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**CITY OF GREENVILLE, MISSISSIPPI**  
**Audited Financial Statements and Special Reports**  
**For the Year Ended September 30, 2014**

**BRIDGERS & GOODMAN, PLLC**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**VICKSBURG, MISSISSIPPI**

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CITY OF GREENVILLE, MISSISSIPPI

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**CITY OF GREENVILLE, MISSISSIPPI**

**FINANCIAL SECTION**



DAVID I. BRIDGERS, JR., CPA  
L. KARL GOODMAN, CPA, MBA

MEMBERS OF  
MISSISSIPPI SOCIETY OF CPA'S  
AMERICAN INSTITUTE OF CPA'S

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council  
City of Greenville  
Greenville, Mississippi

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Greenville, Mississippi, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Greenville, Mississippi, as of September 30, 2014, 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.

## Emphasis of Matter

As discussed in NOTE (14) CONTINGENCIES Litigation, the City is engaged in intense negotiations with the United States Environmental Protection Agency and Department of Justice, and the Mississippi Department of Environmental Quality concerning its waste water treatment plant and waste water collection system. The outcome of which will commit the City to a significant investment in its sewer system infrastructure. The financing of which has yet to be determined. Our opinion is not modified with respect to this matter.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedule and corresponding notes, and the Schedule of Funding Progress – Other Postemployment Benefits be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Greenville, Mississippi's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Schedule of Surety Bonds for City Officials, Reconciliation of Tax Assessments to Fund Collections - 2013 Tax Rolls, and Schedule of Long-Term Debt has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

The accompanying section of and Statistical Information on pages 56 through 59, as listed in the table of contents, is presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2015 on our consideration of the City of Greenville, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Greenville, Mississippi's internal control over financial reporting and compliance.

*Bridgers & Goodman, PLLC*

Bridgers & Goodman, PLLC  
Certified Public Accountants  
Vicksburg, Mississippi

June 17, 2015

**CITY OF GREENVILLE, MISSISSIPPI**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**CITY OF GREENVILLE, MISSISSIPPI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2014**

Our discussion and analysis of the City of Greenville's financial performance provides an overview of the City's financial activities for the fiscal year ended September 30, 2014. Readers should also review the basic financial statements and disclosures to enhance their understanding of the City's financial performance.

**FINANCIAL HIGHLIGHTS**

- The assets of the City of Greenville exceeded its liabilities at the close of the most recent fiscal year by \$214,818,047 (net position). Of this amount \$2,166,710 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.
- The remaining net position of the City include: \$211,191,803 invested in capital assets, net of related debt; and \$1,459,534 restricted (for capital improvements, debt service and other).
- Total assets decreased \$3,726,917 from 2013.
- Total liabilities decreased \$1,768,362 or 7.71% from 2013. The decrease is primarily due to the reduction of debt by \$2,468,403.
- The City's total net position decreased \$1,958,555 (includes a negative prior period adjustment of \$306,300) from 2013.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the City of Greenville, Mississippi's basic financial statements which are comprised of four components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements, and 4) other required supplementary information in addition to the basic financial statements themselves.

**1) Government-wide Financial Statements.** The government-wide financial statements, presented on pages 14 and 15 are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two 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 City is improving or deteriorating.

The statement of activities presents information showing the City's change in net position during the most recent fiscal 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 fiscal periods.

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their cost through user fees and charges (business-type activities).

The government activities of the City include general government, public safety, public works, highways and streets, health and sanitation, culture and recreation, airport, economic development and debt service.

**CITY OF GREENVILLE, MISSISSIPPI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended September 30, 2014**

**2) Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: (1) governmental funds, (2) proprietary funds and (3) fiduciary funds.

- (1) Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term effect of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Greenville maintains 22 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General fund, which is considered to be a major fund. All other funds are considered non-major and are presented in a single column. The governmental fund financial statements are presented on pages 16 through 19.

The City of Greenville adopts an annual budget. Budgetary comparison schedules have been provided on pages 46 through 48 for the General Fund and the Major Fund Parks & Recreation to demonstrate compliance with this budget.

- (2) Proprietary Funds. The City maintains two types of proprietary funds - an enterprise fund and an internal service fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses the enterprise fund to account for water and sewer, and sanitation operations. The fund is financed primarily through user fees. The internal service fund accounts for the accumulation of amounts used for maintaining the City's fleet of mobile equipment and vehicles.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements are presented on pages 20 through 22.

- (3) Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City used 5 fiduciary funds consisting of the police and fire pension, city separate school district tax clearing fund, payroll clearing fund, state fine assessment

**CITY OF GREENVILLE, MISSISSIPPI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2014**

fund, and unemployment tax reserve. The combined fiduciary financial statement of assets and liabilities can be found on page 23.

**3) Notes to the Financial Statements.** The notes, presented on pages 24 through 44, provide additional narrative and tabular information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**4) Required Supplementary Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Greenville's budgetary control on pages 45 through 50.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the end of the most recent fiscal year, the assets of the City of Greenville exceeded its liabilities by \$214,818,047.

By far the largest portion of the City of Greenville's net position (\$211,191,803 or 98.30%) reflects its investment in capital assets (land, buildings, machinery and equipment, etc.) less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources because the capital assets themselves cannot be used to liquidate these liabilities.

(Table 1)  
Net Position

	Governmental Activities		Business-type Activities		Total		Increase (Decrease)	Percentage change
	2014	2013	2014	2013	2014	2013		
Current and other assets	\$ 4,518,854	\$ 6,717,580	\$ 3,675,160	\$ 2,390,809	\$ 8,194,014	\$ 9,108,389	\$ (914,375)	-10.04%
Capital assets, net	181,563,594	183,006,552	46,234,352	47,603,936	227,797,946	230,610,488	(2,812,542)	-1.22%
Total Assets	186,082,448	189,724,132	49,909,512	49,994,745	235,991,960	239,718,877	(3,726,917)	-1.55%
Long-term debt	7,294,514	8,686,203	10,280,068	11,356,782	17,574,582	20,042,985	(2,468,403)	-12.32%
Other liabilities	2,079,482	1,752,459	1,519,849	1,146,831	3,599,331	2,899,290	700,041	24.15%
Total Liabilities	9,373,996	10,438,662	11,799,917	12,503,613	21,173,913	22,942,275	(1,768,362)	-7.71%
<b>Net Position</b>								
Invested in capital assets, net of related debt	175,023,186	175,058,087	36,168,617	36,426,712	211,191,803	211,484,799	(292,996)	-0.14%
Restricted	767,381	2,056,937	692,153	608,865	1,459,534	2,665,802	(1,206,268)	-45.25%
Unrestricted	917,885	2,170,446	1,248,825	455,555	2,166,710	2,626,001	(459,291)	-17.49%
Total Net Position	176,708,452	179,285,470	38,109,595	37,491,132	214,818,047	216,776,602	\$ (1,958,555)	-0.90%

The City's total assets decreased \$3,726,917 during 2014 with governmental activities showing a decrease of \$3,641,684 and business-type activities showing a decrease of \$85,233.

The City's total liabilities decreased approximately \$1,768,362. The decrease in liabilities is due to the reduction in debt of \$1,391,689 in governmental activities and \$1,076,714 in business-type activities.

The City's net position decreased \$1,958,555 over 2013.

**CITY OF GREENVILLE, MISSISSIPPI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2014**

(Table 2)  
Changes in Net Position

	Governmental Activities		Business-type Activities		Totals		Increase (Decrease)	Percentage Change
	2014	2013	2014	2013	2014	2013		
<b>Program Revenues:</b>								
Charges for services	\$ 200,443	\$ 213,529	\$ 9,068,544	\$ 8,288,574	\$ 9,268,987	\$ 8,502,103	\$ 766,884	9.02%
Grants and contributions	1,370,576	1,342,000	172,758	568,407	1,543,334	1,910,407	(367,073)	-19.21%
<b>General Revenues:</b>								
Property taxes	10,799,619	10,069,219			10,799,619	10,069,219	730,400	7.25%
Sales and tourism taxes	7,252,592	7,401,786			7,252,592	7,401,786	(149,194)	-2.02%
Other taxes and other	2,873,558	3,047,206	559,334	360,710	3,432,892	3,407,916	24,976	0.73%
<b>Total Revenues</b>	<b>22,496,788</b>	<b>22,073,740</b>	<b>9,800,636</b>	<b>9,217,691</b>	<b>32,297,424</b>	<b>31,291,431</b>	<b>1,005,993</b>	<b>3.21%</b>
<b>Program Expenses:</b>								
General government	2,751,303	2,265,470			2,751,303	2,265,470	485,833	21.45%
Public safety	12,443,298	11,855,986			12,443,298	11,855,986	587,312	4.95%
Public works	1,207,868	1,253,605			1,207,868	1,253,605	(45,737)	-3.65%
Highways and streets	4,744,790	5,027,400			4,744,790	5,027,400	(282,610)	-5.62%
Health and sanitation	381,760	368,224			381,760	368,224	13,536	3.68%
Culture and recreation	850,530	931,749			850,530	931,749	(81,219)	-8.72%
Airport	1,487,465	1,680,677			1,487,465	1,680,677	(193,212)	-11.50%
Economic development	600,542	290,275			600,542	290,275	310,267	106.89%
Interest on long-term debt	349,980	312,285			349,980	312,285	37,695	12.07%
Water and sewer			7,399,130	5,964,992	7,399,130	5,964,992	1,434,138	24.04%
Sanitation			1,733,013	3,292,021	1,733,013	3,292,021	(1,559,008)	-47.36%
<b>Total Expenses</b>	<b>24,817,536</b>	<b>23,985,671</b>	<b>9,132,143</b>	<b>9,257,013</b>	<b>33,949,679</b>	<b>33,242,684</b>	<b>706,995</b>	<b>2.13%</b>
<b>Increase (Decrease) in Net Position</b>	<b>\$ (2,320,748)</b>	<b>\$ (1,911,931)</b>	<b>\$ 668,493</b>	<b>\$ (39,322)</b>	<b>\$ (1,652,255)</b>	<b>\$ (1,951,253)</b>	<b>\$ 298,998</b>	<b>-15.32%</b>

The City's governmental activities continue to be funded primarily by property taxes, which made up only 48% of the total revenues. The other major revenue sources were sales and tourism taxes 32% and grants and contributions 6%. The major expense activities were public safety, highways and streets, general government, airport, and public works which comprise 50%, 19%, 11%, 6%, and 5% of total expenses, respectively. The City remains totally committed to providing the services our residents expect and need.

Business-type activities are accounted for similar to businesses and are primarily supported by user fees. The City makes every effort to keep these fees as low as possible.

### FUND FINANCIAL ANALYSIS

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

Governmental funds. The focus of governmental fund reporting is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As the year ended, the City's governmental funds reported a combined fund balance of \$2,240,634 which is \$2,475,143 below last year's total of \$4,715,777.

Governmental funds meeting the requirements for being reported as major funds include the General Fund and the Parks & Recreation fund. The remaining governmental funds were combined and reported as non-major governmental funds. The general fund had a net change in fund balance of (\$261,631). The previous year saw a net change in fund balance of (\$249,593). The Parks & Recreation Fund had a net change of (\$43,003).

**CITY OF GREENVILLE, MISSISSIPPI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2014**

**Major Fund Budgeting Highlights**

The City's budget is prepared according to Mississippi law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. One of the most significant budgeted funds is the General Fund.

During the course of 2014, the City amended its general fund budget. All recommendations for budget changes come from the Chief Administrative Officer and are presented to the whole Mayor and City Council for ordinance enactment on the change. The City does not allow budget changes that modify line items within departments without council approval. With the general fund supporting many of our major activities such as our police and fire departments, as well as most legislative and executive activities, the General Fund is monitored closely looking for possible revenue shortfalls or over spending by individual departments. Revisions in the general fund decreased budgeted expenditures by \$243,692.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of 2014, the City had \$230,610,486 invested in a broad range of capital assets, including police and fire equipment, buildings, park and recreation facilities, streets, and water and sewer lines. (See Table 3 following.) This amount represents a net decrease (including additions, deletions, and adjustments) of approximately \$3,680,976 or 1.57% under the prior year.

(Table 3)  
**CAPITAL ASSETS AT YEAR-END**  
(Net of Accumulated Depreciation)

	Government Activities		Business-type Activities		Totals		Increase (Decrease)	Percentage Change
	2014	2013	2014	2013	2014	2013		
Land	\$ 85,256,151	\$ 85,256,151	\$ 2,512,541	\$ 2,512,541	\$ 87,768,692	\$ 87,768,692	\$ -	0.000%
Construction in progress	-	-	190,657	7,700,785	190,657	7,700,785	(7,510,128)	-97.524%
Infrastructure	85,427,986	86,677,352	27,153,600	28,648,022	112,581,586	115,325,374	(2,743,788)	-2.379%
Buildings & improvements	7,238,390	7,476,542	6,957,102	6,957,935	14,195,492	14,434,477	(238,985)	-1.656%
Mobile and machinery equipment	1,751,755	1,709,209	1,741,828	1,679,604	3,493,583	3,388,813	104,770	3.092%
Furniture & equipment	697,995	641,829	285,870	105,047	983,865	746,876	236,989	31.731%
Leased property under capital lease	1,191,317	1,245,469	7,392,754	-	8,584,071	1,245,469	7,338,602	589.224%
<b>Totals</b>	<b>\$ 181,563,594</b>	<b>\$ 183,006,552</b>	<b>\$ 46,234,352</b>	<b>\$ 47,603,934</b>	<b>\$ 227,797,946</b>	<b>\$ 230,610,486</b>	<b>\$ (2,812,540)</b>	<b>-1.22%</b>

The City of Greenville continues to provide for the growth and stability of its citizenry through various construction and rehabilitation projects. The following highlights summarize the major projects for the fiscal year of 2013-2014:

- (1) The City, funded by a lease-purchase agreement with Siemens in the amount of \$8,378,080, entered into an energy efficiency agreement whereby the City would make improvements and upgrades to existing facilities and install computerized water meters and support equipment for its customer base. The enhancements to City facilities and systems are guaranteed to provide sufficient savings adequate to provide funding for debt service. The City completed these improvements and upgrades in the amount of \$7,700,785 during the fiscal year 2014. The construction in progress of \$190,657 includes various public works projects involving the City's sewer system investments made as of September 30, 2014.

**CITY OF GREENVILLE, MISSISSIPPI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2014**

- (2) Infrastructure investment remains a priority and challenge for City officials. Infrastructure project cost capitalized during the fiscal year was \$1,214,136 and include the following:

Street projects financed by grants through the U.S. Department of Transportation Federal Highway Administration passed through the Mississippi Development Authority.

Water & Sewer projects financed by a grant from the U.S. Department of Housing and Urban Development passed through the Mississippi Development Authority and direct financing by the U.S. Environmental Protection Agency.

