



The following document was not prepared by the Office of the State Auditor, but was prepared by and submitted to the Office of the State Auditor by a private CPA firm. The document was placed on this web page as it was submitted. The Office of the State Auditor assumes no responsibility for its content or for any errors located in the document. Any questions of accuracy or authenticity concerning this document should be submitted to the CPA firm that prepared the document. The name and address of the CPA firm appears in the document.

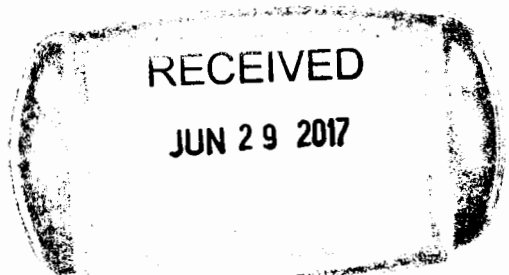
**CITY OF GREENVILLE, MISSISSIPPI**

**Audited Financial Statements and Special Reports**

**For the Year Ended September 30, 2016**



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





# CITY OF GREENVILLE, MISSISSIPPI

## TABLE OF CONTENTS

FINANCIAL SECTION.....	1
INDEPENDENT AUDITOR'S REPORT .....	2
MANAGEMENT'S DISCUSSION AND ANALYSIS .....	5
FINANCIAL STATEMENTS.....	14
Statement of Net Position .....	15
Statement of Activities .....	16
Balance Sheet – Governmental Funds.....	17
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	18
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	20
Statement of Net Position – Proprietary Funds .....	21
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds.....	22
Statement of Cash Flows – Proprietary Funds.....	23
Statement of Fiduciary Assets and Liabilities .....	24
Notes to Financial Statements .....	25
REQUIRED SUPPLEMENTARY INFORMATION .....	52
Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis) General Fund.....	53
Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis) Parks & Recreation Fund .....	55
Schedule of Funding Progress – Other Postemployment Benefits .....	56
Schedule of City's Proportionate Share of the Net Pension Liability .....	57
Schedule of City's Contributions .....	58
Notes to the Required Supplementary Information .....	59
SUPPLEMENTAL INFORMATION .....	61
Schedule of Expenditures of Federal Awards .....	62
Notes to the Schedule of Expenditures of Federal Awards .....	63
OTHER INFORMATION .....	64
Schedule of Surety Bonds for City Officials .....	65
Reconciliation of Tax Assessments to Fund Collections - 2015 Tax Rolls .....	66
Schedule of Long-Term Debt.....	68
STATISTICAL INFORMATION .....	69
Governmental Revenues by Source.....	70
Governmental Expenditures by Function .....	71
Computation of Legal Debt Margin .....	72
SPECIAL REPORTS .....	73
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	74
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by Uniform Guidance .....	76
Independent Auditor's Report on Compliance with State Laws and Regulations .....	78
Limited Internal Control and Compliance Review Management Report .....	79
SCHEDULE OF FINDINGS AND QUESTIONED COSTS.....	81



**CITY OF GREENVILLE, MISSISSIPPI**

**FINANCIAL SECTION**





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

MEMBERS OF  
MISSISSIPPI SOCIETY OF CPA'S  
AMERICAN INSTITUTE OF CPA'S  
GOVERNMENT AUDIT QUALITY CENTER

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council  
City of Greenville  
Greenville, Mississippi

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Greenville, Mississippi, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

RECEIVED

JUN 29 2017





## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Greenville, Mississippi, as of September 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Emphasis of Matter

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

## Other Matters

### *Required Supplementary Information*

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

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Greenville, Mississippi's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



The Schedule of Surety Bonds for City Officials, Reconciliation of Tax Assessments to Fund Collections - 2015 Tax Rolls, and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

The accompanying section of Statistical Information on pages 69 through 72, as listed in the table of contents, is presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2017 on our consideration of the City of Greenville, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Greenville, Mississippi's internal control over financial reporting and compliance.

*Bridgers & Goodman, PLLC*

Bridgers & Goodman, PLLC  
Certified Public Accountants  
Vicksburg, Mississippi

June 23, 2017



**CITY OF GREENVILLE, MISSISSIPPI**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

RECEIVED  
JUN 29 2017



**CITY OF GREENVILLE, MISSISSIPPI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2016**

Our discussion and analysis of the City of Greenville's financial performance provides an overview of the City's financial activities for the year ended September 30, 2016. 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.

**FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of the City of Greenville exceeded its liabilities and deferred inflows at the close of the 2016 fiscal year by \$190,276,445 (net position). Of this amount the unrestricted net position showed a deficit balance of (\$28,458,117).
- The remaining net position of the City include: \$215,612,131 invested in capital assets, net of related debt; and \$3,122,431 (for capital improvements, debt service and other).
- Total assets increased \$5,579,651 from 2015.
- Total liabilities increased \$10,123,465 or 20.42% from 2015. The increase is primarily due to the net pension liability \$9,926,330.
- The City's total net position decreased \$2,873,504 (includes a negative prior period adjustment of \$5,650,481 related to the fire and police pension liability) from 2015.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the City of Greenville, Mississippi's basic financial statements which are comprised of three components: 1) Government-wide financial statements, 2) Fund financial statements, 3) Notes to the financial statements. Required Supplementary Information is included in addition to the basic financial statements.

**Figure 1: Required Components of the City's Annual Report**

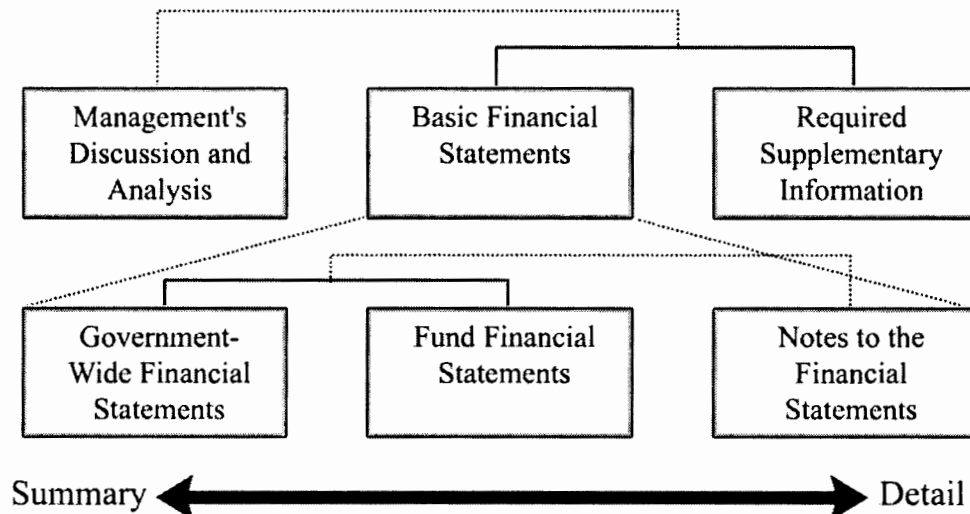


Figure I shows how required parts of this annual report are arranged and relate to one another.





**CITY OF GREENVILLE, MISSISSIPPI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2016**

Figure 2 summarizes the major features of the City's financial statements, including the portion of the City's government they cover and the types of information they contain. The remainder of this section of Management's Discussion and Analysis explains the structure and content of each of the statements.

**Figure 2: Major Features of the City's Government-Wide and Fund Financial Statements**

<b>Government-Wide Financial Statements</b>		<b>Fund Financial Statements</b>		
		<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
<b>Scope</b>	Entire City government (except fiduciary funds)	All activities of the City that are not business-type or fiduciary in nature	Activities of the City that operate similar to private businesses	The City is the trustee or agent for someone else's resources
<b>Required financial statements</b>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of revenues, expenses and changes in net assets</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net position</li> <li>• Statement of changes in net position</li> </ul>
<b>Accounting basis and measurement focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<b>Type of asset, deferred outflow, liability, deferred inflow information</b>	All assets, deferred outflows, liabilities, and deferred inflows, both financial and capital and short and long term	Only assets and deferred outflows expected to be used up and liabilities and deferred inflows that come due during the year or soon thereafter; no capital assets included	All assets, deferred outflows, liabilities, and deferred inflows, both financial and capital, and short and long term	All assets, deferred outflows, liabilities, and deferred inflows, both short and long term
<b>Type of inflow/outflow information</b>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services are received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid



**CITY OF GREENVILLE, MISSISSIPPI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2016**

**1) Government-wide Financial Statements.** The government-wide financial statements, presented on pages 15 and 16 are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business.

The **statement of net position** presents information on all of the City's assets, deferred outflows, liabilities, and deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

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

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

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

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

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

The City of Greenville maintains 23 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Parks & Recreation, which are considered to be a major funds. All other funds are considered non-major and are presented in a single column. The governmental fund financial statements are presented on pages 17 through 20.

The City of Greenville adopts an annual budget. Budgetary comparison schedules have been provided on pages 53 through 55 for the General Fund and the Major Fund Parks & Recreation to demonstrate compliance with this budget.



**CITY OF GREENVILLE, MISSISSIPPI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2016**

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

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements are presented on pages 21 through 23.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City used 5 fiduciary funds consisting of the police and fire pension, city separate school district tax clearing fund, payroll clearing fund, state fine assessment fund, and unemployment tax reserve. The combined fiduciary financial statement of assets and liabilities can be found on page 24.

**3) Notes to the Financial Statements.** The notes, presented on pages 25 through 51, provide additional narrative and tabular information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Required Supplementary Information.** In addition to the basic financial statements and accompanying notes, this report also presents Required Supplementary Information concerning the City's budget process and pension standards on pages 52 through 59.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of September 30, 2016, the assets and deferred outflows of the City of Greenville exceeded its liabilities and deferred inflows by \$190,276,445.

By far, the largest portion of the City's net position (\$215,612,131 or 113.32%) reflects its investment in capital assets (land, buildings, machinery and equipment, etc.) less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources because the capital assets themselves cannot be used to liquidate these liabilities.



**CITY OF GREENVILLE, MISSISSIPPI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended September 30, 2016**

(Table 1)

**Net Position**

	Governmental Activities		Business-type Activities		Total		Increase (Decrease)	Percentage change
	2016	2015	2016	2015	2016	2015		
Current and other assets	\$ 6,475,325	\$ 5,462,057	\$ 4,648,413	\$ 4,779,616	\$ 11,123,738	\$ 10,241,673	\$ 882,065	8.61%
Capital assets, net	186,267,760	182,318,499	46,293,583	45,545,258	232,561,343	227,863,757	4,697,586	2.06%
Total Assets	192,743,085	187,780,556	50,941,996	50,324,874	243,685,081	238,105,430	5,579,651	2.34%
Deferred outflows	5,911,750	4,161,327	982,130	734,352	6,893,880	4,895,679	1,998,201	40.82%
Current and other liabilities	2,280,388	3,765,756	1,526,788	1,369,360	3,807,176	5,135,116	(1,327,940)	-25.86%
Net pension liability	33,136,075	23,782,177	4,769,286	4,196,854	37,905,361	27,979,031	9,926,330	35.48%
Long-term debt	8,322,726	7,322,063	9,653,470	9,129,058	17,976,196	16,451,121	1,525,075	9.27%
Total Liabilities	43,739,189	34,869,996	15,949,544	14,695,272	59,688,733	49,565,268	10,123,465	20.42%
Deferred inflows	521,715	243,008	92,068	42,884	613,783	285,892	327,891	114.69%
<b>Net Position:</b>								
Invested in capital assets, net of related debt	178,739,200	175,713,054	36,872,931	36,639,196	215,612,131	212,352,250	3,259,881	1.54%
Restricted	2,238,219	974,909	884,212	788,466	3,122,431	1,763,375	1,359,056	77.07%
Unrestricted	(26,583,488)	(19,859,084)	(1,874,629)	(1,106,592)	(28,458,117)	(20,965,676)	(7,492,441)	35.74%
Total Net Position	154,393,931	156,828,879	35,882,514	36,321,070	190,276,445	193,149,949	\$ (2,873,504)	-1.49%

GASB 68 (Pension) was implemented in fiscal year 2015.

The City's total assets increased \$5,579,651 during 2016 with governmental activities showing an increase of \$4,962,529 and business-type activities showing an increase of \$617,122.

The City's total liabilities increased \$10,123,465. The increase in liabilities were \$8,869,193 in governmental activities and \$1,254,272 in business-type activities. This increase is primarily due to the increase in net pension liability of \$9,926,330.

The City's net position decreased \$2,873,504 over 2015, which includes a negative prior period adjustment of \$5,650,481 related to fire and police pensions.

Additional information on unrestricted net position:

In connection with the standards on accounting and financial reporting for pensions, management presents the following additional information:

Total unrestricted net position (deficit)	\$(28,458,117)
Less: unrestricted deficit in net position resulting from recognition of GASB 68 & 71	31,625,264
Unrestricted net position, exclusive of the net pension liability effect	<u>\$ 3,167,147</u>





**CITY OF GREENVILLE, MISSISSIPPI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2016**

**Changes in Net Position**

	Governmental Activities		Business-type Activities		Totals		Increase (Decrease)	Percentage Change
	2016	2015	2016	2015	2016	2015		
<b>Program Revenues:</b>								
Charges for services	\$ 839,023	\$ 886,676	\$ 9,797,237	\$ 10,075,057	\$ 10,636,260	\$ 10,961,733	\$ (325,473)	-2.97%
Grants and contributions	3,851,761	4,859,194	1,109,733	934,334	4,961,494	5,793,528	(832,034)	-14.36%
<b>General Revenues:</b>								
Property taxes	11,726,891	10,717,774			11,726,891	10,717,774	1,009,117	9.42%
Sales and tourism taxes	7,510,315	7,437,768			7,510,315	7,437,768	72,547	0.98%
Other taxes and other	3,199,720	3,073,544	(1,354,396)	91,415	1,845,324	3,164,959	(1,319,635)	-41.70%
<b>Total Revenues</b>	<b>27,127,710</b>	<b>26,974,956</b>	<b>9,552,574</b>	<b>11,100,806</b>	<b>36,680,284</b>	<b>38,075,762</b>	<b>(1,395,478)</b>	<b>-3.67%</b>
<b>Program Expenses:</b>								
General government	\$ 2,476,904	\$ 2,481,885			2,476,904	2,481,885	(4,981)	-0.20%
Public safety	11,333,783	11,505,915			11,333,783	11,505,915	(172,132)	-1.50%
Public works	1,082,636	1,190,175			1,082,636	1,190,175	(107,539)	-9.04%
Highways and streets	3,643,217	5,453,865			3,643,217	5,453,865	(1,810,648)	-33.20%
Health and sanitation	377,673	373,910			377,673	373,910	3,763	1.01%
Culture and recreation	925,911	1,054,963			925,911	1,054,963	(129,052)	-12.23%
Airport	847,868	2,843,010			847,868	2,843,010	(1,995,142)	-70.18%
Economic development	484,386	507,760			484,386	507,760	(23,374)	-4.60%
Interest on long-term debt	252,801	163,445			252,801	163,445	89,356	54.67%
Pension expense	4,293,881	2,648,198			4,293,881	2,648,198	1,645,683	
Water and sewer			8,079,168	7,875,414	8,079,168	7,875,414	203,754	2.59%
Sanitation			1,911,962	1,726,022	1,911,962	1,726,022	185,940	10.77%
<b>Total Expenses</b>	<b>25,719,060</b>	<b>28,223,126</b>	<b>9,991,130</b>	<b>9,601,436</b>	<b>35,710,190</b>	<b>35,176,364</b>	<b>(2,114,372)</b>	<b>-6.01%</b>
<b>Increase (Decrease) in Net Position</b>	<b>\$ 1,408,650</b>	<b>\$ (1,248,170)</b>	<b>\$ (438,556)</b>	<b>\$ 1,499,370</b>	<b>\$ 970,094</b>	<b>\$ 2,899,398</b>	<b>\$ 718,894</b>	<b>24.79%</b>

The City's governmental activities continue to be funded primarily by property taxes, which made up only 43% of the total revenues. The other major revenue sources were sales and tourism taxes 28% and grants and contributions 14%. The major expense activities were public safety, highways and streets, general government, and pension expense which comprise 44%, 14%, 10%, and 17% of total expenses, respectively. The City remains totally committed to providing the services its residents expect and need.

