<u>(3,701)</u>	<u>(314,428)</u>	<u>(318,129)</u>
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>3,300,400</u>	<u>2,712,207</u>	<u>6,012,607</u>
<b>NET POSITION, END OF YEAR</b>	<u><u>\$ 3,296,699</u></u>	<u><u>\$ 2,397,779</u></u>	<u><u>\$ 5,694,478</u></u>

See accompanying notes to the basic financial statements.

**TOWN OF GREENVILLE, PENNSYLVANIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2022**

	<i>Sanitary Authority</i>	<i>Sewer Fund</i>	<i>Total Proprietary Funds</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ -	\$ 1,385,166	\$ 1,385,166
Lease payment received	1	-	1
Cash paid to employees for services	-	(371,332)	(371,332)
Cash paid to suppliers for goods or services	-	(815,176)	(815,176)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>1</u>	<u>198,658</u>	<u>198,659</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Proceeds from tap-in fees	1,598	-	1,598
Transfers	338,762	(326,262)	12,500
Purchases of capital assets	(1,210,962)	(43,011)	(1,253,973)
Proceeds from long-term debt	1,054,296	-	1,054,296
Payments on long-term debt	(221,295)	-	(221,295)
Interest paid on long-term debt	(60,801)	-	(60,801)
<b>NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>(98,402)</u>	<u>(369,273)</u>	<u>(467,675)</u>
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest income	4,484	10,479	14,963
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(93,917)	(160,136)	(254,053)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>362,654</u>	<u>1,037,115</u>	<u>1,399,769</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u><u>\$ 268,737</u></u>	<u><u>\$ 876,979</u></u>	<u><u>\$ 1,145,716</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, 2022

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

	<i>Sanitary Authority</i>	<i>Sewer Fund</i>	<i>Total Proprietary Funds</i>
<b>OPERATING INCOME (LOSS)</b>	\$ (287,744)	\$ 1,355	\$ (286,389)
Adjustments To Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities			
Depreciation	287,745	241,187	528,932
Increase in accounts receivable	-	(12,935)	(12,935)
Increase in intergovernmental receivable	-	(4,862)	(4,862)
Decrease in accounts payable	-	(63,493)	(63,493)
Decrease in accrued payroll expenses	-	(995)	(995)
Increase in due to other funds	-	38,401	38,401
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$ 1</b>	<b>\$ 198,658</b>	<b>\$ 198,659</b>

See accompanying notes to the basic financial statements.

**TOWN OF GREENVILLE, PENNSYLVANIA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**DECEMBER 31, 2022**

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	<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	<u>\$ 4,869,298</u>	<u>\$ 9,798,911</u>	<u>\$ 4,343,352</u>	<u>\$ 19,011,561</u>
<b>NET POSITION</b>				
Restricted for pension benefits	<u>\$ 4,869,298</u>	<u>\$ 9,798,911</u>	<u>\$ 4,343,352</u>	<u>\$ 19,011,561</u>

See accompanying notes to the basic financial statements.

**TOWN OF GREENVILLE, PENNSYLVANIA**  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
YEAR ENDED DECEMBER 31, 2022

	<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	\$ 60,163	\$ 107,072	\$ 48,263	\$ 215,498
Investment income	550,224	1,248,244	550,079	2,348,547
	<u>610,387</u>	<u>1,355,316</u>	<u>598,342</u>	<u>2,564,045</u>
<b>DEDUCTIONS:</b>				
Benefit payments	379,899	430,816	204,087	1,014,802
Administrative fees	12,616	24,006	10,617	47,239
	<u>392,515</u>	<u>454,822</u>	<u>214,704</u>	<u>1,062,041</u>
<b>CHANGE IN NET POSITION HELD IN TRUST FOR EMPLOYEES' PENSION BENEFITS</b>	217,872	900,494	383,638	1,502,004
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>4,651,426</u>	<u>8,898,417</u>	<u>3,959,714</u>	<u>17,509,557</u>
<b>NET POSITION, END OF YEAR</b>	<u><b>\$ 4,869,298</b></u>	<u><b>\$ 9,798,911</b></u>	<u><b>\$ 4,343,352</b></u>	<u><b>\$ 19,011,561</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>Asset Category</u>	<i>Governmental Activities</i> <u>Estimated Lives</u>	<i>Business-Type Activities</i> <u>Estimated Lives</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, which represents the difference between the reacquisition price and the net carrying amount of the old debt on the advance refunding, and deferred outflows related to the pension.

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 three 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 and leases, 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 liability, 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 and Adopted 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. Effective January 1, 2022, the Town has adjusted the presentation of these financial statements accordingly.

**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 June 12, 2023, 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 \$250.