Airport enhancements and rehabilitation to runways and related areas and are financed by a grant through the U.S. Department of Transportation Federal Aviation Administration. This agency will finance ninety-five percent (95%) of the cost of rehabilitating the runway and apron. The City of Greenville and the State of Mississippi will share in the remaining five percent of the cost.

**Long-term Debt**

At year-end, the City had \$17,574,582 in bonds and notes outstanding compared to \$20,042,987 last year, a decrease of \$2,468,405. Of the total debt outstanding \$8,206,566 is backed by the full faith and credit of the City with debt service funded by voter-approved property taxes. The other major components are notes payable in the amount of \$4,055,562, capital leases in the amount of \$7,950,581 and compensated absences in the amount of \$968,439.

The following table illustrates the total Long-term Debt of the City of Greenville as of September 30, 2014:

(Table 4)  
**LONG-TERM DEBT**  
Outstanding at Year-end

	Governmental Activities		Business-type Activities		Totals		Increase (Decrease)	Percentage Change
	2014	2013	2014	2013	2014	2013		
General obligation bonds	\$ 4,600,000	\$ 4,915,000	\$ -	\$ -	\$ 4,600,000	\$ 4,915,000	\$ (315,000)	-6.41%
Other loans	864,100	1,899,284	3,191,462	3,933,326	4,055,562	5,832,610	(1,777,048)	-30.47%
Capital leases	1,076,308	1,134,181	6,874,273	7,243,899	7,950,581	8,378,080	(427,499)	-5.10%
Compensated absences	754,106	737,739	214,333	179,558	968,439	917,297	51,142	5.58%
<b>Totals</b>	<b>\$ 7,294,514</b>	<b>\$ 8,686,204</b>	<b>\$ 10,280,068</b>	<b>\$ 11,356,783</b>	<b>\$ 17,574,582</b>	<b>\$ 20,042,987</b>	<b>\$(2,468,405)</b>	<b>-12.32%</b>

More detailed information about the City's long-term liabilities is presented in Note (12) of the Notes to Financial Statements.

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

The City's elected and appointed officials considered many factors when compiling and approving the fiscal year 2014 budget, such as tax rates for governmental activities and fees that will be charged for the business-type activities. The total property tax millage rate of 59.41 mills is expected to provide adequate funding in the following year.

**CITY OF GREENVILLE, MISSISSIPPI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2014**

**Contacting the City's Finance Department**

This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need any additional information, contact the Chief Administrative Officer or City Clerk, at 340 Main Street or P.O. Box 897, Greenville, MS 38701.

**CITY OF GREENVILLE, MISSISSIPPI**

**FINANCIAL STATEMENTS**

**CITY OF GREENVILLE, MISSISSIPPI**  
**STATEMENT OF NET POSITION**  
September 30, 2014

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,004,202	\$ 1,829,308	\$ 3,833,510
Accounts receivable		1,137,173	1,137,173
Intergovernmental receivable	232,061	83,886	315,947
Other receivables	1,812,587	8,182	1,820,769
Prepaid expenses	307,584		307,584
Internal balances	75,542	(75,542)	-
Inventory	46,878		46,878
Restricted assets:			
Cash and cash equivalents	40,000	692,153	732,153
Capital assets, net			
Land and construction in progress	85,256,151	2,703,198	87,959,349
Other capital assets, net	96,307,443	43,531,154	139,838,597
<b>Total Assets</b>	<b>186,082,448</b>	<b>49,909,512</b>	<b>235,991,960</b>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	1,730,315	742,354	2,472,669
Accrued interest payable	82,783	46,216	128,999
Liabilities payable from restricted assets:			
Customer deposits	40,000	692,153	732,153
Long-term liabilities:			
Other postemployment benefits payable	226,384	39,126	265,510
Due within one year:			
Capital related debt	618,956	1,159,674	1,778,630
Due in more than one year:			
Capital related debt	5,921,452	8,906,061	14,827,513
Non-capital related debt	754,106	214,333	968,439
<b>Total Liabilities</b>	<b>9,373,996</b>	<b>11,799,917</b>	<b>21,173,913</b>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	175,023,186	36,168,617	211,191,803
Restricted:			
Expendable:			
Public safety	30,638		30,638
Public works	29,000	692,153	721,153
Airport operation and maintenance	277,739		277,739
Non-Expendable:			
Inventories	46,878		46,878
Prepaid expense	307,584		307,584
Internal balances	75,542		75,542
Unrestricted	917,885	1,248,825	2,166,710
<b>Total Net Position</b>	<b>\$ 176,708,452</b>	<b>\$ 38,109,595</b>	<b>\$214,818,047</b>

The notes to the financial statements are an integral part of this statement.

**CITY OF GREENVILLE, MISSISSIPPI**  
**STATEMENT OF ACTIVITIES**  
**September 30, 2014**

	Program Revenues			Net (Expense) Revenue and Change in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total
<b><u>FUNCTIONS/PROGRAMS</u></b>							
<b>Governmental activities:</b>							
General government	\$ 2,751,303	\$ 12,960	\$ 146,822		\$ (2,751,303)		\$ (2,751,303)
Public safety	12,443,298	22,550	77,595		(12,283,516)		(12,283,516)
Public works	1,207,868				(1,107,723)		(1,107,723)
Highways and streets	4,744,790		84,237		(4,744,790)		(4,744,790)
Health and sanitation	381,760				(297,523)		(297,523)
Culture and recreation	850,530	164,933			(678,958)		(678,958)
Airport	1,487,465		3,118	444,207	(1,040,140)		(1,040,140)
Economic development	600,542		250,999		(349,543)		(349,543)
Interest on long-term debt	349,980				(349,980)		(349,980)
<b>Total governmental activities</b>	<b>24,817,536</b>	<b>200,443</b>	<b>562,771</b>	<b>450,846</b>	<b>(23,603,476)</b>		<b>(23,603,476)</b>
<b>Business-type activities:</b>							
Water and sewer	7,399,130	7,152,536		172,758		\$ (73,836)	(73,836)
Sanitation	1,733,013	1,916,008				182,995	182,995
<b>Total business-type activities</b>	<b>9,132,143</b>	<b>9,068,544</b>		<b>172,758</b>		<b>109,159</b>	<b>109,159</b>
<b>Total primary government</b>	<b>\$ 32,216,666</b>	<b>\$ 7,352,979</b>	<b>\$ 562,771</b>	<b>\$ 623,604</b>	<b>(23,603,476)</b>	<b>109,159</b>	<b>(23,494,317)</b>
<b>General revenues:</b>							
Property taxes					10,799,619		10,799,619
Sales and tourism tax					7,252,592		7,252,592
Franchise taxes					1,262,964		1,262,964
Rental income					968,035		968,035
Unrestricted interest income					5,277	172	5,449
Grants and contributions not restricted to specific programs					356,959		356,959
Other taxes and other income					1,224,214	157,565	1,381,779
Gain (Loss) on sale of capital assets					18,313		18,313
Transfers					(605,245)	401,597	(203,648)
Total general revenues and transfers					21,282,728	559,334	21,842,062
<b>Change in net position</b>					<b>(2,320,748)</b>	<b>668,493</b>	<b>(1,652,255)</b>
Net Position - beginning, as originally reported					179,285,470	37,491,132	216,776,602
Prior Period Adjustments					(256,270)	(50,030)	(306,300)
Net Position - beginning, as restated					179,029,200	37,441,102	216,470,302
<b>Net Position, ending</b>					<b>\$ 176,708,452</b>	<b>\$ 38,109,595</b>	<b>\$ 214,818,047</b>

The notes to the financial statements are an integral part of this statement.

**CITY OF GREENVILLE, MISSISSIPPI**  
**BALANCE SHEET- GOVERNMENTAL FUNDS**  
**September 30, 2014**

	<u>Major Funds</u>		<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Parks &amp; Recreation Fund</u>		
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 1,383,852	\$ 28,572	\$ 378,639	\$ 1,791,063
Receivables:				
Property taxes	129,619	5,310	18,802	153,731
Fines, net of allowance for doubtful accounts	1,331,326			1,331,326
Franchise Fee	327,530			327,530
Intergovernmental	117,360		114,701	232,061
Prepaid expenses	255,243		52,341	307,584
Inventory		6,089		6,089
Restricted assets - cash			40,000	40,000
<b>Total Assets</b>	<u>3,544,930</u>	<u>39,971</u>	<u>604,483</u>	<u>4,189,384</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
<b><u>LIABILITIES</u></b>				
Accounts payable and accrued expense	983,746	46,539	586,006	1,616,291
Intergovernmental payable			270	270
Due to other funds	292,189			292,189
Customer deposits			40,000	40,000
<b>Total Liabilities</b>	<u>1,275,935</u>	<u>46,539</u>	<u>626,276</u>	<u>1,948,750</u>
<b><u>FUND BALANCES</u></b>				
Non-spendable:				
Inventories		6,089		6,089
Prepaid items	255,243		52,341	307,584
Restricted for:				
Public safety			30,638	30,638
Public works			29,000	29,000
Airport operation and maintenance			277,739	277,739
Unassigned	2,013,752	(12,657)	(411,511)	1,589,584
<b>Total Fund Balances</b>	<u>2,268,995</u>	<u>(6,568)</u>	<u>(21,793)</u>	<u>2,240,634</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 3,544,930</u>	<u>\$ 39,971</u>	<u>\$ 604,483</u>	<u>\$ 4,189,384</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF GREENVILLE, MISSISSIPPI**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**September 30, 2014**

Total fund balance - total governmental funds	\$ 2,240,634
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources, and therefore are not reported in the funds, net of accumulated depreciation \$196,066,096	180,179,253
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental fund financial statements.	
capital debt	(6,540,408)
compensated absences	(718,172)
other postemployment benefits payable	(218,238)
Interest accrued on long-term liabilities not reported in the governmental fund financial statements.	(82,784)
An internal service fund is used by management to account for and charge the cost of motor pool and other fleet vehicles to individual funds. The assets and liabilities of the internal service fund are reported within governmental activities in the Statement of Net Position.	<u>1,848,167</u>
Net Position of governmental activities	<u><u>\$ 176,708,452</u></u>

The notes to the financial statements are an integral part of this statement.

**CITY OF GREENVILLE, MISSISSIPPI**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**September 30, 2014**

	<u>Major Funds</u>		<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Parks &amp; Recreation Fund</u>		
<b>REVENUES:</b>				
Taxes	\$ 9,402,571	\$ 379,541	\$ 1,017,507	\$ 10,799,619
Licenses and permits	136,102			136,102
Intergovernmental:				
Federal grants	123,056		740,945	864,001
State of Mississippi:				
Grants	20,573		129,043	149,616
General sales tax	6,270,866			6,270,866
Gaming tax	981,726			981,726
Liquor Licenses	29,850			29,850
Gasoline tax	17,454			17,454
Municipal aid	17,155			17,155
Privilege tax	73,230			73,230
Homestead reimbursement	388,963	16,551	58,790	464,304
Fire protection			187,470	187,470
Other state revenue	31,800			31,800
Charges for services	35,510	164,933		200,443
Franchise tax	1,262,964			1,262,964
Fines and forfeitures	481,247			481,247
Interest income	4,527	5	745	5,277
Rental income	432,617	20,634	514,784	968,035
Other income	112,121	1,243	1,363	114,727
Contributions	17,833		10,000	27,833
Total revenues:	<u>19,840,165</u>	<u>582,907</u>	<u>2,660,647</u>	<u>23,083,719</u>
<b>EXPENDITURES:</b>				
Current:				
General government	2,556,304		59,465	2,615,769
Public safety	12,325,102		112,661	12,437,763
Public works	1,161,489		59,051	1,220,540
Highways and streets	2,875,823		1,133,366	4,009,189
Health and sanitation	378,964			378,964
Culture and recreation		868,910	8,706	877,616
Economic development	352,703		250,999	603,702
Airport			1,081,980	1,081,980
Debt service:				
Principal paid	57,873		1,319,310	1,377,183
Interest paid	46,086		323,138	369,224
Total expenditures:	<u>19,754,344</u>	<u>868,910</u>	<u>4,348,676</u>	<u>24,971,930</u>
Excess (deficiency of revenues over (under) expenditures	<u>85,821</u>	<u>(286,003)</u>	<u>(1,688,029)</u>	<u>(1,888,211)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of capital assets	18,313			18,313
Transfers in	1,379,403	243,000	942,520	2,564,923
Transfers out	(1,745,168)		(1,425,000)	(3,170,168)
Net other financing sources (uses)	<u>(347,452)</u>	<u>243,000</u>	<u>(482,480)</u>	<u>(586,932)</u>
Net change in fund balances	<u>(261,631)</u>	<u>(43,003)</u>	<u>(2,170,509)</u>	<u>(2,475,143)</u>
Fund balance, beginning	<u>2,530,626</u>	<u>36,435</u>	<u>2,148,716</u>	<u>4,715,777</u>
Fund balance, ending	<u>\$ 2,268,995</u>	<u>\$ (6,568)</u>	<u>\$ (21,793)</u>	<u>\$ 2,240,634</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF GREENVILLE, MISSISSIPPI**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**September 30, 2014**

Net changes in fund balances - total governmental funds	\$ (2,475,143)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation of \$2,194,300 exceeded capital outlays of \$1,146,498.	(1,047,802)
The proceeds of long-term debt provides financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the government funds, but the repayment reduces long-term liabilities in the statement of net position. Thus, the change in net position differs from the change in fund balances by the amount that debt repayments \$1,377,183 exceeds debt proceeds of \$0.	1,377,183
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available resources. However, in the statement of activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when resources are available. In addition, interest on long-term debt is recognized under the modified accrual basis of accounting when due, rather than as it accrues. Thus, the change in net position differs from the balance by a combination of the following items:	
Compensated absences	(14,456)
Change in accrued interest on long-term debt	19,244
Other postemployment benefits payable	(109,305)
Deferred loan origination costs	(70,469)
	(174,926)
Change in net position of governmental activities	\$ (2,320,748)

The notes to the financial statements are an integral part of this statement.

