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City of Corinth Mississippi

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VICKIE ROACH, CITY CLERK
RALPH DANCE, CHIEF OF POLICE
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MUNICIPAL



BUILDING

300 CHILDS STREET
P.O. BOX 669
CORINTH, MISSISSIPPI 38835-0669

ALDERMEN	
MIKE HOPKINS	AT-LARGE
ANDREW "BUBBA" LABAS	WARD 1
BEN ALBARRACIN	WARD 2
A.L. "CHIP" WOOD, III	WARD 3
J.C. HILL	WARD 4
MICHAEL McFALL	WARD 5

June 22, 2015

State of Mississippi
Office of the State Auditor
P.O. Box 956
Jackson, MS 39205

Re: 2014 City of Corinth Audit Report

Dear Mr. LcLeod,

Please find enclosed a copy of our 2014 audit report. If there is any other information needed, please let me know.

Sincerely,

A handwritten signature in black ink that reads "Vickie Roach".

Vickie Roach
City Clerk

Enclosure



CITY OF CORINTH, MISSISSIPPI
AUDITED FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2014

10/15/14
2014-15



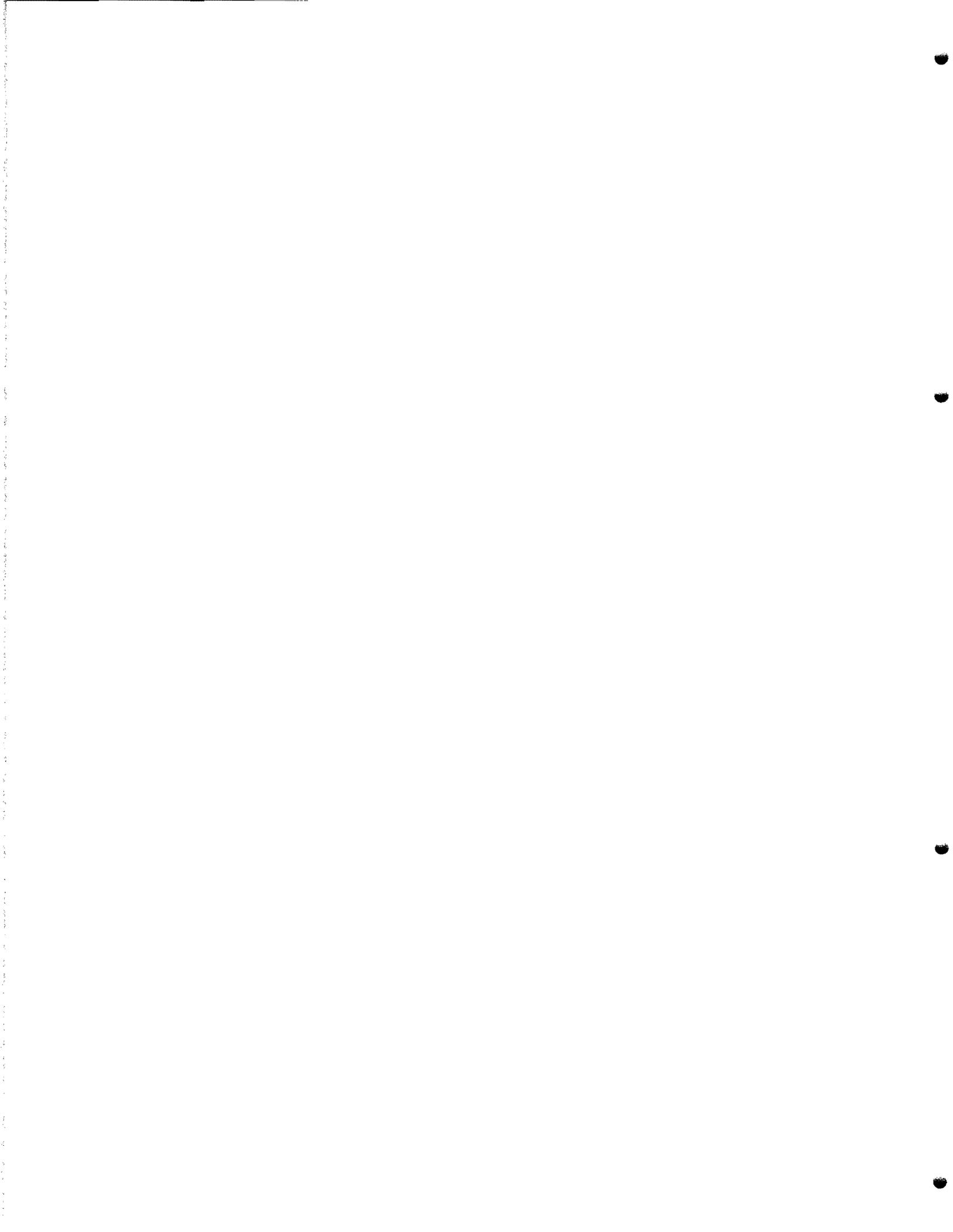
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CERTIFIED PUBLIC ACCOUNTANTS
LOCATIONS IN CORINTH, MS & BOONEVILLE, MS

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members
of the Board of Aldermen
City of Corinth, 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 Corinth, Mississippi, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City's primary government 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 an opinion 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 of 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.

Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units

The financial statements do not include financial data for the City's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with financial data of the City's primary government unless the City also issues financial statements for the financial reporting entity that include the financial data for its component units. The City has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities, net position, revenues and expenses of the aggregate discretely presented component units would have been presented as \$96,769,141, \$43,473,087, \$53,296,054, \$13,711,048 and \$11,687,193.

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units" paragraph, the financial statements referred to above do not present fairly, the financial position of the aggregate discretely presented component units of the City of Corinth, Mississippi, as of September 30, 2014, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to previously 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 Corinth, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison information on pages 4 through 8 and 35 through 37 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Corinth, Mississippi's basic financial statements. The combining other governmental funds financial statements, are presented for purpose of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profits Organizations, and is also not a required part of the basic financial statements.

The combining other governmental funds financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining other governmental funds financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Schedule of Surety Bond for Municipal Officials 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2015, on our consideration of the City of Corinth, 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 the 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 Corinth, Mississippi's internal control over financial reporting and compliance.

Brawner, Vanstony & Co., P.A.

June 16, 2015
Booneville, Mississippi

**CITY OF CORINTH, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

The discussion and analysis of the City of Corinth, Mississippi's financial performance provides an overall narrative review of the City's financial activities for the year ended September 30, 2014. The intent of this discussion and analysis is to look at the City's performance as a whole; readers should also review the notes to the basic financial statements and the financial statements to enhance their understanding of the City's financial performance. Information contained in this section is qualified by the more detailed information contained elsewhere in the City's financial statements, notes to financial statements and any accompanying materials. To the extent this discussion contains any forward-looking statements of the City's plans, objectives, expectations and prospects, the actual results could differ materially from those discussed herein.

FINANCIAL HIGHLIGHTS

- Total net position increased \$2,650,093, which represents a 7.38% increase from fiscal year 2013.
- General revenues account for \$11,997,647 in revenue, or 60.45% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$7,850,883 or 39.55% of total revenues.
- The City had \$17,120,474 in expenses; only \$7,850,883 of these expenses were offset by program specific charges for services, grants and contributions. General revenues of \$11,997,647 were adequate to provide for these programs.
- Among major funds, the General Fund had \$10,359,653 in revenues and \$10,174,521 in expenditures. The General Fund's fund balance increased \$427,494 over the prior year.
- Governmental activities capital assets, net of accumulated depreciation, increased by \$3,613,964 due to street improvements, a new fire truck and the arch pipe project. Business-type activities capital assets, net of accumulated depreciation, increased by \$2,718,626, due mainly to construction of a new sewage treatment plant.
- Governmental activities long-term debt increased by \$1,032,273 due to issuance of general obligation bond. Business-type activities long-term debt increased by \$4,121,034 due to payment on debt \$599,397 and new loan advances of \$4,720,431.

OVERVIEW OF FINANCIAL STATEMENTS

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

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. These statements are prepared using the accrual basis of accounting and include all assets and liabilities.

The statement of net position presents information on all 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 how the City's net position changed 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 years.

The government-wide financial statements outline functions of the City that are principally supported by property and sales taxes (governmental activities) and sewer and solid waste charges (business-type activities). The governmental activities of the City include general government, public safety, public service, culture and recreation, and interest on long-term liabilities.

The government-wide financial statements can be found on pages 9 and 10 of this report.

**CITY OF CORINTH, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

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 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: governmental funds, proprietary funds, and fiduciary funds.

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 current spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's current financing requirements. Governmental Funds are reported using modified accrual accounting. This method of accounting measures cash and other assets that can be easily converted to cash. The Governmental Funds Statements provide a detailed short-term view of the City's operations.

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 impact of the City's current 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. These reconciliations are on pages 12 and 14, respectively.

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 all major funds.

The basic governmental fund financial statements can be found on pages 11 and 13 of this report.

Proprietary Funds. Proprietary funds are used to account for the same functions reported as business-type activities in the government-wide financial statements, only in more detail. The City uses proprietary funds to account for the operations of the sewer system and solid waste system.

The basic proprietary fund financial statements can be found on pages 15-17 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because resources of those funds are not available to support the City's own programs. The accrual basis of accounting is used for fiduciary funds. The City is responsible for ensuring that the assets reported in these funds are used for their intended purpose. The City's fiduciary activities are presented in separate Statements of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position on pages 18 and 19.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 20 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's budget process.

The City adopts an annual operating budget for all governmental and proprietary funds. A budgetary comparison statement has been provided for the General Fund and each additional major special revenue fund. This required supplementary information can be found on pages 35-37 of this report.

**CITY OF CORINTH, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position. Net Position may serve over time as a useful indicator of government's financial position. In the case of the City, assets exceeded liabilities by \$38,568,264 as of September 30, 2014.

The largest portion of the City's net position (64.80%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens.

The City's financial position is a product of several financial transactions including the net result of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

The following table presents a summary of the City's net position for the fiscal year ended September 30, 2014 and 2013.

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and Other Assets	\$ 12,076,889	\$ 11,597,290	\$ 5,885,221	\$ 5,952,274	\$ 17,962,110	\$ 17,549,564
Capital Assets, Net	13,360,346	9,746,382	45,361,058	42,642,432	58,721,404	52,388,814
Total Assets	25,437,235	21,343,672	51,246,279	48,594,706	76,683,514	69,938,378
Other Liabilities	891,679	1,165,094	1,061,974	1,916,123	1,953,653	3,081,217
Long-Term Liabilities	5,872,482	4,790,918	27,855,313	23,724,078	33,727,795	28,514,996
Total Liabilities	6,764,161	5,956,012	28,917,287	25,640,201	35,681,448	31,596,213
Deferred Inflow of Resources	2,433,802	2,423,994	-	-	2,433,802	2,423,994
Net Position						
Net Investment in Capital Assets	7,487,864	4,955,464	17,505,745	18,918,354	24,993,609	23,873,818
Restricted	2,496,020	2,292,905	-	-	2,496,020	2,292,905
Unrestricted	6,255,388	5,715,297	4,823,247	4,036,151	11,078,635	9,751,448
Total Net Position	\$ 16,239,272	\$ 12,963,666	\$ 22,328,992	\$ 22,954,505	\$ 38,568,264	\$ 35,918,171

The following are significant current year transactions that have had an impact on the Statement of Net Position.

- The principal retirement of \$516,595 of long-term debt in the governmental activities and \$589,196 in the business-type activities.
- The acquisition of \$1,600,000 in long-term debt (see Note 6) in the governmental activities and \$4,720,431 in the business-type activities.
- The acquisition of \$3,613,964 in infrastructure improvements, mobile equipment, and furniture and equipment, net of depreciation, in the governmental activities.
- The acquisition of \$274,749 in equipment and \$3,890,639 of sewer line improvements in the business-type activities.

Changes in net position. The City's total revenues for the fiscal year ended September 30, 2014, were \$19,848,530. The total cost of all programs and services was \$17,120,474. The following table presents a summary of the changes in net position for the fiscal years ended September 30, 2014 and 2013.