*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 \$3,299,091, and the bank balance was \$3,339,482. 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, \$755,571 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, 2022, investments amounted to \$19,011,561 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 28.08 mills based on a county assessed valuation. Property taxes receivable represents real estate taxes and outstanding delinquencies measurable as of December 31, 2022, 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, 2022 are as follows:

	<u>Collectible</u>	<u>Recognized</u>	<u>Unavailable Taxes</u>
Real estate	\$ 376,880	\$ 10,075	\$ 366,805
Earned income	197,175	197,175	-
Local services	18,410	18,410	-
<b>TOTAL</b>	<b><u>\$ 592,465</u></b>	<b><u>\$ 225,660</u></b>	<b><u>\$ 366,805</u></b>

### NOTE E – LEASE RECEIVABLE (GASB 87)

For the year ended December 31, 2022, the Town's financial statements include the adoption of GASB Statement No. 87, *Leases* (GASB 87). The primary objective of GASB 87 is to enhance the relevance and consistency of information about the Town's leasing activities. GASB 87 establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Town's operations as a lessee are immaterial to the financial statements as a whole and, therefore, not disclosed in the footnote, whereas the Town's operations as a lessor are material and disclosures are shown below.

#### *Lessor*

The Town leases a building to a third-party tenant. Lease payments received in exchange for the contracted use of this asset will be based on a fixed rental amount paid in monthly intervals as outlined within the lease agreement. Fixed rental amounts are reflected within the GASB 87 lease receivable calculation.

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

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**NOTE E – LEASE RECEIVABLE (GASB 87) (CONTINUED)**

The General Fund of the Town has one lease with an end date of June 1, 2034 requiring monthly payments of \$1,000 at an interest rate of 3.38%. The lessee may terminate this lease at anytime upon ninety days written notice to lessor when lessee’s funding sources are reduced to such a degree that lessee, in its sole discretion, believes it can no longer operate a senior center at the leasehold.

The lease receivable at December 31, 2022 was \$114,211. During the year ended December 31, 2022, the Town recognized lease revenue of \$9,652 and interest revenue of \$4,008.

Future principal and interest payment requirements related to the Town’s lease receivable as of December 31, 2022 is as follows:

	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2023	\$ 8,268	\$ 3,732	\$ 12,000
2024	8,551	3,449	12,000
2025	8,844	3,156	12,000
2026	9,148	2,852	12,000
2027	9,462	2,538	12,000
2028-2032	52,411	7,589	60,000
2033-2034	17,527	473	18,000
<b>TOTAL</b>	<b>\$ 114,211</b>	<b>\$ 23,789</b>	<b>\$ 138,000</b>

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

**NOTE F – CHANGES IN CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2022 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
Capital assets being depreciated:				
Building and improvements	4,130,661	-	-	4,130,661
Land improvements	6,561,400	-	-	6,561,400
Equipment and vehicles	1,973,713	15,651	(149,750)	1,839,614
Total capital assets, being depreciated	<u>12,665,774</u>	<u>15,651</u>	<u>(149,750)</u>	<u>12,531,675</u>
Accumulated depreciation for:				
Building and improvements	(2,305,510)	(95,015)	-	(2,400,525)
Land improvements	(2,348,257)	(232,144)	-	(2,580,401)
Equipment and vehicles	(1,413,556)	(141,816)	146,439	(1,408,933)
Total accumulated depreciation	<u>(6,067,323)</u>	<u>(468,975)</u>	<u>146,439</u>	<u>(6,389,859)</u>
Total capital assets, being depreciated, net	<u>6,598,451</u>	<u>(453,324)</u>	<u>(3,311)</u>	<u>6,141,816</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSESTS, NET</b>				
	<u>\$ 6,935,234</u>	<u>\$ (453,324)</u>	<u>\$ (3,311)</u>	<u>\$ 6,478,599</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	\$ 1,878,302	\$ 940,640	\$ -	\$ 2,818,942
Capital assets being depreciated:				
Building and improvements	419,937	-	-	419,937
Infrastructure	16,771,446	-	-	16,771,446
Equipment and vehicles	1,013,843	-	-	1,013,843
Total capital assets, being depreciated	<u>18,205,226</u>	<u>-</u>	<u>-</u>	<u>18,205,226</u>
Accumulated depreciation for:				
Building and improvements	(168,037)	(20,997)	-	(189,034)
Infrastructure	(12,600,438)	(408,042)	-	(13,008,480)
Equipment and vehicles	(719,930)	(99,893)	-	(819,823)
Total accumulated depreciation	<u>(13,488,405)</u>	<u>(528,932)</u>	<u>-</u>	<u>(14,017,337)</u>
Total capital assets, being depreciated, net	<u>4,716,821</u>	<u>(528,932)</u>	<u>-</u>	<u>4,187,889</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
<b>CAPITAL ASSESTS, NET</b>				
	<u>\$ 6,595,123</u>	<u>\$ 411,708</u>	<u>\$ -</u>	<u>\$ 7,006,831</u>

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

**NOTE F – 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	74,779
Public works and streets	183,568
Library and recreation	16,436
Airport	<u>135,947</u>
<b>TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES</b>	<b><u><u>\$ 468,975</u></u></b>
Business-Type Activities:	
Sanitary Authority	\$ 287,745
Sewer Fund	<u>241,187</u>
<b>TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES</b>	<b><u><u>\$ 528,932</u></u></b>