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

### FUND FINANCIAL ANALYSIS

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

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

As the year ended, the City's governmental funds reported a combined fund balance of \$4,636,020 which is \$3,163,119 above last year's revised total of \$1,472,901.

Governmental funds meeting the requirements for being reported as major funds include the General Fund and the Parks & Recreation Fund. The remaining governmental funds were combined and reported as non-major governmental funds. The General Fund had a net change in fund balance of \$769,008. The previous year saw a net change in fund balance of (\$534,858). The Parks & Recreation Fund had a net change of \$165,932.



**CITY OF GREENVILLE, MISSISSIPPI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2016**

**Major Fund Budgeting Highlights**

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

During the course of 2016, the City amended its General Fund budget. All recommendations for budget changes come from the Chief Administrative Officer and are presented to the whole Mayor and City Council for ordinance enactment on the change. The City does not allow budget changes that modify line items within departments without council approval. With the general fund supporting many of our major activities such as our police and fire departments, as well as most legislative and executive activities, the General Fund is monitored closely looking for possible revenue shortfalls or over spending by individual departments. Revisions in the General Fund decreased budgeted expenditures by \$1,177,842.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of 2016, the City had \$232,561,343 invested in a broad range of capital assets, including police and fire equipment, buildings, park and recreation facilities, streets, and water and sewer lines. (See Table 3 following.) This amount represents a net increase (including additions, deletions, and adjustments) of approximately \$4,697,586 or 2.06% over the prior year.

(Table 3)

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

	Government Activities		Business-type Activities		Totals		Increase (Decrease)	Percentage Change
	2016	2015	2016	2015	2016	2015		
Land	\$ 85,385,542	\$ 85,371,162	\$ 2,512,541	\$ 2,512,541	\$ 87,898,083	\$ 87,883,703	\$ 14,380	0.016%
Construction in progress	5,160,932	1,349,083	2,389,708	370,617	7,550,640	1,719,700	5,830,940	339.067%
Infrastructure	83,685,559	84,642,129	25,277,110	26,314,556	108,962,669	110,956,686	(1,994,017)	-1.797%
Buildings & improvements	6,904,493	7,106,785	6,964,359	6,965,872	13,868,852	14,072,657	(203,805)	-1.448%
Mobile and machinery equipment	3,004,767	1,925,390	1,844,125	1,689,302	4,848,892	3,614,692	1,234,200	34.144%
Furniture & equipment	1,043,454	786,785	529,048	607,646	1,572,502	1,394,431	178,071	12.770%
Leased property under capital lease	1,083,013	1,137,165	6,776,692	7,084,723	7,859,705	8,221,888	(362,183)	-4.405%
<b>Totals</b>	<b>\$ 186,267,760</b>	<b>\$ 182,318,499</b>	<b>\$ 46,293,583</b>	<b>\$ 45,545,257</b>	<b>\$ 232,561,343</b>	<b>\$ 227,863,757</b>	<b>\$ 4,697,586</b>	<b>2.06%</b>

The City of Greenville continues to provide for the growth and stability of its citizenry through various construction and rehabilitation projects. The following highlights summarize the major projects for the fiscal year of 2015-2016:

- (1) The construction in progress of \$7,550,640 includes various airport and public works projects involving airport improvements and the City's sewer system construction and repairs.
- (2) Infrastructure investment remains a priority and challenge for City officials. Infrastructure project cost capitalized during the fiscal year include the following:

Water & Sewer projects financed by a grant from the U.S. Department of Housing and Urban Development passed through the Mississippi Development Authority, direct financing by the U.S. Environmental Protection Agency, Delta Regional Authority, and the U.S. Department of Defense through the Corp of Engineers. The City has also acquired funding through the Mississippi Department of Environmental Quality, State Revolving Loan Fund.

Airport enhancements and rehabilitation to runways and related areas are financed by a grant through the U.S. Department of Transportation Federal Aviation Administration. This agency will



**CITY OF GREENVILLE, MISSISSIPPI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2016**

finance ninety-five percent (95%) of the cost of rehabilitating the runway and apron. The City of Greenville and the State of Mississippi will share in the remaining five percent of the cost.

**Long-term Debt**

At year-end, the City had \$17,976,196 in long-term debt outstanding compared to \$16,451,121 last year, an increase of \$1,525,075. Of the total debt outstanding \$8,927,820 is backed by the full faith and credit of the City with debt service funded by voter-approved property taxes. The other major components are notes payable in the amount of \$2,049,255, capital leases in the amount of \$6,992,077 and compensated absences in the amount of \$1,026,984.

The following table illustrates the total Long-term Debt of the City of Greenville as of September 30, 2016:

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

	Governmental Activities		Business-type Activities		Totals		Increase (Decrease)	Percentage Change
	2016	2015	2016	2015	2016	2015		
General obligation bonds	\$ 4,224,000	\$ 4,634,000	\$ -	\$ -	\$ 4,224,000	\$ 4,634,000	\$ (410,000)	-8.85%
Other loans	2,358,009	958,779	3,375,127	2,438,266	5,733,136	3,397,045	2,336,091	68.77%
Capital leases	946,551	1,012,666	6,045,525	6,467,796	6,992,076	7,480,462	(488,386)	-6.53%
Compensated absences	794,166	716,618	232,818	222,996	1,026,984	939,614	87,370	9.30%
Totals	<u>\$ 8,322,726</u>	<u>\$ 7,322,063</u>	<u>\$ 9,653,470</u>	<u>\$ 9,129,058</u>	<u>\$ 17,976,196</u>	<u>\$ 16,451,121</u>	<u>\$ 1,525,075</u>	<u>9.27%</u>

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

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

The City's elected and appointed officials considered many factors when compiling and approving the fiscal year 2017 budget, such as tax rates for governmental activities and fees that will be charged for the business-type activities. The total property tax millage rate of 59.41 mills is expected to provide adequate funding in the following year.

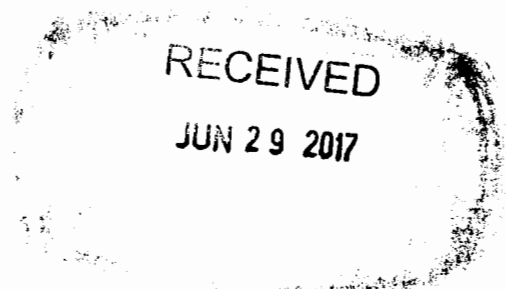
**Contacting the City's Finance Department**

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



**CITY OF GREENVILLE, MISSISSIPPI**

**FINANCIAL STATEMENTS**







**CITY OF GREENVILLE, MISSISSIPPI**  
**STATEMENT OF NET POSITION**  
**September 30, 2016**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 2,940,945	\$ 1,714,337	\$ 4,655,282
Accounts receivable		1,295,174	1,295,174
Intergovernmental receivable	1,508,223	705,459	2,213,682
Other receivables	1,839,216	23,241	1,862,457
Prepaid expenses	98,950		98,950
Internal balances	(25,990)	25,990	-
Inventory	73,981		73,981
Restricted assets:			
Cash and cash equivalents	40,000	884,212	924,212
Capital assets, net			
Land and construction in progress	90,546,474	4,902,250	95,448,724
Other capital assets, net	95,721,286	41,391,333	137,112,619
<b>Total Assets</b>	<b>192,743,085</b>	<b>50,941,996</b>	<b>243,685,081</b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Deferred outflows related to pensions	5,911,750	982,130	6,893,880
<b>Total Deferred Outflows of Resources</b>	<b>5,911,750</b>	<b>982,130</b>	<b>6,893,880</b>
<b><u>LIABILITIES</u></b>			
Accounts payable and accrued expenses	1,765,805	531,374	2,297,179
Accrued interest payable	68,800	39,933	108,733
Liabilities payable from restricted assets:			
Customer deposits	40,000	884,212	924,212
Long-term liabilities:			
Other postemployment benefits payable	405,783	71,269	477,052
Net pension liability	33,136,075	4,769,286	37,905,361
Due within one year:			
Capital related debt	1,122,985	1,215,062	2,338,047
Due in more than one year:			
Capital related debt	6,405,575	8,205,590	14,611,165
Non-capital related debt	794,166	232,818	1,026,984
<b>Total Liabilities</b>	<b>43,739,189</b>	<b>15,949,544</b>	<b>59,688,733</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Deferred inflows related to pensions	521,715	92,068	613,783
<b>Total deferred inflows of resources</b>	<b>521,715</b>	<b>92,068</b>	<b>613,783</b>
<b><u>NET POSITION</u></b>			
Invested in capital assets, net of related debt	178,739,200	36,872,931	215,612,131
Restricted:			
Expendable:			
Public safety	252,226		252,226
Public works		884,212	884,212
Highways & streets	380,006		380,006
Culture & recreation	8,610		8,610
Airport operation and maintenance	846,069		846,069
Debt service	578,377		578,377
Non-Expendable:			
Inventories	73,981		73,981
Prepaid expense	98,950		98,950
Unrestricted	(26,583,488)	(1,874,629)	(28,458,117)
<b>Total Net Position</b>	<b>\$ 154,393,931</b>	<b>\$ 35,882,514</b>	<b>\$190,276,445</b>

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



**CITY OF GREENVILLE, MISSISSIPPI  
STATEMENT OF ACTIVITIES  
For the Year Ended September 30, 2016**

	Program Revenues				Net (Expense) Revenue and Change in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Business-type	Total
<b><u>FUNCTIONS/PROGRAMS</u></b>					<b><u>Governmental Activities</u></b>	<b><u>Activities</u></b>	
<b>Governmental activities:</b>							
General government	\$ 2,476,904	592,613			(1,884,291)		\$ (1,884,291)
Public safety	11,333,783	11,770	37,427	780,400	(10,504,186)		(10,504,186)
Public works	1,082,636	51,176	277,843		(753,617)		(753,617)
Highways and streets	3,643,217			11,524	(3,631,693)		(3,631,693)
Health and sanitation	377,673				(377,673)		(377,673)
Culture and recreation	925,911	179,989			(745,922)		(745,922)
Airport	847,868	3,475	118,218	1,885,573	1,159,398		1,159,398
Economic development	484,386			27,673	(456,713)		(456,713)
Interest on long-term debt	252,801				(252,801)		(252,801)
Pension expense	4,293,881				(4,293,881)		(4,293,881)
<b>Total governmental activities</b>	<b>25,719,060</b>	<b>839,023</b>	<b>433,488</b>	<b>2,705,170</b>	<b>(21,741,379)</b>		<b>(21,741,379)</b>
<b>Business-type activities:</b>							
Water and sewer	8,079,168	7,573,318	287,879	796,104		\$ 578,133	578,133
Sanitation	1,911,962	2,223,919	25,750			337,707	337,707
<b>Total business-type activities</b>	<b>9,991,130</b>	<b>9,797,237</b>	<b>313,629</b>	<b>796,104</b>		<b>915,840</b>	<b>915,840</b>
<b>Total primary government</b>	<b>\$ 33,798,228</b>	<b>8,412,341</b>	<b>747,117</b>	<b>3,501,274</b>	<b>(21,741,379)</b>	<b>915,840</b>	<b>(20,825,539)</b>
<b>General revenues:</b>							
Property taxes					11,726,891		11,726,891
Sales and tourism tax					7,510,315		7,510,315
Franchise taxes					1,041,455		1,041,455
Rental income					749,284		749,284
Unrestricted interest income					9,333		9,333
Grants and contributions not restricted to specific programs					713,103		713,103
Other taxes and other income					234,639	10,734	245,373
Gain (Loss) on sale of capital assets					(11,545)	(2,694)	(14,239)
Internal service fund net (loss)					(811,318)		(811,318)
Transfers					1,987,872	(1,362,436)	625,436
<b>Total general revenues and transfers</b>					<b>23,150,029</b>	<b>(1,354,396)</b>	<b>21,795,633</b>
<b>Change in net position</b>					<b>1,408,650</b>	<b>(438,556)</b>	<b>970,094</b>
<b>Net Position - beginning, as originally reported</b>					<b>156,828,879</b>	<b>36,321,070</b>	<b>193,149,949</b>
Prior Period Adjustments					(3,843,598)		(3,843,598)
<b>Net Position - beginning, as restated</b>					<b>152,985,281</b>	<b>36,321,070</b>	<b>189,306,351</b>
<b>Net Position, ending</b>					<b>\$ 154,393,931</b>	<b>\$ 35,882,514</b>	<b>\$ 190,276,445</b>

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



**CITY OF GREENVILLE, MISSISSIPPI**  
**BALANCE SHEET- GOVERNMENTAL FUNDS**  
**September 30, 2016**

	<b>Major Funds</b>		<b>Non-Major</b>	<b>Total</b>
	<b>General</b>	<b>Parks &amp;</b>	<b>Governmental</b>	<b>Governmental</b>
	<b>Fund</b>	<b>Recreation Fund</b>	<b>Funds</b>	<b>Funds</b>
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 1,473,805	\$ 6,574	\$ 1,385,493	\$ 2,865,872
Receivables:				
Property taxes	136,474	5,745	22,607	164,826
Fines receivable (net of allowance for uncollectibles of \$1,897,034)	1,331,327			1,331,327
Franchise Fee	294,966			294,966
Intergovernmental	175,965		1,331,462	1,507,427
Other receivables			48,097	48,097
Prepaid expenses	95,372		3,578	98,950
Inventory		6,089		6,089
Restricted assets - cash			40,000	40,000
<b>Total Assets</b>	<b>3,507,909</b>	<b>18,408</b>	<b>2,831,237</b>	<b>6,357,554</b>
<b><u>LIABILITIES</u></b>				
Accounts payable and accrued expense	892,774	38,803	723,967	1,655,544
Due to other funds	25,990			25,990
Customer deposits			40,000	40,000
<b>Total Liabilities</b>	<b>918,764</b>	<b>38,803</b>	<b>763,967</b>	<b>1,721,534</b>
<b><u>FUND BALANCES</u></b>				
Non-spendable:				
Inventories		6,089		6,089
Prepaid items	95,372		3,578	98,950
Restricted for:				
Public safety			252,226	252,226
Highways & streets			380,006	380,006
Culture & recreation			8,610	8,610
Airport operation and maintenance			846,069	846,069
Debt service			578,377	578,377
Unassigned	2,493,773	(26,484)	(1,596)	2,465,693
<b>Total Fund Balances</b>	<b>2,589,145</b>	<b>(20,395)</b>	<b>2,067,270</b>	<b>4,636,020</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,507,909</b>	<b>\$ 18,408</b>	<b>\$ 2,831,237</b>	<b>\$ 6,357,554</b>