**CITY OF CORINTH, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues						
Program Revenues	\$ 3,565,631	\$ 2,033,481	\$ 4,285,252	\$ 4,402,808	\$ 7,850,883	\$ 6,436,289
General Revenues	11,927,158	10,908,888	70,489	25,356	11,997,647	10,934,244
Transfers	-	(22,229)	-	22,229	-	-
Total Revenues	15,492,789	12,920,140	4,355,741	4,450,393	19,848,530	17,370,533
Expenses						
General Government	2,007,502	2,128,332	-	-	2,007,502	2,128,332
Public Safety	5,404,186	5,895,429	-	-	5,404,186	5,895,429
Public Service	2,852,570	2,260,646	-	-	2,852,570	2,260,646
Culture and Recreation	1,679,506	1,620,014	-	-	1,679,506	1,620,014
Sewer	-	-	3,236,774	3,134,584	3,236,774	3,134,584
Solid Waste	-	-	1,563,956	1,402,674	1,563,956	1,402,674
Interest on Long-Term Liabilities	189,026	179,738	186,954	197,738	375,980	377,476
Total Expenses	12,132,790	12,084,159	4,987,684	4,734,996	17,120,474	16,819,155
Increase (Decrease) in Net Position	\$ 3,359,999	\$ 835,981	\$ (631,943)	\$ (284,603)	\$ 2,728,056	\$ 551,378

Governmental activities: Governmental activities increased the City's net position by \$3,359,999. The largest funding sources for the City's governmental activities are sales taxes of \$6,986,102, or 45%, property taxes of \$3,545,471, or 23%, and grants and contributions of \$2,668,913, or 17%. The largest expense categories for the City's governmental activities are public safety 45%, public service 24% and general government 17%.

Business-type activities: Business-type activities decreased the City's net position by \$631,943. Charges for services are the major revenue categories for the proprietary funds. The business-type revenues are comprised of \$2,714,135 for the sewer system and \$1,571,117 for the sanitation fund.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

The financial performance of the City's governmental activities as a whole is reflected in its governmental funds. As the City completed the year, its governmental funds reported a combined fund balance of \$8,824,510, an increase of \$686,065. \$6,328,490 or 71.71% of the fund balance constitutes unreserved and undesignated fund balance, which is available for spending at the City's discretion. The remaining fund balance of \$2,496,020 or 29% is reserved or designated to indicate that it is not available for spending because \$2,088,054 or 23.66% is restricted for specific programs and \$407,966 or 4.63% is committed to specific programs.

The General Fund is the principal operating fund of the City. The increase in fund balance in the General Fund for the fiscal year was \$427,494, or 7.24%.

Proprietary Funds. The focus of the City's proprietary funds is the same as is provided in the government-wide financial statements, only in more detail. Unrestricted net position of the Sewer System Enterprise Fund at year-end amounted to \$3,712,831. The decrease in net position amounted to \$640,471. Unrestricted net position of the Sanitation Enterprise Fund at year-end amounted to \$1,110,416. The increase in net position amounted to \$8,528.

**CITY OF CORINTH, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

BUDGETARY HIGHLIGHTS

Over the course of the year, the City revised the annual operating budget for the General Fund to adjust line items between functions and increase budgeted expenditures based on revised revenue estimates.

Schedules showing the original and final budget amounts compared to the City's actual financial activity for the General Fund and each major special revenue fund are provided in this report as required supplementary information.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of September 30, 2014, the City's total capital assets were \$79,956,586, including land, buildings, construction in progress, infrastructure, and equipment. This amount represents an increase of \$8,109,544 from the previous year, due primarily to improvements to the wastewater treatment plant. Total accumulated depreciation as of September 30, 2014, was \$21,235,182, and total depreciation expense for the year was \$2,053,384, resulting in total net capital assets of \$58,721,404.

Additional information of the City's capital assets can be found in the Notes 1 and 4 of this report.

Debt Administration. At September 30, 2014, the City had \$34,214,743 in long-term debt outstanding, of which \$1,163,194 is due within one year. This represents an increase of \$5,153,307 as a result of general obligation bonds issued and advanced on the wastewater treatment plant loan.

Additional information of the City's long-term debt can be found in the Notes 1 and 5 of this report.

CURRENT ISSUES

The City of Corinth, Mississippi is financially stable.

The City has committed itself to financial excellence for many years. In addition, the City system of financial planning, budgeting and internal financial controls are well regarded. The City plans to continue its sound fiscal management to meet the challenges of the future.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

If you have questions about this report, contact the Mayor's Office of the City of Corinth, Mississippi, 300 Childs Street, Corinth, MS 38834.

CITY OF CORINTH, MISSISSIPPI
GOVERNMENT-WIDE STATEMENT OF NET POSITION
SEPTEMBER 30, 2014

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash in Bank	\$ 8,320,208	\$ 5,347,207	\$ 13,667,415
Accounts Receivable, Net	112,262	377,038	489,300
Property Taxes Receivable	2,433,802	-	2,433,802
Fines Receivable, Net of Allowance for Doubtful Accounts	451,898	-	451,898
Interfund Receivable (Payable)	4,000	(4,000)	-
Intergovernmental Receivables	754,719	164,976	919,695
Capital Assets Not Being Depreciated	1,013,056	19,797,889	20,810,945
Capital Assets, Net of Accumulated Depreciation	12,347,290	25,563,169	37,910,459
Total Assets	25,437,235	51,246,279	76,683,514
LIABILITIES			
Accounts Payable and Accrued Expenses	457,272	1,009,473	1,466,745
Long Term Liabilities:			
Compensated Absences	434,407	52,501	486,908
Due Within One Year	562,096	601,088	1,163,184
Due in More Than One Year	5,310,386	27,254,225	32,564,611
Total Liabilities	6,764,161	28,917,287	35,681,448
Deferred In Flows of Resources			
Unavailable Revenue - property taxes	2,433,802	-	2,433,802
Total Deferred In Flows of Resources	2,433,802	-	2,433,802
NET POSITION			
Net Investment in Capital Assets	7,487,864	17,505,745	24,993,609
Restricted Net Position:			
Expendable:			
Debt Service	828,518	-	828,518
Public Safety	372,843	-	372,843
Public Service	273,778	-	273,778
Culture & Recreation	1,020,881	-	1,020,881
Unrestricted	6,255,388	4,823,247	11,078,635
Total Net Position	\$ 16,239,272	\$ 22,328,992	\$ 38,568,264

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

**CITY OF CORINTH, MISSISSIPPI
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2014**

Functions/Programs	Program Revenues				Net (Expenses) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
Governmental Activities							
General Government	\$ 2,007,502	\$ 172,700	\$ 74,898	\$ -	\$ (1,759,904)	\$ -	\$ (1,759,904)
Public Safety	5,404,186	724,018	79,419	791,488	(3,809,261)	-	(3,809,261)
Public Service	2,852,570	-	353,331	1,114,506	(1,384,733)	-	(1,384,733)
Culture and Recreation	1,679,506	-	255,271	-	(1,424,235)	-	(1,424,235)
Interest on Long-Term Liabilities	189,026	-	-	-	(189,026)	-	(189,026)
Total Governmental Activities	12,132,790	896,718	762,919	1,905,994	(8,567,159)	-	(8,567,159)
Business-Type Activities							
Sewer	3,236,774	2,714,135	-	-	-	(522,639)	(522,639)
Solid Waste	1,563,956	1,571,117	-	-	-	7,161	7,161
Interest on Long-Term Liabilities	186,954	-	-	-	-	(186,954)	(186,954)
Total Business-Type Activities	4,987,684	4,285,252	-	-	-	(702,432)	(702,432)
Total Government	\$ 17,120,474	\$ 5,181,970	\$ 762,919	\$ 1,905,994	(8,567,159)	(702,432)	(9,269,591)
General Revenues:							
Taxes:							
Property					3,545,471	-	3,545,471
Sales					6,986,102	-	6,986,102
Franchise					595,089	-	595,089
Gasoline					13,990	-	13,990
Pro-Rata Road					153,242	-	153,242
Other Permits and Taxes					120,935	-	120,935
Non-Restricted Grants					7,267	-	7,267
Investment Earnings					17,751	4,855	22,606
Gain (Loss) on Sale of Capital Assets					2,125	-	2,125
Other					80,994	65,634	146,628
Recovery of Property From School					404,192	-	404,192
Total General Revenues and Transfers					11,927,158	70,489	11,997,647
Change in Net Position					3,359,999	(631,943)	2,728,056
Net Position, Beginning					12,963,666	22,954,505	35,918,171
Prior Period Adjustment					(84,393)	6,430	(77,963)
Net Position, Beginning - Restated					12,879,273	22,960,935	35,840,208
Net Position, Ending					\$ 16,239,272	\$ 22,328,992	\$ 38,568,264

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

**CITY OF CORINTH, MISSISSIPPI
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014**

	<u>Major Funds</u>			Total Governmental Funds
	General Fund	CDBG Fund	Other Governmental Funds	
ASSETS:				
Cash	\$ 5,936,833	\$ 4,010	\$ 2,379,365	\$ 8,320,208
Property Taxes Receivable	1,787,960	-	645,842	2,433,802
Intergovernmental Receivables	546,453	99,427	108,839	754,719
Fines Receivable, Net	451,898	-	-	451,898
Other Receivables	112,262	-	-	112,262
Due from Sewer Enterprise Fund	4,000	-	-	4,000
	<u>8,839,406</u>	<u>103,437</u>	<u>3,134,046</u>	<u>12,076,889</u>
Total Assets	<u>\$ 8,839,406</u>	<u>\$ 103,437</u>	<u>\$ 3,134,046</u>	<u>\$ 12,076,889</u>
LIABILITIES AND FUND BALANCES:				
Liabilities				
Accounts Payable	\$ 101,306	\$ 95,621	\$ -	\$ 196,927
Accrued Liabilities	169,752	-	-	169,752
	<u>271,058</u>	<u>95,621</u>	<u>-</u>	<u>366,679</u>
Total Liabilities	<u>271,058</u>	<u>95,621</u>	<u>-</u>	<u>366,679</u>
Deferred Inflows of Resources				
Unavailable Revenue - Property Taxes	1,787,960	-	645,842	2,433,802
Unavailable Revenue - Fines	451,898	-	-	451,898
	<u>2,239,858</u>	<u>-</u>	<u>645,842</u>	<u>2,885,700</u>
Total Deferred Inflows of Resources	<u>2,239,858</u>	<u>-</u>	<u>645,842</u>	<u>2,885,700</u>
FUND BALANCES:				
Restricted for				
Public Safety	-	-	372,843	372,843
Public Service	-	7,816	265,962	273,778
Debt Service	-	-	828,518	828,518
Culture and Recreation	-	-	612,915	612,915
Committed to				
Culture and Recreation	-	-	407,966	407,966
Unassigned	6,328,490	-	-	6,328,490
	<u>6,328,490</u>	<u>7,816</u>	<u>2,488,204</u>	<u>8,824,510</u>
Total Fund Balances	<u>6,328,490</u>	<u>7,816</u>	<u>2,488,204</u>	<u>8,824,510</u>
Total Liabilities and Fund Balances	<u>\$ 8,839,406</u>	<u>\$ 103,437</u>	<u>\$ 3,134,046</u>	<u>\$ 12,076,889</u>

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

**CITY OF CORINTH, MISSISSIPPI
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2014**

	Amount
Total Fund Balances - Governmental Funds	\$ 8,824,510
Amounts reported for governmental activities in the statement of net position are different because:	
1. Certain assets are not available to pay current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	451,898
2. Capital assets are used in governmental activities but are not financial resources, and, therefore, are not reported in the funds, net of accumulated depreciation of \$5,256,843. (Note 4)	13,360,346
3. Long-term liabilities are not due and payable in the current period, and, therefore, are not reported in the funds. (Note 5)	
General Obligation Bonds Payable	(5,515,000)
Bond Premiums	(23,067)
Bond Discounts	14,012
Other Loans Payable	(348,427)
Compensated Absences	(434,407)
4. Accrued interest is not due and payable in the current period and therefore, is not reported in the funds.	(90,593)
Total Net Position - Governmental Activities	\$ 16,239,272