**NOTE G – LONG-TERM DEBT**

During the fiscal year ended December 31, 2022, 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	\$ 985,000	\$ -	\$ (240,000)	\$ 745,000	\$ 245,000
Unamortized Bond							
Discount	N/A	N/A	(6,259)	1,832	-	(4,427)	-
Pennvest loan	1.00%	2036	315,817	-	(20,094)	295,723	20,295
USDA Loan							
Police	2.25%	2023	28,187	-	(16,794)	11,393	11,393
First National Bank -							
Roof	3.38%	2029	121,302	-	(13,457)	107,845	13,913
			<u>1,444,047</u>	1,832	<u>(290,345)</u>	<u>1,155,534</u>	<u>290,601</u>
<b>BUSINESS-TYPE ACTIVITIES:</b>							
Sewer Revenue Note	2.29%	2027	1,745,704	1,054,296	(221,295)	2,578,705	539,795
Total long-term debt			3,189,751	1,056,128	(511,640)	3,734,239	830,396
Net pension (asset) liability							
	N/A	N/A	(1,765,484)	-	(1,494,743)	(3,260,227)	-
Compensated Absences							
	N/A	N/A	27,007	-	(3,472)	23,535	-
<b>TOTAL</b>			<b><u><u>\$ 1,451,274</u></u></b>	<b><u><u>\$ 1,056,128</u></u></b>	<b><u><u>\$ (2,009,855)</u></u></b>	<b><u><u>\$ 497,547</u></u></b>	<b><u><u>\$ 830,396</u></u></b>

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

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

The future payments required to amortize the debt as of December 31, 2022 are as follows:

*Governmental Activities:*

	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
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	37,011	3,700	40,711
2028-2032	142,267	8,658	150,925
2033-2036	83,346	1,573	84,919
<b>TOTAL</b>	<b>\$ 1,159,961</b>	<b>\$ 82,674</b>	<b>\$ 1,242,635</b>

*Business-Type Activities:*

	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2023	\$ 539,795	\$ 53,383	\$ 593,178
2024	552,287	41,016	593,303
2025	565,068	28,109	593,177
2026	578,145	15,032	593,177
2027	343,410	2,603	346,013
<b>TOTAL</b>	<b>\$ 2,578,705</b>	<b>\$ 140,143</b>	<b>\$ 2,718,848</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, 2022 was \$745,000.

*Pennvest Loan*

On August 3, 2015, the Town entered into a \$497,500 loan for a stormwater project. The balance outstanding at December 31, 2022 is \$295,723.

# TOWN OF GREENVILLE, PENNSYLVANIA

## NOTES TO THE BASIC FINANCIAL STATEMENTS

### NOTE G – 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, 2022 was \$107,845.

#### 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, 2022 was \$11,393.

#### 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. As of December 31, 2022, the Town has drawn down the entire note proceeds totaling \$2,800,000. The balance outstanding at December 31, 2022 was \$2,578,705.

#### 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 H – INTERFUND RECEIVABLES/PAYABLES

The composition of interfund balances at December 31, 2022 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Purpose</u>	<u>Amount</u>
General Fund	Sewer Fund	Sewer operations	\$ 93,282
General Fund	Capital Projects Fund	Capital projects	752,980
General Fund	Motor License Fund	Highways and streets	1,687
General Fund	Stormwater Fund	Payroll items	112,023
General Fund	Airport Fund	General operations	315
Fire Service Fund	General Fund	Payroll items	44,597
Sewer Fund	Stormwater Fund	Sewer lateral inspections	2,363
<b>TOTAL</b>			<b>\$ 1,007,247</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

### NOTE I – INTERFUND TRANSFERS

On occasion, the Town will transfer monies between funds for various activities. Such activity for the year ended December 31, 2022 is identified below.

<i>Recipient Fund</i>	<i>Payor Fund</i>	<i>Purpose</i>	<i>Amount</i>
General Fund	Capital Projects	ARPA funding	\$ 16,500
Stormwater Fund	Capital Projects	ARPA funding	6,000
Fire Service Fund	Capital Projects	ARPA funding	20,000
Sanitary Authority	Capital Projects	ARPA funding	12,500
Sanitary Authority	Sewer Fund	WWTP expansion project	326,262
<b>TOTAL</b>			<b>\$ 381,262</b>

### NOTE J – 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 J – 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 2022 was \$40,631 computed through an actuarial valuation performed January 1, 2019 and represented 6.24% 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, 2022 is as follows:

Total pension liability	\$ 3,887,910
Pension plan net position	<u>4,869,298</u>
<b>NET PENSION LIABILITY (ASSET)</b>	<b><u><u>\$ (981,388)</u></u></b>

The pension plan's net position as a percentage of total pension liability is 125.24%.