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



**CITY OF GREENVILLE, MISSISSIPPI**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**September 30, 2016**

	<u>Amount</u>
Total fund balance - governmental funds	\$ 4,636,020
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources, and therefore are not reported in the funds, net of accumulated depreciation \$200,398,887	185,083,874
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental fund financial statements.	
capital debt	(7,528,560)
compensated absences	(746,960)
other postemployment benefits payable	(390,719)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the governmental fund financial statements.	(32,182,216)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental fund financial statements:	
Deferred outflows of resources related to pensions	5,715,323
Deferred inflows of resources related to pensions	(503,301)
Interest accrued on long-term liabilities not reported in the governmental fund financial statements.	(68,800)
An internal service fund is used by management to account for and charge the cost of motor pool and other fleet vehicles to individual funds. The assets and liabilities of the internal service fund are reported within governmental activities in the Statement of Net Position.	<u>379,270</u>
Total Net Position - Governmental Activities	<u>\$ 154,393,931</u>

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





**CITY OF GREENVILLE, MISSISSIPPI**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended September 30, 2016**

	<b>Major Funds</b>		<b>Non-Major</b>	<b>Total</b>
	<b>General</b>	<b>Parks &amp;</b>	<b>Governmental</b>	<b>Governmental</b>
	<b>Fund</b>	<b>Recreation Fund</b>	<b>Funds</b>	<b>Funds</b>
<b><u>REVENUES:</u></b>				
Taxes	\$ 9,653,769	\$ 384,536	\$ 1,092,390	\$ 11,130,695
Licenses and permits	144,892			144,892
Intergovernmental:				
Federal grants	176,462		2,501,416	2,677,878
State of Mississippi:				
Grants	27,770		194,385	222,155
General sales tax	6,437,635			6,437,635
Gaming tax	1,072,680			1,072,680
Liquor Licenses	29,250			29,250
Gasoline tax	25,568			25,568
Municipal aid	17,155			17,155
Privilege tax	73,743			73,743
Homestead reimbursement	404,797	17,226	67,954	489,977
Fire protection			220,626	220,626
Other state revenue	18,000			18,000
Charges for services	62,946	179,989	3,475	246,410
Franchise tax	1,041,455			1,041,455
Fines and forfeitures	447,721			447,721
Interest income	9,037	18	278	9,333
Rental income	437,808	15,420	296,056	749,284
Other income	210,389	17,300	6,950	234,639
Contributions	20,391	945	56,074	77,410
Total revenues:	<u>20,311,468</u>	<u>615,434</u>	<u>4,439,604</u>	<u>25,366,506</u>
<b><u>EXPENDITURES:</u></b>				
Current:				
General government	2,597,283		84,629	2,681,912
Public safety	12,172,315		797,469	12,969,784
Public works	1,079,729		85,625	1,165,354
Highways and streets	3,095,735		298,658	3,394,393
Health and sanitation	374,877			374,877
Culture and recreation		975,472	63,990	1,039,462
Economic development	488,355			488,355
Airport			2,773,599	2,773,599
Debt service:				
Principal paid	66,115		925,770	991,885
Interest paid	37,843		189,215	227,058
Total expenditures:	<u>19,912,252</u>	<u>975,472</u>	<u>5,218,955</u>	<u>26,106,679</u>
Excess (deficiency of revenues over (under) expenditures	<u>399,216</u>	<u>(360,038)</u>	<u>(779,351)</u>	<u>(740,173)</u>
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Long-term capital debt issued			1,915,000	1,915,000
Sale of capital assets	420			420
Transfers in	2,086,205	525,970	2,022,495	4,634,670
Transfers out	(1,716,833)		(929,965)	(2,646,798)
Net other financing sources (uses)	<u>369,792</u>	<u>525,970</u>	<u>3,007,530</u>	<u>3,903,292</u>
Net change in fund balances	<u>769,008</u>	<u>165,932</u>	<u>2,228,179</u>	<u>3,163,119</u>
Fund balances, beginning as previously reported	1,734,137	(186,327)	(160,909)	1,386,901
Prior period adjustment(s)	86,000			86,000
Fund balances - beginning, as restated	<u>1,820,137</u>	<u>(186,327)</u>	<u>(160,909)</u>	<u>1,472,901</u>
Fund balance, ending	<u>\$ 2,589,145</u>	<u>\$ (20,395)</u>	<u>\$ 2,067,270</u>	<u>\$ 4,636,020</u>

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



**CITY OF GREENVILLE, MISSISSIPPI**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended September 30, 2016**

	<u>Amount</u>
Net changes in fund balances - governmental funds	\$ 3,163,119
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays of \$4,448,432 exceeded depreciation of \$2,139,069.	2,309,363
The proceeds of long-term debt provides financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the government funds, but the repayment reduces long-term liabilities in the statement of net position. Thus, the change in net position differs from the change in fund balances by the amount that debt proceeds of \$1,915,000 exceeds debt repayments of \$991,885.	(923,115)
In the Statement of Activities, only gains and losses from the sale of capital assets are reported, whereas in the Governmental Funds, proceeds from the sale of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balances by the amount of the net loss of \$11,965 and the proceeds from the sale of assets \$420 in the current period.	(11,965)
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available resources. However, in the statement of activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when resources are available. In addition, interest on long-term debt is recognized under the modified accrual basis of accounting when due, rather than as it accrues. Thus, the change in net position differs from the balance by a combination of the following items:	
Compensated absences	(70,882)
Change in accrued interest on long-term debt	(25,743)
Other postemployment benefits payable	(63,877)
Some items reported in the Statement of Activities relating to the implementation of GASB 68 are not reported in the governmental funds. These activities include:	
Recording of pension expense for the current period	(3,188,027)
Recording of contributions made prior and subsequent to the measurement date	2,136,949
Recording of amortization of deferred inflows and outflows in pension expense for the current period	(1,105,854)
An Internal Service Fund is used by management to charge the cost of vehicle pool services to individual funds. The net revenue (expense) is reported within governmental activities.	(811,318)
Change in net position of governmental activities	<u>\$ 1,408,650</u>

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



**CITY OF GREENVILLE, MISSISSIPPI**  
**STATEMENT OF NET POSITION - PROPRIETARY FUNDS**  
**September 30, 2016**

	<b>Business-Type Activities</b>			<b>Governmental Activity</b>
	<b>Enterprise Fund Water &amp; Sewer Fund</b>	<b>Non-Major Sanitation Fund</b>	<b>Enterprise Funds Total</b>	<b>Internal Service Fund</b>
<b><u>ASSETS</u></b>				
Current assets:				
Cash and cash equivalents	\$ 1,426,944	\$ 287,393	\$ 1,714,337	\$ 75,073
Accounts receivable (net of allowance for uncollectibles of \$1,672,719)	1,131,572	163,602	1,295,174	
Intergovernmental receivables	683,011	22,448	705,459	796
Due from other funds	25,990		25,990	
Other receivables	19,940	3,301	23,241	
Inventory				67,892
<b>Total Current Assets</b>	<b>3,287,457</b>	<b>476,744</b>	<b>3,764,201</b>	<b>143,761</b>
Non-current assets:				
Restricted assets - cash	884,212		884,212	
Capital assets:				
Land and construction in progress	2,389,709	2,512,541	4,902,250	
Other capital assets, net	40,666,429	724,904	41,391,333	1,183,887
<b>Total Non-Current Assets</b>	<b>43,940,350</b>	<b>3,237,445</b>	<b>47,177,795</b>	<b>1,183,887</b>
<b>Total Assets</b>	<b>47,227,807</b>	<b>3,714,189</b>	<b>50,941,996</b>	<b>1,327,648</b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>				
Deferred outflows related to pensions	785,703	196,427	982,130	196,427
<b>Total Deferred Outflows of Resources</b>	<b>785,703</b>	<b>196,427</b>	<b>982,130</b>	<b>196,427</b>
<b><u>LIABILITIES</u></b>				
Current liabilities:				
Accounts payable and accrued expenses	441,162	90,212	531,374	110,261
Accrued interest payable	39,933		39,933	
Current portion of long-term debt	1,215,062		1,215,062	
<b>Total Current Liabilities</b>	<b>1,696,157</b>	<b>90,212</b>	<b>1,786,369</b>	<b>110,261</b>
Non-current liabilities:				
Other postemployment benefits payable	55,524	15,745	71,269	15,065
Liabilities payable from restricted assets	884,212		884,212	
Net pension liability	3,815,429	953,857	4,769,286	953,859
Capital debt:				
Notes payable	2,598,740		2,598,740	
Capital leases payable	5,606,850		5,606,850	
Non-capital debt:				
Compensated absences	176,698	56,120	232,818	47,206
<b>Total Non-Current Liabilities</b>	<b>13,137,453</b>	<b>1,025,722</b>	<b>14,163,175</b>	<b>1,016,130</b>
<b>Total Liabilities</b>	<b>14,833,610</b>	<b>1,115,934</b>	<b>15,949,544</b>	<b>1,126,391</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>				
Deferred inflows related to pensions	73,654	18,414	92,068	18,414
<b>Total Deferred Inflows of Resources</b>	<b>73,654</b>	<b>18,414</b>	<b>92,068</b>	<b>18,414</b>
<b><u>NET POSITION</u></b>				
Invested in capital assets, net of related debt	33,635,486	3,237,445	36,872,931	1,183,887
Restricted for:				
Public Works	884,212		884,212	
Unrestricted	(1,413,452)	(461,177)	(1,874,629)	(804,617)
<b>Total Net Position</b>	<b>\$ 33,106,246</b>	<b>\$ 2,776,268</b>	<b>\$ 35,882,514</b>	<b>\$ 379,270</b>

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



**CITY OF GREENVILLE, MISSISSIPPI**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**For the Year Ended September 30, 2016**

	<b>Business-Type Activities</b>			<b>Governmental Activity</b>
	<b>Enterprise Fund Water &amp; Sewer Fund</b>	<b>Non-Major Sanitation Fund</b>	<b>Enterprise Funds Total</b>	<b>Internal Service Fund</b>
<b><u>OPERATING REVENUES:</u></b>				
Charges for services:				
Water sales	\$ 4,186,581		\$ 4,186,581	
Sewer sales	3,378,207		3,378,207	
Sanitation fees		\$ 2,223,919	2,223,919	
Maintenance fees				\$ 1,872,026
Other Fees	8,530		8,530	
<b>Total Operating Revenues</b>	<b>7,573,318</b>	<b>2,223,919</b>	<b>9,797,237</b>	<b>1,872,026</b>
<b><u>OPERATING EXPENSES:</u></b>				
Personal services	1,838,195	576,114	2,414,309	530,232
Contractual services	2,014,326	1,056,260	3,070,586	266,807
Consumable supplies	612,235	56,107	668,342	877,100
Capital Outlay	494,200		494,200	
Depreciation expense	2,326,901	92,880	2,419,781	104,202
Pension expense	522,403	130,601	653,004	130,601
<b>Total Operating Expenses</b>	<b>7,808,260</b>	<b>1,911,962</b>	<b>9,720,222</b>	<b>1,908,942</b>
<b>Operating Income (Loss)</b>	<b>(234,942)</b>	<b>311,957</b>	<b>77,015</b>	<b>(36,916)</b>
<b><u>NON-OPERATING REVENUES (EXPENSES)</u></b>				
Intergovernmental grants	1,083,983	25,750	1,109,733	796
Other income	10,734		10,734	3,302
Gain (loss) on sale of capital assets	(2,694)		(2,694)	
Interest expenses	(270,908)		(270,908)	
<b>Total Non-operating Revenues (Expenses)</b>	<b>821,115</b>	<b>25,750</b>	<b>846,865</b>	<b>4,098</b>
<b>Net Income (Loss) Before Operating Transfers</b>	<b>586,173</b>	<b>337,707</b>	<b>923,880</b>	<b>(32,818)</b>
<b><u>OPERATING TRANSFERS:</u></b>				
Operating Transfers in	491,263	69,963	561,226	33,500
Operating Transfers out	(1,600,000)	(323,662)	(1,923,662)	(812,000)
<b>Net Operating Transfers</b>	<b>(1,108,737)</b>	<b>(253,699)</b>	<b>(1,362,436)</b>	<b>(778,500)</b>
<b>Change in Net Position</b>	<b>(522,564)</b>	<b>84,008</b>	<b>(438,556)</b>	<b>(811,318)</b>
<b>Net Position - Beginning</b>	<b>33,628,810</b>	<b>2,692,260</b>	<b>36,321,070</b>	<b>1,190,588</b>
<b>Net Position - Ending</b>	<b>\$ 33,106,246</b>	<b>\$ 2,776,268</b>	<b>\$ 35,882,514</b>	<b>\$ 379,270</b>

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





**CITY OF GREENVILLE, MISSISSIPPI**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**For the Year Ended September 30, 2016**

	<b>Business-Type Activities</b>		<b>Governmental</b>
	<b>Enterprise Fund</b>	<b>Non-Major</b>	<b>Activity</b>
	<b>Water &amp; Sewer</b>	<b>Sanitation</b>	<b>Internal Service</b>
	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Cash received from customers and users	\$ 8,461,963	\$ 2,067,653	\$ 1,872,026
Receipts from internal services			(524,429)
Payments to employees for services	(2,048,820)	(622,725)	(1,045,292)
Payments to suppliers for goods and services	(4,002,009)	(1,122,003)	
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>2,411,134</b>	<b>322,925</b>	<b>302,305</b>
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u></b>			
Operating transfers, net	(1,108,737)	(253,699)	(778,501)
Other receipts	12,768		3,301
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>(1,095,969)</b>	<b>(253,699)</b>	<b>(775,200)</b>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u></b>			
Acquisition of property and equipment	(2,681,003)	(149,044)	(35,182)
Capital grants received	763,837		
Principal payments on long-term debt	(1,186,974)		
Proceeds of long-term debt	1,701,565		
Interest paid on bonds, loans and capital leases	(267,713)		
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(1,670,288)</b>	<b>(149,044)</b>	<b>(35,182)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(355,123)</b>	<b>(79,818)</b>	<b>(508,077)</b>
<b>Cash and Cash Equivalents, October 1</b>	<b>2,666,279</b>	<b>367,211</b>	<b>583,150</b>
<b>Cash and Cash Equivalents, September 30</b>	<b>\$ 2,311,156</b>	<b>\$ 287,393</b>	<b>\$ 75,073</b>
<b><u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u></b>			
Operating income (loss)	\$ (234,942)	\$ 311,957	\$ (36,916)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	2,326,901	92,880	104,202
Pension expense adjustment	299,070	74,771	74,771
(Increase) decrease in accounts receivable	165,863	(65,254)	
(Increase) decrease in intergovernmental receivable	(315,364)	(22,448)	
(Increase) decrease in interfund receivables			225,976
(Increase) decrease in other receivables	(3,779)	(3,301)	
(Increase) decrease in inventories			(18,492)
Increase (decrease) in accounts payable and accrued expenses	94,910	(42,140)	(56,571)
Increase (decrease) in interfund payables	(26,783)	(32,762)	
Increase (decrease) in accrued interest payable	(3,195)		
Increase (decrease) in other postemployment benefits payable	9,323	2,784	2,669
Increase (decrease) in customer deposits	95,746		
Increase (decrease) in compensated absences	3,384	6,438	6,666
<b>Total adjustments</b>	<b>2,646,076</b>	<b>10,968</b>	<b>339,221</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 2,411,134</b>	<b>\$ 322,925</b>	<b>\$ 302,305</b>

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

RECEIVED  
JUN 29 2017



**CITY OF GREENVILLE, MISSISSIPPI**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**September 30, 2016**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 842,634
Property tax receivable	153,536
<b>Total Assets</b>	<u>996,170</u>
 <b>LIABILITIES</b>	
Intergovernmental payables	901,202
Claims and other payables	94,968
<b>Total Liabilities</b>	<u>\$ 996,170</u>



**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Financial Reporting Entity**

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

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

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

**B. Basis of Presentation**

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

**Government-wide Financial Statements:**

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

The Statement of Net Position presents the financial condition of the governmental activities and business-type activities of the City at year end. The Government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function or program of the City's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service, program or department and therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.