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

CITY OF CORINTH, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2014

	Major Funds			Total Governmental Funds
	General Fund	CDBG Fund	Other Governmental Funds	
REVENUES:				
Taxes	\$ 2,294,346	\$ -	\$ 794,515	\$ 3,088,861
Licenses and Permits	716,024	-	-	716,024
Intergovernmental	6,504,122	2,238,900	1,544,023	10,287,045
Charges for Services	177,779	-	-	177,779
Fines and Forfeits	588,156	-	-	588,156
Other	79,226	45	15,429	94,700
Total Revenues	<u>10,359,653</u>	<u>2,238,945</u>	<u>2,353,967</u>	<u>14,952,565</u>
EXPENDITURES:				
Current				
General Government	2,475,537	-	-	2,475,537
Public Safety	6,051,334	-	24,043	6,075,377
Public Service	1,647,650	2,380,628	1,348,321	5,376,599
Culture and Recreation	-	-	1,679,506	1,679,506
Debt Service:				
Principal	-	-	516,595	516,595
Interest and Other Charges	-	-	149,203	149,203
Total Expenditures	<u>10,174,521</u>	<u>2,380,628</u>	<u>3,717,668</u>	<u>16,272,817</u>
Excess of Revenues Over (Under) Expenditures	<u>185,132</u>	<u>(141,683)</u>	<u>(1,363,701)</u>	<u>(1,320,252)</u>
OTHER FINANCING SOURCES (USES):				
Proceeds of general obligation bonds	-	-	1,600,000	1,600,000
Proceeds from sale of capital assets	2,125	-	-	2,125
Recovery of Property From School	404,192	-	-	404,192
Transfers in	-	204,955	-	204,955
Transfers out	(163,955)	-	(41,000)	(204,955)
Total Other Financing Sources (Uses)	<u>242,362</u>	<u>204,955</u>	<u>1,559,000</u>	<u>2,006,317</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	427,494	63,272	195,299	686,065
Fund Balance, Beginning of Year	<u>5,900,996</u>	<u>(55,456)</u>	<u>2,292,905</u>	<u>8,138,445</u>
Fund Balance, End of Year	<u>\$ 6,328,490</u>	<u>\$ 7,816</u>	<u>\$ 2,488,204</u>	<u>\$ 8,824,510</u>

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

**CITY OF CORINTH, MISSISSIPPI
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR YEAR ENDED SEPTEMBER 30, 2014**

	Amount
Net Change in Fund Balances - Governmental Funds	\$ 686,065
Amounts reported for governmental activities in the statement of activities are different because:	
1. Governmental funds report capital outlays as expenditures while governmental activities report depreciation to allocate those expenditures over the life of the assets. Capital assets purchased amounted to \$4,244,155 and the depreciation expense amounted to \$600,191. (Note 4)	3,643,964
2. Governmental funds report proceeds from the disposal of assets while governmental activities report net gain or loss.	(30,000)
3. Payment of principal on long-term liabilities is reported as an expenditure in the governmental funds, but the payment reduces long-term liabilities in the statement of net position. (Note 5)	516,595
4. Governmental funds report long-term debt proceeds as other sources, while governmental activities in the government wide statements report long-term debt proceeds as an increase in liabilities.	(1,600,000)
5. Increase in fines receivable is recorded as an adjustment to income.	129,216
6. Increase in accrued interest payable is recorded as an adjustment to interest expense.	(36,973)
7. Decrease in compensated absences is reported as an adjustment to various functions.	49,291
8. Amortization of bond premium	4,691
9. Amortization of bond discount	(2,850)
Change in Net Position	\$ 3,359,999

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

**CITY OF CORINTH, MISSISSIPPI
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2014**

	Business-Type - Enterprise Funds		
	Major Funds		
	Sewer System Fund	Sanitation Enterprise Fund	Total
ASSETS:			
Current Assets			
Cash in Bank	\$ 4,336,427	\$ 1,010,780	\$ 5,347,207
Accounts Receivable (Net of Allowance)	246,279	130,759	377,038
Intergovernmental Receivables	164,976	-	164,976
Total Current Assets	<u>4,747,682</u>	<u>1,141,539</u>	<u>5,889,221</u>
Noncurrent Assets			
Capital Assets Not Being Depreciated	19,797,889	-	19,797,889
Capital Assets, Net of Accumulated Depreciation	<u>25,119,555</u>	<u>443,614</u>	<u>25,563,169</u>
Total Noncurrent Assets	<u>44,917,444</u>	<u>443,614</u>	<u>45,361,058</u>
Total Assets	<u>49,665,126</u>	<u>1,585,153</u>	<u>51,250,279</u>
LIABILITIES:			
Current Liabilities			
Accounts Payable	955,355	-	955,355
Accrued Liabilities	36,946	17,172	54,118
Due to General Fund	4,000	-	4,000
Long-Term Liabilities, Due Within One Year	<u>601,088</u>	<u>-</u>	<u>601,088</u>
Total Current Liabilities	<u>1,597,389</u>	<u>17,172</u>	<u>1,614,561</u>
Noncurrent Liabilities			
Compensated Absences Payable	38,550	13,951	52,501
Long-Term Liabilities, Due in More Than One Year	<u>27,254,225</u>	<u>-</u>	<u>27,254,225</u>
Total Noncurrent Liabilities	<u>27,292,775</u>	<u>13,951</u>	<u>27,306,726</u>
Total Liabilities	<u>28,890,164</u>	<u>31,123</u>	<u>28,921,287</u>
NET POSITION:			
Net Investment in Capital Assets	17,062,131	443,614	17,505,745
Unrestricted	<u>3,712,831</u>	<u>1,110,416</u>	<u>4,823,247</u>
Total Net Position	<u>\$ 20,774,962</u>	<u>\$ 1,554,030</u>	<u>\$ 22,328,992</u>

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

CITY OF CORINTH, MISSISSIPPI
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Business-Type Activities - Enterprise Funds		
	Major Funds		
	Sewer System Fund	Sanitation Enterprise Fund	Total
OPERATING REVENUES:			
Charges for Services	\$ 2,714,135	\$ 1,571,117	\$ 4,285,252
Total Operating Revenues	<u>2,714,135</u>	<u>1,571,117</u>	<u>4,285,252</u>
OPERATING EXPENSES:			
Salaries and Benefits	865,984	748,466	1,614,450
Materials and Supplies	254,704	202,241	456,945
Repairs and Maintenance	338,253	336,723	674,976
Other Operating Expenses	480,834	120,332	601,166
Depreciation and Amortization	1,296,999	156,194	1,453,193
Total Operating Expenses	<u>3,236,774</u>	<u>1,563,956</u>	<u>4,800,730</u>
Operating Income (Loss)	<u>(522,639)</u>	<u>7,161</u>	<u>(515,478)</u>
NONOPERATING REVENUES (EXPENSES):			
Miscellaneous	65,634	-	65,634
Interest Income	3,488	1,367	4,855
Interest Expense	(186,954)	-	(186,954)
Total Nonoperating Revenues (Expenses)	<u>(117,832)</u>	<u>1,367</u>	<u>(116,465)</u>
Changes in Net Position	(640,471)	8,528	(631,943)
Net Position, Beginning of Year	<u>21,409,003</u>	<u>1,545,502</u>	<u>22,954,505</u>
Prior Period Adjustment	6,430	-	6,430
Net Position, As Restated	<u>21,415,433</u>	<u>1,545,502</u>	<u>22,960,935</u>
Net Position, End of Year	<u>\$ 20,774,962</u>	<u>\$ 1,554,030</u>	<u>\$ 22,328,992</u>

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

CITY OF CORINTH, MISSISSIPPI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Business - Type Activities - Enterprise Funds</u>		
	<u>Major Funds</u>		
	<u>Sewer System Fund</u>	<u>Sanitation Enterprise Fund</u>	<u>Total</u>
Cash Flows from Operating Activities:			
Cash Received from Customers and Users	\$ 2,712,521	\$ 1,569,939	\$ 4,282,460
Cash Paid to Suppliers	(1,066,429)	(659,296)	(1,725,725)
Cash Paid to Employees	(870,968)	(752,878)	(1,623,846)
Net Cash Provided by Operating Activities	<u>775,124</u>	<u>157,765</u>	<u>932,889</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition of Capital Assets	(4,789,940)	(227,565)	(5,017,505)
Loan Proceeds	4,720,431	-	4,720,431
Principal Payments on Long-Term Debt	(589,195)	-	(589,195)
Interest Paid	(186,954)	-	(186,954)
Net Cash Used by Capital and Related Financing Activities	<u>(845,658)</u>	<u>(227,565)</u>	<u>(1,073,223)</u>
Cash Flows from Investing Activities:			
Other Income	65,634	-	65,634
Interest Revenue Received	3,488	1,367	4,855
Cash Provided by Investing Activities	<u>69,122</u>	<u>1,367</u>	<u>70,489</u>
Net Increase (Decrease) in Cash	(1,412)	(68,433)	(69,845)
Cash and Cash Equivalents at Beginning of Year	<u>4,337,839</u>	<u>1,079,213</u>	<u>5,417,052</u>
Cash and Cash Equivalents at End of Year	<u>\$ 4,336,427</u>	<u>\$ 1,010,780</u>	<u>\$ 5,347,207</u>
Reconciliation of Operating Income to Cash Provided by Operating Activities:			
Operating Income	<u>\$ (522,639)</u>	<u>\$ 7,161</u>	<u>\$ (515,478)</u>
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation and Amortization Expense	1,296,999	156,194	1,453,193
Accounts Receivable	(1,614)	(1,178)	(2,792)
Accounts Payable and Accrued Expenses	6,251	1,956	8,207
Compensated Absences Payable	(3,873)	(6,368)	(10,241)
Total Adjustments	<u>1,297,763</u>	<u>150,604</u>	<u>1,448,367</u>
Net Cash Provided by Operating Activities	<u>\$ 775,124</u>	<u>\$ 157,765</u>	<u>\$ 932,889</u>

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

**CITY OF CORINTH, MISSISSIPPI
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2014**

	<u>Private Purpose Trust Fund</u>	<u>Agency Funds</u>
ASSETS		
Cash in Bank	<u>\$ 28,237</u>	<u>\$ 67,006</u>
Total Assets	<u>28,237</u>	<u>67,006</u>
 LIABILITIES		
Amount Held for Others	<u>-</u>	<u>67,006</u>
Total Liabilities	<u>-</u>	<u><u>\$ 67,006</u></u>
 NET POSITION		
Held in Trust	<u><u>\$ 28,237</u></u>	

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

**CITY OF CORINTH, MISSISSIPPI
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Private-Purpose Trust Fund
ADDITIONS:	
Interest Income	\$ 24
Lot Sales	3,150
Total Revenues	3,174
DEDUCTIONS:	
Other	1,905
Changes in Net Position	1,269
Net Position, Beginning of Year	26,968
Net Position, End of Year	\$ 28,237

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

**CITY OF CORINTH, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

I. Summary of Significant Accounting Policies

Except as described below under "A. Financial Reporting Entity", the accompanying financial statements of the City of Corinth, Mississippi, have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the accepted standard-setting body for governmental accounting and financial reporting principles. The most significant of the City's accounting policies are described below.

The City of Corinth was incorporated March, 1855, and operates under an Aldermen-Mayor form of government. The city's major operations include public safety (fire and police protection), public service (street and drainage services), culture and recreation, and general government. In addition, the City owns and operates a sewer system and solid waste system.

A. Financial Reporting Entity

These financial statements present the City's primary government only. Management has chosen to omit from these financial statements the following component units, which have a significant operational or financial relationship with the City. Accordingly, the financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of the City of Corinth, Mississippi, and the changes in its financial position and its cash flows, where applicable, as of and for the year ended September 30, 2014, in conformity with accounting principles generally accepted in the United States of America.

Corinth Utility Commission

Corinth Library Commission

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, and fund financial statements, which provide a more detailed level of financial information for the primary government.

Government-Wide Financial Statements:

The Statement of Net Position and Statement of Activities display information about the primary government as a whole. They include all funds of the primary government except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities rely to a significant extent on fees and charges for support. Governmental and business-type activities are reported separately.

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

Fund Financial Statements:

Fund financial statements of the primary government 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 constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, business-type and fiduciary. An emphasis is placed on major funds within governmental and business-type categories.