**CITY OF GREENVILLE, MISSISSIPPI**  
**STATEMENT OF NET POSITION - PROPRIETARY FUNDS**  
For the Fiscal Year Ended September 30, 2014

	Business-Type Activities			Governmental Activity Internal Service Fund
	Enterprise Fund Water & Sewer Fund	Non-Major Enterprise Fund	Total	
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 1,746,885	\$ 82,423	\$ 1,829,308	\$ 213,139
Accounts receivable - net of allowance for doubtful accounts	920,174	216,999	1,137,173	
Intergovernmental receivables	83,886		83,886	
Due from other funds	25,990		25,990	367,728
Other receivables	8,182		8,182	
Inventory				40,789
<b>Total Current Assets</b>	<u>2,785,117</u>	<u>299,422</u>	<u>3,084,539</u>	<u>621,656</u>
Restricted assets:				
Cash and cash equivalents	692,153		692,153	
<b>Total Restricted Assets</b>	<u>692,153</u>	<u>-</u>	<u>692,153</u>	<u>-</u>
Non-current assets:				
Capital assets:				
Land and construction in progress	190,657	2,512,541	2,703,198	
Other capital assets, net	42,902,899	628,255	43,531,154	1,384,345
<b>Total Non-Current Assets</b>	<u>43,093,556</u>	<u>3,140,796</u>	<u>46,234,352</u>	<u>1,384,345</u>
<b>Total Assets</b>	<u>46,570,826</u>	<u>3,440,218</u>	<u>50,011,044</u>	<u>2,006,001</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued expenses	651,420	90,934	742,354	113,754
Due to other funds	39,813	61,719	101,532	
Accrued interest payable	46,216		46,216	
Current portion of long-term debt	1,159,674		1,159,674	
<b>Total Current Liabilities</b>	<u>1,897,123</u>	<u>152,653</u>	<u>2,049,776</u>	<u>113,754</u>
Non-current liabilities:				
Other postemployment benefits payable	30,568	8,558	39,126	8,146
Liabilities payable from restricted assets	692,153		692,153	
Capital debt:				
Notes payable	2,438,265		2,438,265	
Capital leases payable	6,467,796		6,467,796	
Non-capital debt:				
Compensated absences	167,613	46,720	214,333	35,934
<b>Total Non-Current Liabilities</b>	<u>9,796,395</u>	<u>55,278</u>	<u>9,851,673</u>	<u>44,080</u>
<b>Total Liabilities</b>	<u>11,693,518</u>	<u>207,931</u>	<u>11,901,449</u>	<u>157,834</u>
<b>NET POSITION</b>				
Invested in capital assets, net of related debt	33,027,821	3,140,796	36,168,617	1,384,345
Restricted for:				
Public Works	692,153		692,153	
Unrestricted	1,157,334	91,491	1,248,825	463,822
<b>Total Net Position</b>	<u>\$ 34,877,308</u>	<u>\$ 3,232,287</u>	<u>\$ 38,109,595</u>	<u>\$ 1,848,167</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF GREENVILLE, MISSISSIPPI**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
For the Fiscal Year Ended September 30, 2014

	<b>Business-Type Activities</b>			<b>Governmental</b>
	<b>Enterprise Fund Water &amp; Sewer Fund</b>	<b>Non-Major Enterprise Fund</b>	<b>Total</b>	<b>Activity Internal Service Fund</b>
<b><u>OPERATING REVENUES:</u></b>				
Charges for services:				
Water sales	\$ 3,763,220		\$ 3,763,220	
Sewer sales	3,353,675		3,353,675	
Sanitation fees		\$ 1,916,008	1,916,008	
Maintenance fees				\$ 2,066,438
Other Fees	35,641		35,641	
<b>Total Operating Revenues</b>	<u>7,152,536</u>	<u>1,916,008</u>	<u>9,068,544</u>	<u>2,066,438</u>
<b><u>OPERATING EXPENSES:</u></b>				
Personal services	1,955,092	538,119	2,493,211	510,104
Contractual services	2,002,257	1,079,689	3,081,946	201,874
Consumable supplies	516,912	45,946	562,858	1,216,062
Capital Outlay	296,092		296,092	
Depreciation expense	2,303,820	69,259	2,373,079	138,881
<b>Total Operating Expenses</b>	<u>7,074,173</u>	<u>1,733,013</u>	<u>8,807,186</u>	<u>2,066,921</u>
<b>Operating Income (Loss)</b>	<u>78,363</u>	<u>182,995</u>	<u>261,358</u>	<u>(483)</u>
<b><u>NON-OPERATING REVENUES (EXPENSES)</u></b>				
Intergovernmental grants	172,758		172,758	
Interest income	172		172	
Other income	157,565		157,565	
Interest expenses	(324,957)		(324,957)	(517)
<b>Total Non-operating Revenues (Expenses)</b>	<u>5,538</u>	<u>-</u>	<u>5,538</u>	<u>(517)</u>
<b>Net Income (Loss) Before Operating Transfers</b>	<u>83,901</u>	<u>182,995</u>	<u>266,896</u>	<u>(1,000)</u>
<b><u>OPERATING TRANSFERS:</u></b>				
Operating Transfers in	498,000	260,500	758,500	1,000
Operating Transfers out	(306,000)	(50,903)	(356,903)	
<b>Net Operating Transfers</b>	<u>192,000</u>	<u>209,597</u>	<u>401,597</u>	<u>1,000</u>
<b>Change in Net Position</b>	<u>275,901</u>	<u>392,592</u>	<u>668,493</u>	<u>-</u>
Net Position - Beginning, as originally reported	14,645,864	22,845,268	37,491,132	1,848,167
Prior period adjustment	19,955,545	(20,005,575)	(50,030)	
Net Position - Beginning, as restated	<u>34,601,409</u>	<u>2,839,693</u>	<u>37,441,102</u>	<u>1,848,167</u>
Net Position - Ending	<u>\$ 34,877,310</u>	<u>\$ 3,232,285</u>	<u>\$ 38,109,595</u>	<u>\$ 1,848,167</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF GREENVILLE, MISSISSIPPI**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**For the Fiscal Year Ended September 30, 2014**

	Business-Type Activities		Governmental
	Enterprise Fund Water & Sewer Fund	Non-Major Enterprise Fund	Activity Internal Service Fund
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Cash received from customers and users	\$ 7,302,286	\$ 1,916,008	
Receipts from internal services			\$ 2,165,621
Payments to suppliers for goods and services	(2,664,433)	(1,296,802)	(1,417,936)
Payments to employees for services	(1,912,483)	(526,673)	(504,155)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>2,725,370</b>	<b>92,533</b>	<b>243,530</b>
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u></b>			
Operating transfers, net	192,000	209,597	1,000
Other receipts	157,565		
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>349,565</b>	<b>209,597</b>	<b>1,000</b>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u></b>			
Acquisition of property and equipment	(783,787)	(219,707)	
Capital grants received	144,434		
Principal payments on long-term debt	(1,111,490)		(30,874)
Interest paid on bonds, loans and capital leases	(346,663)		(517)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(2,097,506)</b>	<b>(219,707)</b>	<b>(31,391)</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>			
Interest on deposits	172		
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>172</b>	<b>-</b>	<b>-</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>977,601</b>	<b>82,423</b>	<b>213,139</b>
<b>Cash and Cash Equivalents, October 1</b>	<b>1,461,437</b>	<b>-</b>	<b>-</b>
<b>Cash and Cash Equivalents, September 30</b>	<b>\$ 2,439,038</b>	<b>\$ 82,423</b>	<b>\$ 213,139</b>
<b><u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u></b>			
Operating income (loss)	\$ 78,363	\$ 182,995	\$ (483)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation	2,303,820	69,259	138,881
(Increase) decrease in accounts receivable	(86,680)	(24,627)	
(Increase) decrease in intergovernmental receivable	(28,324)		
(Increase) decrease in interfund receivables			118,559
(Increase) decrease in other receivables	95,915		
(Increase) decrease in inventories			17,036
Increase (decrease) in accounts payable and accrued expenses	271,904	23,176	38,305
Increase (decrease) in interfund payables	(10,895)	(169,716)	(74,098)
Increase (decrease) in accrued interest payable	(24,630)		(619)
Increase (decrease) in other postemployment benefits payable	15,137	4,143	4,037
Increase (decrease) in water deposits	83,288		
Increase (decrease) in compensated absences	27,472	7,303	1,912
Total adjustments	<b>2,647,007</b>	<b>(90,462)</b>	<b>244,013</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 2,725,370</b>	<b>\$ 92,533</b>	<b>\$ 243,530</b>

The notes to the financial statements are an integral part of this statement.

**CITY OF GREENVILLE, MISSISSIPPI**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**For the Fiscal Year Ended September 30, 2014**

	<b>Agency Funds</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 102,756
Property tax receivable	137,283
<b>Total Assets</b>	<u>240,039</u>
<b>LIABILITIES</b>	
Intergovernmental payables	154,224
Claims and other payables	85,815
<b>Total Liabilities</b>	<u>\$ 240,039</u>

**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended September 30, 2014**

**NOTE (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Financial Reporting Entity**

The City of Greenville (City), located in Washington County, Mississippi, is incorporated under the laws of the State of Mississippi. The City operates under an elected Mayor-Council form of government with a part-time Mayor elected from the City at-large and six part-time Council members (City Council) elected from wards. The City provides the following services to the citizenry: general administration, police and fire protection, public works, culture and recreation, health and welfare, economic and community development, airport services, water, sanitary sewer, and garbage disposal. The primary sources of revenues are property taxes, sales taxes, gaming, and utility billings.

For financial reporting purposes, the reporting entity includes all funds that are covered by the oversight responsibility of the City's governing council. As required by generally accepted accounting principles (GAAP), various criteria are applied in order to determine any component units that should be reported as part of the City. Such criteria include management oversight responsibility by the elected officials such as decision-making authority, accountability to the City, legal and financial responsibility, and inter-agency relationships. Based upon the application of these criteria, there are no component units required by GAAP to be reported as part of the reporting entity of the City. The following represents an entity to which the City has a combined interest in conjunction with another government:

William Alexander Percy Memorial Library- The City has a joint interest with Washington County, which is the primary oversight agency of the library. The City currently levies a 1.70 mill tax to support the library. This tax levy is remitted to the library monthly as it is collected.

**B. Basis of Presentation**

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

**Government-wide Financial Statements:**

The Statement of Net Position and Statement of Activities display information concerning the City as a whole. The statements include all non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities are generally financed through taxes, intergovernmental revenues and other non-exchange revenues and are reported separately from business-type activities. Business-type activities rely mainly on fees and charges for support.

The Statement of Net Position presents the financial condition of the governmental activities and business-type activities of the City at year end. The Government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function or

**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended September 30, 2014**

program of the City's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service, program or department and therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other revenues not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. Internal service fund balances have been eliminated against the expenses and program revenue. The comparison of direct expenses with program revenues identifies the extent to which each business-type activity or governmental function is self-financing or draws from the general revenues of the City.

**Fund Financial Statements:**

Fund financial statements of the City are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues and expenditures/expenses. Funds are organized into governmental, proprietary and fiduciary. Major individual Governmental funds and major Enterprise funds are reported as separate columns in the fund financial statements. Non-major funds are aggregated and presented in a single column.

**C. Measurement Focus and Basis of Accounting**

The Government-wide, Proprietary Funds and Fiduciary Funds (excluding agency funds) financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used, regardless of when the related cash flows take place. Property tax revenues are recognized in the year for which they are levied. Shared revenues are recognized when the provider government recognizes the liability to the City. Grants are recognized as revenues as soon as all eligibility requirements have been satisfied. Agency funds have no measurement focus, but use the accrual basis of accounting.

The revenue and expenses of Proprietary funds are classified as operating or non-operating. Operating revenues and expenses generally result from providing services in connection with a Proprietary Fund's primary operations. All other revenues and expenses are reported as non-operating.

Governmental financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period when they are both measurable and available to finance operations during the year or to liquidate liabilities existing at the end of the year. Available means collected in the current period or within 60 days after year end to liquidate liabilities existing at the end of the year. Measureable means knowing or being able to reasonably estimate the amount. Expenditures are recognized in the accounting period when the related fund liabilities are incurred. Debt service expenditures and expenditures related to compensated absences and claims and judgments, are recognized only when payment is due. Property taxes, state appropriations and federal awards are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period.

**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended September 30, 2014**

The City reports the following major governmental fund:

General Fund- The general fund is the primary operating fund of the City. It is used to account for all activities of the general government for which a separate fund has not been established.

Parks & Recreation Fund- The Parks & Recreation fund is used to account for all monies from specific revenue sources that are restricted for the operation and maintenance of the City's parks and recreational facilities.

The City reports the following major proprietary fund:

Water & Sewer Fund- This fund accounts for revenues and expenses related to potable water and sanitary sewer services provided to residents of the City.

Additionally, the City reports the following fund types:

#### GOVERNMENTAL FUND TYPES

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

Debt Service Funds- These funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

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

#### PROPRIETARY FUND TYPES

Enterprise Funds- These funds are used to account for those operations that are financed and operated in a manner similar to private business enterprises or where the city has decided that periodic determination of revenues earned, expenses incurred and/or net income is necessary for management accountability.

Internal Service Fund- The fund is used to account for those operations that provide services to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis. The City's internal service fund provides fleet and equipment maintenance to the other departments of the City.

#### FIDUCIARY FUND TYPES

Agency Funds- These funds account for various taxes, deposits and other monies collected or held by the City, acting in the capacity of an agent, for distribution to other governmental units or designated beneficiaries.

**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended September 30, 2014**

**D. Account Classifications.**

The account classification used in the financial statements conform to the broad classifications recommended in *Governmental Accounting, Auditing and Financial Reporting* as issued in 2012 by the Government Finance Officers Association.

**E. Deposits and Investments**

State law authorizes the City to invest in interest bearing time certificates of deposit for periods of fourteen days to one year with depositories and in obligations of the U.S. Treasury, State of Mississippi, or any county, municipality or school district of this state. Further, the City may invest in certain repurchase agreements.

Cash includes cash on hand, demand deposits, all certificates of deposit and cash equivalents which are short-term highly liquid investments that are readily convertible to cash (generally three months or less). Investments in governmental securities are stated at fair value. However, the City did not invest in any governmental securities during the fiscal year.

**F. Receivables**

Receivables are reported net of allowance for uncollectible accounts, where applicable.

**G. Inter-fund Transactions and Balances**

Transactions between funds that are representative of short-term lending/borrowing arrangements and transactions that have not resulted in the actual transfer of cash at the end of the fiscal year are referred to as "due to/from other funds". Non-current portions of inter-fund receivables and payables are reported as "advances to/from other funds". Advances between funds, as reported in the fund financial statements, are offset by a non-spendable fund balance account in the General Fund, if applicable, to indicate that they are not available for appropriation and are not expendable available financial resources. However, this is not applicable to advances reported in other governmental funds, which are reported, by definition, as restricted, committed, or assigned. Inter-fund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. Any outstanding balances between the governmental activities and business-type activities are reported in the government wide financial statements as "internal balances".

**H. Inventories and Prepaid Items**

Inventories in the governmental and enterprise funds consist of expendable supplies held for consumption. These inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of these governmental fund type inventories are recorded as expenditures when purchased.

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

**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Fiscal Year Ended September 30, 2014

**I. Restricted Assets**

Proprietary Fund assets required to be held and/or used as specified in bond indentures, bond resolutions, trustee agreements, council resolutions and donor specifications have been reported as restricted assets. When both restricted and non-restricted assets are available for use, the policy is to use restricted assets first.