**CITY OF GREENVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2016**

Taxes and other revenues not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. Internal service fund balances have been eliminated against the expenses and program revenue. The comparison of direct expenses with program revenues identifies the extent to which each business-type activity or governmental function is self-financing or draws from the general revenues of the City.

**Fund Financial Statements:**

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

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

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

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

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

The City reports the following major governmental funds:

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





**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2016**

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

The City reports the following major proprietary fund:

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

Additionally, the City reports the following fund types:

**GOVERNMENTAL FUND TYPES**

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

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

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

**PROPRIETARY FUND TYPES**

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

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

**FIDUCIARY FUND TYPES**

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

**D. Account Classifications.**

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



**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2016**

**E. Deposits and Investments**

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

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

**F. Receivables**

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

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

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

**H. Inventories and Prepaid Items**

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

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

**I. Restricted Assets**

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



**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2016**

**J. Capital Assets**

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

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

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

The following schedule details those thresholds and estimated useful lives:

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

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

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

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

Deferred outflows related to pensions – This amount represents the City's proportionate share of the deferred



**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2016**

outflows of resources reported by the pension plan in which the City participates. See Note 11 for additional details.

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.

Deferred inflows related to pensions – This amount represents the City's proportionate share of the deferred inflows of resources reported by the pension plan in which the City participates. See Note 11 for additional details.

**L. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System of Mississippi (PERS) and the Mississippi Municipal Retirement System (MMRS) and additions to/deductions from PERS' and MMRS' fiduciary net position have been determined on the same basis as they are reported by PERS and MMRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**M. Long-Term Liabilities**

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

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

**N. Equity Classifications**

Government-wide Financial Statements:

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

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

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

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





**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2016**

**Net Position Flow Assumption:**

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

**Fund Financial Statements:**

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

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

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

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

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

**Fund Balance Flow Assumption:**

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

**O. Risk Management**

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



**CITY OF GREENVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2016**

**P. Estimates and Assumptions**

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

**Q. Property Tax Revenues**

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

The City, each year at a meeting in September, levies property taxes for the ensuing fiscal year which begins on October 1. Real property taxes become a lien on January 1 of the current year, and personal property taxes become a lien on March 1 of the current year. Taxes on both real and personal property, however, are due on or before February 1 of the next succeeding year. Taxes on motor vehicles and mobile homes become a lien and are due in the month that coincides with the month of original purchase. All unpaid taxes levied October 1<sup>st</sup> become delinquent February 1<sup>st</sup> of the following year. Delinquent taxes are considered fully collectible and therefore no allowance for uncollectible taxes is provided. The City entered an inter-local agreement with the Washington County Tax Collector for the billing and collection of its real and personal property taxes, motor vehicle, and mobile home. Taxes are billed, collected, and remitted to the City by the Washington County Tax Collector each month. The millage rate for the City for the 2015 taxes was 59.41 mills as: 47.00 mills for the general fund, 6.19 mills for the debt service fund, 1.70 mills for library maintenance, 2.00 mills for park maintenance, and 2.52 mills for fire and police disability fund.

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

**R. Intergovernmental Revenues in Governmental Funds.**

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

**S. Compensated Absences**

Each employee shall earn one (1) working day per month for annual leave during the first 15 years of employment. After 15 years of continuous employment, each employee shall earn one and one-half (1 & 1/2) days per month for annual leave. An employee must have worked a minimum of six (6) months before being eligible to use vacation time. Vacation time will be computed by using the employee's anniversary date times the number of months worked. Accumulated vacation leave may be carried over from year to year.



**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2016**

However, upon an employee's termination of employment with the City of Greenville, no employee shall receive compensation in excess of thirty (30) days.

Any accumulated vacation time in excess of thirty (30) days may be applied as creditable service time through the Public Retirement System. All firefighters working on the 24/48-hour shift are allowed five (5) shift absences per year of employment to be used as approved vacation. After 15 years of continuous employment, each firefighter will be allowed seven (7) shift absences per year of employment to be used as approved vacation.

**NOTE 2: PRIOR PERIOD ADJUSTMENTS**

A summary of significant fund equity adjustments is as follows:

<u>Statement of Activities: Governmental Activities</u>	
<u>Explanation</u>	<u>Amount</u>
Adjustments to reconcile construction in process and mobile equipment due to prior year error in recording capital assets	\$ 1,720,883
Adjustment for prior years over accrual of tax collector fees on real property collections	86,000
Adjustment to record the Mississippi Municipal Retirement System - fire and police plan	(5,650,481)
	<u>\$ (3,843,598)</u>
 <u>Statement of Revenues, Expenditures, and Changes in Fund Balances: Governmental</u>	
<u>Explanation</u>	<u>Amount</u>
Adjustment for prior years over accrual of tax collector fees on real property collections	<u>\$ 86,000</u>

**NOTE 3: BUDGET POLICY**

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

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

Mississippi laws require that municipalities budget revenue and expenditures on a modified-cash basis. Claims that have been incurred prior to the end of the year and that are paid within 30 days are recorded under the accrual basis. Prior year claims that are paid after 30 days revert to the cash basis. All revenue is accounted for under the cash basis. The required budgetary basis is therefore not considered a generally accepted accounting principal. Governmental accounting requires that the "budget to actual" statements be



**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2016**

prepared according to budgetary laws and the statement of revenues, expenditures, and fund balance be prepared according to the modified-accrual basis (GAAP). The major reconciling items between the budgetary and GAAP presentations are presented on the "budget to actual" statements.

**NOTE 4: DEPOSITS**

Deposits

The carrying amount of the City's total deposits with financial institutions at September 30, 2016 was \$6,422,128 and the bank balance was \$6,889,364. The collateral for public entities' deposits in financial institutions are held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss Code Annotated (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace deposits not covered by the Federal Depository Insurance Corporation (FDIC).

Custodial Credit Risk- Deposits. Custodial credit risk is the risk that in the event of the failure of a financial institution, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk. However, the Mississippi State Treasurer manages that risk on behalf of the City. Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the City.

**NOTE 5: INTER-FUND TRANSACTIONS AND BALANCES**

Due From/To Other Funds:

Receivable Fund	Payable Fund	Amount
Water & Sewer Fund	General Fund	25,990
TOTAL		\$25,990

Transfers In/Out:

Transfer In	Transfer Out	Amount
General Fund	Water & Sewer Fund	\$ 600,000
General Fund	Internal Service	694,561
General Fund	Non-Major Governmental Funds	791,645
Major Fund Parks & Recreation	General Fund	421,150
Major Fund Parks & Recreation	Non-Major Governmental Funds	104,820
Non-Major Governmental Funds	General Fund	694,863
Non-Major Governmental Funds	Water & Sewer Fund	1,323,662
Non-Major Governmental Funds	Internal Service Fund	3,970
Water & Sewer Fund	General Fund	447,756
Water & Sewer Fund	Internal Service Fund	43,507
Sanitation	Internal Service Fund	69,963
Internal Service Fund	Non-Major Governmental Funds	33,500
Agency Fund	General Fund	153,064
TOTAL		\$5,382,461





**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2016**

The primary purpose of the transfers was to appropriate gaming revenues in the amount of \$1,311,621 for operations, maintenance, and capital improvements to Major Fund Parks & Recreation (\$200,000), Non-Major Governmental Funds (\$692,800), the Water & Sewer Fund (\$418,821). The remaining balances in transfers were a distribution of proceeds from debt in the amount of \$925,262 to General Fund (\$786,942), Major Fund Parks and Recreation (\$104,820), and Internal Service Fund (\$33,500); transfers from Water & Sewer Fund to General Fund (\$600,000) for operational expenditures and Internal Service Fund to General Fund (\$694,561) for operational expenditures; and Water & Sewer Fund to Non-Major Governmental Funds (\$1,323,662) for operational expenditures; and General Fund to Agency Fund (\$153,064) for payments related to payroll disbursements.

**NOTE 6: RECEIVABLES AND UN-COLLECTIBLES**

**Governmental Activities**

Inter-Governmental Receivables

In the government-wide financial statements, the receivables and related revenues include all amounts due to the City regardless of when cash is received. In the governmental fund financial statements, the revenues are offset and revenue recognition deferred by the amounts not received within 60 days of fiscal year-end. Intergovernmental and Other receivables at September 30, 2016 include the following:

Description	Amount
Inter-governmental receivable:	
Federal	
Urban Youth grant	35,000
Airport Security	7,705
JAG grant	6,251
Small Community Air Service Development	34,928
FAA projects	1,107,154
Railroad Depot	27,673
FEMA-Flood 2016	109,661
State	
FAA projects and Multi-Modal grants	144,307
MEMA	18,144
Solid Waste Grant	17,400
<b>TOTAL</b>	<b>\$1,508,223</b>

Other Receivables

Description	Amount
Receivables:	
Property tax	\$ 164,826
Franchise Fees	294,966
Fines, net of allowance for doubtful accounts of \$1,897,034	1,331,327
Other receivable related to Schelben Park	28,274
Other receivable related to MS River Walking Trail	17,700
Other receivable related to bond refunding	2,123
<b>TOTAL</b>	<b>\$1,839,216</b>



**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2016**

**Business-type Activities**

Significant receivables include amounts due from customers for utility services that are based on monthly cycle billings. The Water, Sewer, and Sanitation accounts receivables of \$1,295,174 are reported net of estimated un-collectibles of \$1,672,719.

Intergovernmental receivables of \$705,459 consisted of amounts due from the Mississippi Development Authority HUD-CDBG Broadway project (\$203,037), FEMA and MEMA (\$358,307), Delta Regional Authority (\$108,287), and the Corp of Engineers Grant (\$35,828) related to reimbursement for expenses incurred during the fiscal year.

Other receivables of \$23,241 represent amounts due for sales tax (\$2,176), bank debits and returned checks of (\$17,764), and miscellaneous (\$3,301).

**NOTE 7: RESTRICTED ASSETS**

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

Description	Governmental Activities	Business-Type Activities
Airport lease deposit	\$ 40,000	
Customer deposits		\$ 884,212
Total	<u>\$ 40,000</u>	<u>\$ 884,212</u>

**NOTE 8: CAPITAL ASSETS**

Capital asset activity for the fiscal year ended September 30, 2016, was as follows:

GOVERNMENTAL ACTIVITIES	Balance Oct. 1, 2015	Additions	Deletions	Adjustments	Balance Sept. 30, 2016
Non-depreciable capital assets:					
Land	\$ 85,371,162	14,380			\$ 85,385,542
Construction in progress	1,349,083	2,100,945		1,710,904	5,160,932
Total non-depreciable capital assets	<u>86,720,245</u>	<u>2,115,325</u>	<u>-</u>	<u>1,710,904</u>	<u>90,546,474</u>
Depreciable capital assets:					
Infrastructure	256,067,808	355,010			256,422,818
Buildings & Improvements	29,746,420	33,913			29,780,333
Mobile and machinery equipment	7,639,585	1,479,893	59,827	13,757	9,073,408
Furniture & equipment	2,095,403	499,473			2,594,876
Leased property under capital lease	1,353,772				1,353,772
Total depreciable capital assets	<u>296,902,988</u>	<u>2,368,289</u>	<u>59,827</u>	<u>13,757</u>	<u>299,225,207</u>
Less accumulated depreciation for:					
Infrastructure	171,425,678	1,311,580			172,737,258
Buildings & Improvements	22,639,635	236,205			22,875,840
Mobile and machinery equipment	5,714,195	398,530	47,862	3,778	6,068,641
Furniture & equipment	1,308,618	242,804			1,551,422
Leased property under capital lease	216,607	54,152			270,759
Total accumulated depreciation	<u>201,304,733</u>	<u>2,243,271</u>	<u>47,862</u>	<u>3,778</u>	<u>203,503,920</u>
Depreciable capital assets, net	<u>95,598,254</u>	<u>125,018</u>	<u>11,965</u>	<u>9,979</u>	<u>95,721,286</u>
Governmental activities capital assets, net	<u>\$182,318,499</u>	<u>2,240,343</u>	<u>11,965</u>	<u>1,720,883</u>	<u>\$186,267,760</u>



**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2016**

<b>BUSINESS-TYPE ACTIVITIES</b>	<b>Balance Oct. 1, 2015</b>	<b>Additions</b>	<b>Deletions</b>	<b>Adjustments</b>	<b>Balance Sept. 30, 2016</b>
Non-depreciable capital assets:					
Land	\$ 2,512,541				\$ 2,512,541
Construction in progress	370,617	2,019,091			2,389,708
Total non-depreciable capital assets	<u>2,883,158</u>	<u>2,019,091</u>	<u>-</u>	<u>-</u>	<u>4,902,249</u>
Depreciable capital assets:					
Infrastructure	347,805,684	873,273			348,678,957
Buildings & Improvements	34,782,882				34,782,882
Mobile equipment	10,762,898	278,437	13,470		11,027,865
Furniture & equipment	789,716				789,716
Leased property under capital lease	7,700,785				7,700,785
Total depreciable capital assets	<u>401,841,965</u>	<u>1,151,710</u>	<u>13,470</u>	<u>-</u>	<u>402,980,205</u>
Less accumulated depreciation for:					
Infrastructure	321,491,128	1,910,719			323,401,847
Buildings & Improvements	27,817,010	1,513			27,818,523
Mobile equipment	9,073,596	120,920	10,776		9,183,740
Furniture & equipment	182,070	78,598			260,668
Leased property under capital lease	616,062	308,031			924,093
Total accumulated depreciation	<u>359,179,866</u>	<u>2,419,781</u>	<u>10,776</u>	<u>-</u>	<u>361,588,871</u>
Depreciable capital assets, net	<u>42,662,099</u>	<u>(1,268,071)</u>	<u>2,694</u>	<u>-</u>	<u>41,391,334</u>
Business-Type activities capital assets, net	<u>\$ 45,545,257</u>	<u>751,020</u>	<u>2,694</u>	<u>-</u>	<u>\$ 46,293,583</u>

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

<b>GOVERNMENTAL ACTIVITIES</b>	<b>Amount</b>
General government	\$ 102,793
Public safety	327,350
Public works	33,011
Highway & streets	1,090,386
Health & Welfare	2,796
Culture & recreation	48,943
Economic Development	12,949
Airport	520,841
Internal Service Fund	104,202
Total governmental activities depreciation	<u>\$ 2,243,271</u>

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

<b>BUSINESS-TYPE ACTIVITIES</b>	<b>Amount</b>
Sewer & Water	\$ 2,326,901
Sanitation	92,880
Total business-type activities depreciation	<u>\$ 2,419,781</u>

Commitments with respect to major unfinished capital projects at September 30, 2016, consisted of the following:

Description	Remaining Financial Commitment	Expected Date of Completion
Sewer Projects	Unknown	Unknown



**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2016**

**NOTE 9: CAPITAL LEASES**

**As Lessee:**

The City is obligated for the following capital assets acquired through capital leases as of September 30, 2016:

<u>Classes of Property</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Building Improvements	\$ 1,353,772	
Water meters and related equipment		\$ 7,700,785
Less: Accumulated depreciation	270,760	924,093
Leased Property Under Capital Leases	<u>\$ 1,083,012</u>	<u>\$ 6,776,692</u>

The following is a schedule by years of the total payments due as of September 30, 2016:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2017	68,684	35,274	438,676	225,293
2018	71,352	32,606	455,721	208,249
2019	74,125	29,833	473,427	190,543
2020	77,005	26,953	491,821	172,148
2021	79,997	23,961	510,930	153,039
2022-2026	449,092	70,698	2,868,307	451,542
2027-2028	126,297	3,651	806,643	23,318
Total	<u>\$ 946,551</u>	<u>\$ 222,977</u>	<u>\$ 6,045,525</u>	<u>\$ 1,424,132</u>

**NOTE 10: OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

Plan Description

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

Funding Policy

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





**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2016**

Actuarial Valuation

The City's Health Insurance Plan's Report of the Actuary on the Other Postemployment Benefits Valuation was prepared as of September 30, 2016. The plan presently has an actuarial valuation performed bi-annually, in order to be in compliance with GASB Statement 45.

Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC is determined assuming the plan would fund the OPEB liability on a pay-as-you-go basis. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The current ARC of \$93,041 is 1.34 percent of annual covered payroll.

The following table presents the OPEB cost for the year, the amount contributed and changes in the OPEB plan for fiscal year 2016:

		<b>2016</b>
Annual required contribution	\$	93,041
Interest on net OPEB obligation		11,948
Adjustment to annual required contribution		(6,420)
Annual OPEB cost		98,569
Employer payments for retiree benefits		(19,917)
Increase in the net OPEB obligation		78,652
Net OPEB obligation -- beginning of year		398,400
Net OPEB obligation -- end of year	\$	477,052

The following table provides the city's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the fiscal year 2016:

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB obligation
2014	\$178,865	25.85%	\$132,622
2015	\$178,865	25.85%	\$132,889
2016	\$98,569	20.20%	\$78,652

Funding Status and Funding Progress

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

Actuarial Valuation Date	October 1, 2016
Actuarial Value of Plan Assets (a)	\$-0-
Actuarial Accrued Liability (AAL) Entry Age (b)	\$687,835
Unfunded AAL (UAAL) (b-a)	\$687,835
Funded Ratio (a/b)	-0-%
Annual Covered Payroll (c)	\$6,957,985
UAAL as a Percentage of Annual Covered Payroll ((b-a)/c)	9.90%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of



**CITY OF GREENVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2016**

funding progress, presented as RSI following the notes to the financial statements, is designed to present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**Actuarial Methods and Assumptions**

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

Actuarial valuation date	October 1, 2016
Actuarial cost method	Entry Age Normal Actuarial
Amortization method	30 Year Level Percentage of Pay
Remaining amortization period	Twenty-eight Years
Asset valuation method	Not Applicable
Actuarial assumptions:	
Investment rate of return	Not Applicable
Projected salary increases	2 % per annum
Healthcare cost trend rate	8.5% graded uniformly to 5% over 7 years
Ultimate trend rate	5%
Year of ultimate trend rate	2024

**NOTE 11: DEFINED BENEFIT PENSION PLANS.**

**Cost-Sharing Multiple-Employer Defined Benefit Pension Plan – Public Employees Retirement System**

*General Information about the Pension Plan*

**Plan Description.** The City of Greenville contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing, multiple-employer, defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Benefit provisions are established by state law and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Public Employees' Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling 1-800-444-PERS.

**Benefits Provided.** Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi, state universities, community and junior colleges, and teachers and employees of the public school districts. For those persons employed by political subdivisions and instrumentalities of the State of Mississippi, membership is contingent upon approval of the entity's participation in PERS by the PERS' Board of Trustees. If approved, membership for the entity's employees is a condition of employment and eligibility is granted to those who qualify upon hiring. Participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS



**CITY OF GREENVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2016**

before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.0 percent of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.5 percent for each addition year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. Benefits vest upon eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. A Cost-of-Living Adjustment (COLA) payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.0 percent of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3.0 percent compounded for each fiscal year thereafter. Plan provisions are established and may be amended only by the State of Mississippi Legislature.

Contributions. At September 30, 2016, PERS members were required to contribute 9% of their annual covered salary, and the City is required to contribute at an actuarially determined rate. The employer's rate at September 30, 2016 was 15.75% of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The City's contributions (employer share only) to PERS for the years ending September 30, 2016, 2015 and 2014 were \$1,861,107, \$1,779,564, and \$1,770,708, respectively, equal to the required contributions for each year.

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

At September 30, 2016, the City reported a liability of \$31,795,245 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. At June 30, 2016, the City's proportion was 0.178 percent, which was a decrease of 0.003 percent from its proportion measured as of June 30, 2015.

For the year ended September 30, 2016, the City recognized pension expense of \$4,353,357. At September 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 796,800	
Net difference between projected and actual earnings on pension plan investments	3,740,294	
Changes of assumptions	1,524,158	84,490
Changes in the proportion and differences between actual contributions and proportionate share of contributions		529,292
Contributions subsequent to the measurement date	486,281	
	<u>\$ 6,547,533</u>	<u>613,782</u>



**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2016**

\$486,281 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30:	Amount
2017	\$ 2,013,629
2018	1,750,615
2019	1,055,104
2020	628,122
Total	<u>\$ 5,447,470</u>

Actuarial Assumptions. The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods in the measurement:

Inflation	3.00 percent
Salary increases	3.75 - 19.00 percent, including inflation
Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 Healthy Annuitant Blue Collar Table Projected with Scaled BB to 2016, with males' rates set forward one year.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2014. The experience report is dated May 4, 2015.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2016, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Broad	34.00 %	5.20 %
International Equity	19.00	5.00
Emerging Markets Equity	8.00	5.45
Fixed Income	20.00	0.25
Real Assets	10.00	4.00
Private Equity	8.00	6.15
Cash	1.00	(0.50)
	<u>100.00 %</u>	





**CITY OF GREENVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2016**

Discount Rate. The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00%) and that employer contributions will be made at the current employer contribution rate (15.75%). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Discount Rate (7.75%)	1% Increase (8.75%)
Proportionate share of the net pension liability	\$ 40,768,632	31,795,245	24,350,242

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

**Agent Multiple-Employer Defined Benefit Pension Plan - Mississippi Municipal Retirement Systems**

*General information about the Plan*

Plan Description. The City also participates in the Mississippi Municipal Retirement Systems ("MMRS") City of Greenville Fire and Police Plan which has been closed to new participants since July 1, 1976. MMRS is an agent multiple-employer defined benefit plan administered by PERS. MMRS was designed to provide retirement benefits for firefighters and police officers. The City is one of seventeen cities providing retirement benefits to firefighters and police officers. Plan provisions are established by Miss. Code Ann. §21-29-1 et seq. (1972, as amended) and annual local and private legislation. Statutes may be amended only by the Mississippi Legislature. PERS issues a publicly available report entitled the Report on the Annual Valuation of the Mississippi Municipal Retirement Systems. That report may be obtained by writing to Public Employees' Retirement System of Mississippi, PERS Building, 429 Mississippi Street, Jackson, MS, 39201 or by calling (601)359-3589 or 1-800-444-PERS.

Benefits Provided. Membership in the MMRS is comprised of employees who were hired prior to July 1, 1976, and includes only those eligible employees of the City who did not opt to become a member of PERS. MMRS provides retirement, disability, and death benefits to plan members and their beneficiaries.

A retirement allowance is payable to any member who retires and has completed at least 20 years of creditable service, regardless of age. Any firefighter or police officer who has attained age 65 shall be retired forthwith. The annual retirement allowance payable to a retired member is equal to (1) 50.0 percent of average compensation, plus (2) 1.7 percent of average compensation for each year of credited service over 20. The aggregate amount of (1) and (2) shall not exceed 66.6 percent of average compensation, regardless of service.



**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2016**

A disability retirement allowance is payable to any member who is not eligible for a service retirement benefit, but who becomes totally and permanently disabled regardless of creditable service, if the disability is due to causes in the performance of duty. If the disability is not due to causes in the performance of duty, the member must have completed at least five years of creditable service to be eligible for disability retirement. The annual disability retirement allowance payable is equal to 50.0 percent of the member's salary at the time of retirement, if the disability is due to causes in the performance of duty. If the disability is not due to causes in the performance of duty, the allowance is equal to 2.5 percent times credited service, not in excess of 20 years, times the member's salary at the time of retirement for firefighters and police officers.

A death benefit is payable upon the death of a member under the following conditions: (a) the member has retired; (b) the member is eligible to retire; (c) the death is in the line of duty; or (d) the death is not in the line of duty, but occurs after the member has five years of credited service. The death benefit is payable to the surviving spouse and to children under age 18, to dependent children through age 23 when full-time students, and to dependent children of any age if handicapped. The annual benefit payable, under all conditions in the case of firefighters and police officers is equal to 2.5 percent of average compensation for each year of credited service up to 20 and 1.7 percent of average compensation for each year over 20, with a maximum benefit of 66.67 percent of average compensation.

Upon a member's termination of employment for any reason before retirement, the member's accumulated contributions are refunded. Upon the death of a member who is not eligible for any other death benefit, the member's accumulated contributions are paid to the member's beneficiary.

The minimum monthly allowance paid to members for all retirement and death benefits is \$600.

The allowances of certain retired members are adjusted annually by a Cost-of-Living Adjustment ("COLA") on the basis of the annual percentage change in each fiscal year of the Consumer Price Index. All retirees and beneficiaries who were receiving a retirement allowance as of June 30, 1999, were granted a 3.9 percent ad-hoc benefit increase.

At June 30, 2016 (measurement date), the following employees were covered by the plan:

Inactive Members or Their Beneficiaries Currently Receiving Benefits	79
--	----

Contributions. Funding policies for MMRS are established by Mississippi statutes. Employer contributions are paid through an annual millage rate on the assessed property values of the City. For the year ended September 30, 2016, the City levied 2.52 mills to help fund MMRS. These millage rates are determined through review of the plan benefit structure during the MMRS annual actuarial valuation and certification by the actuary as to the funding level required of the City. The City's contributions to the Greenville Fire and Police Plan for the fiscal year ended September 30, 2016, was \$610,841.

Net Pension Liability. The City's net pension liability is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the plans was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liabilities in the June 30, 2016, actuarial valuations were determined using the following actuarial information and assumptions:



**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2016**

<u>Description</u>	<u>Assumptions</u>
Valuation date	June 30, 2016
Actuarial cost method	Entry age
Amortization method	Level dollar closed
Actuarial assumptions:	
Investment rate of return*	7.75%
Projected salary increases#	4.00% - 5.50%
*Includes price inflation at	3.00%
#Includes wage inflation at	3.75%
Cost of living adjustments	2.00% - 3.75%

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2016 valuation were adopted by the PERS Board of Trustees when the Experience Investigation for the Four-Year Period Ending June 30, 2014, was adopted on April 21, 2015. Further details can be found on the PERS website.

Discount Rate. The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at the current employer contribution rate (2.52 mills). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability. Changes in the City's net pension liability for the year ended September 30, 2016 were as follows:

	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability (Asset)</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a) - (b)</b>
<b>Balances at June 30, 2015</b>	<b>\$ 9,440,018</b>	<b>3,601,540</b>	<b>5,838,478</b>
Changes for the year:			
Service Cost	-	-	-
Interest	692,751		692,751
Changes of assumptions	-		-
Difference between expected and actual experience	205,643		205,643
Contributions - employer		612,832	(612,832)
Contributions - employee		-	-
Net Investment income		17,714	(17,714)
Benefit payments, including refunds of employee contributions	(1,002,578)	(1,002,578)	-
Administrative expense		(12,257)	12,257
Other changes		8,467	(8,467)
Net Changes	(104,184)	(375,822)	271,638
<b>Balances at June 30, 2016</b>	<b>\$ 9,335,834</b>	<b>3,225,718</b>	<b>6,110,116</b>



**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2016**

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the plan net pension liability calculated using the discount rate of 7.75 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75 percent) or one percentage point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Discount Rate (7.75%)	1% Increase (8.75%)
Proportionate share of the net pension liability	\$ 6,830,702	6,110,116	5,480,531

Pension Plan Fiduciary Net Position. Detailed information about the pension plans fiduciary net position is available in the separately issued PERS and MMRS financial reports.

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

For the year ended September 30, 2016, the plan recognized pension expense of \$724,129.

At September 30, 2016, the plan reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 305,623	
Contributions subsequent to the measurement date	40,724	
	<u>\$ 346,347</u>	<u>-</u>

The above deferred outflows of resources and deferred inflows of resources represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner.

The amount reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2017.