CITY OF CORINTH, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus and Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, activities 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. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Program revenues on the Statement of Activities consist primarily of charges for services and state and federal awards.

In the fund financial statements, governmental funds and agency funds are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when “measurable and available”. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Property taxes, state appropriations and federal awards associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which is reported when due.

The City reports the following major governmental funds:

General Fund – This is the City’s primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.

CDBG Fund – This special revenue fund is used to account for the proceeds of grants which are used for various projects of the City.

All other governmental funds not meeting the criteria established for major funds are presented in the other governmental column of the fund financial statements.

Additionally, the City reports the following fund types and funds, when applicable:

GOVERNMENTAL FUNDS

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than capital projects) that are legally restricted for specific expenditure purposes.

Debt Service Funds – Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital Projects Funds – Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

FIDUCIARY FUNDS

Private-Purpose Trust Funds – Private-purpose trust funds are used to report all trust arrangements, other than those reported elsewhere, under which the principal and income benefit individuals, private organizations or other governments.

Agency Funds – Agency Funds are used to report resources held by the city in a purely custodial capacity (assets equal liabilities) and do not involve measurement of results of operations.

**CITY OF CORINTH, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus and Basis of Accounting (continued)

PROPRIETARY FUNDS

Sewer System Fund – This fund accounts for the activities of the City’s sewer systems operations.

Sanitation Enterprise Fund – This fund accounts for the activities of the City’s solid waste operations.

D. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure (e.g., roads, bridges, sidewalks, drainage systems, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Governmental activities capital assets, other than infrastructure assets, are defined by the government as assets with an estimated useful life greater than one year, an initial, individual cost greater than \$5,000 for furniture and equipment; \$25,000 for building improvements and improvements other than buildings; and \$50,000 for buildings. These capitalization thresholds are consistent with the suggested thresholds in the *Mississippi Municipal Audit and Accounting Guide*, issued by the Mississippi Office of the State Auditor. Business-type activities capital assets are defined as assets with an initial cost greater than \$500 and an estimated useful life greater than one year.

As allowable under GASB 34 for Phase III governments, the City has elected to report only prospectively the cost of general infrastructure assets.

All property, plant and equipment are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated property, plant and equipment are valued at their estimated fair market value on the date donated.

Depreciation is calculated on the straight-line basis using the following useful lives.

Land	N/A
Buildings	40 years
Building Improvements	20 years
Improvements other than Buildings	20 years
Infrastructure	20 years
Furniture and Equipment	3 – 10 years
Sewer System Infrastructure	50 years

E. Long-Term Liabilities

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

CITY OF CORINTH, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

1. Summary of Significant Accounting Policies (continued)

F. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed as an extension of formal budgetary integration of the City funds.

G. Cash and Other Deposits

The City deposits excess funds in the financial institutions selected by the City board. State statutes specify how these depositories are to be selected.

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 the state.

Cash consists of amounts on deposit in demand accounts. Other deposits consist of certificates of deposit and other highly liquid investments. Cash and other deposits are valued at cost.

H. Allowance for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This allowance is estimated by analyzing the allowance for doubtful accounts percentage of receivables from prior years.

I. Compensated Absences

Employees of the City accumulate sick and personal leave at a minimum amount as required by state law or at a greater amount provided by City policy. The City pays for unused personal leave for employees as provided by City policy for each department.

The liability for these compensated absences is recorded as a long-term liability in the government-wide statements.

J. Statement of Cash Flows

For the purpose of cash flows, the Enterprise Funds consider all liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

K. Equity Classifications

Government-Wide Financial Statements:

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

1. Net Investment in capital assets – Consists of capital assets including restricted assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, constructions or improvement of those assets.
2. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

CITY OF CORINTH, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

1. Summary of Significant Accounting Policies (continued)

K. Equity Classifications (continued)

Governmental Financial Statements:

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

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

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

Assigned fund balance. This classification reflects the amounts constrained by the City’s “intent” to be used for specific purposes, but are neither restricted nor committed. The City Board and City Manager have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed. No amounts have been assigned as of September 30, 2014.

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

When both restricted and unrestricted resources are available for use, it is the City’s policy to use externally restricted resources first, then unrestricted resources, committed, assigned, and unassigned, in order as needed.

L. Inter-fund Transactions and Balances

During the course of normal operations, numerous transactions occur between individual funds that may result in amounts owed between funds. These receivables and payables are classified as “due from other funds” or “due to other funds” on the governmental funds balance sheet. These interfund balances are eliminated in the Statement of Net Position.

M. Property Tax Revenues

Numerous statutes exist under which the Board of Aldermen 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 Board of Aldermen, each year in September, levies property taxes for the ensuing fiscal year which begins 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.

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 collectibility criteria for property tax recognition because the lien and due date cannot be established until the date of original purchase occurs.

CITY OF CORINTH, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

1. Summary of Significant Accounting Policies (continued)

M. Property Tax Revenues (continued)

Section 35-57-1 et seq., Mississippi Code 1972, requires that the City levy and collect all taxes for and on behalf of the municipal separate school district. Section 39-3-7, Mississippi Code 1972, authorized the City to levy and collect a tax not in excess of three mills for the support of any public library system located within the municipality. Ad valorem taxes collected and settled in accordance with the above-noted statutory authorities are not recognized as revenues and expenditures of the City.

N. Intergovernmental Revenues in Governmental Funds

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

O. Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenditures/expenses. Actual results could vary from the estimates that were used.

P. Deferred Outflows/Inflows of Revenue

In addition to assets, the statements 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. At this time, the City has no transactions that meet the definition of deferred outflows of resources.

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

Property tax for future reporting period/unavailable revenue – property taxes – Deferred inflows of resources should be reported when resources associated with imposed non-exchange revenue transactions are received or reported as a receivable before the period which property taxes are levied.

Unavailable revenue – fines – When an asset is recorded in the governmental fund financial statements but the revenue is not available, the government should report a deferred inflow of resources until such time as the revenue becomes available.

Q. New Pronouncements

In April 2012, the GASB issued statement No. 65, Items Previously Reported as Assets and Liabilities. Beginning with fiscal year 2013, the City implemented the provisions of this statement which establishes accounting standards and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities, and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. Implementation of these new Statements resulted in a restatement of beginning net position in the City's governmental activities statement of activities.

**CITY OF CORINTH, MISSISSIPPI
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2014**

2. Cash and Other Deposits

The collateral for public entities' deposits in financial institutions is 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 the public deposits not covered by the Federal Deposit Insurance Corporation.

The carrying amount of the City's deposits with financial institutions was \$13,762,958, and the bank balance was \$14,700,542.

Custodial Credit Risk – Deposits. Custodial credit risk is defined as 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 the possession of an outside party. The City does not have a formal policy for custodial credit risk. However, the Mississippi State Treasurer manages the 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. As of September 30, 2014, none of the City's bank balance of \$14,700,542 was exposed to custodial credit risk.

Interest Rate Risk – The City has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

3. Transfers In/Out

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
CDBG Fund	General Fund	\$ 163,955
CDBG Fund	Other Governmental Funds	41,000
Total		<u>\$ 204,955</u>

The principle purpose of interfund transfers was to provide funds for operating expenses. All interfund transfers were routine and consistent with the activities of the fund making the transfer.

**CITY OF CORINTH, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

4. Capital Assets

The following is a summary of changes in governmental activities capital assets during the fiscal year:

	Balance 10/1/13	Additions	Retirements	Adjustments/ Completed Construction	Balance 9/30/2014
<u>Governmental Activities</u>					
<u>Non-depreciable capital assets</u>					
Land	\$ 449,644	\$ 205,339	\$ -	\$ -	\$ 654,983
Construction in progress	718,070	1,314,084	-	(1,674,081)	358,073
Total non-depreciable capital assets	<u>1,167,714</u>	<u>1,519,423</u>	<u>-</u>	<u>(1,674,081)</u>	<u>1,013,056</u>
<u>Depreciable capital assets:</u>					
Buildings	5,121,231	323,353	-	573,980	6,018,564
Infrastructure - Streets	5,362,424	1,345,333	-	1,100,101	7,807,858
Mobile equipment	2,633,964	1,056,046	300,000	-	3,390,010
Furniture and equipment	387,701	-	-	-	387,701
Total depreciable capital assets	<u>13,505,320</u>	<u>2,724,732</u>	<u>300,000</u>	<u>1,674,081</u>	<u>17,604,133</u>
<u>Less accumulated depreciation</u>					
Buildings	1,765,538	104,247	-	-	1,869,785
Infrastructure - streets	775,687	206,083	-	-	981,770
Mobile equipment	2,135,642	268,679	270,000	-	2,134,321
Furniture and equipment	249,785	21,182	-	-	270,967
Total accumulated depreciation	<u>4,926,652</u>	<u>600,191</u>	<u>270,000</u>	<u>-</u>	<u>5,256,843</u>
Total depreciable capital assets, net	<u>8,578,668</u>	<u>2,124,541</u>	<u>30,000</u>	<u>1,674,081</u>	<u>12,347,290</u>
Total Governmental activities capital assets, net	<u>\$ 9,746,382</u>	<u>\$ 3,643,964</u>	<u>\$ 30,000</u>	<u>\$ -</u>	<u>\$ 13,360,346</u>

Depreciation expense was charged to the following governmental functions:

General Government	\$ 98,959
Public Safety	250,533
Public Service	250,699
Total governmental activities depreciation expense	<u>\$ 600,191</u>

Commitments on construction contracts at September 30, 2014, are as follows:

Drainage Assessment Project	<u>\$ 4,810,000</u>
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**CITY OF CORINTH, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

4. Capital Assets (continued)

The following is a summary of changes in business-type activities capital assets during the fiscal year:

	Balance 10/1/2013	Additions	Retirements	Adjustments/ Completed Construction	Balance 9/30/14
<u>Business-type Activities</u>					
<u>Non-depreciable capital assets</u>					
Land	\$ 17,500	\$ -	\$ -	\$ -	\$ 17,500
Construction in progress	15,889,750	3,890,639	-	-	19,780,389
Total non-depreciable capital assets	<u>15,907,250</u>	<u>3,890,639</u>	<u>-</u>	<u>-</u>	<u>19,797,889</u>
<u>Depreciable capital assets:</u>					
Sewer plant and buildings	38,324,760	-	-	-	38,324,760
Mobile equipment	2,360,845	274,749	-	-	2,635,594
Furniture and equipment	581,153	-	-	1	581,154
Total depreciable capital assets	<u>41,266,758</u>	<u>274,749</u>	<u>-</u>	<u>1</u>	<u>41,541,508</u>
<u>Less accumulated depreciation</u>					
Sewer plant and buildings	12,552,879	1,177,180	-	-	13,730,059
Mobile equipment	1,539,285	238,640	-	(6,430)	1,771,495
Furniture and equipment	439,412	37,373	-	-	476,785
Total accumulated depreciation	<u>14,531,576</u>	<u>1,453,193</u>	<u>-</u>	<u>(6,430)</u>	<u>15,978,339</u>
Total depreciable capital assets, net	<u>26,735,182</u>	<u>(1,178,444)</u>	<u>-</u>	<u>6,431</u>	<u>25,563,169</u>
Total Business-type activities capital assets, net	<u>\$ 42,642,432</u>	<u>\$ 2,712,195</u>	<u>\$ -</u>	<u>\$ 6,431</u>	<u>\$ 45,361,058</u>

Adjustments were made to capital assets to add salvage value back that was depreciated in error.