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

**NOTE J – 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 Liability*

	<i>Total Pension Liability</i>	<i>Plan Fiduciary Net Position</i>	<i>Net Pension Liability (Asset)</i>
	<i>(a)</i>	<i>(b)</i>	<i>(a) - (b)</i>
<b>MEASUREMENT YEAR ENDING 12/31/2020</b>	\$ 3,992,541	\$ 4,651,426	\$ (658,885)
Changes for the year:			
Service cost	71,738	-	71,738
Interest	203,530	-	203,530
Changes of benefits	-	-	-
Changes of assumptions	-	-	-
Differences between expected and actual experience	-	-	-
Contributions - employer	-	40,571	(40,571)
Contributions - PMRS assessment	-	60	(60)
Contributions - employee	-	19,532	(19,532)
PMRS investment income	-	209,678	(209,678)
Market value investment income	-	340,546	(340,546)
Transfers	-	-	-
Benefit payments	(379,899)	(379,899)	-
PMRS administrative expense	-	(740)	740
Additional administrative expense	-	(11,876)	11,876
Net changes	(104,631)	217,872	(322,503)
<b>MEASUREMENT YEAR ENDING 12/31/2021</b>	<b>\$ 3,887,910</b>	<b>\$ 4,869,298</b>	<b>\$ (981,388)</b>

*Sensitivity of the Net Pension Liability 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</i>	<i>Current Rate</i>	<i>1.0% Increase</i>
	<i>4.25%</i>	<i>5.25%</i>	<i>6.25%</i>
Net pension liability (asset)	\$ (551,141)	\$ (981,388)	\$ (1,346,188)

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

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

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

For the year ended December 31, 2022, the Town recognized pension expense of -\$177,913. At December 31, 2022, 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	\$ 14,346	\$ 143,084
Changes of assumptions	119,679	-
Net difference between projected and actual earnings on pension plan investments	-	600,222
<b>TOTAL</b>	<b><u>\$ 134,025</u></b>	<b><u>\$ 743,306</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>	
2022	\$ (138,490)
2023	(254,370)
2024	(145,545)
2025	(70,876)
2026	-
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 J – PENSION PLANS (CONTINUED)**

*Actuarial Assumptions* Total pension liability was determined by an actuarial valuation as of January 1, 2019 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 2022 was \$107,072 computed through an actuarial valuation performed January 1, 2019 and represented 21.34% 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, 2022 is as follows:

Total pension liability	\$ 7,993,964
Pension plan net position	9,798,911
<b>NET PENSION LIABILITY (ASSET)</b>	<b><u>\$ (1,804,947)</u></b>

The pension plan's net position as a percentage of total pension liability is 122.58%.

*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 J – PENSION PLANS (CONTINUED)**

*Schedule of Changes in the Net Pension Liability*

	<i>Total Pension Liability</i>	<i>Plan Fiduciary Net Position</i>	<i>Net Pension Liability</i>
	<i>(a)</i>	<i>(b)</i>	<i>(a) - (b)</i>
<b>MEASUREMENT YEAR ENDING 12/31/2020</b>	\$ 7,915,576	\$ 8,898,417	\$ (982,841)
Changes for the year:			
Service cost	99,573	-	99,573
Interest	409,631	-	409,631
Changes of assumptions	-	-	-
Differences between expected and actual experience	-	-	-
Contributions - employer	-	106,532	(106,532)
Contributions - PMRS assessment	-	540	(540)
PMRS investment income	-	414,320	(414,320)
Market value investment income	-	833,924	(833,924)
Transfers	-	-	-
Benefit payments	(430,816)	(430,816)	-
PMRS investment expense	-	(540)	540
Additional administrative expense	-	(23,466)	23,466
Net changes	<u>78,388</u>	<u>900,494</u>	<u>(822,106)</u>
<b>MEASUREMENT YEAR ENDING 12/31/2021</b>	<u><u>\$ 7,993,964</u></u>	<u><u>\$ 9,798,911</u></u>	<u><u>\$ (1,804,947)</u></u>

*Sensitivity of the Net Pension Liability 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</i>	<i>Current Rate</i>	<i>1.0% Increase</i>
	<i>4.25%</i>	<i>5.25%</i>	<i>6.25%</i>
Net pension liability (asset)	\$ (860,672)	\$ (1,804,947)	\$ (2,590,084)

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

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

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

For the year ended December 31, 2022, the Town recognized pension expense of -\$416,549. At December 31, 2022, 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	\$ -	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	1,378,480
<b>TOTAL</b>	<u><u>\$ -</u></u>	<u><u>\$ 1,378,480</u></u>

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>	
2022	\$ (387,958)
2023	(519,404)
2024	(304,334)
2025	(166,784)
2026	-
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>	<u><u>12</u></u>

# TOWN OF GREENVILLE, PENNSYLVANIA

## NOTES TO THE BASIC FINANCIAL STATEMENTS

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### NOTE J – PENSION PLANS (CONTINUED)

*Actuarial Assumptions* Total pension liability was determined by an actuarial valuation as of January 1, 2019 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 2022 was \$38,758 computed through an actuarial valuation performed January 1, 2019 and represented 16.31% 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, 2022 is as follows:

Total pension liability	\$ 3,869,460
Pension plan net position	<u>4,343,352</u>
<b>NET PENSION LIABILITY (ASSET)</b>	<b><u><u>\$ (473,892)</u></u></b>

The pension plan's net position as a percentage of total pension liability is 112.25%.