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

Year ending September 30:	Amount
2017	\$ 85,487
2018	85,487
2019	85,487
2020	49,162
Total	<u>\$ 305,623</u>





**CITY OF GREENVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2016**

**Summary of Pension Plan Balances**

The City's pension related balances presented on the Statement of Net Position as of September 30, 2016, by individual plan are as follows:

	<u>PERS</u>	<u>MMRS</u>
Deferred outflows - Pensions	6,547,533	346,347
Net pension liability	31,795,245	6,110,116
Deferred inflows - Pensions	613,782	-
Pension expense	4,353,357	724,129

**NOTE 12: LONG-TERM DEBT**

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

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

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

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

The margin for additional debt under the above debt limits as of September 30, 2016 is approximately:

<u>15% Limit</u>	<u>20% Limit</u>
\$21,992,177	\$32,298,843



**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2016**

Debt outstanding as of September 30, 2016, consisted of the following:

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
<b>Governmental Activities:</b>			
<b>A. General Obligation Bonds:</b>			
Series 2007-Street Bond	95,000	5.00	04-2017
Series 2008-Street Bond	185,000	3.750 to 5.125	10-2018
Series 2010-Street Bond	1,095,000	3.000 to 4.150	05-2022
Series 2015-Refunding Bond	2,849,000	1.538 to 2.634	04-2028
Total General Obligation Bonds	<u>4,224,000</u>		
<b>B. Other Loans</b>			
GO Note-Equipment & Expenses	409,929	1.51	09-2018
GO Note-E One Fire Pumper Truck	242,493	2.12	04-2019
GO Note-Pierce Fire Truck	369,160	1.77	02-2021
GO Note-Equipment & Expenses	1,336,426	1.73	03-2021
Total Other Loans	<u>2,358,008</u>		
<b>C. Capital Leases:</b>			
Energy Project-Siemens	946,551	3.83	10-2028
Total Capital Leases	<u>946,551</u>		
<b>Business-Type Activities:</b>			
<b>A. Other Loans</b>			
State Revolving-C280767-07	347,689	1.75	03-2030
GO Note-SRF Refunding	1,325,872	1.51	06-2018
	<u>1,673,561</u>		
State Revolving-C280767-09	1,701,565	drawn to date	
Total Other Loans	<u>3,375,126</u>		
<b>C. Capital Leases:</b>			
Energy Project-Siemens	6,045,525	3.83	10-2028
Total Capital Leases	<u>\$ 6,045,525</u>		

•

**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2016**

The annual debt service requirements of long-term debt of September 30, 2016 are as follows:

<b>Governmental Activities:</b>				
Year Ending September 30,	General Obligation Bonds		Other Loans	
	Principal	Interest	Principal	Interest
2017	397,000	125,390	657,301	36,605
2018	412,000	110,073	668,640	25,266
2019	431,000	95,503	470,524	15,177
2020	440,000	82,923	394,791	6,627
2021	455,000	69,727	166,752	726
2022-2026	1,625,000	177,881		
2027-2028	464,000	16,268		
Totals	<u>\$ 4,224,000</u>	<u>\$ 677,765</u>	<u>\$ 2,358,008</u>	<u>\$ 84,401</u>

<b>Business-Type Activities:</b>			
Year Ending September 30,	Other Loans		
	Principal	Interest	
2017	776,386	32,404	
2018	595,962	20,721	
2019	23,855	9,102	
2020	24,276	5,081	
2021	24,704	4,660	
2022-2026	130,213	16,722	
2027-2030	98,165	12,365	
Totals	<u>\$ 1,673,561</u>	<u>\$ 101,055</u>	

The following is a summary of changes in long-term debt for the year ended September 30, 2016:

	Balance Oct. 1, 2015	Additions	Reductions	Balance Sept. 30, 2016	Amount due within one year
<b>Governmental Activities:</b>					
Compensated absences	\$ 716,618	\$ 77,548		\$ 794,166	
General obligation bonds	4,634,000		410,000	4,224,000	\$ 397,000
Other Loans	958,779	1,915,000	515,770	2,358,009	657,301
Capital leases	1,012,666		66,115	946,551	68,684
Total	<u>7,322,063</u>	<u>1,992,548</u>	<u>991,885</u>	<u>8,322,726</u>	<u>1,122,985</u>
<b>Business-Type Activities:</b>					
Compensated absences	222,996	9,822		232,818	
Other Loans	2,438,266	1,701,565	764,704	3,375,127	776,386
Capital leases	6,467,795		422,270	6,045,525	438,676
Total	<u>\$ 9,129,057</u>	<u>\$ 1,711,387</u>	<u>\$ 1,186,974</u>	<u>\$ 9,653,470</u>	<u>\$ 1,215,062</u>

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



**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2016**

**NOTE 13: DEFICIT FUND BALANCES OF INDIVIDUAL FUNDS**

Fund	Deficit Amount
Major Fund Parks & Recreation	\$ (20,395)
Municipal Improvement	(165,491)
Solid Waste Assistance Grant	(1,596)

**NOTE 14: CONTINGENCIES**

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

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

On March 29, 2013, the City received notice from the United States Environmental Protection Agency (EPA) and the Mississippi Department of Environmental Quality (MDEQ). The notice advised the City of an investigation of alleged instances of unauthorized discharges of sanitary sewer wastewater and other shortcomings regarding its wastewater treatment plant and collection system.

From that date, and until December 30, 2015, the City, with the aid of engineering and legal professionals, engaged with the EPA, United States Department of Justice (DOJ) and MDEQ in extensive discussions, document generation and production, preliminary planning, development and tentative remediation programs to address the alleged deficiencies in the wastewater collection and treatment systems.

On December 30, 2015, the parties, having successfully negotiated an agreement that covers most of the work/remediation that will be undertaken by the City, the Greenville City Council executed a "Partial Consent Decree." That Decree was subsequently executed by the EPA, DOJ, and MDEQ. It was filed in the U. S. District Court for the Northern District of Mississippi in Greenville, and was subsequently signed and entered by U.S. District Court Judge Debra Brown on May 4, 2016. Under this Consent Decree, the City has performed and will continue to perform evaluation, planning and construction/repair projects on the sanitary sewer system over a period of six years, which activities are estimated to cost approximately \$21,500,000. At the mid-point of this process, the parties will review studies that will have been performed on additional portions of the City's sewer system, and determine whether additional work will be required. The question whether the EPA/DOJ will attempt to assess penalties against the City has been deferred, and will not rise again until approximately 2019-2020. The City has been diligently working to comply with the requirements of the Consent Decree and, in fact, is substantially ahead of schedule in that regard. We anticipate that, absent extreme weather conditions going forward, the City and its contractors will be able to maintain that pace. We feel no financial provision should be entered in the financial statements at this time.

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





**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2016**

**NOTE 15: SUBSEQUENT EVENTS**

Events that occurred after the Statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management of the City of Greenville evaluated the activity of the City through June 23, 2017, and determined that the following subsequent events have occurred requiring disclosure in the notes to the financial statements.

1) Debt acquisition:

Issue Date	Interest Rate		Issue Amount	Type of Financing	Source of Financing
12-12-2016	2.01%	\$	783,000	Promissory Note	Ad valorem Taxes
01-05-2017	1.93%		986,000	Promissory Note	Ad valorem Taxes
05-01-2017	1.75%	\$	353,781	WPCRLF Loan	Sales Taxes

2) Contractual agreement for management services:

On August 10, 2016, the City entered into a contractual agreement with ClearWater Solutions, LLC (Service Provider) to manage, operate and maintain the City's Public Works Administration, Street and Traffic Control Departments, Building and Grounds Maintenance, Utility Billing, Water Maintenance, Sewer Maintenance, Wastewater Treatment, Sanitation and Vehicle Fleet Repairs effective October 1, 2016. Compensation to the Service Provider for year one consist of an annual fee of \$9,099,922 or \$758,327 per month plus the value associated with the use of the public work's buildings. Other provisions in the contract state that the compensation shall be re-negotiated on an annual basis.



**CITY OF GREENVILLE, MISSISSIPPI**

**REQUIRED SUPPLEMENTARY INFORMATION**



**City of Greenville, Mississippi**  
**Budgetary Comparison Schedule**  
**Budget and Actual (Non-GAAP Basis)**  
**General Fund**  
**For the Year Ended September 30, 2016**

	Budgeted Amount		Actual	Variance
	Original	Final	Non-GAAP Basis	Favorable (Unfavorable)
<b><u>REVENUES:</u></b>				
Ad Valorem Taxes	\$ 9,388,943	\$ 9,653,769	\$ 9,653,769	\$ -
Licenses, Permits & Franchise Fees	1,320,000	1,260,090	1,260,090	-
Grants & Intergovernmental	7,586,856	8,112,876	8,112,876	-
Fines and Forfeits	442,650	447,721	447,721	-
Rental	432,250	437,808	437,808	-
Miscellaneous Revenues	154,937	240,237	240,237	-
Charges for Services	40,000	62,946	62,946	-
<b>Total Revenues</b>	<b>19,365,636</b>	<b>20,215,447</b>	<b>20,215,447</b>	<b>-</b>
<b><u>EXPENDITURES:</u></b>				
<b>General Government</b>				
Personal services	1,252,702	1,200,855	1,200,855	-
Other services and charges	1,203,896	1,254,894	1,254,894	-
Supplies	64,750	68,264	68,264	-
Capital outlay	122,776	114,957	114,957	-
Total general government	2,644,124	2,638,970	2,638,970	-
<b>Public Safety</b>				
Police Department				
Personal services	5,703,036	5,527,198	5,527,198	-
Other services and charges	1,746,629	1,784,925	1,784,925	-
Supplies	84,500	77,803	77,803	-
Capital outlay	-	-	-	-
Total Police Department	7,534,165	7,389,926	7,389,926	-
Fire Department				
Personal services	4,167,963	4,075,515	4,075,515	-
Other services and charges	279,544	285,873	285,873	-
Supplies	52,139	58,160	58,160	-
Capital Outlay	55,998	56,121	56,121	-
Total Fire Department	4,555,644	4,475,669	4,475,669	-
Total Public Safety	12,089,809	11,865,595	11,865,595	-
<b>Public Works</b>				
Personal services	756,827	701,639	701,639	-
Other services and charges	220,202	236,719	236,719	-
Supplies	46,660	88,190	88,190	-
Capital outlay	247,912	266,008	266,008	-
Total Public Works	1,271,601	1,292,556	1,292,556	-
<b>Highways and Streets</b>				
Personal services	1,001,456	932,162	932,162	-
Other services and charges	1,274,948	1,254,262	1,254,262	-
Supplies	490,100	477,907	477,907	-
Capital outlay	401,000	399,519	399,519	-
Total Highways and Streets	3,167,504	3,063,850	3,063,850	-

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



**City of Greenville, Mississippi**  
**Budgetary Comparison Schedule**  
**Budget and Actual (Non-GAAP Basis)**  
**General Fund**  
**For the Year Ended September 30, 2016**

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Non-GAAP</u>	<u>Favorable</u>
			<u>Basis</u>	<u>(Unfavorable)</u>
<b><u>EXPENDITURES CONTINUED:</u></b>				
<b>Health &amp; Welfare</b>				
Other services and charges	370,700	366,973	366,973	-
Supplies	3,250	6,404	6,404	-
Capital outlay	-	1,500	1,500	-
Total Health & Welfare	373,950	374,877	374,877	-
<b>Economic Development</b>				
Personal services	253,687	254,461	254,461	-
Other services and charges	238,140	223,360	223,360	-
Supplies	5,470	5,135	5,135	-
Capital outlay	7,000	4,450	4,450	-
Total Economic Development	504,297	487,406	487,406	-
<b>Debt Service</b>				
Principal paid	66,115	66,115	66,115	-
Interest paid	37,843	37,843	37,843	-
	103,958	103,958	103,958	-
<b>Total Expenditures</b>	<b>20,155,243</b>	<b>19,827,212</b>	<b>19,827,212</b>	<b>-</b>
<b>Excess of Revenues over</b>				
<b>(under) Expenditures</b>	<b>(789,607)</b>	<b>388,235</b>	<b>388,235</b>	<b>-</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Operating transfers in (out)				
transfers in	1,406,973	1,406,973	1,406,973	-
transfers (out)	(1,311,621)	(1,311,621)	(1,311,621)	-
Total other financing sources (uses)	95,352	95,352	95,352	-
<b>Net Change in Fund Balance</b>	<b>(694,255)</b>	<b>483,587</b>	<b>483,587</b>	<b>-</b>
<b>Fund Balances - Beginning</b>	<b>(1,726,739)</b>	<b>4,836,824</b>	<b>4,836,824</b>	<b>-</b>
<b>Fund Balances - Ending</b>	<b>\$ (2,420,994)</b>	<b>\$ 5,320,411</b>	<b>\$ 5,320,411</b>	<b>\$ -</b>

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





**City of Greenville, Mississippi**  
**Budgetary Comparison Schedule**  
**Budget and Actual (Non-GAAP Basis)**  
**Major Fund Parks & Recreation**  
**For the Year Ended September 30, 2016**

	Budgeted Amount		Actual	Variance
	Original	Final	Non-GAAP Basis	Favorable (Unfavorable)
<b><u>REVENUES:</u></b>				
Ad Valorem Taxes	\$ 382,076	\$ 384,536	\$ 384,536	\$ -
Grants & Intergovernmental	15,000	21,225	21,225	-
Rental	15,000	15,420	15,420	-
Miscellaneous Revenues	65,005	14,264	14,264	-
Charges for Services	279,000	179,989	179,989	-
<b>Total Revenues</b>	<b>756,081</b>	<b>615,434</b>	<b>615,434</b>	<b>-</b>
<b><u>EXPENDITURES:</u></b>				
<b>Parks &amp; Recreation</b>				
Personal services	515,110	554,067	554,067	-
Other services and charges	162,018	155,105	155,105	-
Supplies	152,150	153,815	153,815	-
Capital outlay	118,820	112,485	112,485	-
<b>Total Expenditures</b>	<b>948,098</b>	<b>975,472</b>	<b>975,472</b>	<b>-</b>
<b>Excess of Revenues over (under) Expenditures</b>	<b>(192,017)</b>	<b>(360,038)</b>	<b>(360,038)</b>	<b>-</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Operating transfers in (out)				
transfers in	304,820	304,820	304,820	-
transfers (out)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>304,820</b>	<b>304,820</b>	<b>304,820</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>112,803</b>	<b>(55,218)</b>	<b>(55,218)</b>	<b>-</b>
<b>Fund Balances - Beginning</b>	<b>(179,232)</b>	<b>(222,764)</b>	<b>(222,764)</b>	<b>-</b>
<b>Fund Balances - Ending</b>	<b>\$ (66,429)</b>	<b>\$ (277,982)</b>	<b>\$ (277,982)</b>	<b>\$ -</b>

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



**City of Greenville, Mississippi**  
**Schedule of Funding Progress – Other Postemployment Benefits**  
**For the Year Ended September 30, 2016**

City of Greenville - Schedule of Funding Progress – Other Postemployment Benefits - September 30, 2016

Plan Year	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)
2013-2014	0%	\$1,471,379	\$1,471,379
2014-2015	0%	\$1,585,809	\$1,585,809
2015-2016	0%	\$687,835	\$687,835

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



**City of Greenville, Mississippi**  
**Schedule of the City's Proportionate Share of the Net Pension Liability**  
**Last 10 Fiscal Years\***  
**For the Year Ended September 30, 2016**

	2016	2015	2014
Proportion of the net pension liability (asset)	0.178%	0.181%	0.184%
Proportionate share of the net pension liability (asset)	\$ 31,795,245	27,979,031	22,334,231
Covered-employee payroll	\$ 11,816,549	11,298,816	11,205,833
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	269.07%	247.63%	199.31%
Plan fiduciary net position as a percentage of the total pension liability	57.47%	61.70%	67.21%

\* The amounts presented for each fiscal year were determined as of the measurement date of June 30 prior to the fiscal year presented. This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No. 68 was implemented for the fiscal year ended September 30, 2015, and, until a full 10 year trend is compiled, the City has only presented information for the years in which information is available.

RECEIVED

JUN 29 2017

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



**City of Greenville, Mississippi**  
**Schedule of City Contributions - Pension**  
**Last 10 Fiscal Years\***  
**For the Year Ended September 30, 2016**

Public Employees Retirement Systems (PERS)

	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,861,107	1,779,564
Contributions in relation to the contractually required contribution	<u>1,861,107</u>	<u>1,779,564</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>
Covered-employee payroll	\$ 11,816,549	11,298,816
Contributions as a percentage of covered-employee payroll	15.75%	15.75%

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No. 68 was implemented for the fiscal year ended September 30, 2015, and, until, a full 10 year trend is compiled, the City has only presented information for the years in which information is available.

Mississippi Municipal Retirement Systems (MMRS)

	<u>2016</u>	<u>2015</u>
Actuarially determined contribution**	\$ 612,832	1,779,564
Contributions in relation to the actuarially determined contribution	<u>612,832</u>	<u>1,779,564</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>
Covered-employee payroll**	N/A	N/A
Contributions as a percentage of covered-employee payroll	N/A	N/A

\* Payroll-related information not provided because plan is closed to new entrants and there are no remaining active members.