Depreciation expense was charged to the following business-type functions:

Sewer	\$ 1,296,999
Solid Waste	<u>156,194</u>
Total business-type activities depreciation expense	<u>\$ 1,453,193</u>

Commitments on construction contracts at September 30, 2014, are as follows:

Sewer Treatment Plant	<u>\$ 1,548,768</u>
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CITY OF CORINTH, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

5. Long-Term Debt

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

	Balance 10/1/13	Additions	Reductions	Balance 9/30/14	Amounts due within one year
A. General Obligation					
Bonds Payable	\$ 4,415,000	\$ 1,600,000	\$ 500,000	\$ 5,515,000	\$ 545,000
Add: Bond Premiums	27,758	-	4,691	23,067	-
Less: Bond Discounts	(16,862)	-	(2,850)	(14,012)	-
B. Other Loans Payable	365,022	-	16,595	348,427	17,096
C. Compensated Absences Payable	483,698	-	49,291	434,407	-
Total	<u>\$ 5,274,616</u>	<u>\$ 1,600,000</u>	<u>\$ 567,727</u>	<u>\$ 6,306,889</u>	<u>\$ 562,096</u>

A. General Obligation Bonds Payable.

Debt currently outstanding is as follows:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Series 2011	2.0 - 2.5%	9/6/2011	4/1/2018	\$ 2,280,000	\$ 1,145,000
Series 2009	3.3 - 4.7%	12/28/2009	12/1/2029	3,200,000	2,770,000
Series 2013	3.30- 3.5%	12/19/2013	12/1/2028	1,600,000	1,600,000
				<u>\$ 7,080,000</u>	<u>\$ 5,515,000</u>

The following is a schedule by years of the total payments due on this debt:

Year Ending June 30,	Principal	Interest	Total
2015	\$ 545,000	\$ 205,186	\$ 750,186
2016	565,000	164,770	729,770
2017	395,000	148,668	543,668
2018	410,000	135,968	545,968
2019	240,000	122,713	362,713
2020 - 2024	1,355,000	484,018	1,839,018
2025 - 2029	1,770,000	217,720	1,987,720
2030	235,000	4,818	239,818
Total	<u>\$ 5,515,000</u>	<u>\$ 1,483,861</u>	<u>\$ 6,998,861</u>

The general obligation bonds were issued to provide funds for the construction of major capital facilities. These bonds are direct obligations and pledge the full faith and credit of the City.

This debt will be retired from the Municipal Bond and Interest Fund.

**CITY OF CORINTH, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

5. Long-Term Debt (continued)

B. Other Loans Payable

Other loans payable consists the following:

<u>Description</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
CAP Loan	3.00%	11/1/2010	11/1/2030	<u>\$ 411,265</u>	<u>\$ 348,427</u>

The following is a schedule by years of the total payments due on this debt:

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 17,096	\$ 10,274	\$ 27,370
2016	17,616	9,754	27,370
2017	18,152	9,218	27,370
2018	18,704	8,666	27,370
2019	19,273	8,097	27,370
2020-2024	105,521	31,331	136,852
2025-2029	122,575	14,277	136,852
2030-2031	29,490	726	30,216
Total	<u>\$ 348,427</u>	<u>\$ 92,343</u>	<u>\$ 440,770</u>

The CAP Loan was issued to provide funds for the construction of a new fire station.

The debt will be retired from the Municipal Fire Protection Fund.

**CITY OF CORINTH, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

5. Long-Term Debt (continued)

The following is a summary of changes in long-term debt of the City's business-type activities for the year ended September 30, 2014:

	Balance 10/1/13	Additions	Reductions	Balance 9/30/14	Amounts due within one year
A. Other Loans Payable	23,724,078	4,720,431	589,196	27,855,313	601,088
B. Compensated Absences Payable	62,742	-	10,241	52,501	-
Total	<u>\$ 23,786,820</u>	<u>\$ 4,720,431</u>	<u>\$ 599,437</u>	<u>\$ 27,907,814</u>	<u>\$ 601,088</u>

A. Other Loans Payable.

Other loans payable consists of two loans from the Mississippi Department of Environmental Quality State Revolving Loan Fund. Payments for these loans are withheld from sales tax payments due to the City.

Advances on WPCRLF loan number SRF-C-280855-03-1 totaled \$4,720,431.

Debt currently outstanding is as follows:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
State Revolving Loan Fund Loan Payable	1.75%	5/22/2012	3/14/2034	\$ 20,376,500	\$ 18,827,732
State Revolving Loan Fund Loan Payable	2.00%	10/6/2006	12/1/2027	12,655,057	9,027,581
				<u>\$ 33,031,557</u>	<u>\$ 27,855,313</u>

The following is a schedule by years of the total payments due on this debt, excluding loan #SRF-C280855-03-1 of \$18,827,732, which has no established amortization schedule at September 30, 2014:

Year Ending September 30,	Principal	Interest	Total
2015	\$ 601,088	\$ 175,061	\$ 776,149
2016	613,221	162,928	776,149
2017	625,598	150,551	776,149
2018	638,225	137,924	776,149
2019	651,107	125,042	776,149
2020-2024	3,458,057	422,691	3,880,748
2025-2028	2,440,285	82,201	2,522,486
Total	<u>\$ 9,027,581</u>	<u>\$ 1,256,398</u>	<u>\$ 10,283,979</u>

This debt will be retired from the Sewer System Enterprise Fund.

**CITY OF CORINTH, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

Compensated Absences Payable.

As more fully explained in Note 1(I), compensated absences payable is adjusted on an annual basis as required by Section 37-7-307(5), Miss. Code Ann. (1972). Compensated absences will be paid from the fund from which the employees' salaries were paid.

6. No Commitment Debt

No commitment debt is repaid by the entities for whom the debt was issued and includes debt that either bears the city's name or for which a moral responsibility may exist that is not an enforceable promise to pay. No commitment debt explicitly states the absence of obligation by the city other than possibly an agreement to assist creditors in exercising their rights in the event of default. The City of Corinth and Alcorn County issued this debt on a basis of 45% city and 55% county. Because a default may adversely affect the city's own ability to borrow, the principal amount of such debt outstanding at year end is disclosed as follows:

	Balance at 9/30/14	City Share
Hospital Revenue Bonds, Series 2011 A	\$ 80,955,000	\$ 36,429,750

7. Property Taxes

The millage rate for the City for October 1, 2013, through September 30, 2014, was 95.0 mills, broken down as follows:

School: Public School Purposes	43.00	Mills
School: School Three Mill Notes	3.00	Mills
School: General Obligation Bonds	12.00	Mills
School: Vo-Tech Fund	1.20	Mills
General Revenue and General Improvement	26.30	Mills
Corinth Library	1.50	Mills
Parks and Playgrounds	2.00	Mills
Municipal bond and Interest	6.00	Mills
Total	95.00	Mills

The distribution of taxes to funds was found to be in accordance with prescribed tax levies, and uncollected taxes were determined to be properly handled.

**CITY OF CORINTH, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

8. Joint Ventures

The City of Corinth is a participant with Alcorn County in a joint venture, authorized by Section 61-3-5, Miss. Code Ann. (1972), to operate the Corinth-Alcorn County Airport. The joint venture was created to provide an airport for the area, and is governed by a five member board of commissioners appointed as follows: Alcorn County, two; City of Corinth, two; jointly, one. The City contributed \$414,829, including expenditures from grants, to support the operation of this joint venture during the year ended September 30, 2014. Complete financial statements for the Corinth-Alcorn County Airport can be obtained from the Corinth-Alcorn County Airport, 56 County Road 613, Corinth, MS 38834.

The City of Corinth is a participant with Alcorn County in a joint venture to operate the Siege and Battle of Corinth Commission. The joint venture was created to promote tourism, and is governed by a five member Board appointed as follows: Alcorn County, two; City of Corinth, two; jointly, one. Complete financial statements for the Siege and Battle of Corinth Commission can be obtained from Siege and Battle of Corinth Commission, P.O. Box 45, Corinth, MS 38835.

The City of Corinth is a participant with Alcorn County in a joint venture, authorized by Section 41-13-15, Miss. Code Ann. (1972), to operate the Magnolia Regional Health Center. The joint venture was created to provide a community hospital for the area, and is governed by a five member board of directors, two appointed by the county board of supervisors, two appointed by the city and one jointly appointed. Complete financial statements for the Magnolia Regional Health Center can be obtained from Magnolia Regional Health Center, 611 Alcorn Drive, Corinth, MS 38834.

The City of Corinth is a participant with Alcorn County in a joint venture, authorized by Section 55-9-1, Miss. Code Ann. (1972), to operate the Corinth-Alcorn County Recreation Commission. The joint venture was created to provide recreational opportunities for the area and is governed by a five member board. Each entity appoints two of the five board members, and the fifth is jointly appointed. The City contributed \$494,813 to support the operation of this joint venture during the year ended September 30, 2014. Complete financial statements for the Corinth-Alcorn County Recreation Commission can be obtained from Corinth-Alcorn County Recreation Commission, P.O. Box 1372, Corinth, MS 38835.

The City of Corinth is a participant with Alcorn County in a joint venture, established by local and private legislation (Senate Bill 3219), 1997 Session, to operate the Corinth Area Convention and Visitors Bureau. The joint venture was created to promote tourism and is governed by a seven member board of directors. Each entity appoints one board member, the Corinth Area Restaurant Association appoints three board members and the Corinth Area Hotel-Motel-Inn-Bed and Breakfast Association appoints three board members. The joint venture is funded with one-half of a 2 percent sales tax on motel and food and beverage sales within the City of Corinth. Complete financial statements for the Corinth Area Convention and Visitors Bureau can be obtained from Corinth Area Convention and Visitors Bureau, P.O. Box 2158, Corinth, MS 38835.

The City of Corinth is a participant with Alcorn County in a joint venture, established by local and private legislation (Senate Bill 3219), 1997 Session, to operate the Crossroads Arena. The joint venture was created to operate an arena for various events and is governed by a seven member board of directors. Each entity appoints three board members, and the seventh is jointly appointed. The City contributed \$6,355 to support the operation of this joint venture during the year ended September 30, 2014. Complete financial statements for the Crossroads Arena can be obtained from Crossroads Arena, 2800 Harper Road, Corinth, MS 38834.

9. Defined Benefit Pension Plan

Plan Description. The City of Corinth 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 information may be obtained by writing to Public Employee Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling (601) 359-3589 or 1-800-444-PERS.

**CITY OF CORINTH, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

9. Defined Benefit Pension Plan (continued)

Funding Policy. PERS members are required to contribute 9.0% of their annual covered salary, and the City of Corinth is required to contribute at an actuarially determined rate. The current rate is 15.75% annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The City of Corinth's contributions to PERS for the years ending September 30, 2014, 2013, and 2012, were \$886,640, \$792,129, and \$699,416, respectively, equal to the required contributions for each year.

10. Commitments and Contingencies

Litigation - The City of Corinth is party to legal proceedings, many of which occur in the normal course of governmental operations. It is not possible at the present time to estimate outcome or liability, if any, of the City with respect to the various proceedings. However, the City's legal counsel does not expect any liability resulting from these lawsuits will have a material adverse effect on the financial condition of the City.

Federal Grants - The City participates in numerous federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required. Accordingly, no provision for any liability that may result has been recognized in the City's financial statements.

See Note 4 for commitments on construction contracts.

11. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of Position; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for these risks. Settled claims resulting from these insured risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

12. Prior Period Adjustment

A summary of fund equity adjustments is as follows:

Statement of Activities.

<u>Explanation</u>	<u>Amount</u>
Bond Issue Cost Paid in Prior Years	\$ (84,393)
Salvage Value of Assets	6,430
	<u>\$ (77,963)</u>

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

<u>Explanation</u>	<u>Amount</u>
Salvage Value of Assets	\$ 6,430
	<u>\$ 6,430</u>

13. Subsequent Events

Events that occur after the statement of net position date but before the financial statements were 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 has evaluated the activity of the city through June 16, 2015, (the date the financial statements were available to be issued) and concluded that the following subsequent events have occurred that would require disclosure in the notes to the financial statements.

Advances on WPCRLF loan number SRF-C-280855-03-1 subsequent to September 30, 2014, through June 16, 2015, amounted to \$1,548,768.