**J. Capital Assets**

Capital asset acquisition and construction are reflected as expenditures in Governmental Fund statements and the related assets are reported as capital assets in the applicable governmental or business-type activities column in the government-wide financial statements. All purchased capital assets are stated at historical cost where records are available and at an estimated historical cost where no records exist. Capital assets include significant amounts of infrastructure which have been valued at estimated historical cost. The estimated historical cost was based on replacement cost multiplied by the consumer price index implicit price deflator for the year of acquisition. The extent to which capital assets, other than infrastructure, costs have been estimated and the methods of estimation are not readily available. The City generally capitalizes assets with a cost of \$5,000 or more as purchase and construction outlays occur. Donated capital assets are recorded at estimated fair market value at the time of donation. The cost of normal maintenance and repairs that do not add to the value of assets or materially extend their respective lives are not capitalized; however, improvements are capitalized. Interest expenditures are not capitalized on capital assets.

Capital assets acquired or constructed for Proprietary Fund operations are capitalized at cost in the respective funds in which they are utilized. Interest cost incurred during the construction of Proprietary Fund capital assets is capitalized as part of the cost of construction. Donated capital assets are recorded at their fair value at the time of donation.

Capitalization thresholds (dollar value above which asset acquisitions are added to the capital asset accounts) and estimated useful lives are used to report capital assets in the government-wide statements and Proprietary Funds. Depreciation is calculated on the straight-line basis for all assets, except land. A full year's depreciation expense is taken for all purchases and sales of capital assets during the year.

The following schedule details those thresholds and estimated useful lives:

	Capitalization Thresholds	Estimated Useful Life
Land	\$ 0	N/A
Infrastructure	0	20-50 years
Building	50,000	40 years
Improvements other than buildings	25,000	20 years
Mobile equipment and machinery	5,000	5-10 years
Furniture and equipment	5,000	3-7 years
Leased property under capital lease	*	*

\* Leased property capitalization policy and estimated useful life will correspond with the amounts for the asset classification, as listed above.

**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended September 30, 2014**

**K. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**L. Long-Term Liabilities**

Long-term liabilities are the un-matured principal of bonds, loans, notes or other forms of non-current or long-term general obligation indebtedness. Long-term liabilities are not limited to liabilities from debt issuances, but may also include liabilities on lease-purchase agreements and other commitments.

In government-wide financial statements and in the Proprietary Fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities or Proprietary Funds Statement of Net Position.

**M. Equity Classifications**

Government-wide Financial Statements:

Equity is classified as Net Position and displayed in three components:

*Net invested in capital assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings attributable to the acquisition, construction or improvement of those assets.

*Restricted net position* - Consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or law through constitutional provisions or enabling legislation.

*Unrestricted net position* - All other net position not meeting the definition of "restricted" or "invested in capital assets."

Net Position Flow Assumption:

When an expense is incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) resources are available, it is the City's general policy to use restricted resources first. When expenses are incurred for purposes for which unrestricted (committed, assigned, and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the City's general policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended September 30, 2014**

Fund Financial Statements:

Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Government fund balance is classified as non-spendable, restricted, or unassigned. The following are descriptions of fund classifications used by the City:

*Non-spendable fund balance* includes amounts that cannot be spent. This includes amounts that are either not in a spendable form (inventories, prepaid amounts, long-term portion of loans/notes receivable, or property held for resale unless the proceeds from the collection of those receivables or from the sale of those properties are restricted, committed or assigned) or amounts that are legally or contractually required to be maintained intact, such as a principal balance of a permanent fund.

*Restricted fund balance* includes amounts that have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.

*Unassigned fund balance* is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds if expenditures incurred for a specific purposes exceeded the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) resources are available, it is the City's general policy to use restricted resources first. When expenditures are incurred for purposes for which unrestricted (committed, assigned and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the City's general policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

**N. Risk Management**

The City carries commercial insurance with respect to risks including, but not limited to, property damage and personal injury. Insurance coverage remains relatively constant, and settlement amounts have not exceeded insurance coverage for the current year.

**O. Estimates and Assumptions**

A number of estimates and assumptions relating to the reporting of revenues, expense, expenditures, assets and liabilities, and the disclosure of contingent liabilities were used to prepare these financial statements in conformity with GAAP. Actual results could differ from those estimates.

**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended September 30, 2014**

**P. Property Tax Revenues**

Numerous statutes exist under which the City may levy property taxes. The selection of authorities is made based on the objectives and responsibilities of the City. Restrictions associated with property tax levies vary with the statutory authority. The amount of increase in certain property taxes is limited by state law. Generally, this restriction provides that these tax levies shall produce no more than 110% of the amount which resulted from the assessments of the previous year.

The City, each year at a meeting in September, levies property taxes for the ensuing fiscal year which begins on October 1. Real property taxes become a lien on January 1 of the current year, and personal property taxes become a lien on March 1 of the current year. Taxes on both real and personal property, however, are due on or before February 1 of the next succeeding year. Taxes on motor vehicles and mobile homes become a lien and are due in the month that coincides with the month of original purchase. All unpaid taxes levied October 1<sup>st</sup> become delinquent February 1<sup>st</sup> of the following year. Delinquent taxes are considered fully collectible and therefore no allowance for uncollectible taxes is provided. The City entered an inter-local agreement with the Washington County Tax Collector for the billing and collection of its real and personal property taxes, motor vehicle, and mobile home. Taxes are billed, collected, and remitted to the City by the Washington County Tax Collector each month. The millage rate for the City for the 2013 taxes was 59.41 mills as: 47.00 mills for the general fund, 5.38 mills for the debt service fund, 1.70 mills for library maintenance, 2.00 mills for park maintenance, and 3.33 mills for fire and police disability fund.

Accounting principles generally accepted in the United States of America require property taxes to be recognized at the levy date if measurable and available. All property taxes are recognized as revenue in the year for which they are levied. Motor vehicle and mobile home taxes do not meet the measurability and collectability criteria for property tax recognition because the lien and due date cannot be established until the date of original purchase occurs.

**Q. Intergovernmental Revenues in Governmental Funds.**

Intergovernmental revenues, consisting of grants, entitlements and shared revenues, are usually recorded in Governmental Funds when measurable and available. However, the "available" criterion applies for certain federal grants and shared revenues when the expenditure is made because expenditure is the prime factor for determining eligibility. Similarly, if cost sharing or matching requirements exist, revenue recognition depends on compliance with these requirements.

**R. Compensated Absences**

Each employee shall earn one (1) working day per month for annual leave during the first 15 years of employment. After 15 years of continuous employment, each employee shall earn one and one-half (1&1/2) days per month for annual leave. An employee must have worked a minimum of six (6) months before being eligible to use vacation time. Vacation time will be computed by using the employee's anniversary date times the number of months worked. Accumulated vacation leave may be carried over from year to year. However, upon an employee's termination of employment with the City of Greenville, no employee shall receive compensation in excess of thirty (30) days.

Any accumulated vacation time in excess of thirty (30) days may be applied as creditable service time through the Public Retirement System. All firefighters working on the 24/48-hour shift are allowed five (5) shift absences per year of employment to be used as approved vacation. After 15

**CITY OF GREENVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended September 30, 2014**

years of continuous employment, each firefighter will be allowed seven (7) shift absences per year of employment to be used as approved vacation.

**S. Changes in Accounting Standards**

The City implemented the following standards issued by the Governmental Accounting Standards Board (GASB) in the current fiscal year as required: GASB Statement 65, *Items Previously Reported as Assets and Liabilities*; GASB Statement 66, *Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62*.

**NOTE (2) FUND RECLASSIFICATION**

The Parks and Recreation fund's beginning fund balance of \$36,435 was reclassified from the Non-Major Governmental Funds fund balance to a Major Fund. The objective was to subject the Parks and Recreation fund to additional monitoring of revenue sources and uses.

**NOTE (3) PRIOR PERIOD ADJUSTMENTS**

A summary of significant fund equity adjustments is as follows:

Statement of Activities.

Explanation		Amount
Capital Assets – Assets and Accumulated Depreciation	\$	(256,270)
Capital Assets – See explanation below		(50,030)
Total prior period adjustments	\$	(306,300)

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

Explanation		Amount
Transfer of capital assets from Sanitation to Water & Sewer to properly report related capital asset function and depreciation expense	\$	(20,005,575)
		20,005,575
To adjust expense for Canal #9 project for error in prior year accrual		(50,030)
Total prior period adjustments	\$	(50,030)

**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended September 30, 2014**

**NOTE (4) BUDGET POLICY**

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

- A. Prior to August 1<sup>st</sup>, the City Clerk and Chief Administrative Officer submits to the Mayor and Council a proposed operating budget for the fiscal year commencing the following October 1<sup>st</sup>. The operating budget includes proposed expenditures and the means of financing them.
- B. Public notice is given of the City's budget meetings being open to the public, so that public hearings are conducted at City Hall to obtain taxpayer comments.
- C. Prior to September 15<sup>th</sup>, the budget is legally enacted through adoption by the Mayor and City Council.
- D. The budget is formally revised during the year and properly amended by the Mayor and City Council.
- E. Budgetary comparisons are employed by management as a management control device during the year for all funds.
- F. Appropriations lapse at the end of each fiscal year.

Mississippi laws require that municipalities budget revenue and expenditures on a modified-cash basis. Claims that have been incurred prior to the end of the year and that are paid within 30 days are recorded under the accrual basis. Prior year claims that are paid after 30 days revert to the cash basis. All revenue is accounted for under the cash basis. The required budgetary basis is therefore not considered a generally accepted accounting principal. Governmental accounting requires that the "budget to actual" statements be prepared according to budgetary laws and the statement of revenues, expenditures, and fund balance be prepared according to the modified-accrual basis (GAAP). The major reconciling items between the budgetary and GAAP presentations are presented on the "budget to actual" statements.

**NOTE (5) DEPOSITS AND INVESTMENTS**

Deposits

The carrying amount of the City's total deposits with financial institutions at September 30, 2014 was \$4,668,419 and the bank balance was \$4,737,126. The collateral for public entities' deposits in financial institutions are held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss Code Ann (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace deposits not covered by the Federal Depository Insurance Corporation (FDIC).

Custodial Credit Risk- Deposits. Custodial credit risk is the risk that in the event of the failure of a financial institution, the City will not be able to recover deposits or collateral securities that are in

**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended September 30, 2014**

the possession of an outside party. The City does not have a formal policy for custodial credit risk. However, the Mississippi State Treasurer manages that risk on behalf of the City. Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the City.

Investments

The City had no investments at September 30, 2014.

Interest Rate Risk: The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, Section 19-9-29, Miss. Code Ann. (1972) limits the maturity period of any investment to no more than one year.

Credit Risk: State law limits investments to those authorized by Sections 19-9-29 and 91-13-8, Miss. Code Ann. (1972). The City does not have a formal investment policy that would further limit its investment choices or one that addresses credit risk.

Custodial Credit Risk- Investments. Custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk.

**NOTE (6) INTER-FUND TRANSACTIONS AND BALANCES**

Due From/To Other Funds:

Receivable Fund	Payable Fund	Amount
Water & Sewer Fund	General Fund	\$ 25,990
Internal Service Fund	General Fund	266,199
Internal Service Fund	Water & Sewer Fund	39,813
Internal Service Fund	Sanitation Fund	61,719
TOTAL		\$393,721

Transfers In/Out:

Transfer In	Transfer Out	Amount
General Fund	Water & Sewer Fund	\$ 306,000
General Fund	Non-Major Governmental Funds	1,022,500
General Fund	Sanitation	50,903
Major Fund Parks & Recreation	General Fund	150,000
Major Fund Parks & Recreation	Non-Major Governmental Funds	93,000
Non-Major Governmental Funds	General Fund	942,520
Water & Sewer Fund	General Fund	450,000
Water & Sewer Fund	Non-Major Governmental Funds	48,000
Sanitation Fund	Non-Major Governmental Funds	260,500
Internal Service Fund	Non-Major Governmental Funds	1,000
Agency Fund	General Fund	202,648
TOTAL		\$3,527,071

**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended September 30, 2014**

The primary purpose of the transfers was to appropriate gaming revenues received in the amount of \$1,542,520 for operations, maintenance, and capital improvements to Major Fund Parks & Recreation (\$150,000), Non-Major Governmental Funds (\$942,520), the Water & Sewer Fund (\$450,000). The Non-Major Governmental funds distributed prior year loan proceeds of \$965,000 for operations, maintenance, and capital improvements to General Fund (\$562,500), Major Fund Parks & Recreation (\$93,000), Water & Sewer Fund (\$48,000), Sanitation Fund (\$260,500), and Internal Service Fund (\$1,000). The remaining balances in transfers were Non-Major Governmental to General Fund (\$500,000) related to disbursements for street repair and maintenance, Water & Sewer Fund to General Fund (\$306,000) for operational expenditures, Sanitation Fund to General Fund (\$50,903) for operational expenditures, and General Fund to Agency Fund (\$202,648) for payments related to payroll disbursements.

**NOTE (7) RECEIVABLES, UN-COLLECTIBLES, AND DEFERRED REVENUE**

**Governmental Activities**

Inter-Governmental Receivables

In the government-wide financial statements, the receivables and related revenues include all amounts due to the City regardless of when cash is received. In the governmental fund financial statements, the revenues are offset and revenue recognition deferred by the amounts not received within 60 days of fiscal year-end. Intergovernmental and Other receivables at September 30, 2014 include the following:

Description	Amount
Inter-governmental receivable:	
Federal	
Occupant Protection grant	\$ 3,909
Urban Youth grant	35,000
Airport Security	18,105
Alcohol Enforcement grant	39,346
Meth grant	12,326
FAA projects	42,815
Home Investment Grant	12,800
Brownsfield Grant	44,024
State	
Police Minimum Standards	21,000
FAA projects and Multi-Modal grants	2,736
<b>TOTAL</b>	<b>\$ 232,061</b>

Other Receivables

Description	Amount
Receivables:	
Property tax	153,731
Franchise Fees	327,530
Fines, net of allowance for doubtful accounts of \$1,383,316	1,331,326
<b>TOTAL</b>	<b>\$ 1,812,587</b>

**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended September 30, 2014**

**Business-type Activities**

Significant receivables include amounts due from customers for utility services that are based on monthly cycle billings. The Water, Sewer, and Sanitation accounts receivables of \$1,137,173 are reported net of estimated un-collectibles of \$2,133,596.

Intergovernmental receivables (\$83,886) consisted of amounts due from the Mississippi Development Authority HUD-CDBG Canal #9 project (\$79,937) and the EPA Virden Sewer Project (\$3,949) related to reimbursement for expenses incurred during the fiscal year.

Other receivables (\$8,182) represent amounts due for sales tax (\$4,449) and bank debits and returned checks of (\$3,733).