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



\_\_\_\_\_

**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended September 30, 2016**  
**UNAUDITED**

A. Budgetary Information.

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

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

B. Basis of Presentation.

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

C. Budget/GAAP Reconciliation

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

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

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

Governmental Fund Type	General Fund
Budget (Cash Basis)	\$ 483,587
Increase (Decrease)	
Net adjustments for revenue accruals	622,318
Net adjustments for expense accruals	(336,897)
Net Change in Fund Balance - GAAP Basis	<u>\$ 769,008</u>



**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended September 30, 2016**  
**UNAUDITED**

<u>Governmental Fund Type</u>	<u>Major Fund Parks and Recreation</u>
Budget (Cash Basis)	\$ (55,218)
Increase (Decrease)	
Net adjustments for revenue accruals	221,150
Net adjustments for expense accruals	-
Net Change in Fund Balance - GAAP Basis	<u>\$ 165,932</u>

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

No funds with actual expenditures over budgeted amounts were identified.

E. Unbudgeted Funds.

There were no unbudgeted funds.

Pension Schedules

A. Changes in benefit provisions.

Effective July 1, 2016, the interest rate on employee contributions shall be calculated based on the money market rate as published by the Wall Street Journal on December 31 of each preceding year with a minimum rate of one percent and a maximum rate of five percent.

B. Changes of assumptions.

The assumed rate of interest credited of employee contributions was changed from 3.50% to 2.00%.



**CITY OF GREENVILLE, MISSISSIPPI**

**SUPPLEMENTAL INFORMATION**



**CITY OF GREENVILLE, MISSISSIPPI**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended September 30, 2016**

<b>Federal Agency/ Pass-Through Entity/ Program Title</b>	<b>Federal CFDA Number</b>	<b>Agency or Pass-through Number</b>	<b>Federal Expenditures</b>
<b>U.S. Department of Defense</b>			
Direct Programs:			
Mississippi Environmental Infrastructure (Section 592) ARRA	* 12.124	Corp of Engineers	269,710
<b>Total Department of Defense</b>			<b>269,710</b>
<b>U.S. Department of Housing and Urban Development</b>			
Pass-Through Programs:			
Passed-through Mississippi Development Authority			
Community Development Block Grants/States Program			
Broadway - Phelps to Nelson Project	14.228	1127-10-198-PF-01	189,356
<b>Total Department of Housing and Urban Development</b>			<b>189,356</b>
<b>U.S. Department of Justice</b>			
Direct Programs:			
Project Safe Neighborhoods	16.609	2011-DJ-BX-3363	1,223
Edward Byrne Memorial Justice Assistance Grant	16.738	2014-DJ-BX-0901	6,671
Edward Byrne Memorial Justice Assistance Grant	16.738	2015-DJ-BX-0485	12,756
<b>Total Department of Justice</b>			<b>20,650</b>
<b>U.S. Department of Transportation</b>			
Direct Programs:			
Airport Improvement Program			
FAA Project 2014	* 20.106	3-28-0027-032-2014	1,885,573
Payments for Small Community Air Service Development	20.930	FAIN 2013-0120-0041	12,398
<b>Total Direct Programs</b>			<b>1,897,971</b>
Pass-Through Programs:			
Passed-through the Mississippi Department of Transportation			
Highway Planning and Construction			
Bowman Blvd.	20.205	LPA-106724-701000	11,524
Yazoo & Mississippi Railroad Depot	20.205	LPA-105560-701000	27,673
<b>Total Highway Planning and Construction</b>			<b>39,197</b>
Surface Transportation-Discretionary Grants for Capital Investment.	20.932	LPA-106845-304000	35,000
<b>Total Department of Transportation</b>			<b>1,972,168</b>
<b>U.S. Environmental Protection Agency</b>			
Direct Programs:			
Congressionally Mandated Projects	66.202	XP-95476611-2	225,474
<b>Total Environmental Protection Agency</b>			<b>225,474</b>
<b>Delta Area Economic Development</b>			
Direct Programs:			
Delta Regional Authority	90.201	MS-50168	111,036
<b>Total Delta Area Economic Development</b>			<b>111,036</b>
<b>U.S. Department of Homeland Security</b>			
Direct Programs			
Law Enforcement Officer Reimbursement Agreement Program	97.090	HSTS01-04-A-LEF-295	13,170
Assistance to Firefighters Grant	97.044	EMW-2014-FO-03888	268,864
Assistance to Firefighters Grant	97.044	EMW-2014-FV-01451	290,910
		4268-DR MS/PA 1151-	
Disaster Grants - Public Assistance (Presidentially Declared)	97.036	29180-00	419,874
<b>Total Department of Homeland Security</b>			<b>992,818</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ 3,781,212</b>

\* Denotes Major Federal Award Program





**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended September 30, 2016**

**NOTE A:       BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the grant activity of the City of Greenville, Mississippi and is presented on the accrual basis of accounting. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from the amounts presented in, or used in the preparation of, the governmental fund financial statements.



**CITY OF GREENVILLE, MISSISSIPPI**

**OTHER INFORMATION**



**CITY OF GREENVILLE, MISSISSIPPI**  
**SCHEDULE OF SURETY BONDS FOR CITY OFFICIALS**  
**September 30, 2016**

Name	Position	Bond Amount	Expiration Date	Surety Company
John H. Cox, III	Mayor	100,000	1/1/2017	C N A Surety
Tommy L. Benson, III	Council Member	100,000	1/1/2017	C N A Surety
Lois Hawkins	Council Member	100,000	1/1/2017	C N A Surety
Carolyn Weathers	Council Member	100,000	1/1/2017	C N A Surety
Betty Watkins	Council Member	100,000	1/1/2017	C N A Surety
Ann Hollowell	Council Member	100,000	1/1/2017	C N A Surety
Errick Simmons	Council Member	100,000	1/1/2017	C N A Surety
Amelia D. Wicks	City Clerk	100,000	Indefinite	C N A Surety
Lisa Cain	Accounting Clerk	50,000	Indefinite	C N A Surety
Janice Caswell	Deputy Court Clerk	50,000	Indefinite	C N A Surety
Celestine Humes	Accounting Clerk	50,000	Indefinite	C N A Surety
Shakaria Davis	Legal Secretary	50,000	Indefinite	C N A Surety
Martha Harris	Privilege License Clerk	50,000	Indefinite	C N A Surety
Jessie Whitley	Utility Manager	50,000	Indefinite	C N A Surety
Mary Ann Taylor	Utility Clerk	50,000	Indefinite	C N A Surety
Brenda Marsalis	Utility Clerk	50,000	Indefinite	C N A Surety
Ella Jean Reynolds	Utility Clerk	50,000	Indefinite	C N A Surety
Rita Milton	Utility Clerk	50,000	Indefinite	C N A Surety
Jacqueline Brown	Utility Clerk	50,000	Indefinite	C N A Surety
Mattie H. Thomas	Utility Clerk	50,000	Indefinite	C N A Surety
Gwanda Suber	Municipal Court Clerk	50,000	Indefinite	C N A Surety
Cynthia Stevens	Deputy Court Clerk	50,000	Indefinite	C N A Surety
Priscilla Bush	Deputy Court Clerk	50,000	Indefinite	C N A Surety
Kenyotta Lee	Deputy Court Clerk	50,000	Indefinite	C N A Surety
Ennissica Hibler	Court Clerk II	50,000	Indefinite	C N A Surety
Delando Wilson	Police Chief	50,000	Indefinite	C N A Surety
Michael Merchant	Asst. Police Chief	50,000	Indefinite	C N A Surety
Earnest Sanders	Police Major	50,000	Indefinite	C N A Surety
Danny Graise	Police Captain	50,000	Indefinite	C N A Surety
Keith Jackson	Police Captain	50,000	Indefinite	C N A Surety
Nakia Williams-Hunter	Police Administrative Asst.	50,000	Indefinite	C N A Surety
Virginia Davis	Police Records Supervisor	50,000	Indefinite	C N A Surety
Cynthia Willis	Adm. Assistant	50,000	Indefinite	C N A Surety
Joanna Gardner	Police Records Clerk	50,000	Indefinite	C N A Surety
Rosa F. Matthews	Police Records Clerk	50,000	Indefinite	C N A Surety
Veronica Johnson	Police Records Clerk	50,000	Indefinite	C N A Surety
Khitya Page	Police Records Clerk	50,000	Indefinite	C N A Surety
Carolyn S. Bolden	Police Records Clerk	50,000	Indefinite	C N A Surety
Katrina Ingram	Police Records Clerk	50,000	Indefinite	C N A Surety
Alexis Harris	Police Records Clerk	50,000	Indefinite	C N A Surety
Courtney Thomas	Police Records Clerk	50,000	Indefinite	C N A Surety
Edna Turner	Police Records Clerk	50,000	Indefinite	C N A Surety
Cordell Daniels	Police Special Operations	50,000	Indefinite	C N A Surety
Lonnice McClinton	Police Special Operations	50,000	Indefinite	C N A Surety
Johnathan West	Police Special Operations	50,000	Indefinite	C N A Surety
Howard Woods	Police Special Operations	50,000	Indefinite	C N A Surety
Ira Lee Owen	Airport Director	50,000	Indefinite	C N A Surety
LaToya Redmon	Airport Executive Assistant	50,000	Indefinite	C N A Surety
Corey Holmes	Parks Director	50,000	Indefinite	C N A Surety
Chontina Jarmon	Administrative Assistant	50,000	Indefinite	C N A Surety
Ervin Thomas	Parks/Recr. Supervisor	50,000	Indefinite	C N A Surety
Nathaniel Watkins, Jr.	Parks/Recr. Supervisor	50,000	Indefinite	C N A Surety
Eugene Palmer	Parks/Recr. Supervisor	50,000	Indefinite	C N A Surety
Sidney Lee Sipes	Golf Course Supervisor	50,000	Indefinite	C N A Surety
Jake Perry	Golf Course Assistant	50,000	Indefinite	C N A Surety
Milton Davenport	Fleet Vehicle Manager	50,000	Indefinite	C N A Surety
Brad Jones	Public Works Director	50,000	Indefinite	C N A Surety
Bridgett Winters	Public Works Adm. Asst.	50,000	Indefinite	C N A Surety
Teresa Kingdom	Human Resources Dir.	50,000	Indefinite	C N A Surety
Bridgett Adley	H R Administrative Asst.	50,000	Indefinite	C N A Surety
Thomas Haynes	Safety Coordinator	50,000	Indefinite	C N A Surety
Ruben Brown	Fire Chief	50,000	Indefinite	C N A Surety
Tawanna Haynes	Fire Adm. Assistant	50,000	Indefinite	C N A Surety
Carlton Williams	Planning/Zoning Dir.	50,000	Indefinite	C N A Surety
Erie Jackson	Planning Clerk II	50,000	Indefinite	C N A Surety
Kenya Collins	Exec. Asst. to the Mayor	50,000	Indefinite	C N A Surety



**CITY OF GREENVILLE, MISSISSIPPI**  
**RECONCILIATION OF TAX ASSESSMENTS TO FUND COLLECTIONS - 2015 TAX ROLLS**  
**For the Year Ended September 30, 2016**

		Tax	
		Assessed	
Assessments - 2015 Tax Rolls		Valuation	Ad Valorem
Real Property		\$123,922,460	
Personal Property		33,001,026	
Auto and Mobile Home		24,776,848	
Public Utility		24,432,980	
Total Assessed Valuation		206,133,314	
Total Ad Valorem Tax @ 59.41 Mills		12,246,380	
Less: Homestead Exemption Credit		\$ 884,553	
Net Ad Valorem Taxes			\$ 11,361,827
Other Collections:			
Actual Homestead Reimbursements			511,680
Prior Year Tax Collections			122,982
Penalties and Interest on Delinquent Taxes			115,471
Deductions:			
Washington County Tax Collector's Commission			(116,600)
<b>Total Ad Valorem Taxes to be Accounted For</b>			<b>\$ 11,995,361</b>
Collections:			
Allocated to:	Fund #	Taxes	Homestead Total
General Fund	001	9,138,650	404,797 9,543,447
Parks	100	373,177	17,225 390,402
Library	103	317,201	14,642 331,843
Debt Service	200	1,098,823	53,313 1,152,136
Fire & Police Pension	600	565,014	21,704 586,718
		11,492,865	511,681 12,004,546
Balance Represented by:			
Unpaid realty & unaccounted for under (over) collections			(9,185)
<b>Total Ad Valorem Taxes Accounted for</b>			<b>\$ 11,995,361</b>





**CITY OF GREENVILLE, MISSISSIPPI**  
**RECONCILIATION OF TAX ASSESSMENTS TO FUND COLLECTIONS - 2015 TAX ROLLS (Cont'd)**  
**For the Year Ended September 30, 2016**

Tax millage levies for the current fiscal year (tax year 2015) were as follows:

<u>Fund</u>	<u>Millage</u>	<u>Purpose</u>
General	47.00	General Current Expenditures & Maintenance
Parks	2.00	Park Current Expenditures & Maintenance
Library	1.70	Library Current Expenditures & Maintenance
Bond & Interest	6.19	General City Obligation Bonds & Interest
Fire & Police Disability	2.52	Fire & Police Disability Fund
<b>Total Tax Levy</b>	<u>59.41</u>	

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

\$ 11,129,342	Base 2014-2015	\$ 11,492,865	Taxes collected 2015 - 2016
<u>1,011,757</u>	Less: Applicable to Debt Service	<u>1,098,823</u>	Less: Applicable to Debt Service
10,117,585		10,394,042	
1,011,759	10 % Increase	511,681	Homestead Exemption
		<u>53,313</u>	Less: Applicable to Debt Service
		<u>458,368</u>	
		276,934	Under (Over) Limitation
<u>\$ 11,129,344</u>		<u>\$ 11,129,344</u>	



**CITY OF GREENVILLE, MISSISSIPPI**  
**SCHEDULE OF LONG-TERM DEBT**  
**For the Year Ended September 30, 2016**

Description	Issue Date	Balance 10/01/15	Issued	Paid	Balance 09/30/16	Amount Due	
						2017	Remaining Years
<b>General Obligation Bonds</b>							
Series 2007-Street Bond	05/10/07	\$ 185,000		90,000	95,000	95,000	\$ -
Series 2008-Street Bond	08/22/08	275,000		90,000	185,000	90,000	95,000
Series 2010-Street Bond	05/18/10	1,255,000		160,000	1,095,000	165,000	930,000
Series 2015-Refunding Bond	07/29/15	2,919,000		70,000	2,849,000	47,000	2,802,000
		4,634,000	-	410,000	4,224,000	397,000	3,827,000
<b>Other Loans</b>							
E One Fire Pumper Truck	10/13/14	319,992		77,499	242,493	79,142	163,351
E One Fire Pumper Truck	01/06/16	-	415,000	45,840	369,160	81,076	288,084
Breathing Apparatus	11/17/11	28,485		28,485	-	-	-
State Revolving-C280767-07	09/01/10	370,326		22,636	347,690	23,035	324,655
GO Note - Parks, Equipment & Expenses	07/26/13	610,301		200,372	409,929	203,418	206,511
GO Note - Parks, Equipment & Expenses	12/15/15	-	1,500,000	163,574	1,336,426	293,665	1,042,761
State Revolving-C280767-09	Various	-	1,701,565		1,701,565	-	1,701,565
SRF Refunding Note	07/01/13	2,067,940		742,068	1,325,872	753,351	572,521
		3,397,044	3,616,565	1,280,474	5,733,135	1,433,687	4,299,448
<b>Capital Leases</b>							
Energy Project - Siemens	09/28/11	7,480,462		488,385	6,992,077	507,360	6,484,717
		7,480,462	-	488,385	6,992,077	507,360	6,484,717
<b>Other</b>							
Compensated Absences		939,614	87,370	-	1,026,984		
<b>Total Long Term Debt</b>		\$16,451,120	3,703,935	2,178,859	17,976,196	2,338,047	\$ 14,611,165