CITY OF CORINTH, MISSISSIPPI
BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND
NON-GAAP BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts		Actual	Variances	
	Original	Final	(NON-GAAP Basis)	Original to Final	Final to Actual
REVENUE:					
Taxes	\$ 2,421,100	\$ 2,443,600	\$ 2,294,346	\$ 22,500	\$ (149,254)
Licenses and Permits	533,000	607,000	608,395	74,000	1,395
Intergovernmental	5,963,700	6,210,200	6,449,997	246,500	239,797
Charges for Services	175,000	175,880	177,779	880	1,899
Fines and Forfeitures	648,500	562,219	588,156	(86,281)	25,937
Other	72,950	66,161	74,593	(6,789)	8,432
Total Revenues	9,814,250	10,065,060	10,193,266	250,810	128,206
EXPENDITURES:					
Current:					
General Government	2,420,720	2,582,763	2,475,537	(162,043)	107,226
Public Safety	6,143,631	6,114,633	6,051,334	28,998	63,299
Public Service	1,811,278	1,725,900	1,647,650	85,378	78,250
Total Expenditures	10,375,629	10,423,296	10,174,521	(47,667)	248,775
Excess (Deficiency) of Revenues over Expenditures	(561,379)	(358,236)	18,745	203,143	376,981
OTHER FINANCING SOURCES (USES):					
Proceeds From Sale of Assets	3,000	11,500	2,125	8,500	(9,375)
Operating Transfers, Net	(103,587)	(400,000)	(163,955)	(296,413)	236,045
Loan Proceeds	289,000	-	-	(289,000)	-
Recovery of Property From School	-	-	404,192	-	404,192
Total Other Financing Sources (Uses)	188,413	(388,500)	242,362	(576,913)	630,862
Net Change in Fund Balance	(372,966)	(746,736)	261,107	(373,770)	1,007,843
Fund Balance, Beginning of Year	5,896,421	5,896,421	5,896,421	-	-
Fund Balance, End of Year	\$ 5,523,455	\$ 5,149,685	\$ 6,157,528	\$ (373,770)	\$ 1,007,843

The notes to the required supplementary information are an integral part of this statement.

CITY OF CORINTH, MISSISSIPPI
BUDGETARY COMPARISON SCHEDULE FOR THE CDBG FUND
NON-GAAP BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts		Actual (NON-GAAP Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
REVENUE:					
Intergovernmental	\$ 1,750,000	\$ 2,550,000	\$ 2,397,303	\$ 800,000	\$ (152,697)
Other	-	-	45	-	45
Total Revenues	<u>1,750,000</u>	<u>2,550,000</u>	<u>2,397,348</u>	<u>800,000</u>	<u>(152,652)</u>
EXPENDITURES:					
Public Service	<u>2,000,000</u>	<u>2,805,148</u>	<u>2,380,628</u>	<u>(805,148)</u>	<u>424,520</u>
Total Expenditures	<u>2,000,000</u>	<u>2,805,148</u>	<u>2,380,628</u>	<u>(805,148)</u>	<u>424,520</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(250,000)</u>	<u>(255,148)</u>	<u>16,720</u>	<u>(5,148)</u>	<u>271,868</u>
Other Financing Sources (Uses)					
Operating Transfers, Net	<u>250,000</u>	<u>250,000</u>	<u>204,955</u>	<u>-</u>	<u>(45,045)</u>
Total Other Financing Sources (Uses)	<u>250,000</u>	<u>250,000</u>	<u>204,955</u>	<u>-</u>	<u>(45,045)</u>
Net Change in Fund Balance	<u>-</u>	<u>(5,148)</u>	<u>221,675</u>	<u>(5,148)</u>	<u>226,823</u>
Fund Balance, Beginning of Year	<u>(55,456)</u>	<u>(55,456)</u>	<u>(55,456)</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (55,456)</u>	<u>\$ (60,604)</u>	<u>\$ 166,219</u>	<u>\$ (5,148)</u>	<u>\$ 226,823</u>

CITY OF CORINTH, MISSISSIPPI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED SEPTEMBER 30, 2014

BUDGETARY COMPARISON SCHEDULE

1. Basis of Presentation

The Budgetary Comparison Schedule presents the original legally adopted budget, the final legally adopted budget, the actual data on a NON-GAAP basis (cash), variances between the original budget and final budget, and variances between the final budget and actual data. A budgetary comparison is presented for the general fund and each major special revenue fund, consistent with accounting principles generally accepted in the United States of America.

2. Budget Adoption and Amendments

The budget is adopted by the Board of Alderman. Amendments can be made on the approved of the Board. For further information, see Note 2 to the financial statements.

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

1. Prior to September 1, the City submits to the Board of Aldermen a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through passage of an ordinance.
4. Any revisions that alter the total expenditures of any fund must be approved by the Board of Aldermen.
5. Formal budgetary integration is employed as a management control device during the year for the Governmental Funds.
6. The City's budget is prepared principally on the cash basis of accounting.

The following schedule reconciles the amounts on the Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual to the amounts on the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds:

	Net Change in Fund Balance	
	General Fund	CDBG Fund
Budget (Cash Basis)	\$ 261,107	\$ 221,675
Net adjustments for Revenue Accruals	166,387	(158,403)
GAAP Basis	\$ 427,494	\$ 63,272

CITY OF CORINTH, MISSISSIPPI
COMBINING BALANCE SHEET – OTHER GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014

	Fire Protection Fund	Library Fund	Park and Playground Fund	Tourism Construction Fund	Tourism Budget Fund	Infrastructure Bond Fund	Municipal B & I Fund	Total Other Governmental
Assets:								
Cash	\$ 372,843	\$ 260,007	\$ 144,782	\$ 689,825	\$ 38,477	\$ 265,962	\$ 607,469	\$ 2,379,365
Receivables	-	103,337	137,782	50,108	50,108	-	413,346	754,681
Total Assets	\$ 372,843	\$ 363,344	\$ 282,564	\$ 739,933	\$ 88,585	\$ 265,962	\$ 1,020,815	\$ 3,134,046
Liabilities and Fund Balance:								
Liabilities								
Unearned Revenue	\$ -	\$ 101,975	\$ 135,967	\$ -	\$ -	\$ -	\$ 407,900	\$ 645,842
Total Liabilities	-	101,975	135,967	-	-	-	407,900	645,842
Fund Balances:								
Restricted For:								
Public Safety	372,843	-	-	-	-	-	-	372,843
Public Service	-	-	-	-	-	265,962	-	265,962
Culture and Recreation	-	-	-	739,933	88,585	-	-	828,518
Debt Service	-	-	-	-	-	-	612,915	612,915
Committed to								
Culture and Recreation	-	261,369	146,597	-	-	-	-	407,966
Total Fund Balance	372,843	261,369	146,597	739,933	88,585	265,962	612,915	2,488,204
Total Liabilities and Fund Balance	\$ 372,843	\$ 363,344	\$ 282,564	\$ 739,933	\$ 88,585	\$ 265,962	\$ 1,020,815	\$ 3,134,046

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

CITY OF CORINTH, MISSISSIPPI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – OTHER GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2014

	Fire Protection Fund	Library Fund	Park and Playground Fund	Tourism Construction Fund	Tourism Budget Fund	Infrastructure Bond Fund	Municipal B & I Fund	Total Other Governmental
Revenues:								
Taxes	\$ -	\$ 125,455	\$ 167,265	\$ -	\$ -	\$ -	\$ 501,795	\$ 794,515
Intergovernmental	79,419	10,616	271,061	569,567	569,567	-	43,793	1,544,023
Other	2,832	225	180	314	10	11,295	573	15,429
Total Revenues	82,251	136,296	438,506	569,881	569,577	11,295	546,161	2,353,967
Expenditures:								
Current								
Public Safety	24,043	-	-	-	-	-	-	24,043
Public Service	-	-	-	-	-	1,345,333	2,988	1,348,321
Culture and Recreation	-	126,800	494,814	482,892	575,000	-	-	1,679,506
Debt Service:								
Principal	16,595	-	-	-	-	-	500,000	516,595
Interest and Other Charges	10,776	-	-	-	-	-	138,427	149,203
Total Expenditures	51,414	126,800	494,814	482,892	575,000	1,345,333	641,415	3,717,668
Excess of Revenues Over (Under) Expenditures	30,837	9,496	(56,308)	86,989	(5,423)	(1,334,038)	(95,254)	(1,363,701)
Other Financing Sources(Uses):								
Proceed of General Obligation Bonds	-	-	-	-	-	1,600,000	-	1,600,000
Operating Transfers In(Out)	(41,000)	-	-	-	-	-	-	(41,000)
Total Other Financing Sources (Uses)	(41,000)	-	-	-	-	1,600,000	-	1,559,000
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	(10,163)	9,496	(56,308)	86,989	(5,423)	265,962	(95,254)	195,299
Fund Balance, Beginning of Year	383,006	251,873	202,905	652,944	94,008	-	708,169	2,292,905
Fund Balance, End of Year	\$ 372,843	\$ 261,369	\$ 146,597	\$ 739,933	\$ 88,585	\$ 265,962	\$ 612,915	\$ 2,488,204

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

**CITY OF CORINTH, MISSISSIPPI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Entity Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Housing & Urban Development</u>			
Passed-through MS Development Authority			
Community Development Block Grant-State's Program	14.228	1130-13-155PF-01	\$ 8,000
<u>U.S. Department of Interior</u>			
Passed-through National Park Service			
Save America's Treasures	15.929	28-08-ML-0732	148,000
<u>U.S. Department of Justice</u>			
Passed-through MS Dept. of Public Safety			
JAG Local Law Grant	16.738	12LB2071	3,083
JAG Local Law Grant	16.738	11LB2072	18,486
Total U.S. Department of Justice			<u>21,569</u>
<u>U.S. Department of Transportation</u>			
Direct Grants			
Airport Improvement Program	20.106	NA	81,396
<u>Appalachian Region Commission</u>			
Direct Grants			
Appalachian Area Development	23.002	NA	153,000
<u>U.S. Environmental Protection Agency</u>			
Passed-through the MS Dept. of Health			
Capitalization Grants for Clean Water State Revolving Funds	66.458	SRF-C280855-03	1,041,188
<u>U.S. Department of Homeland Security</u>			
Direct Grants			
Assistance to Firefighters Grant	97.044	EMW-2012-FV-01903	779,000
Assistance to Firefighters Grant	97.044	EMW-2013-FO-00610	12,564
Total Assistance to Firefighters Grant			<u>791,564</u>
Passed-through MS Emergency Management Agency			
Public Assistance Grant Program	97.036	1916-DR-MS	668,261
Passed-through MS Dept. of Public Safety			
Law Enforcement Protection Grant	97.067	11LE155	25,000
Total U.S. Department of Homeland Security			<u>1,484,825</u>
Total for All Federal Awards			<u>\$ 2,937,978</u>

Notes

1. This schedule was prepared using the same basis of accounting and the same significant accounting policies, as applicable, used for the basic financial statements.
2. The expenditure amounts include transfers out, as applicable.
3. The balance outstanding as of September 30, 2014, of loans received under CFDA #66.458 was \$27,855,313.

**CITY OF CORINTH, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS
SEPTEMBER 30, 2014**

Name	Position	Company	Bond
Tommy Irwin	Mayor	Western Surety Company	\$ 100,000
Vickie Roach	City Clerk/Tax Collector	Western Surety Company	\$ 100,000
Benjamin Albarracin	Alderman	Travelers Casualty & Surety Co of America	\$ 100,000
Chip Wood	Alderman	Travelers Casualty & Surety Co of America	\$ 100,000
Mike Hopkins	Alderman	Travelers Casualty & Surety Co of America	\$ 100,000
Micheal McFall	Alderman	Travelers Casualty & Surety Co of America	\$ 100,000
Andrew Labas	Alderman	Travelers Casualty & Surety Co of America	\$ 100,000
J. C. Hill	Alderman	Travelers Casualty & Surety Co of America	\$ 100,000
John C. Ross	City Judge	Western Surety Company	\$ 50,000
Debbie Hendrix	Deputy City Clerk	Western Surety Company	\$ 100,000
Debbie Hendrix	Deputy Tax Collector	Western Surety Company	\$ 100,000
Trina Killough	Deputy Tax Collector	Western Surety Company	\$ 100,000
Brandy Smith	Deputy City Clerk	Western Surety Company	\$ 100,000
Alicia Barnett	Accounts Payable Clerk	Western Surety Company	\$ 100,000
Greg Tyson	Building Inspector	Western Surety Company	\$ 25,000
David Lancaster	Chief of Police	Western Surety Company	\$ 50,000
Zane Elliott	Court Clerk	Western Surety Company	\$ 100,000
Ginger Seawright	Deputy Court Clerk	Western Surety Company	\$ 100,000
Missy Wilbanks	Deputy Court Clerk	Western Surety Company	\$ 100,000
Deena Willis	Deputy Court Clerk	Western Surety Company	\$ 100,000
Donna Null	Tax Dept. Clerk	Western Surety Company	\$ 100,000

CITY OF CORINTH, MISSISSIPPI

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

Honorable Mayor and Members
of the Board of Aldermen
City of Corinth, 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 City of Corinth, Mississippi as of and for the year ended September 30, 2014 and the related notes to the financial statements, which collectively comprise the City of Corinth, Mississippi's basic financial statements and have issued our report thereon dated June 16, 2015. Our report includes an adverse opinion on the aggregate discretely presented component units due to the omission of the discretely presented component units which are required by accounting principles generally accepted in the United States of America to be reported with the financial data of the City's primary government unless the City also issues financial statements for the financial reporting entity that include the financial data for its component units.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Brawner, Vanstony & Co., P.A.