**NOTE (8) RESTRICTED ASSETS**

The balance of restricted net asset accounts in the governmental activities and business-type activities funds are as follows:

Description	Governmental Activities	Business-Type Activities
Airport lease deposit	\$ 40,000	
Customer deposits		\$ 692,153
Total	<u>\$ 40,000</u>	<u>\$ 692,153</u>

**NOTE (9) CAPITAL ASSETS**

Capital asset activity for the fiscal year ended September 30, 2014, was as follows:

GOVERNMENTAL ACTIVITIES	Balance Oct. 1, 2013	Additions	Deletions	Adjustments	Balance Sept. 30, 2014
Non-depreciable capital assets:					
Land	\$ 85,256,151				\$ 85,256,151
Total non-depreciable capital assets	<u>85,256,151</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>85,256,151</u>
Depreciable capital assets:					
Infrastructure	254,555,310	596,298		79,607	255,231,215
Buildings & Improvements	29,585,736	12,045		13,160	29,610,941
Mobile and machinery equipment	6,879,147	334,767			7,213,914
Furniture & equipment	1,629,701	203,388			1,833,089
Leased property under capital lease	1,353,772				1,353,772
Total depreciable capital assets	<u>294,003,666</u>	<u>1,146,498</u>	<u>-</u>	<u>92,767</u>	<u>295,242,931</u>
Less accumulated depreciation for:					
Infrastructure	167,877,958	1,581,453		343,817	169,803,228
Buildings & Improvements	22,109,194	258,137		5,220	22,372,551
Mobile and machinery equipment	5,169,938	292,221			5,462,159
Furniture & equipment	987,872	147,222			1,135,094
Leased property under capital lease	108,303	54,152			162,455
Total accumulated depreciation	<u>196,253,265</u>	<u>2,333,185</u>	<u>-</u>	<u>349,037</u>	<u>198,935,487</u>
Depreciable capital assets, net	<u>97,750,401</u>	<u>(1,186,687)</u>	<u>-</u>	<u>(256,270)</u>	<u>96,307,443</u>
Governmental activities capital assets, net	<u>\$183,006,552</u>	<u>\$(1,186,687)</u>	<u>\$ -</u>	<u>\$ (256,270)</u>	<u>\$181,563,594</u>

Adjustments are due to corrections of asset input information and asset useful lives.

**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended September 30, 2014**

**CAPITAL ASSETS (cont'd)**

	<b>Balance</b>				<b>Balance</b>
	<b>Oct. 1, 2013</b>	<b>Additions</b>	<b>Deletions</b>	<b>Adjustments</b>	
<b>BUSINESS-TYPE ACTIVITIES</b>					
Non-depreciable capital assets					
Land	\$ 2,512,541				\$ 2,512,541
Construction in progress	7,700,785	\$ 190,657		\$(7,700,785)	190,657
Total non-depreciable capital assets	10,213,326	190,657	\$ -	(7,700,785)	2,703,198
Depreciable capital assets					
Infrastructure	346,259,047	427,181			346,686,228
Buildings & Improvements	34,772,599				34,772,599
Mobile equipment	10,535,400	168,967			10,704,367
Furniture & equipment	172,650	216,692			389,342
Leased property under capital lease	-			7,700,785	7,700,785
Total depreciable capital assets	391,739,696	812,840	-	7,700,785	400,253,321
Less accumulated depreciation for					
Infrastructure	317,611,025	1,921,603			319,532,628
Buildings & Improvements	27,814,664	833			27,815,497
Mobile equipment	8,855,796	106,743			8,962,539
Furniture & equipment	67,603	35,869			103,472
Leased property under capital lease	-	308,031			308,031
Total accumulated depreciation	354,349,088	2,373,079	-	-	356,722,167
Depreciable capital assets, net	37,390,608	(1,560,239)	-	7,700,785	43,531,154
Business-Type activities capital assets, net	\$ 47,603,934	\$(1,369,582)	\$ -	\$ -	\$ 46,234,352

Depreciation expense was charged to the governmental functions, as follows:

**GOVERNMENTAL ACTIVITIES**

General government	\$ 87,585
Public safety	176,036
Public works	40,805
Streets	1,361,448
Health & Welfare	2,796
Culture & recreation	29,879
Economic Development	15,818
Airport	479,937
Internal Service Fund	138,881
Total governmental activities depreciation expense	<u>\$ 2,333,185</u>

Depreciation expense was charged to the business-type functions, as follows:

**BUSINESS-TYPE ACTIVITIES**

Sewer & Water	\$ 2,303,820
Sanitation	69,259
Total Business-Type Depreciation	<u>\$ 2,373,079</u>

Commitments with respect to unfinished capital projects at September 30, 2014, consisted of the following:

<b>BUSINESS-TYPE ACTIVITIES</b>	Remaining Financial	Expected Date
Description of Commitment	Commitment	of Completion
Sewer Projects	Unknown	Unknown

**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended September 30, 2014**

**NOTE (10) CAPITAL LEASES**

**As Lessee:**

The City is obligated for the following capital assets acquired through capital leases as of September 30, 2014:

<u>Classes of Property</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Building Improvements	\$ 1,353,772	
Water meters and related equipment		\$ 7,700,785
Less: Accumulated depreciation	<u>162,455</u>	<u>308,031</u>
Leased Property Under Capital Leases	<u>\$ 1,191,317</u>	<u>\$ 7,392,754</u>

The following is a schedule by years of the total payments due as of September 30, 2014:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	63,642	40,316	406,477	257,493
2016	66,115	37,843	422,270	241,700
2017	68,684	35,274	438,676	225,293
2018	71,352	32,606	455,721	208,249
2019	74,125	29,833	473,427	190,543
2020-2024	416,128	103,662	2,657,767	662,081
2025-2028	316,262	21,601	2,019,936	137,966
Total	<u>\$ 1,076,308</u>	<u>\$ 301,136</u>	<u>\$ 6,874,273</u>	<u>\$ 1,923,325</u>

**NOTE (11) OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

Plan Description

The council administers the City's health insurance plan which is authorized by Sections 25-15-101 et seq., Mississippi Code Ann. (1972). The City's health insurance plan may be amended by the City Council. The City purchases health insurance coverage from a commercial insurance company and offers health insurance benefit coverage through the City's health insurance plan (the Plan). Since retirees may obtain health insurance by participating in a group with active employees and consequently receive a health insurance premium rate differential, the City has a postemployment healthcare benefit reportable under GASB Statement 45 as a single employer defined benefit health care plan. The City does not issue a publicly available financial report for the plan. Effective October 1, 2012, the City implemented GASB Statement 45 prospectively, which requires reporting on an accrual basis the liability associated with other postemployment benefits. The City does not issue a publicly available financial report of the Plan.

Funding Policy

Employees' premiums are funded by the City with additional funding provided by retired employees and by active employees for spouse and dependent medical coverage. The Plan is financed on a pay-as-you-go basis. The City Council, acting in conjunction with the commercial insurance company, has the sole authority for setting health insurance premiums for the city's health insurance plan.

**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended September 30, 2014**

Actuarial Valuation

The City's Health Insurance Plan's Report of the Actuary on the Other Postemployment Benefits Valuation was prepared as of September 30, 2014. The plan presently has an actuarial valuation performed bi-annually, in order to be in compliance with GASB Statement 45.

Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC is determined assuming the plan would fund the OPEB liability on a pay-as-you-go basis. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The current ARC of \$179,179 is 2.26 percent of annual covered payroll.

The following table presents the OPEB cost for the year, the amount contributed and changes in the OPEB plan for fiscal year 2014:

		2013	2014
Annual required contribution	\$	173,001	179,179
Interest on net OPEB obligation		-0-	5,980
Adjustment to annual required contribution		-0-	(6,294)
Annual OPEB cost		173,001	178,865
Contributions made		(40,113)	(46,243)
Increase in the net OPEB obligation		132,888	132,622
Net OPEB obligation – beginning of year		-0-	132,888
Net OPEB obligation – end of year	\$	132,888	265,510

The following table provides the city's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the fiscal year 2014:

	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB obligation
2013	\$173,001	23.19%	\$132,888
2014	\$178,865	25.85%	\$132,622

Funding Status and Funding Progress

The following table provides funding information for the most recent actuarial valuation date:

Actuarial Valuation Date	October 1, 2014
Actuarial Value of Plan Assets (a)	\$-0-
Actuarial Accrued Liability (AAL) Entry Age (b)	\$1,585,809
Unfunded AAL (UAAL) (b-a)	\$1,585,809
Funded Ratio (a/b)	-0%
Annual Covered Payroll (c)	\$7,942,130
UAAL as a Percentage of Annual Covered Payroll ((b-a)/c)	19.97%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts

**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended September 30, 2014**

determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as RSI following the notes to the financial statements, is designed to present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Additional information as of the latest actuarial valuation follows:

Actuarial valuation date		October 1, 2013
Actuarial cost method		Entry Age
Amortization method		30 Year Level Percentage of Pay
Remaining amortization period		Twenty-nine Years
Asset valuation method		Entry Age Normal Method
Actuarial assumptions:		
Investment rate of return		4.5%
Projected salary increases		2 % per annum
Healthcare cost trend rate		10% graded down to 5% over 10 years
Ultimate trend rate		5%
Year of ultimate trend rate		2024

**NOTE (12) LONG-TERM DEBT**

The City's long-term debt is made up of general obligation bonds, notes payable, capital leases and compensated absences. General obligation bonds are direct obligations, and are backed by the full faith and credit of the City. The City also incurs debt in the form of various notes payable and capital leases which are to be repaid through daily operations.

The City is subject to a general statutory debt limitation under which no City in the State may incur general obligation bonded indebtedness in the amount which will exceed 15 percent of the assessed value of the taxable property within the City according to the last completed assessment for taxation.

In computing general obligation bonded indebtedness for purposes of such 15 percent limitation, there may be deducted all bonds or other evidences of indebtedness issued for school, water, and sewerage systems, gas and light and power purposes and for construction of special improvements primarily chargeable to the property benefited, or for the purpose of paying a City's proportion of any betterment program, a portion of which is primarily chargeable to the property benefited. However, in no case may a City contract any indebtedness payable in whole or in part from proceeds of ad valorem taxes which, when added to all of its outstanding general obligation indebtedness, both bonded and floating, exceeds 20 percent of the assessed value of the taxable property within such City.

**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended September 30, 2014**

In arriving at the limitations set forth, bonds issued for school purposes, bonds payable exclusively from the revenues of any municipally-owned utility, general obligation industrial bonds issued under provisions of Section 57-1-1 to 57-1-51, Mississippi Code of 1972, Annotated, Revised 1989 and special assessment improvement bonds issued under the provisions of Sections 21-41-1 to 21-41-53, Mississippi Code of 1972, Annotated, Revised 1990, are not included. Also excluded from both limitations are contract obligations subject to annual appropriations.

The margin for additional debt under the above debt limits as of September 30, 2014 is approximately:

<u>15% Limit</u>	<u>20% Limit</u>
\$25,332,099	\$32,779,795

Debt outstanding as of September 30, 2014, consisted of the following:

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
<b>Governmental Activities:</b>			
<u>A. General Obligation Bonds:</u>			
Series 2007-Street Bond	1,550,000	5.00	04-2027
Series 2008-Street Bond	1,640,000	3.75 to 5.125	08-2028
Series 2010-Street Bond	1,410,000	3.00 to 4.15	05-2022
Total General Obligation Bonds	4,600,000		
<u>B. Other Loans</u>			
GO Note-Breathing Apparatus	56,428	1.94	07-2016
GO Note-Equipment & Expenses	807,672	1.51	09-2018
Total Other Loans	864,100		
<u>C. Capital Leases:</u>			
Energy Project-Siemens	1,076,308	3.83	10-2028
Total Capital Leases	1,076,308		
<b>Business-Type Activities:</b>			
<u>A. Other Loans</u>			
State Revolving-C280767-07	392,568	1.75	03-2030
GO Note-SRF Refunding	2,798,894	1.51	06-2018
Total Other Loans	3,191,462		
<u>C. Capital Leases:</u>			
Energy Project-Siemens	6,874,273	3.83	10-2028
Total Capital Leases	\$ 6,874,273		

**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended September 30, 2014**

The annual debt service requirements of long-term debt of September 30, 2014 are as follows:

**Governmental Activities:**

Year Ending September 30,	General Obligation Bonds		Other Loans	
	Principal	Interest	Principal	Interest
2015	330,000	215,120	225,314	11,929
2016	340,000	202,251	228,857	8,386
2017	350,000	188,476	203,418	4,786
2018	365,000	173,883	206,511	1,693
2019	385,000	157,078		
2020-2024	1,785,000	510,175		
2025-2029	1,045,000	127,150		
Totals	<u>\$ 4,600,000</u>	<u>\$ 1,574,132</u>	<u>\$ 864,100</u>	<u>\$ 26,794</u>

**Business-Type Activities:**

Year Ending September 30,	Other Loans	
	Principal	Interest
2015	753,197	43,910
2016	764,704	32,404
2017	776,386	20,721
2018	595,962	9,102
2019	23,855	5,081
2020-2024	125,738	18,940
2025-2029	137,227	7,451
2030	14,394	7,356
Totals	<u>\$ 3,191,463</u>	<u>\$ 144,964</u>

The following is a summary of changes in long-term debt for the year ended September 30, 2014:

	Balance Oct. 1, 2013	Additions	Reductions	Balance Sept. 30, 2014	Amount due within one year
<b>Governmental Activities:</b>					
Compensated absences	\$ 737,739	\$ 16,367		\$ 754,106	
General obligation bonds	4,915,000		\$ 315,000	4,600,000	\$ 330,000
Other Loans	1,899,284		1,035,184	864,100	225,314
Capital leases	1,134,181		57,873	1,076,308	63,642
Total	<u>\$ 8,686,204</u>	<u>\$ 16,367</u>	<u>\$ 1,408,057</u>	<u>\$ 7,294,514</u>	<u>\$ 618,956</u>
<b>Business-Type Activities:</b>					
Compensated absences	\$ 179,558	\$ 34,775		\$ 214,333	
Other Loans	3,933,326		\$ 741,864	3,191,462	\$ 753,197
Capital leases	7,243,899		369,626	6,874,273	406,477
Total	<u>\$ 11,356,783</u>	<u>\$ 34,775</u>	<u>\$ 1,111,490</u>	<u>\$ 10,280,068</u>	<u>\$ 1,159,674</u>

**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended September 30, 2014**

Compensated absences will be paid from the fund in which the employees' salaries were paid, which are generally the General Fund, Major Fund Parks & Recreation, Non-Major Governmental Funds, Water & Sewer Funds, Sanitation Fund, and Internal Service Fund.

**NOTE (13) DEFINED BENEFIT PENSION PLAN**

Plan Description. The City of Greenville contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing, multiple-employer, defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State Law and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Public Employees' Retirement System of Mississippi, PERS Building, 429 Mississippi Street, Jackson, MS 39201 or by calling (601) 359-3589 or 1-800-444-PERS.

Funding Policy. At September 30, 2014 PERS members were required to contribute 9% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The rate at September 30, 2014 was 15.75% of annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The City's contributions (employer share only) to PERS for the years ending September 30, 2014, 2013, and 2012, were \$1,770,708, \$1,631,030, and \$1,487,030 respectively, equal to the required contributions for each year.