*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 J – PENSION PLANS (CONTINUED)**

*Schedule of Changes in the Net Pension Liability*

	<i>Total Pension Liability</i>	<i>Plan Fiduciary Net Position</i>	<i>Net Pension Liability</i>
	<i>(a)</i>	<i>(b)</i>	<i>(a) - (b)</i>
<b>MEASUREMENT YEAR ENDING 12/31/2020</b>	\$ 3,835,956	\$ 3,959,714	\$ (123,758)
Changes for the year:			
Service cost	39,422	-	39,422
Interest	198,169	-	198,169
Changes of assumptions	-	-	-
Differences between expected and actual experience	-	-	-
Contributions - employer	-	38,538	(38,538)
Contributions - PMRS assessment	-	220	(220)
Contributions - employee	-	9,505	(9,505)
PMRS investment income	-	183,563	(183,563)
Market value investment income	-	366,516	(366,516)
Benefit payments	(204,087)	(204,087)	-
PMRS administrative expense	-	(220)	220
Additional administrative expense	-	(10,397)	10,397
Net changes	<u>33,504</u>	<u>383,638</u>	<u>(350,134)</u>
<b>MEASUREMENT YEAR ENDING 12/31/2021</b>	<b><u>\$ 3,869,460</u></b>	<b><u>\$ 4,343,352</u></b>	<b><u>\$ (473,892)</u></b>

*Sensitivity of the Net Pension Liability 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)	\$ (45,955)	\$ (473,892)	\$ (835,497)

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

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

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

For the year ended December 31, 2022, the Town recognized pension expense of -\$877. At December 31, 2022, 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	\$ -	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	660,069
<b>TOTAL</b>	<u><u>\$ -</u></u>	<u><u>\$ 660,069</u></u>

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>	
2022	\$ (191,683)
2023	(245,193)
2024	(149,889)
2025	(73,304)
2026	-
Thereafter	-

**NOTE K – 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 L – 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, 2022 and the two previous fiscal years, no settlements exceeded insurance coverage.

### NOTE M – 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 N – MUNICIPAL RECOVERY PLAN

In 2002, 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.

In December 2002, Council adopted its initial Recovery Plan for the Borough of Greenville as prepared and submitted by the Act 47 Coordinator. The plan "set 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 enhancements and cost reduction initiatives, as well as improved management controls and changes in the approach to service delivery.

In connection with this, Greenville 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 increased to 1.7% for residents and 1.5% for non-residents. In 2006 the rates decreased to 1.5% for residents and 1.25% for non-residents. In 2007, the rates increased to 1.6% for residents and to 1.34% for non-residents. In 2009, the rates increased to 1.65% for residents and to 1.42% for non-residents. The rates then remained unchanged from 2010-2012. Beginning in 2013, the EIT rates levied under Act 47 were incrementally decreased. 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. From 2017-2022, the municipality 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. Since then, the earned income rate levied Act 511 has been 1.0% on both residents and non-resident earned income. By forgoing an Act 47 earned income tax levy, Greenville signified that its structural deficit had been eliminated and the municipality was on the way to exiting financial distress.

# TOWN OF GREENVILLE, PENNSYLVANIA

## NOTES TO THE BASIC FINANCIAL STATEMENTS

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### NOTE N – MUNICIPAL RECOVERY PLAN (CONTINUED)

Beginning in 2021 and continuing in 2022, Greenville under Act 62 levied an additional .5% of earned income tax on residents as a first step in the diversification of its revenue structure to assure future financial sustainability.

Recovery Plan amendments as proposed by the Act 47 Coordinator were adopted by Greenville Council in 2008, 2011, 2012, 2013, 2015, and 2017. The plan amendments included an assessment of financial condition, a progress report on recovery plan action items, 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. Council adopted the Exit Plan/Recovery Plan Amendment in April 2019. Implementation of the Exit Plan per Act 199 then was expected to occur within three years of adoption 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 until October 2023. Actions to implement the 6 essential elements of the Exit Plan/Recovery Plan Amendment were initiated during 2019 and have continued since that time. At present, Greenville is on schedule to have the Act 47 financially distressed designation rescinded in November 2023.

### NOTE O – PRIOR PERIOD ADJUSTMENT

During the year ended December 31, 2022, the Town implemented GASB Statement No. 87, *Leases*, resulting in a prior period adjustment. The prior period adjustment increased lease receivable by \$122,203, increased deferred inflows of resources related to leases by \$120,644 and increased the beginning net position of the governmental activities in the government-wide financial statements by \$1,559.

### NOTE P – SUBSEQUENT EVENTS

Subsequent to year-end, in April 2023, the Town entered into an agreement to sell the assets of the Greenville Sanitary Authority for \$18,000,000. Specific details of the sale are available at the office of the Town of Greenville.