June 16, 2015
Corinth, Mississippi



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Mayor and Board of Aldermen
City of Corinth, Mississippi

Report on Compliance for Each Major Federal Program

We have audited the City of Corinth, Mississippi's, compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of City of Corinth, Mississippi's major federal programs for the year ended September 30, 2014. City of Corinth, 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 its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Corinth, 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 Corinth, 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 Corinth, Mississippi's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Corinth, Mississippi, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2014.

Report on Internal Control Over Compliance

Management of the City of Corinth, 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 Corinth, 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 the 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 of Corinth, Mississippi'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 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.

Brauner, Vanstony & Co., P.A.

June 16, 2015
Corinth, Mississippi



CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
STATE LAWS AND REGULATIONS

To the Mayor and Board of Aldermen
City of Corinth, Mississippi

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information for the primary government of the City of Corinth, Mississippi, as of and for the year ended September 30, 2014, which collectively comprise the basic financial statements of the City's primary government and have issued our report thereon dated June 16, 2015. The auditors' report on the primary government financial statements is modified to reflect that the primary government financial statements do not include the financial data of the City's component units. 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.

As required by the state legal compliance audit program prescribed by the Office of the State Auditor, we have also performed procedures to test compliance with certain state laws and regulations. However, providing an opinion on compliance with state laws and regulations was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of those procedures and our audit of the financial statements did not disclose any instances of noncompliance with state laws and regulations.

This report is intended solely for the information and use of the mayor, board of aldermen, management, federal awarding agencies and pass-through entities and the Office of the State Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Brawner, Vanstory & Co., P.A.

June 16, 2015
Corinth, Mississippi

**CITY OF CORINTH, MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2014**

Section 1: Summary of Auditors' Results

Financial Statements:

1. Type of auditors' report issued on the financial statements:
 - Governmental Activities: Unmodified
 - Business-Type Activities: Unmodified
 - General Fund: Unmodified
 - CDBG Fund: Unmodified
 - Sewer System Fund: Unmodified
 - Sanitation Enterprise Fund: Unmodified
 - Aggregate Remaining Fund Information: Unmodified
 - Aggregate Discretely Presented Component Units: Adverse
2. Internal control over financial reporting:
 - a. Material weakness identified? No
 - a. Significant deficiencies identified? None Reported
3. Noncompliance material to the financial statements noted? No

Federal Awards:

4. Internal control over major programs:
 - a. Material weakness identified? No
 - b. Significant deficiencies identified that are not considered to be material weaknesses? None Reported
5. Type of auditors' report issued on compliance for major federal programs: Unmodified
6. Any audit findings disclosed that are required to be reported in accordance with Section 510 (a) of Circular A-133? No
7. Federal programs identified as major programs:
 - a. Save America's Treasures
CFDA #15.929
 - b. Appalachian Area Development
CFDA #23.002
 - c. Assistance to Firefighters Grant
CFDA # 97.044
 - d. Public Assistance Grant
CFDA # 97.036
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 finding(s) and questioned costs 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

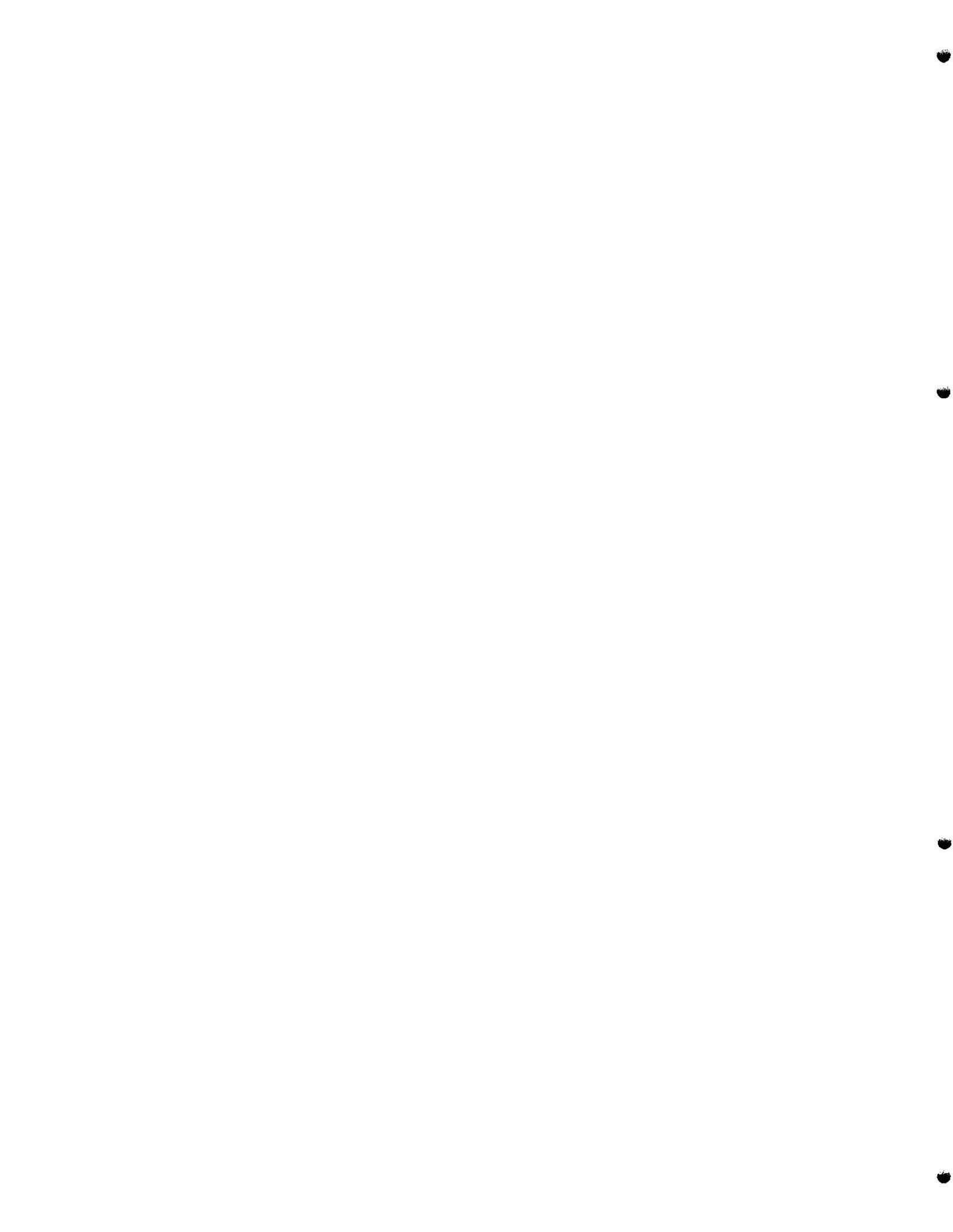
**CITY OF CORINTH, MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2014**

Section 2: Findings Relating to the Financial Statements

The results of our tests did not disclose any findings related to the financial statements that are required to be reported by *Government Auditing Standards*.

Section 3: Findings and Questioned Costs for Federal Awards

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



City of Corinth Mississippi

TOMMY IRWIN, MAYOR
VICKIE ROACH, CITY CLERK
RALPH DANCE, CHIEF OF POLICE
PHONE 662-286-6644
FAX 662-287-7240
EMAIL tommy@cityofcorinthms.com

MUNICIPAL



BUILDING

ALDERMEN	AT-LARGE
MIKE HOPKINS	WARD 1
ANDREW "BUBBA" LABAS	WARD 2
BEN ALBARRACIN	WARD 3
A.L. "CHIP" WOOD, III	WARD 4
J.C. HILL	WARD 5
MICHAEL McFALL	

300 CHILDS STREET
P.O. BOX 669
CORINTH, MISSISSIPPI 38835-0669

June 16, 2015

Brawner Vanstory & Company, P.A.
P.O. Box 458
Corinth, MS 38835

This representation letter is provided in connection with your audit of the financial statements of City of Corinth, Mississippi, which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of September 30, 2014, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of June 16, 2015, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated December 8, 2014, including our responsibility for the preparation and fair presentation of the financial statements in accordance with the applicable criteria.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government required by generally accepted accounting principles to be included in the financial reporting entity.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfer, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.



7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.
8. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter.
9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
10. Guarantees, whether written or oral, under which the City of Corinth, Mississippi is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

11. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters (and all audit or relevant monitoring reports, if any, received from funding sources).
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the city from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of Board of Aldermen or summaries of actions of recent meetings for which minutes have not yet been prepared.
12. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
13. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
14. We have no knowledge of any fraud or suspected fraud that affects the city and involves:
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statement.
15. We have no knowledge of any allegations of fraud or suspected fraud affecting the city's financial statements communicated by employees, former employees, regulators, or others.



16. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
17. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
18. We have disclosed to you the identity of the city's related parties and all the related party relationships and transactions of which we are aware.

Government – Specific

19. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
20. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
21. The City of Corinth, Mississippi has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
22. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.
23. There are no violations or possible violations of budget ordinances, law and regulations (including those pertaining to adopting, approving and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
24. As part of your audit, you assisted with preparation of the financial statements and related notes and schedule of expenditures of federal awards. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes and schedule of expenditures of federal awards.
25. The City of Corinth, Mississippi has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral, except as made known to you.
26. The City of Corinth, Mississippi has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
27. The financial statements properly classify all funds and activities in accordance with GASB Statement No 34.



28. All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
29. Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
30. Provisions for uncollectible receivables have been properly identified and recorded.
31. Expenses have been appropriately classified in or allocated to functions and programs in the statements of activities, and allocations have been made on a reasonable basis.
32. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, contributions to permanent fund principal.
33. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
34. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
35. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
36. We have appropriately disclosed the City of Corinth, Mississippi's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
37. We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
38. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
39. With respect to the combining balance sheet and combining statement of revenues, expenditures and changes in fund balance – other governmental funds and schedule of surety bonds:
 - a. We acknowledge our responsibility for presenting the combining balance sheet and combining statement of revenues, expenditures and changes in fund balance-other governmental funds and schedule of surety bonds in accordance with accounting principles generally accepted in the United States of America, and we believe the combining balance sheet and combining statement of revenues, expenditures and changes in fund balance-other governmental funds and schedule of surety bonds, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and



presentation of the combining balance sheet and combining statement of revenues, expenditures and changes in fund balance-other governmental funds and schedule of surety bonds have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

- b. If the combining balance sheet and combining statement of revenues, expenditures and changes in fund balance-other governmental funds and schedule of surety bonds is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

40. With respect to federal award programs:

- a. We are responsible for understanding and complying with and have complied with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, including requirements relating to preparation of the schedule of expenditures of federal awards.
- b. We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) in accordance with the requirements of OMB Circular A-133 section 310.b, and we believe the SEFA, including its form and content, is fairly presented in accordance with OMB Circular A-133 section 310.b. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.
- c. If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.
- d. We have identified and disclosed to you all of our government programs and related activities subject to OMB Circular A-133, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- e. We are responsible for understanding and complying with, and have complied with, the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major program.
- f. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance requirements applicable to federal programs that provides reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.