**NOTE (14) CONTINGENCIES**

Federal Grants - The City has received federal grants for specific purposes that are subject to audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a grantor audit may become a liability of the City. No provision for any liability that may result has been recognized in the City's financial statements.

Litigation - The City is party to legal proceedings, many of which occur in the normal course of governmental operations. The following contingency warranted additional disclosure:

On March 29, 2013, the City received from the United States Environmental Protection Agency (EPA) and the Mississippi Department of Environmental Quality (MDEQ) a Request for Information and Notice of Opportunity to Show Cause in connection with the City's National Pollutant Discharge Elimination System Permit No. MS0020184 (the City's wastewater treatment plant and wastewater collection system). The notice advised the City of unauthorized discharges and other shortcomings regarding its wastewater treatment plant and collection system. The City, with the aid of engineering and legal professionals, have engaged the EPA, United States Department of Justice (DOJ) and MDEQ in extensive discussions, document generation and production, preliminary planning, strategy development and a tentative remediation program to address the alleged deficiencies. The City received from the EPA its initial Consent Decree with final forthcoming after negotiations and revisions. The negotiations are subject to a very comprehensive confidentiality agreement.

**CITY OF GREENVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Year Ended September 30, 2014**

In the previous year, the City stated that the Consent Decree will provide that the City will be required to take remedial action over a period of eight to ten years at a cost of \$13,000,000 to \$14,000,000. Over the past year, those costs have been estimated as high as \$34,000,000 before falling to approximately \$23,000,000. The City has maintained that the cost should be estimated at approximately \$17,500,000. The City believes that this amount is the maximum amount that can be voluntarily paid. The financing of which has yet to be determined. This amount, if agreed upon, would approximately double the current City indebtedness from all sources. The Consent Decree will also contain a financial penalty, the amount of which is currently unknown. The City estimates that it may be in the range of \$200,000 to \$250,000. At present, City legal counsel cannot tell which event is most probable (agreement with the agencies or entering of Consent Decree and enforced by the United States District Court); however, it is a certainty that one of them will occur. With the ongoing negotiations and range of estimated costs, we feel no financial provision should be entered in the financial statements at this time.

Regarding other legal proceedings, it is not possible at the present time to estimate the ultimate outcome or liability, if any, of the City with respect to the various proceedings. However, the City's legal counsel believes that ultimate liability resulting from these lawsuits will not have a material adverse effect on the financial condition of the City.

**NOTE (15) SUBSEQUENT EVENTS**

Events that occurred after the Statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management of the City of Greenville evaluated the activity of the City through June 17, 2015, and determined that the following subsequent event has occurred requiring disclosure in the notes to the financial statements.

Issue Date	Interest Rate	Issue Amount	Type of Financing	Source of Financing
10-14-2014	2.12%	\$400,000	Promissory Note	General Fund Revenues

**CITY OF GREENVILLE, MISSISSIPPI**

**REQUIRED SUPPLEMENTARY INFORMATION**

**City of Greenville, Mississippi**  
**Budgetary Comparison Schedule**  
**Budget and Actual (Non-GAAP Basis)**  
**General Fund**  
**For the Fiscal Year Ended September 30, 2014**

	Budgeted Amount		Actual Non-GAAP Basis	Variance Favorable (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Ad Valorem Taxes	\$ 9,749,697	\$ 9,402,571	\$ 9,402,571	\$ -
Licenses, Permits & Franchise Fees	1,256,000	1,472,296	1,472,296	-
Grants & Intergovernmental	7,835,215	7,942,656	7,942,656	-
Fines and Forfeits	477,600	481,247	481,247	-
Rental	421,200	432,617	432,617	-
Miscellaneous Revenues	175,025	159,433	159,433	-
Charges for Services	37,000	35,510	35,510	-
<b>Total Revenues</b>	<b>19,951,737</b>	<b>19,926,330</b>	<b>19,926,330</b>	<b>-</b>
<b>EXPENDITURES:</b>				
<b>General Government</b>				
Personal services	1,287,280	1,260,104	1,260,104	-
Other services and charges	1,190,839	1,081,571	1,081,571	-
Supplies	129,699	130,504	130,504	-
Capital outlay	93,841	84,979	84,979	-
Total general government	2,701,659	2,557,158	2,557,158	-
<b>Public Safety</b>				
<b>Police Department</b>				
Personal services	5,677,546	5,659,229	5,659,229	-
Other services and charges	1,986,894	1,956,682	1,956,682	-
Supplies	103,000	75,607	75,607	-
Capital outlay	420,502	274,473	274,473	-
Total Police Department	8,187,942	7,965,991	7,965,991	-
<b>Fire Department</b>				
Personal services	4,072,653	3,985,059	3,985,059	-
Other services and charges	303,895	324,662	324,662	-
Supplies	61,200	62,634	62,634	-
Capital Outlay	24,800	55,455	55,455	-
Total Fire Department	4,462,548	4,427,810	4,427,810	-
<b>Total Public Safety</b>	<b>12,650,490</b>	<b>12,393,801</b>	<b>12,393,801</b>	<b>-</b>
<b>Public Works</b>				
Personal services	776,669	653,298	653,298	-
Other services and charges	222,639	258,972	258,972	-
Supplies	46,200	77,862	77,862	-
Capital outlay	24,000	25,987	25,987	-
Total Public Works	1,069,508	1,016,119	1,016,119	-
<b>Highways and Streets</b>				
Personal services	975,873	957,675	957,675	-
Other services and charges	1,227,449	1,369,613	1,369,613	-
Supplies	495,875	523,084	523,084	-
Capital outlay	24,000	46,003	46,003	-
Total Highways and Streets	2,723,197	2,896,375	2,896,375	-

The accompanying notes to the Required Supplementary Information are an integral part of this statement.

**City of Greenville, Mississippi**  
**Budgetary Comparison Schedule**  
**Budget and Actual (Non-GAAP Basis)**  
**General Fund**  
**For the Fiscal Year Ended September 30, 2014**

	Budgeted Amount		Actual Non-GAAP Basis	Variance Favorable (Unfavorable)
	Original	Final		
<b><u>EXPENDITURES CONTINUED:</u></b>				
Health & Welfare				
Other services and charges	350,200	367,604	367,604	-
Supplies	3,250	2,770	2,770	-
Capital outlay	6,000	8,590	8,590	-
<b>Total Health &amp; Welfare</b>	<b>359,450</b>	<b>378,964</b>	<b>378,964</b>	<b>-</b>
Economic Development				
Personal services	206,888	223,139	223,139	-
Other services and charges	239,353	251,740	251,740	-
Supplies	6,370	5,912	5,912	-
Capital outlay	25,000	25,000	25,000	-
<b>Total Economic Development</b>	<b>477,611</b>	<b>505,791</b>	<b>505,791</b>	<b>-</b>
Debt Service				
Principal paid	58,943	46,831	46,831	-
Interest paid	55,000	57,127	57,127	-
	<b>113,943</b>	<b>103,958</b>	<b>103,958</b>	<b>-</b>
<b>Total Expenditures</b>	<b>20,095,858</b>	<b>19,852,166</b>	<b>19,852,166</b>	<b>-</b>
<b>Excess of Revenues over (under) Expenditures</b>	<b>(144,121)</b>	<b>74,164</b>	<b>74,164</b>	<b>-</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Operating transfers in (out)				
transfers in	1,034,403	1,003,860	1,003,860	-
transfers (out)	(1,152,520)	(1,152,520)	(1,152,520)	-
<b>Total other financing sources (uses)</b>	<b>(118,117)</b>	<b>(148,660)</b>	<b>(148,660)</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>(262,238)</b>	<b>(74,496)</b>	<b>(74,496)</b>	<b>-</b>
<b>Fund Balances - Beginning</b>	<b>(1,198,386)</b>	<b>4,852,475</b>	<b>4,852,475</b>	<b>-</b>
<b>Fund Balances - Ending</b>	<b>\$ (1,460,624)</b>	<b>\$ 4,777,979</b>	<b>\$ 4,777,979</b>	<b>\$ -</b>

The accompanying notes to the Required Supplementary Information are an integral part of this statement.

**City of Greenville, Mississippi**  
**Budgetary Comparison Schedule**  
**Budget and Actual (Non-GAAP Basis)**  
**Parks & Recreation Fund**  
**For the Fiscal Year Ended September 30, 2014**

	Budgeted Amount		Actual Non-GAAP Basis	Variance Favorable (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Ad Valorem Taxes	\$ 401,227	\$ 379,541	\$ 379,541	\$ -
Grants & Intergovernmental	12,000	16,551	16,551	-
Rental	12,000	20,634	20,634	-
Miscellaneous Revenues	5	1,248	1,248	-
Charges for Services	175,149	164,933	164,933	-
<b>Total Revenues</b>	<b>600,381</b>	<b>582,907</b>	<b>582,907</b>	<b>-</b>
<b>EXPENDITURES:</b>				
<b>Parks &amp; Recreation</b>				
Personal services	512,560	525,400	525,400	-
Other services and charges	158,648	146,203	146,203	-
Supplies	118,570	94,393	94,393	-
Capital outlay	113,600	102,914	102,914	-
<b>Total Expenditures</b>	<b>903,378</b>	<b>868,910</b>	<b>868,910</b>	<b>-</b>
<b>Excess of Revenues over (under) Expenditures</b>	<b>(302,997)</b>	<b>(286,003)</b>	<b>(286,003)</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in (out)				
transfers in	243,000	243,000	243,000	-
transfers (out)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>243,000</b>	<b>243,000</b>	<b>243,000</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>(59,997)</b>	<b>(43,003)</b>	<b>(43,003)</b>	<b>-</b>
<b>Fund Balances - Beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances - Ending</b>	<b>\$ (59,997)</b>	<b>\$ (43,003)</b>	<b>\$ (43,003)</b>	<b>\$ -</b>

The accompanying notes to the Required Supplementary Information are an integral part of this statement.

**City of Greenville, Mississippi**  
**Schedule of Funding Progress – Other Postemployment Benefits**  
**For the Fiscal Year Ended September 30, 2014**

City of Greenville - Schedule of Funding Progress – Other Postemployment Benefits - September 30, 2014

Plan Year	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)
2013-2014	0%	\$1,471,379	\$1,471,379

The accompanying notes to the Required Supplementary Information are an integral part of this statement.

**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Fiscal Year Ended September 30, 2014**

A. Budgetary Information.

Statutory requirements dictate how and when the City's budget is to be prepared. Generally, in the month of August, prior to the ensuing fiscal year beginning each October 1, the City Clerk or Chief Administrative Officer prepares an original budget for each of the Governmental Funds for said fiscal year. The completed budget for the fiscal year includes for each fund every source of revenue, each general item of expenditure, and the unencumbered cash and investment balances. When during the fiscal year it appears to the City council that budgetary estimates will not be met, it may make revisions to the budget.

The City's budget is prepared principally on the cash basis of accounting. All appropriations lapse at year-end, and there are no encumbrances to budget because state law does not require that funds be available when goods or services are ordered, only when payment is made.

B. Basis of Presentation.

The Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis) presents the originally legally adopted budget, the final legally adopted budget, actual amounts on a budgetary (Non-GAAP Basis) and variances between the final budget and the actual amounts. The schedule is presented for the General Fund and the Parks & Recreation Fund. The Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis) is a part of required supplemental information.

C. Budget/GAAP Reconciliation

The major differences between the budgetary basis and the GAAP basis are:

1. Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

The following schedule reconciles the budgetary basis schedules to the GAAP basis financial statements for the General Fund and each major Special Revenue Fund:

Governmental Fund Type	General Fund
Budget ( Cash Basis )	\$ (74,496)
Increase (Decrease)	
Net adjustments for revenue accruals	307,690
Net adjustments for expense accruals	(494,826)
Net Change in Fund Balance - GAAP Basis	<u>\$ (261,632)</u>

**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Fiscal Year Ended September 30, 2014**

Governmental Fund Type	Major Fund Parks and Recreation
Budget ( Cash Basis )	\$ (43,003)
Increase (Decrease)	
Net adjustments for revenue accruals	-
Net adjustments for expense accruals	-
Net Change in Fund Balance - GAAP Basis	<u>\$ (43,003)</u>

D. Excess of Actual Expenditures over Budget in Individual Funds.

No funds with actual expenditures over budgeted amounts were identified.

E. Unbudgeted Funds.

There were no unbudgeted funds.

**CITY OF GREENVILLE, MISSISSIPPI**

**SUPPLEMENTAL INFORMATION**

**CITY OF GREENVILLE, MISSISSIPPI**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Fiscal Year Ended September 30, 2014**

Federal Agency/ Pass-Through Entity/ Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures
<b>U.S. Department of Housing and Urban Development</b>			
Direct Programs:			
Economic Development Initiative-Special Project, Neighborhood Initiative and Miscellaneous Grants	14.251	B-10-SP-MS-0098	\$ 6,639
Pass-Through Programs:			
Passed-through Mississippi Development Authority			
Community Development Block Grants/States Program			
Canal #9 Project	14.228	GV-350-199-01	153,969
Broadway - Phelps to Nelson Project	14.228	1127-10-198-PF-01	14,840
Total Community Development Block Grants/States Program			<u>168,809</u>
Home Investment Partnership Program	*	M12-SG-280-10977	250,999
<b>Total Department of Housing and Urban Development</b>			<u><u>426,447</u></u>
<b>U.S. Department of Justice</b>			
Direct Programs:			
Public Safety Partnership and Community Policing Grants	16.710	2009-RKWX0515	58,766
Pass-Through Programs:			
Passed-through Washington County Board of Supervisors			
Edward Byrne Memorial Justice Assistance Grant	16.738	2013-DJ-BX-0901	5,536
<b>Total Department of Justice</b>			<u><u>64,302</u></u>
<b>U.S. Department of Transportation</b>			
Direct Programs:			
Airport Improvement Program	*	20.106	321,169
Airport Improvement Program	*	20.106	15,905
Total Airport Improvement Programs			<u>337,074</u>
Pass-Through Programs:			
Passed-through the Mississippi Department of Public Safety			
State and Community Highway Safety	20.600	15-OP-212-1	6,337
National Priority Safety Programs	20.616	14MD-21-21	47,656
Passed-through the Mississippi Department of Transportation			
Surface Transportation-Discretionary Grants for Capital Investment.	20.932	LPA-106845-304000	35,000
<b>Total Department of Transportation</b>			<u><u>426,067</u></u>
<b>U.S. Environmental Protection Agency</b>			
Direct Programs			
ARRA-Brownfields Assessment and Cleanup Cooperative Agreements	*	66.818	83,948
Congressionally Mandated Projects		66.202	3,949
<b>Total Environmental Protection Agency</b>			<u><u>87,897</u></u>
<b>U.S. Department of Homeland Security</b>			
Direct Programs			
Law Enforcement Officer Reimbursement Agreement Program	97.090	HSTS01-04-A-LEF-295	22,526
<b>Total Department of Homeland Security</b>			<u><u>22,526</u></u>
<b>Total Expenditures of Federal Awards</b>			<u><u>\$ 1,027,239</u></u>

\* Denotes Major Federal Award Program

**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Fiscal Year Ended September 30, 2014**

**NOTE A - Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the grant activity of the City of Greenville, Mississippi and is presented on the accrual basis of accounting. The information is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*. Therefore, some amounts presented in this schedule may differ from the amounts presented in, or used in the preparation of, the governmental fund financial statements.