**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, 2022

	<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	\$ 1,754,696	\$ 1,954,357	\$ 199,661	\$ (10,160)	\$ 1,944,197
Licenses and permits	145,333	143,109	(2,224)	-	143,109
Fines and violations	28,900	35,507	6,607	-	35,507
Government grants and subsidies	203,322	349,731	146,409	-	349,731
Charges for services	229,174	151,956	(77,218)	(2,348)	149,608
Interest earnings and rentals	31,546	33,206	1,660	4,008	37,214
Contributions	5,000	37,004	32,004	-	37,004
Miscellaneous	73,508	73,618	110	-	73,618
	<u>2,471,479</u>	<u>2,778,488</u>	<u>307,009</u>	<u>(8,500)</u>	<u>2,769,988</u>
<b>EXPENDITURES</b>					
General government	389,894	443,911	(54,017)	(158,467)	285,444
Public safety	1,086,562	1,182,289	(95,727)	(491,689)	690,600
Public works and streets	359,244	381,965	(22,721)	183,308	565,273
Library and recreation	49,525	118,313	(68,788)	16,436	134,749
Airport	-	-	-	135,947	135,947
Miscellaneous	300	199	101	-	199
Debt service:					
Principal	270,307	270,251	56	(270,251)	-
Interest	27,305	26,966	339	7,703	34,669
	<u>2,183,137</u>	<u>2,423,894</u>	<u>(240,757)</u>	<u>(577,013)</u>	<u>1,846,881</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	288,342	354,594	66,252	568,513	923,107
<b>OTHER FINANCING SOURCES</b>					
Proceeds from disposition of capital assets	500	5,436	4,936	(3,311)	2,125
Transfers from other funds	(288,842)	16,500	305,342	-	16,500
	<u>(288,342)</u>	<u>21,936</u>	<u>310,278</u>	<u>(3,311)</u>	<u>18,625</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	376,530	376,530	565,202	941,732
<b>FUND BALANCE, BEGINNING OF YEAR</b>	-	1,615,707	1,615,707	(565,202)	1,050,505
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ -</u>	<u>\$ 1,992,237</u>	<u>\$ 1,992,237</u>	<u>\$ -</u>	<u>\$ 1,992,237</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, 2022

	<i>Original and Final Budget</i>	<i>Actual</i>	<i>Variance Favorable (Unfavorable)</i>
<b>REVENUES</b>			
Fines and violations	\$ -	\$ 155	\$ 155
Charges for services	403,020	410,995	7,975
Interest earnings and rentals	412	2,053	1,641
	<u>403,432</u>	<u>413,203</u>	<u>9,771</u>
<b>EXPENDITURES</b>			
Public works and streets	300,765	268,720	32,045
Debt service:			
Principal	20,094	20,094	-
Interest	3,066	3,066	-
	<u>323,925</u>	<u>291,880</u>	<u>32,045</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	79,507	121,323	41,816
<b>OTHER FINANCING SOURCES</b>			
Refunds of prior year revenues	-	(500)	(500)
Transfers (to) from other funds	(79,507)	6,000	85,507
	<u>(79,507)</u>	<u>5,500</u>	<u>85,007</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	126,823	126,823
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>-</u>	<u>152,223</u>	<u>152,223</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ -</u>	<u>\$ 279,046</u>	<u>\$ 279,046</u>

See accompanying notes.

**TOWN OF GREENVILLE, PENNSYLVANIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL - FIRE SERVICE FUND**  
**YEAR ENDED DECEMBER 31, 2022**

	<i>Original and Final Budget</i>	<i>Actual</i>	<i>Variance Favorable (Unfavorable)</i>
<b>REVENUES</b>			
Taxes	\$ 104,308	\$ 96,043	\$ (8,265)
Government grants and subsidies	57,085	105,004	47,919
Charges for services	641,645	697,532	55,887
Interest earnings and rentals	224	1,205	981
	<u>803,262</u>	<u>899,784</u>	<u>96,522</u>
<b>EXPENDITURES</b>			
Public Safety	716,341	716,498	(157)
	<u>716,341</u>	<u>716,498</u>	<u>(157)</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	86,921	183,286	96,365
<b>OTHER FINANCING SOURCES</b>			
Transfers (to) from other funds	(86,921)	20,000	106,921
<b>NET CHANGE IN FUND BALANCE</b>	-	203,286	203,286
<b>FUND BALANCE, BEGINNING OF YEAR</b>	-	-	-
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ -</u>	<u>\$ 203,286</u>	<u>\$ 203,286</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 12/31/2021</i>	<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	\$ 71,738	\$ 70,643	\$ 62,194	\$ 72,627	\$ 78,872	\$ 71,157	\$ 76,704	\$ 65,924
Interest (includes interest on service cost)	203,530	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	(379,899)	(180,165)	(167,129)	(127,268)	(141,974)	(175,931)	(126,455)	(124,507)
<b>NET CHANGE IN TOTAL PENSION LIABILITY</b>	<b>(104,631)</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>3,992,541</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>3,069,361</b>
<b>TOTAL PENSION LIABILITY, ENDING (a)</b>	<b>\$ 3,887,910</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	\$ 40,571	\$ 36,108	\$ 43,911	\$ 29,802	\$ 28,841	\$ 41,756	\$ 24,803	\$ 14,267
Contributions - PMRS assessment	60	20	720	-	-	20	40	-
Contributions - employee	19,532	19,969	17,580	20,342	22,091	23,048	23,054	22,318
PMRS investment income	209,678	203,071	196,977	197,509	187,861	190,994	181,639	174,079
Market value investment income	340,546	331,944	544,126	(445,164)	415,751	103,418	(171,759)	22,948
Transfers	-	-	-	-	-	-	-	(3,437)
Benefit payments, including refunds of member contributions	(379,899)	(180,165)	(167,129)	(127,268)	(141,974)	(175,931)	(126,455)	(124,507)
PMRS administrative expense	(740)	(680)	(720)	(700)	(680)	(680)	(720)	(700)
Additional administrative expense	(11,876)	(8,848)	(6,809)	(8,814)	(8,640)	(9,357)	(7,572)	(6,676)
<b>NET CHANGE IN PLAN FIDUCIARY NET POSITION</b>	<b>217,872</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>4,651,426</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>3,257,804</b>
<b>PLAN FIDUCIARY NET POSITION, ENDING (b)</b>	<b>\$ 4,869,298</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>\$ (981,388)</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	125.24%	116.50%	108.58%	94.81%	105.89%	95.67%	102.02%	105.01%
Covered employee payroll	\$ 651,058	\$ 665,622	\$ 586,012	\$ 678,060	\$ 736,361	\$ 768,255	\$ 768,467	\$ 663,718
Net pension liability as a percentage of covered employee payroll	-150.74%	-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.