- g. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- h. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- i. We have complied with the direct and material compliance requirements, including when applicable, those set forth in the *OMB Circular A-133 Compliance Supplement*, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the requirements of federal awards.
- j. We have disclosed any communication from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- k. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- l. Amounts claimed or used for matching were determined in accordance with relevant guidelines in *OMB Circular A-87, Cost Principles for State, Local, and Tribal Governments*, and *OMB's Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*.
- m. We have disclosed to you our interpretation of compliance requirements that may have varying interpretation.
- n. We have made available to you all documentation related to compliance with the direct material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- o. We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- p. There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- q. No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies in internal control over compliance (including material weaknesses in internal control over compliance), have occurred subsequent to the date as of which compliance was audited.

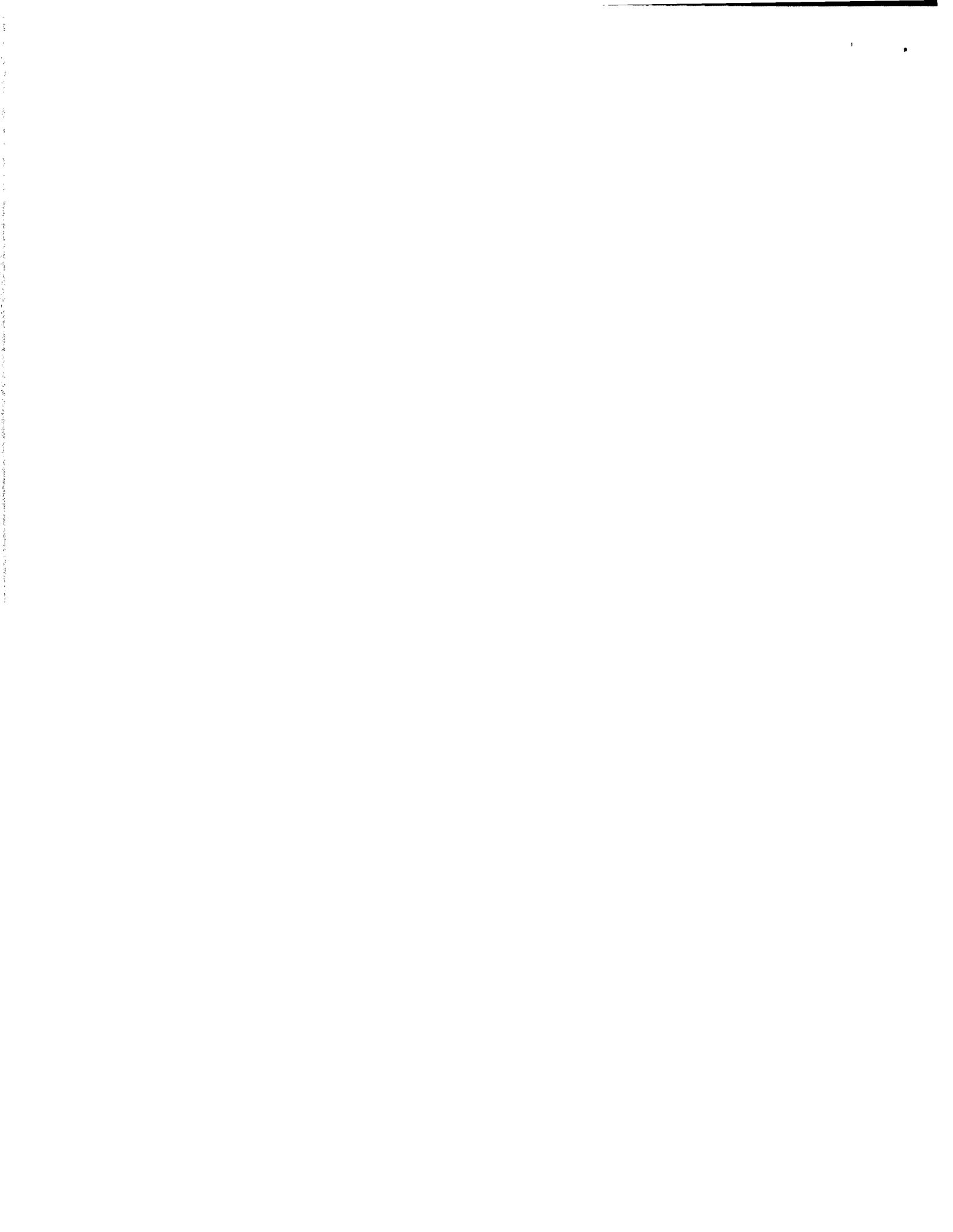


- r. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- s. The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- t. We have charged costs to federal awards in accordance with applicable cost principles.
- u. We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by OMB Circular A-133.

Signature Tommy Juvin
Title 6-18-15

Signature Vicki Rowles
6/22/15





6/17/2015 10:36AM

Entry #	Status	Account/Code	Description	Debit	Credit
AJE 1	Posted	03-110-001-003-00	CASH	2.00	
		03-110-001-019-00	LOAN RECEIVABLE		24,751,500.00
		03-110-003-190-00	fund balance	24,751,498.00	
		03-122-001-024-00	DUE FROM ALCORN COUNTY		1,181,880.00
		03-122-002-104-00	DUE TO MUNICIPAL FUND	1,181,880.00	
			TO RECORD PRIOR YEAR ADJUSTMENTS		
AJE 2	Posted	01-005-003-190-00	FUND BALANCE	173,151.88	
		01-005-002-106-00	ACCRUED WAGES		173,151.88
		01-101-003-190-00	FUND BALANCE	2,263.20	
		01-101-004-285-02	CONFISCATED FUNDS		2,263.20
		04-401-001-101-00	DUE FROM OTHER GOVERNMENTS	164,976.30	
		04-401-002-106-00	ACCRUED WAGES		22,249.09
		04-401-003-193-00	R/E - RESERVED		123,509.87
		04-401-002-104-00	DUE TO MUNICIPAL GOVERNMENT		19,217.34
		04-400-002-510-00	COMPENSATED ABSENCES		20,319.00
		04-400-003-193-00	RETAINED EARNINGS	20,319.00	
			TO RECORD PRIOR YEAR END BALANCES		
AJE 3	Posted	01-005-004-200-03	CURRENT YEAR AD VALOREM TAX	189,944.70	
		01-005-004-255-00	HOMESTEAD REIMBURSEMENTS		189,944.70
		03-104-004-200-03	CURRENT YEAR AD VALOREM TAX	10,616.16	
		03-104-004-255-00	HOMESTEAD REIMBURSEMENT		10,616.16
		03-105-004-200-03	CURRENT YEAR AD VALOREM TAX	15,040.45	
		03-105-004-255-00	HOMESTEAD REIMBURSEMENT		15,040.45
		03-200-004-200-00	CURRENT YEAR AD VALOREM TAX	43,793.00	
		03-200-004-255-00	HOMESTEAD REIMBURSEMENT		43,793.00
			TO RECLASSIFY HOMESTEAD REIMBURSEMENT		
AJE 4	Posted	04-408-002-100-01	ACCOUNTS PAYABLE	1,782,448.51	
		04-408-001-073-00	CONSTRUCTION IN PROGRESS	2,937,982.40	
		04-408-006-600-00	CAPITAL OUTLAY		4,720,430.91
			TO REVERSE PRIOR YEAR ACCOUNTS PAYABLE		
AJE 5	Posted	03-121-004-272-07	AIRPORT MATCH FAA GRANT	1,027.50	
		03-121-004-272-05	CITY SHARE	220,018.41	
		03-121-010-380-01	TRANSFERS IN		221,045.91
		03-102-004-380-01	TRANSFERS IN	21,000.00	
		03-102-005-600-00	CAPITAL OUTLAY		21,000.00
			TO RECLASSIFY POSTINGS OF TRANSFER OF FUNDS		
AJE 6	Posted	03-121-010-380-01	TRANSFERS IN	118,000.00	
		03-121-004-250-27	CDBG - CARDINAL DRIVE PROJECT		118,000.00
			TO RECORD NATIONAL PARK SERVICE GRANT		
AJE 7	Posted	03-121-004-250-28	FEMA GRANT ARCH PIPE	249,656.60	
		03-121-004-250-02	FAA AIRPORT GRANT	8,173.33	
		03-121-001-021-00	DUE FROM OTHER GOVERNMENTS		257,829.93
		03-121-002-100-00	ACCOUNTS PAYABLE	323,811.59	
		03-121-005-600-00	CAPITAL OUTLAY		323,811.59
			TO REVERSE PRIOR YEAR RECEIVABLES AND PAYABLES		
AJE 8	Posted	03-121-001-021-00	DUE FROM OTHER GOVERNMENTS	99,427.06	
		03-121-004-250-02	FAA AIRPORT GRANT		5,285.00
		03-121-004-272-07	AIRPORT MATCH FAA GRANT		94,142.06
			TO RECORD CURRENT YEAR RECEIVABLES		
AJE 9	Posted	04-401-002-504-00	N/P - ST REVOLVING LOAN FUND	589,195.49	
		04-401-005-830-00	INTEREST	186,954.07	
		04-401-005-820-00	PRINCIPAL		776,149.56
			TO RECLASSIFY NOTE PAYMENT		
AJE 10	Posted	04-401-002-510-00	COMPENSATED ABSENCES	3,873.11	
		04-401-002-106-00	ACCRUED WAGES	1,111.15	
		04-401-005-240-00	PERSONNEL SERVICES		4,984.26
		04-400-002-106-00	ACCRUED WAGES		1,956.15
		04-400-002-510-00	COMPENSATED ABSENCES	6,368.06	
		04-400-005-240-00	PERSONNEL SERVICES		4,411.91
		01-005-002-106-00	ACCRUED WAGES	3,398.77	
		01-005-005-006-00	GENERAL GOVERNMENT		655.85
		01-005-005-100-00	POLICE DEPARTMENT		1,369.67
		01-005-005-160-00	FIRE DEPARTMENT	1,033.15	
		01-005-005-199-00	OTHER PUBLIC SAFETY		793.28
		01-005-005-200-00	STREET DEPARTMENT		1,613.12
			TO ADJUST ACCRUED WAGES & COMPENSATED ABSENCES		
AJE 11	Posted	04-400-005-299-00	DEPRECIATION	156,194.00	
		04-400-001-079-00	ACCUMULATED DEPRECIATION		156,194.00
		04-401-001-079-00	ACCUMULATED DEPRECIATION		1,296,999.00
		04-401-005-299-00	DEPRECIATION AND AMORTIZATION	1,296,999.00	
			TO RECORD DEPRECIATION		
AJE 12	Posted	01-005-001-021-01	A/R - FINES	129,215.67	
		01-005-002-200-00	DEFERRED REVENUE		129,215.67
			TO ADJUST FINES RECEIVABLE AT 9/30/2014		

AJE



6/17/2015 10:36AM

Entry #	Status	Account/Code	Description	Debit	Credit
AJE 13	Posted	04-401-001-100-00 04-401-004-295-01	ACCOUNTS RECEIVABLE SEWER CHARGES	25,000.00	25,000.00
			TO CORRECT ACCTS RECEIVABLE AT 9/30/2014		
AJE 14	Posted	04-401-003-193-00 04-401-001-079-00	R/E - RESERVED ACCUMULATED DEPRECIATION	6,430.00	6,430.00
			TO RECORD PRIOR PERIOD ADJUSTMENT TO CORRECT SALVAGE VALUE ON ASSETS		
AJE 15	Posted	01-005-010-396-00 01-005-005-006-00	PROCEEDS OF CAPITAL LEASES GENERAL GOVERNMENT	404,191.85	404,191.85
			TO RECORD SCHOOL PROPERTY THAT REVERTED BACK TO CITY		
TOTALS				35,124,994.41	35,124,994.41



City of Corinth
 Fiscal Adjustments
 9/30/2014

	Initials	Date
Prepared By		
Approved By		

ASH No. A7404	(1)	(2)	(3)	(4)
	<i>General Fund</i>			
		<i>Dr</i>	<i>Cr</i>	
1	01-005-012-100.01 A/P	158754		
2	<i>General Fund</i>		158754	
3	<i>To adj General Fund accts pay. to actual</i>			
4				
5	<i>Penalties & Interest</i>	506.45		
6	<i>Interest Income</i>		506.45	
7	<i>To reclassify interest income</i>			
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