**CITY OF GREENVILLE, MISSISSIPPI**

**STATISTICAL INFORMATION**

**RECEIVED**

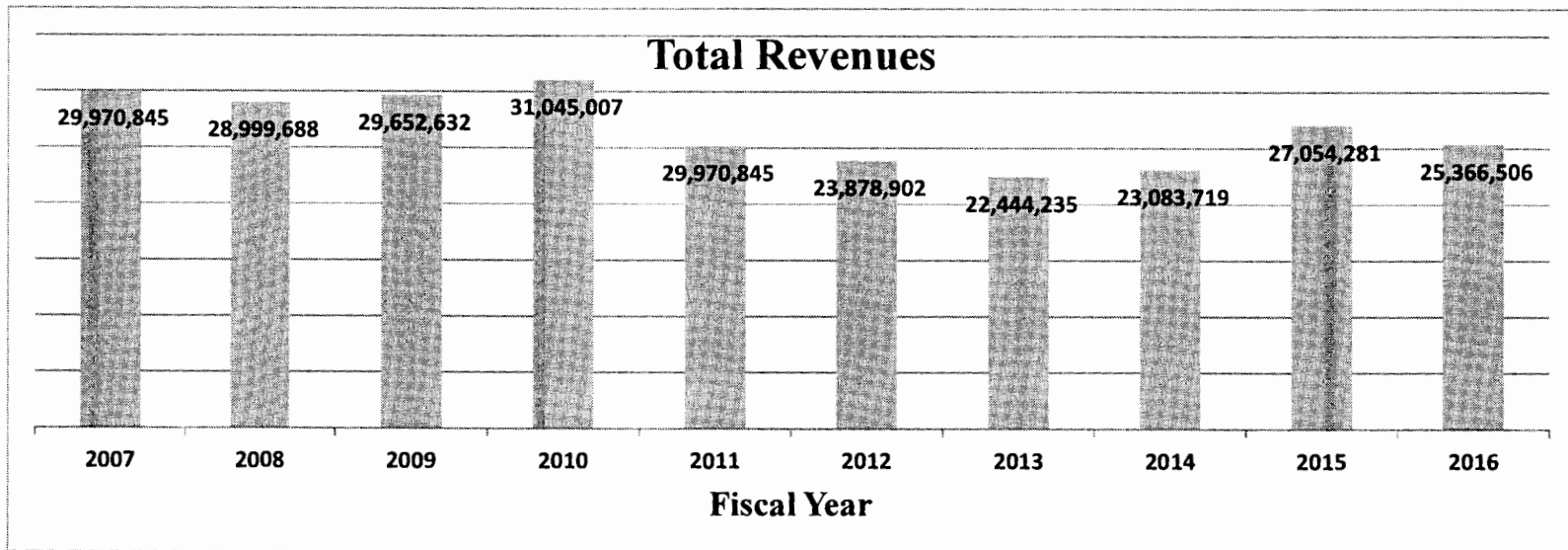
**JUN 29 2017**

**JUN 29 2017**



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

Fiscal Year	Taxes	Fines, Fees, Licenses & Permits	Intergovernmental	Charges for Services	Rental Income	Miscellaneous Operating	Total Revenues
2007	20,002,165	1,058,395	7,092,662	214,207	991,248	612,168	29,970,845
2008	20,456,307	819,561	4,313,548	1,800,169	975,112	634,991	28,999,688
2009	20,353,656	1,229,088	5,349,737	1,628,402	755,341	336,408	29,652,632
2010	21,150,238	904,484	6,500,612	1,444,171	792,144	253,358	31,045,007
2011	18,787,050	613,631	4,166,620	428,614	1,122,068	57,116	25,175,099
2012	19,084,941	578,489	2,516,825	370,793	1,163,941	163,913	23,878,902
2013	19,174,001	511,212	1,110,746	396,869	1,077,206	174,201	22,444,235
2014	19,870,163	647,199	1,062,572	387,913	968,035	147,837	23,083,719
2015	19,978,481	681,930	4,547,107	421,573	726,066	699,124	27,054,281
2016	20,271,753	621,863	2,935,188	467,036	749,284	321,382	25,366,506
Total	199,128,755	7,665,852	39,595,617	7,559,747	9,320,445	3,400,498	\$191,166,408

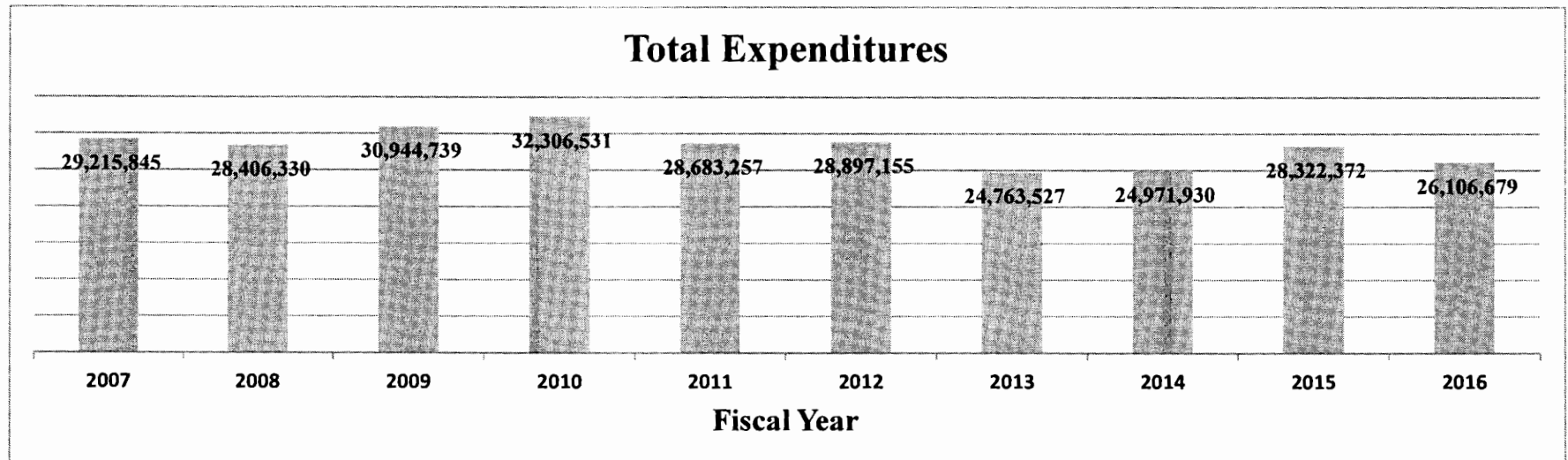






**CITY OF GREENVILLE, MISSISSIPPI**  
**GOVERNMENTAL EXPENDITURES BY FUNCTION**  
**Last Ten Fiscal Years**

Fiscal Year	General Government	Public Safety	Public Works	Health and Sanitation	Culture & Recreation and Economic Dev.	Airport	Capital Projects	Debt Service	Total Expenditures
2007	4,214,847	9,330,734	2,766,475	294,000	976,621	845,796	8,569,502	2,217,870	29,215,845
2008	4,611,672	11,485,695	3,217,079	294,000	853,053	932,049	4,978,769	2,034,013	28,406,330
2009	3,859,020	12,788,587	2,067,676	294,000	863,524	999,319	6,447,273	3,625,340	30,944,739
2010	3,992,895	12,475,008	2,179,984	294,000	797,337	886,164	8,073,127	3,608,016	32,306,531
2011	2,149,415	11,366,152	5,913,414	471,404	1,147,114	4,361,606	-	3,274,152	28,683,257
2012	3,721,217	12,080,985	6,199,009	356,578	1,379,192	1,441,853	-	3,718,321	28,897,155
2013	2,203,438	11,737,899	4,366,970	365,428	1,198,444	1,285,770	-	3,605,578	24,763,527
2014	2,615,769	12,437,763	5,229,729	378,964	1,481,318	1,081,980	-	1,746,407	24,971,930
2015	2,574,904	12,854,951	5,944,357	371,114	1,724,533	3,871,560	-	980,953	28,322,372
2016	2,681,912	12,969,784	4,559,747	374,877	1,527,817	2,773,599	-	1,218,943	26,106,679
Total	<u>\$ 32,625,089</u>	<u>\$119,527,558</u>	<u>\$42,444,440</u>	<u>\$ 3,494,365</u>	<u>\$ 11,948,953</u>	<u>\$18,479,696</u>	<u>\$28,068,671</u>	<u>\$26,029,593</u>	<u>\$203,217,384</u>





**CITY OF GREENVILLE, MISSISSIPPI**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
**For the Year Ended September 30, 2016**

Date of Issue	Description	Total Outstanding G/O Debt	Bonds/Notes Subject To 15% Limitation	Bonds/Notes Subject To 20% Limitation
<b><u>OUTSTANDING GENERAL OBLIGATION DEBT:</u></b>				
05/10/07	Series 2007-Street Bond	\$ 95,000	\$ 95,000	\$ 95,000
08/22/08	Series 2008-Street Bond	185,000	185,000	185,000
05/18/10	Series 2010-Street Bond	1,095,000	1,095,000	1,095,000
07/29/15	Series 2015-Refunding Bond	2,849,000	2,849,000	2,849,000
07/03/13	SRF Refunding-GO Note	2,067,940	2,067,940	2,067,940
07/26/13	Parks & Equipment-GO Note	610,301	610,301	610,301
10/13/14	E One Fire Pumper Truck-GO Note	319,993	319,993	319,993
12/15/15	Parks & Equipment-GO Note	1,336,426	1,336,426	1,336,426
01/06/16	E One Fire Pumper Truck-GO Note	369,160	369,160	369,160
	Total Outstanding General Obligation Debt	<u>8,927,820</u>	<u>8,927,820</u>	<u>8,927,820</u>

**AUTHORIZED DEBT LIMIT:**

Assessed Value for the fiscal year ended September 30, 2016	206,133,314	30,919,997	41,226,663
Present Debt (Subject to 15% and 20% Limitation, respectively)		<u>8,927,820</u>	<u>8,927,820</u>
Margin for Further Indebtedness (Under 15% and 20% Limitation, respectively)		<u>\$ 21,992,177</u>	<u>\$ 32,298,843</u>

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

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



**CITY OF GREENVILLE, MISSISSIPPI**

**SPECIAL REPORTS**





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

MEMBERS OF  
MISSISSIPPI SOCIETY OF CPA'S  
AMERICAN INSTITUTE OF CPA'S  
GOVERNMENT AUDIT QUALITY CENTER

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

Honorable Mayor and City Council  
City of Greenville  
Greenville, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the major fund, and the aggregate remaining fund information of Greenville, Mississippi, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 23, 2017.

**Internal Control over Financial Reporting**

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

*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 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's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement accounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our 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 result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.

*Bridgers & Goodman, PLLC*

Bridgers & Goodman, PLLC  
Certified Public Accountants  
Vicksburg, Mississippi

June 23, 2017





**BRIDGERS & GOODMAN, PLLC**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
A PROFESSIONAL LIMITED LIABILITY COMPANY

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

MEMBERS OF  
MISSISSIPPI SOCIETY OF CPA'S  
AMERICAN INSTITUTE OF CPA'S  
GOVERNMENT AUDIT QUALITY CENTER

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**

Honorable Mayor and City Council  
City of Greenville  
Greenville, Mississippi

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

We have audited the City of Greenville, Mississippi's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Greenville, Mississippi's major federal programs for the year ended September 30, 2016. The City of Greenville, Mississippi's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance of the City of Greenville, Mississippi's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Greenville, Mississippi's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the City of Greenville, Mississippi's compliance with those requirements.

**Opinion on Each Major Federal Program**

In our opinion, Greenville, 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, 2016.



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

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

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

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

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

*Bridgers & Goodman, PLLC*

Bridgers & Goodman, PLLC  
Certified Public Accountants  
Vicksburg, Mississippi

June 23, 2017





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

MEMBERS OF  
MISSISSIPPI SOCIETY OF CPA'S  
AMERICAN INSTITUTE OF CPA'S  
GOVERNMENT AUDIT QUALITY CENTER

**INDEPENDENT AUDITOR'S REPORT ON  
COMPLIANCE WITH STATE LAWS AND REGULATIONS**

Honorable Mayor and City Council  
City of Greenville  
Greenville, Mississippi

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Greenville, Mississippi, as of and for the fiscal year ended September 30, 2016, which collectively comprise the City of Greenville, Mississippi's basic financial statements and have issued our report thereon dated June 23, 2017. 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 the City's compliance with these requirements 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 general purpose financial statements disclosed no instances of noncompliance with state laws and regulations. The prior year finding has been corrected.

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

*Bridgers & Goodman, PLLC*

Bridgers & Goodman, PLLC  
Certified Public Accountants  
Vicksburg, Mississippi

June 23, 2017

RECEIVED  
JUN 29 2017







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

MEMBERS OF  
MISSISSIPPI SOCIETY OF CPA'S  
AMERICAN INSTITUTE OF CPA'S  
GOVERNMENT AUDIT QUALITY CENTER

## LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Honorable Mayor and City Council  
City of Greenville  
Greenville, Mississippi

In planning and performing our audit of the financial statements of the City of Greenville, Mississippi for the year ended September 30, 2017, we considered the City of Greenville, Mississippi's internal control to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on internal control.

In addition, for areas not considered material to the City of Greenville, Mississippi's financial reporting, we have performed some additional limited internal control and compliance tests. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the City's compliance with these requirements. Accordingly, we do not express such an opinion. This report does not affect our report dated June 23, 2017 on the financial statements of the City of Greenville, Mississippi.

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

### Finding

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

### Recommendation:

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

### Response:

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

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

RECEIVED  
JUN 29 2017



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

*Bridgers & Goodman, PLLC*

Bridgers & Goodman, PLLC  
Certified Public Accountants  
Vicksburg, Mississippi

June 23, 2017



**CITY OF GREENVILLE, MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended September 30, 2016**

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

**Financial Statements:**

- |    |  |               |
|----|--|---------------|
| 1. | Type of auditor's report issued on the financial statements. | Unmodified    |
| 2. | Internal control over financial reporting:                   |               |
| a. | Material weakness identified?                                | No            |
| b. | Significant deficiency identified?                           | None Reported |
| 3. | Noncompliance material to the financial statements noted?    | No            |

**Federal Awards:**

- |    |  |               |
|----|--|---------------|
| 4. | Internal control over major federal programs:  |               |
| a. | Material weakness identified?  | No            |
| b. | Significant deficiency identified?   | None Reported |
| 5. | Type of auditor's report issued on compliance for major federal programs:                          | Unmodified    |
| 6. | Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | No            |
| 7. | Identification of major federal programs:  |               |
| a. | CFDA #20.106, Airport Improvement Program  |               |
| b. | CFDA #12.124, ARRA-Mississippi Environmental Infrastructure (Section 592)                          |               |
| 8. | The dollar threshold used to distinguish between type A and type B programs:                       | \$750,000     |
| 9. | Auditee qualified as a low-risk auditee?   | No            |

**Section 2: Financial Statement Findings**

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: Federal Award Findings and Questioned Costs**

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