**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 12/31/2021</i>	<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	\$ 99,573	\$ 113,246	\$ 84,696	\$ 90,522	\$ 82,145	\$ 78,295	\$ 99,934	\$ 116,864
Interest (includes interest on service cost)	409,631	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	(430,816)	(417,176)	(416,361)	(365,625)	(361,907)	(354,018)	(325,601)	(320,781)
<b>NET CHANGE IN TOTAL PENSION LIABILITY</b>	<b>78,388</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>7,915,576</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>6,745,605</b>
<b>TOTAL PENSION LIABILITY, ENDING (a)</b>	<b>\$ 7,993,964</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	\$ 106,532	\$ 79,322	\$ 61,832	\$ 99,551	\$ 77,856	\$ 62,507	\$ 72,749	\$ 83,855
Contributions - PMRS assessment	540	60	440	-	-	20	-	-
Contributions - employee	-	-	-	-	-	-	-	-
PMRS investment income	414,320	394,108	388,718	389,986	364,095	371,059	371,942	357,922
Market value investment income	833,924	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	(430,816)	(417,176)	(416,361)	(365,625)	(361,907)	(354,018)	(325,601)	(320,781)
PMRS administrative expense	(540)	(500)	(440)	(380)	(380)	(400)	(400)	(400)
Additional administrative expense	(23,466)	(17,171)	(13,436)	(17,403)	(16,744)	(18,179)	(15,505)	(13,726)
<b>NET CHANGE IN PLAN FIDUCIARY NET POSITION</b>	<b>900,494</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>8,898,417</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>6,833,791</b>
<b>PLAN FIDUCIARY NET POSITION, ENDING (b)</b>	<b>\$ 9,798,911</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>\$ (1,804,947)</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	122.58%	112.42%	104.96%	91.67%	104.42%	93.64%	94.72%	99.54%
Covered employee payroll	\$ 501,698	\$ 568,467	\$ 425,150	\$ 455,576	\$ 413,419	\$ 416,523	\$ 437,442	\$ 513,022
Net pension liability as a percentage of covered employee payroll	-359.77%	-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.

**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 12/31/2021</i>	<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	\$ 39,422	\$ 38,169	\$ 40,821	\$ 40,519	\$ 37,431	\$ 38,249	\$ 52,772	\$ 53,065
Interest (includes interest on service cost)	198,169	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	(204,087)	(203,299)	(201,531)	(166,343)	(165,806)	(165,335)	(139,014)	(133,541)
<b>NET CHANGE IN TOTAL PENSION LIABILITY</b>	<b>33,504</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>3,835,956</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>2,886,053</b>
<b>TOTAL PENSION LIABILITY, ENDING (a)</b>	<b>\$ 3,869,460</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	\$ 38,538	\$ 50,405	\$ 54,468	\$ 42,164	\$ 36,481	\$ 51,033	\$ 45,199	\$ 43,931
Contributions - PMRS assessment	220	220	220	-	-	220	220	-
Contributions - employee	9,505	8,687	9,291	9,279	8,571	9,170	10,644	10,197
PMRS investment income	183,563	171,345	153,542	159,940	157,483	162,163	166,432	153,427
Market value investment income	366,516	382,926	476,521	(267,545)	351,451	70,068	(130,312)	(30,147)
Transfers	-	-	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(204,087)	(203,299)	(201,531)	(166,343)	(165,806)	(165,335)	(139,014)	(133,541)
PMRS administrative expense	(220)	(220)	(220)	(220)	(220)	(220)	(220)	(220)
Additional administrative expense	(10,397)	(7,465)	(5,307)	(7,137)	(7,242)	(7,945)	(6,938)	(5,884)
<b>NET CHANGE IN PLAN FIDUCIARY NET POSITION</b>	<b>383,638</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>3,959,714</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>2,816,347</b>
<b>PLAN FIDUCIARY NET POSITION, ENDING (b)</b>	<b>\$ 4,343,352</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>\$ (473,892)</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	112.25%	103.23%	104.22%	90.34%	97.75%	87.62%	94.14%	97.98%
Covered employee payroll	\$ 237,624	\$ 217,178	\$ 232,266	\$ 231,966	\$ 214,287	\$ 229,253	\$ 266,092	\$ 266,423
Net pension liability as a percentage of covered employee payroll	-199.43%	-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.