**CITY OF GREENVILLE, MISSISSIPPI**

**OTHER INFORMATION**

**CITY OF GREENVILLE, MISSISSIPPI**  
**SCHEDULE OF SURETY BONDS FOR CITY OFFICIALS**  
**September 30, 2014**

Name	Position	Bond Amount	Expiration Date	Surety Company
John H. Cox, III	Mayor	100,000	1/1/2015	C N A Surety
Tommy L. Benson, III	Council Member	100,000	1/1/2015	C N A Surety
Lois Hawkins	Council Member	100,000	1/1/2015	C N A Surety
Carolyn Weathers	Council Member	100,000	1/1/2015	C N A Surety
Betty Watkins	Council Member	100,000	1/1/2015	C N A Surety
Ann Hollowell	Council Member	100,000	1/1/2015	C N A Surety
Errick Simmons	Council Member	100,000	1/1/2015	C N A Surety
Amelia D. Wicks	City Clerk	100,000	Indefinite	C N A Surety
Lisa Cain	Accounting Clerk	50,000	Indefinite	C N A Surety
Janice Caswell	Adm. Assistant	50,000	Indefinite	C N A Surety
Celestine Humes	Accounting Clerk	50,000	Indefinite	C N A Surety
Shakaria Davis	Legal Secretary	50,000	Indefinite	C N A Surety
Martha Harris	Privilege License Clerk	50,000	Indefinite	C N A Surety
Lorenzo Andersenn	City Engineer	50,000	Indefinite	C N A Surety
Jessie Whitley	Utility Manager	50,000	Indefinite	C N A Surety
Mary Ann Taylor	Utility Clerk	50,000	Indefinite	C N A Surety
Brenda Marsalis	Utility Clerk	50,000	Indefinite	C N A Surety
Ella Jean Reynolds	Utility Clerk	50,000	Indefinite	C N A Surety
Rita Milton	Utility Clerk	50,000	Indefinite	C N A Surety
Cherylynn Cason	Utility Clerk	50,000	Indefinite	C N A Surety
Gwanda Suber	Municipal Court Clerk	50,000	Indefinite	C N A Surety
Cynthia Stevens	Court Clerk III	50,000	Indefinite	C N A Surety
Lenora Morey	Adm. Asst./Deputy Ct. Clk	50,000	Indefinite	C N A Surety
Priscilla Bush	Court Clerk II	50,000	Indefinite	C N A Surety
Kenyotta Lee	Deputy Court Clerk	50,000	Indefinite	C N A Surety
Ennisca Hibler	Court Clerk II	50,000	Indefinite	C N A Surety
Freddie Cannon	Police Chief	50,000	Indefinite	C N A Surety
Danny Graise	Police Captain	50,000	Indefinite	C N A Surety
Andrew Kaho	Asst. Police Chief	50,000	Indefinite	C N A Surety
Dyeia Ayers	Adm. Assistant	50,000	Indefinite	C N A Surety
Nakia Williams-Hunter	Police Clerk III	50,000	Indefinite	C N A Surety
Asley D. Smith	Police Clerk III	50,000	Indefinite	C N A Surety
Joanna Gardner	Police Clerk III	50,000	Indefinite	C N A Surety
Rosa F. Matthews	Police Clerk III	50,000	Indefinite	C N A Surety
Marissia Howard	Police Clerk III	50,000	Indefinite	C N A Surety
Sherina Shonte Jones	Police Clerk III	50,000	Indefinite	C N A Surety
Jessica Bailey	Police Clerk III	50,000	Indefinite	C N A Surety
Katrina Ingram	Police Clerk III	50,000	Indefinite	C N A Surety
Phyllis Phelps	Police Clerk III	50,000	Indefinite	C N A Surety
Cathy Drayton	Police Records Manager	50,000	Indefinite	C N A Surety
Cynthia Willis	Adm. Assistant	50,000	Indefinite	C N A Surety
Christopher S. Aee	Police Special Operations	50,000	Indefinite	C N A Surety
Kenneth Redfield	Police Special Operations	50,000	Indefinite	C N A Surety
Delando Wilson	Police Special Operations	50,000	Indefinite	C N A Surety
Jerome Jackson	Police Special Operations	50,000	Indefinite	C N A Surety
Draylan Gant	Airport Director	50,000	Indefinite	C N A Surety
Cassandra McMiller	Executive Assistant	50,000	Indefinite	C N A Surety
Open Position	Parks Director	50,000	Indefinite	C N A Surety
Teresa Elliot	Adm. Assistant	50,000	Indefinite	C N A Surety
Ervin Thomas	Parks/Recr. Supervisor	50,000	Indefinite	C N A Surety
Johnny Harris	Parks/Recr. Supervisor	50,000	Indefinite	C N A Surety
Jake Perry	Parks/Recr. Supervisor	50,000	Indefinite	C N A Surety
Eugene Palmer	Parks/Recr. Supervisor	50,000	Indefinite	C N A Surety
Sidney Lee Sipes	Golf Course Supervisor	50,000	Indefinite	C N A Surety
Milton Davenport	Fleet Vehicle Manager	50,000	Indefinite	C N A Surety
Brad Jones	Public Works Director	50,000	Indefinite	C N A Surety
Bridgett Winters	Adm. Assistant	50,000	Indefinite	C N A Surety
Teresa Kingdom	Human Resources Dir.	50,000	Indefinite	C N A Surety
Tawanna Haynes	Adm. Assistant	50,000	Indefinite	C N A Surety
Ruben Brown	Fire Chief	50,000	Indefinite	C N A Surety
Karen Manning	Adm. Assistant	50,000	Indefinite	C N A Surety
Carlton Williams	Planning/Zoning Dir.	50,000	Indefinite	C N A Surety
Eric Jackson	Planning Clerk II	50,000	Indefinite	C N A Surety
Greg Claus	Executive Assistant to the Mayor	50,000	Indefinite	C N A Surety

**CITY OF GREENVILLE, MISSISSIPPI**  
**RECONCILIATION OF TAX ASSESSMENTS TO FUND COLLECTIONS - 2013 TAX ROLLS**  
**For the Fiscal Year Ended September 30, 2014**

	Tax			
Assessments - 2013 Tax Rolls	Assessed Valuation	Ad Valorem		
Real Property	\$ 111,121,814			
Personal Property	43,879,040			
Auto and Mobile Home	26,684,574			
Public Utility	23,246,377			
Total Assessed Valuation	204,931,805			
Total Ad Valorem Tax @ 59.41 Mills	12,174,999			
Less: Homestead Exemption Credit	\$ 879,593			
Net Ad Valorem Taxes		\$ 11,295,406		
Other Collections:				
Actual Homestead Reimbursements		491,863		
Prior Year Tax Collections		106,167		
Penalties and Interest on Delinquent Taxes		62,817		
Deductions:				
Washington County Tax Collector's Commission		(122,267)		
<b>Total Ad Valorem Taxes to be Accounted For</b>		<b>\$ 11,833,986</b>		
Collections:				
Allocated to:	Fund #	Taxes	Homestead	Total
General Fund	001	8,868,885	388,963	9,257,848
Parks	100	376,046	16,552	392,598
Library	103	319,852	14,069	333,921
Debt Service	200	1,011,757	44,721	1,056,478
Fire & Police Pension	600	626,137	27,558	653,695
		11,202,677	491,863	11,694,540
Balance Represented by:				
Unpaid realty & unaccounted for under (over) collections				139,446
<b>Total Ad Valorem Taxes Accounted for</b>				<b>\$ 11,833,986</b>

**CITY OF GREENVILLE, MISSISSIPPI**  
**RECONCILIATION OF TAX ASSESSMENTS TO FUND COLLECTIONS - 2013 TAX ROLLS (Cont'd)**  
**For the Fiscal Year Ended September 30, 2014**

Tax millage levies for the current fiscal year (tax year 2013) were as follows:

<u>Fund</u>	<u>Millage</u>	<u>Purpose</u>
General	47.00	General Current Expenditures & Maintenance
Parks	2.00	Park Current Expenditures & Maintenance
Library	1.70	Library Current Expenditures & Maintenance
Bond & Interest	5.38	General City Obligation Bonds & Interest
Fire & Police Disability	3.33	Fire & Police Disability Fund
<b>Total Tax Levy</b>	<u>59.41</u>	

Ad Valorem tax collections were found to be under the limitations of Sections 27-39-320 to 27-39-329, Miss. Code annotated (1972), as follows:

\$ 10,877,883 Base 2012-2013	\$ 11,202,677 Taxes collected 2013 - 2014
<u>976,392</u> Less: Applicable to Debt Service	<u>1,011,757</u> Less: Applicable to Debt Service
9,901,491	10,190,920
990,149 10 % Increase	491,863 Homestead Exemption
	<u>44,721</u> Less: Applicable to Debt Service
	<u>447,142</u>
	253,578 Under (Over) Limitation
<u>\$ 10,891,640</u>	<u>\$ 10,891,640</u>

**CITY OF GREENVILLE, MISSISSIPPI**  
**SCHEDULE OF LONG-TERM DEBT**  
**For the Fiscal Year Ended September 30, 2014**

Description	Issue Date	Balance 09/30/13	Issued	Paid	Balance 09/30/14	Amount Due	
						2015	Long-term Amount Due
<b>General Obligation Bonds</b>							
Series 2007-Street Bond	05/10/07	1,635,000		85,000	\$ 1,550,000	\$ 90,000	\$ 1,460,000
Series 2008-Street Bond	08/22/08	1,720,000		80,000	1,640,000	85,000	1,555,000
Series 2010-Street Bond	05/18/10	1,560,000		150,000	1,410,000	155,000	1,255,000
		4,915,000	-	315,000	4,600,000	330,000	4,270,000
<b>Other Loans</b>							
Police Cars	07/01/09	30,874		30,874			
E One Fire Pumper Truck	05/19/09	53,040		53,040			
E One Fire Pumper Truck	11/04/09	57,160		57,160			
Breathing Apparatus	11/17/11	83,840		27,412	56,428	27,943	28,485
State Revolving-C280767-07	09/01/10	414,426		21,858	392,568	22,243	370,325
GO Note - Parks, Equipment & Expenses	05/03/11	674,370		674,370			
GO Note - Parks, Equipment & Expenses	07/26/13	1,000,000		192,328	807,672	197,371	610,301
SRF Refunding Note	07/01/13	3,518,900		720,006	2,798,894	730,954	2,067,940
		5,832,610	-	1,777,048	4,055,562	978,511	3,077,051
<b>Capital Leases</b>							
Energy Project - Siemens	09/28/11	8,378,080		427,499	7,950,581	470,119	7,480,462
		8,378,080	-	427,499	7,950,581	470,119	7,480,462
<b>Other</b>							
Compensated Absences		917,296	51,143		968,439		
<b>Total Long Term Debt</b>		<b>\$20,042,986</b>	<b>\$ 51,143</b>	<b>\$ 2,519,547</b>	<b>\$17,574,582</b>	<b>\$ 1,778,630</b>	<b>\$14,827,513</b>

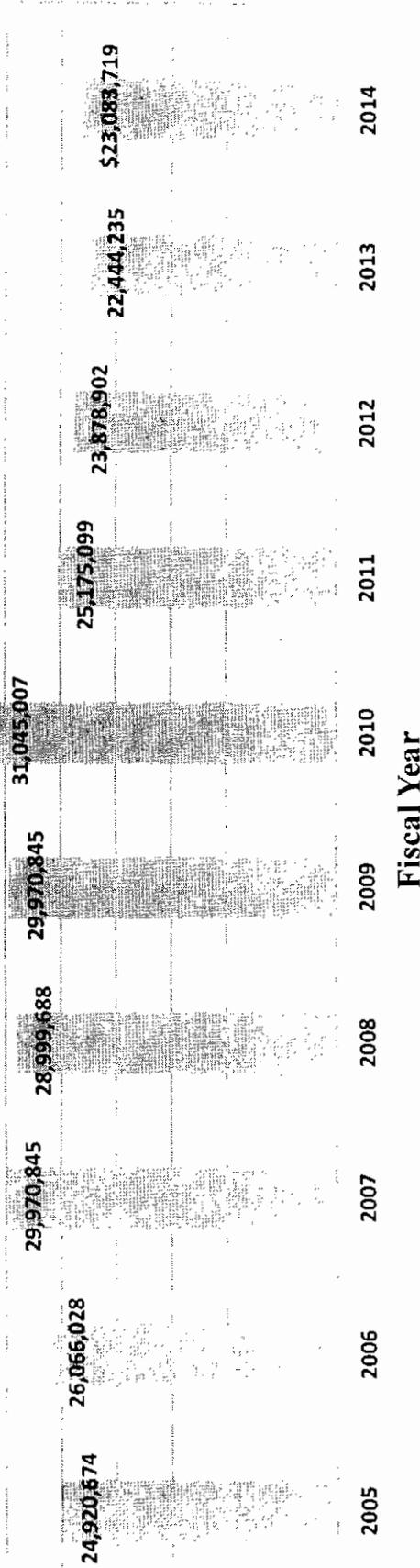
**CITY OF GREENVILLE, MISSISSIPPI**

**STATISTICAL INFORMATION**

**CITY OF GREENVILLE, MISSISSIPPI**  
**GOVERNMENTAL REVENUES BY SOURCE**  
 Last Ten Fiscal Years

Fiscal Year	Taxes	Fines, Fees, Licenses and Permits	Intergovernmental	Charges for Services	Rental Income	Miscellaneous Operating	Total Revenues
	2005	19,423,427	1,190,207	2,799,682	82,521	884,663	540,174
2006	19,594,891	987,644	3,748,990	119,420	989,999	625,084	26,066,028
2007	20,002,165	1,058,395	7,092,662	214,207	991,248	612,168	29,970,845
2008	20,456,307	819,561	4,313,548	1,800,169	975,112	634,991	28,999,688
2009	20,353,656	1,229,088	5,349,737	1,628,402	755,341	336,408	29,652,632
2010	21,150,238	904,484	6,500,612	1,444,171	792,144	253,358	31,045,007
2011	18,787,050	613,631	4,166,620	428,614	1,122,068	57,116	25,175,099
2012	19,084,941	578,489	2,516,825	370,793	1,163,941	163,913	23,878,902
2013	19,174,001	511,212	1,110,746	396,869	1,077,206	174,201	22,444,235
2014	\$ 19,870,163	\$ 647,199	\$ 1,062,572	\$ 387,913	\$ 968,035	\$ 147,837	\$ 23,083,719
Total							<u>\$219,708,875</u>