## 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>	<i>2014</i>
Actuarially determined contribution	\$ 40,571	\$ 35,945	\$ 44,571	\$ 23,594	\$ 28,386	\$ 26,709	\$ 24,803	\$ 15
Contributions in relation to the actuarially determined contribution	40,631	36,128	44,631	29,802	28,841	41,776	24,843	14,267
<b>CONTRIBUTION DEFICIENCY (EXCESS)</b>	<b>\$ (60)</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	\$ 651,058	\$ 665,622	\$ 586,012	\$ 678,060	\$ 736,361	\$ 768,255	\$ 768,467	\$ 663,718
Contributions as a percentage of covered employee payroll	6.24%	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>	<i>2014</i>
Actuarially determined contribution	\$ 107,032	\$ 78,964	\$ 62,212	\$ 78,814	\$ 76,627	\$ 60,856	\$ 72,749	\$ 66,408
Contributions in relation to the actuarially determined contribution	107,072	79,382	62,272	99,551	77,856	62,527	72,749	83,855
<b>CONTRIBUTION DEFICIENCY (EXCESS)</b>	<b>\$ (40)</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	\$ 501,698	\$ 568,467	\$ 425,150	\$ 455,576	\$ 413,419	\$ 416,523	\$ 437,442	\$ 513,022
Contributions as a percentage of covered employee payroll	21.34%	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>	<i>2014</i>
Actuarially determined contribution	\$ 38,758	\$ 50,397	\$ 54,688	\$ 33,381	\$ 35,905	\$ 46,384	\$ 45,419	\$ 38,494
Contributions in relation to the actuarially determined contribution	38,758	50,625	54,688	42,164	36,481	51,253	45,419	43,931
<b>CONTRIBUTION DEFICIENCY (EXCESS)</b>	<b>\$ -</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	\$ 237,624	\$ 217,178	\$ 232,266	\$ 231,966	\$ 214,287	\$ 229,253	\$ 266,092	\$ 266,423
Contributions as a percentage of covered employee payroll	16.31%	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, 2022, expenditures exceeded appropriations in four functions by approximately \$241,000 for the General Fund. These over-expenditures were funded by greater than anticipated revenues.

For the year ended December 31, 2022, expenditures did not exceed appropriations for any function for the Stormwater Fund.

For the year ended December 31, 2022, expenditures exceeded appropriations in one function by approximately \$200 for the Fire Service Fund. These over-expenditures were funded by greater than anticipated revenues.

**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, 2022 are as follows:

Valuation date	1/1/2019
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, 2022

	<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	\$ 6,716	\$ 1,186,350	\$ 38,564	\$ -	\$ -	\$ 1,231,630
Grant receivable	-	-	-	16,907	-	16,907
Accounts receivable	-	-	368	-	-	368
<b>TOTAL ASSETS</b>	<b>\$ 6,716</b>	<b>\$ 1,186,350</b>	<b>\$ 38,932</b>	<b>\$ 16,907</b>	<b>\$ -</b>	<b>\$ 1,248,905</b>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ 2,066	\$ 16,907	\$ -	\$ 18,973
Escrow liability	6,716	-	-	-	-	6,716
Unearned grant revenue	-	498,561	-	-	-	498,561
Due to other funds	-	752,980	315	-	-	753,295
	6,716	1,251,541	2,381	16,907	-	1,277,545
<b>FUND BALANCES</b>						
Fund balances:						
Restricted:						
Capital projects	-	(65,191)	-	-	-	(65,191)
Airport	-	-	36,551	-	-	36,551
	-	(65,191)	36,551	-	-	(28,640)
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 6,716</b>	<b>\$ 1,186,350</b>	<b>\$ 38,932</b>	<b>\$ 16,907</b>	<b>\$ -</b>	<b>\$ 1,248,905</b>

**TOWN OF GREENVILLE, PENNSYLVANIA**

COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED DECEMBER 31, 2022

	<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	\$ -	\$ 100,318	\$ 111,061	\$ 261,213	\$ 52,765	\$ 525,357
Interest earnings and rentals	-	9,536	29,419	-	-	38,955
	<u>-</u>	<u>109,854</u>	<u>140,480</u>	<u>261,213</u>	<u>52,765</u>	<u>564,312</u>
<b>EXPENDITURES</b>						
General government	-	-	-	261,213	-	261,213
Public safety	-	78,533	-	-	-	78,533
Community development	-	134,885	-	-	52,765	187,650
Airport	-	-	40,183	-	-	40,183
Capital outlay	-	-	95,215	-	-	95,215
	<u>-</u>	<u>213,418</u>	<u>135,398</u>	<u>261,213</u>	<u>52,765</u>	<u>662,794</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	(103,564)	5,082	-	-	(98,482)
<b>OTHER FINANCING SOURCES</b>						
Transfers (to) from other funds	-	(55,000)	-	-	-	(55,000)
	<u>-</u>	<u>(55,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(55,000)</u>
<b>NET CHANGES IN FUND BALANCES</b>	-	(158,564)	5,082	-	-	(153,482)
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>-</u>	<u>93,373</u>	<u>31,469</u>	<u>-</u>	<u>-</u>	<u>124,842</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ (65,191)</u>	<u>\$ 36,551</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (28,640)</u>