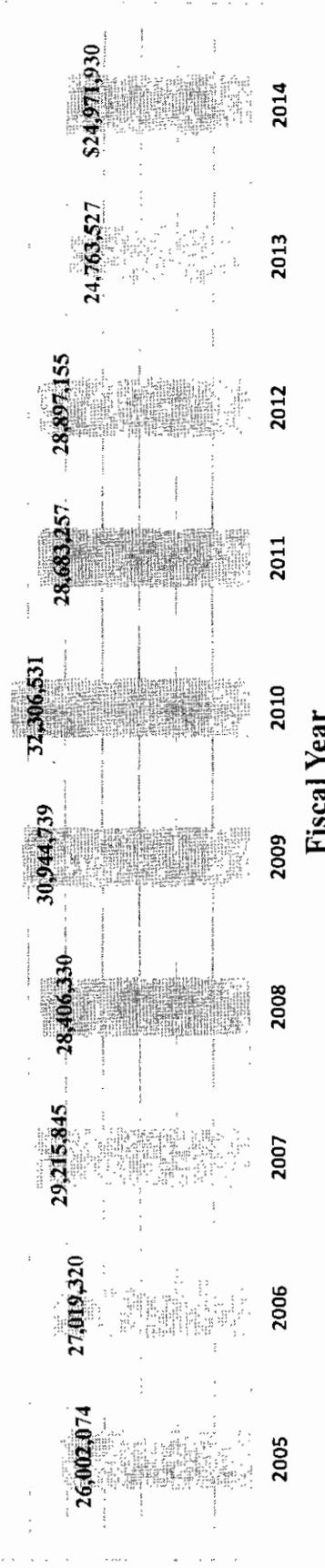
**Total Revenues**



**CITY OF GREENVILLE, MISSISSIPPI**  
**GOVERNMENTAL EXPENDITURES BY FUNCTION**  
 Last Ten Fiscal Years

Fiscal Year	Culture,										Total Expenditures
	General Government	Public Safety	Public Works	Health and Sanitation	Recreation & Economic Dev.	Airport	Capital Projects	Debt Service			
2005	2,892,871	9,850,670	2,365,453	294,000	978,903	779,571	5,955,542	2,885,064			26,002,074
2006	3,638,460	10,988,887	2,783,994	230,372	1,412,519	918,383	4,778,508	2,268,197			27,019,320
2007	4,214,847	9,330,734	2,766,475	294,000	976,621	845,796	8,569,502	2,217,870			29,215,845
2008	4,611,672	11,485,695	3,217,079	294,000	853,053	932,049	4,978,769	2,034,013			28,406,330
2009	3,859,020	12,788,587	2,067,676	294,000	863,524	999,319	6,447,273	3,625,340			30,944,739
2010	3,992,895	12,475,008	2,179,984	294,000	797,337	886,164	8,073,127	3,608,016			32,306,531
2011	2,149,415	11,366,152	5,913,414	471,404	1,147,114	4,361,606	-	3,274,152			28,683,257
2012	3,721,217	12,080,985	6,199,009	356,578	1,379,192	1,441,853	-	3,718,321			28,897,155
2013	2,203,438	11,737,899	4,366,970	365,428	1,198,444	1,285,770	-	3,605,578			24,763,527
2014	\$ 2,615,769	\$ 12,437,763	\$ 5,229,729	\$ 378,964	\$ 1,481,318	\$ 1,081,980	\$ -	\$ 1,746,407			\$ 24,971,930
Total											<u>\$231,475,251</u>

**Total Expenditures**



**CITY OF GREENVILLE, MISSISSIPPI  
COMPUTATION OF LEGAL DEBT MARGIN  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**

Date of Issue	Description	Total Outstanding G/O Debt	Bonds Subject To 15% Limitation	Bonds Subject To 20% Limitation
<b><u>OUTSTANDING GENERAL OBLIGATION DEBT:</u></b>				
05/10/07	Series 2007-Street Bond	\$ 1,550,000	\$ 1,550,000	\$ 1,550,000
08/22/08	Series 2008-Street Bond	1,640,000	1,640,000	1,640,000
05/18/10	Series 2010-Street Bond	1,410,000	1,410,000	1,410,000
07/03/13	SRF Refunding-GO Note	2,798,894		2,798,894
07/26/13	Parks & Equipment-GO Note	807,672	807,672	807,672
	Total Outstanding General Obligation Debt	<u>8,206,566</u>	<u>5,407,672</u>	<u>8,206,566</u>

**AUTHORIZED DEBT LIMIT:**

Assessed Value for the fiscal year ended September 30, 2014	204,931,805	30,739,771	40,986,361
Present Debt (Subject to 15% and 20% Limitation, respectively)		<u>5,407,672</u>	<u>8,206,566</u>
Margin for Further Indebtedness (Under 15% and 20% Limitation, respectively)		<u>\$ 25,332,099</u>	<u>\$ 32,779,795</u>

**LIMITATION OF INDEBTEDNESS - SECTION 21-33-303 AS AMENDED**

No municipality shall hereafter issue bonds secured by a pledge of its full faith and credit for the purposes authorized by law in an amount which, when added to the then outstanding bonded indebtedness of such municipality, shall exceed either (a) fifteen percent (15%) of the assessed value of taxable property within such municipality, according to the last completed assessment for taxation, or (b) ten percent (10%) of the assessment upon which taxes were levied for its fiscal year ending September 30, 1984, whichever is greater. In computing such indebtedness, there may be deducted all bonds or other evidences of indebtedness, heretofore or hereafter issued, for school, water, sewerage systems, gas, and light and power purposes and for the construction of special improvements primarily chargeable to the property benefited, or for the purpose of paying the municipality's proportion of any betterment program, a portion of which is primarily chargeable to the property benefited. However, in no case shall any municipality contract any indebtedness which, when added to all of the outstanding obligation indebtedness, both bonded and floating, shall exceed either (a) twenty percent (20%) of the assessed value of all taxable property within such municipality according to the last completed assessment for taxation or (b) fifteen percent (15%) of the assessment upon which taxes were levied for its fiscal year ending September 30, 1984, whichever is greater. Nothing herein contained shall be construed to apply to contract obligations in any form heretofore issued by any municipality for school purposes, or to contract obligations in any form heretofore or hereafter incurred by any municipality which are payable exclusively from the revenues of any municipality-owned utility, or to bonds issued by any municipality under the provisions of Sections 57-1-1 through 57-1-51, or to any special assessment improvement bonds issued by any municipality under the provisions of Sections 21-41-1 through 21-41-53.

**CITY OF GREENVILLE, MISSISSIPPI**

**SPECIAL REPORTS**



DAVID I. BRIDGERS, JR., CPA  
L. KARL GOODMAN, CPA, MBA

MEMBERS OF  
MISSISSIPPI SOCIETY OF CPA'S  
AMERICAN INSTITUTE OF CPA'S

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

Honorable Mayor and City Council  
City of Greenville  
Greenville, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Greenville, Mississippi, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 17, 2015.

**Internal Control over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs and Responses, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs and Responses as 2014-01 and 2014-02 to be material weaknesses.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement accounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our test disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs and Responses as item 2014-01. Also, we noted certain matters that we reported to the management of the City of Greenville, Mississippi, in the Limited Internal Control and Compliance Review Management Report dated June 17, 2015, included within this document.

The City of Greenville's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs and Responses. We did not audit the City's responses and, accordingly, we express no opinion on them.

### Purpose of this Report

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

*Bridgers & Goodman, PLLC*

Bridgers & Goodman, PLLC  
Certified Public Accountants  
Vicksburg, Mississippi

June 17, 2015



DAVID I. BRIDGERS, JR., CPA  
L. KARL GOODMAN, CPA, MBA

MEMBERS OF  
MISSISSIPPI SOCIETY OF CPA'S  
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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Honorable Mayor and City Council  
City of Greenville  
Greenville, Mississippi

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

We have audited the City of Greenville, Mississippi's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2014. The City of Greenville, Mississippi's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance of the City of Greenville, Mississippi's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Greenville, Mississippi's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the City of Greenville, Mississippi's compliance with those requirements.

## Report on Internal Control over Compliance

Management of the City of Greenville, Mississippi, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Greenville, Mississippi's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.

*Bridgers & Goodman, PLLC*  
Bridgers & Goodman, PLLC  
Certified Public Accountants  
Vicksburg, Mississippi

June 17, 2015



DAVID I. BRIDGERS, JR., CPA  
L. KARL GOODMAN, CPA, MBA

MEMBERS OF  
MISSISSIPPI SOCIETY OF CPA'S  
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**INDEPENDENT AUDITOR'S REPORT ON  
COMPLIANCE WITH STATE LAWS AND REGULATIONS**

Honorable Mayor and City Council  
City of Greenville  
Greenville, Mississippi

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Greenville, Mississippi, as of and for the fiscal year ended September 30, 2014, which collectively comprise the City of Greenville, Mississippi's basic financial statements and have issued our report thereon dated June 17, 2015. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

We have also performed procedures to test compliance with certain state laws and regulations. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the City's compliance with these requirements. Accordingly, we do not express such an opinion.

The results of procedures performed were to test compliance with certain state laws and regulations. Our audit of the financial statements disclosed an instance of noncompliance with other state laws and regulations as described in the Schedule of Findings and Questioned Cost and Responses as Finding 2014-01.

This report is intended solely for the information and use of management, City Council, State Auditor's Office and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*Bridgers & Goodman, PLLC*

Bridgers & Goodman, PLLC  
Certified Public Accountants  
Vicksburg, Mississippi

June 17, 2015



**BRIDGERS & GOODMAN, PLLC**

CERTIFIED PUBLIC ACCOUNTANTS

A Professional Corporation

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AMERICAN INSTITUTE OF CPA'S

## LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Honorable Mayor and City Council  
City of Greenville  
Greenville, Mississippi

In planning and performing our audit of the financial statements of the City of Greenville, Mississippi for the year ended September 30, 2014, we considered the City of Greenville, Mississippi's internal control to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on internal control.

In addition, for areas not considered material to the City of Greenville, Mississippi's financial reporting, we have performed some additional limited internal control and compliance tests. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the City's compliance with these requirements. Accordingly, we do not express such an opinion. This report does not affect our report dated June 17, 2015 on the financial statements of the City of Greenville, Mississippi.

The results of our review procedures and compliance tests identified certain immaterial instances that are opportunities for strengthening internal controls and operating efficiency. Our findings, recommendations, and your responses are disclosed below:

### Finding

The general ledger cash accounts are being used as clearing accounts for general journal entries when cash receipts or disbursements are not involved with the transaction. In reviewing the general ledgers, we noted numerous general journal entries recording and correcting transactions using the general ledger cash account as a clearing account.

### Recommendation:

The general ledger cash account should only record transactions that involve the receipt or disbursement of cash. The City should revise its procedures for recording transactions that have no effect on the general ledger cash account.

### Response:

The City will review its current process concerning general journal entries and initiate or revise policies and procedures it uses regarding these type entries.

The City of Greenville, Mississippi's responses to the findings included in this report were not audited, and accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the City Council, and others within the entity and is not intended to be and should not be used by anyone other than these parties. However, this report is a matter of public record and its distribution is not limited.

*Bridgers & Goodman, PLLC*

Bridgers & Goodman, PLLC  
Certified Public Accountants  
Vicksburg, Mississippi

June 17, 2015

**CITY OF GREENVILLE, MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS AND RESPONSES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**

**Section 1: Summary of Auditor's Results**

**Financial Statements:**

- |    |  |            |
|----|--|------------|
| 1. | Type of auditor's report issued on the primary governments financial statements.       | Unmodified |
| 2. | Internal control over financial reporting:   |            |
| a. | Material weakness identified?  | Yes        |
| b. | Significant deficiencies identified that are not considered to be material weaknesses? | No         |
| 3. | Material nonecompliance relating to the primary government financial statements?       | Yes        |

**Federal Awards:**

- |     |  |               |
|-----|--|---------------|
| 4.  | Internal control over major programs:  |               |
| a.  | Material weaknesses identified?  | No            |
| b.  | Significant deficiency identified that is not considered to be a material weakness?  | None Reported |
| 5.  | Type of auditors' report issued on compliance for major federal programs:  | Unmodified    |
| 6.  | Any audit findings reported as required by Section ____,510(a) of Circular A-133?  | No            |
| 7.  | Federal programs identified as major programs:   |               |
| a.  | Home Investment Partnership Program CFDA #14.239   |               |
| b.  | Airport Improvement Program CFDA #20.106   |               |
| c.  | ARRA-Brownfields Assessment and Cleanup<br>Cooperative Agreements CFDA #66.818   |               |
| 8.  | The dollar threshold used to distinguish between type A and type B programs:   | \$300,000     |
| 9.  | Auditee qualified as a low-risk auditee?   | No            |
| 10. | Prior fiscal year audit findings and questioned cost relative to federal awards which would require the auditee to prepare a summary schedule of prior audit findings as discussed in Section ____,315(b) of OMB Circular A-133? | No            |

**CITY OF GREENVILLE, MISSISSIPPI**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS AND RESPONSES (Cont'd)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**

**Section 2: Financial Statement Findings**

**Material Weakness**

Finding - 2014-01

The City is responsible for complying with the requirements of the State of Mississippi Policies and Procedures with reference to Public Purchasing Laws: Titles 31 and 37. A well designed purchasing system which would comply with the provisions of Titles 31 and 37 would include the use of purchase requisitions, purchase orders and receiving reports. During our test work, we selected 45 items and noted several instances where purchase orders were not signed, date sequence was illogical, and receiving reports were not signed and being properly used.

Recommendation

The City should review its system of internal control relating to purchasing and receiving and determine which areas should be strengthened to insure that all items have been properly received by the using department. It would be helpful if the City would appoint certain individuals in each department to serve as receiving clerks. Then the City would be able to provide training to these appointed individuals in relation to the receiving function. Additionally, accounts payable should review all invoices to insure that a purchase requisition, purchase order and receiving report are attached to each invoice prior to payment.

City of Greenville's Response

We will review our system of internal control relating to purchasing and receiving to determine what changes should be made to strengthen our receiving function.

**Material Weakness**

Finding - 2014-02

The City is responsible for reconciling general ledger cash account balances to bank balances each month on a timely basis to ascertain the completeness that all transactions have been recorded. The City is performing reconciliations on a pooled cash basis instead of an individual fund general ledger account basis. During our review of the general ledger accounts and bank balance reconciliation, we found that those fund general ledger account balances making up the City's primary bank account (Trust Operating) did not reconcile to the pooled cash reconciliation.

Recommendation:

The City should take steps necessary to allow reconciliations to be performed at the individual fund level so that the cash available by fund can be reconciled to the appropriate bank account.

City of Greenville's Response

The City is taking the necessary steps to allow reconciliations to be performed at the fund level.

**CITY OF GREENVILLE, MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS AND RESPONSES (Cont'd)  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**

**Section 3: Federal Award Findings and Questioned Costs**

The results of our tests did not disclose any finding and questioned costs related to federal awards.