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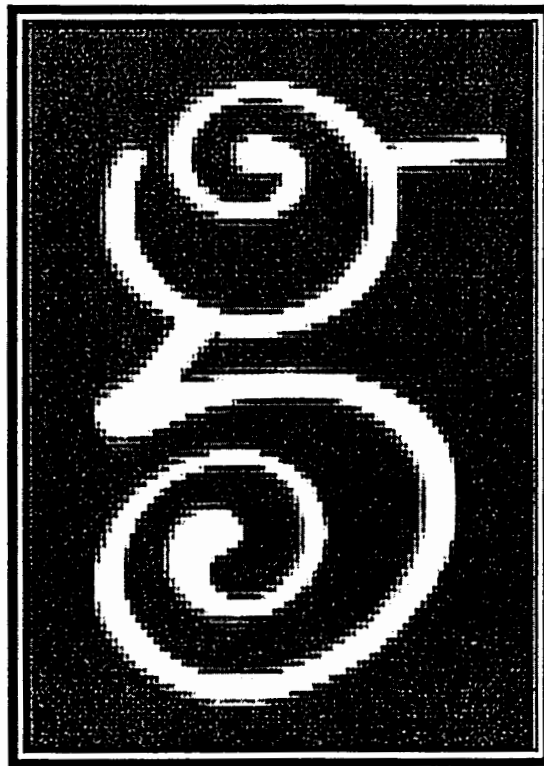
CITY OF GREENVILLE, MISSISSIPPI
AUDITED FINANCIAL STATEMENTS AND SPECIAL REPORTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018



CITY OF GREENVILLE, MISSISSIPPI

Audited Financial Statements and Special Reports

For the Year Ended September 30, 2018



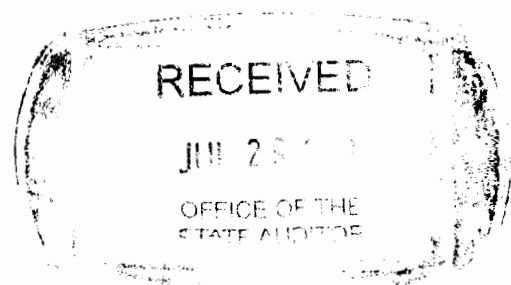
CITY OF GREENVILLE, MISSISSIPPI

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CITY OF GREENVILLE, MISSISSIPPI

FINANCIAL SECTION



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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, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

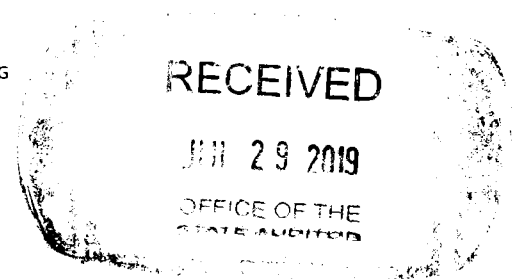
Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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



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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Greenville, Mississippi, as of September 30, 2018, 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 Net Pension Liability, Schedule of the City’s Contributions, Schedule of Changes in the Total OPEB Liability and Related Ratios and the Schedule of City’s Contributions OPEB 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 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 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- 2017 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 75 through 78, 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*

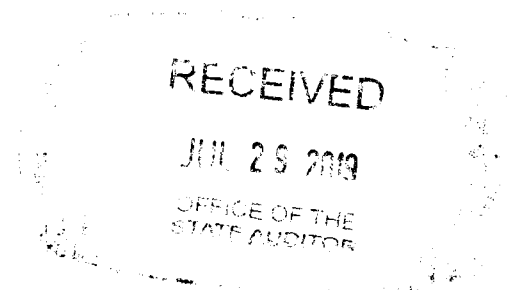
In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2019 on our consideration of the City of Greenville, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and 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, Baird & Clarke, PLLC

Bridgers, Goodman, Baird & Clarke, PLLC
Certified Public Accountants
Vicksburg, Mississippi
June 11, 2019

CITY OF GREENVILLE, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS



CITY OF GREENVILLE, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2018

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, 2018. 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 2018 fiscal year by \$191,219,002 (net position).
- The net position of the City includes: \$211,375,359 invested in capital assets, net of related debt; \$6,363,291 in expendable and non-expendable net position; and a deficit in unrestricted net position of \$(26,519,648).
- Total assets increased \$13,336,370 or 5.46% from 2017.
- Total liabilities increased \$8,844,848 or 16.22% from 2017. The increase is primarily due to the long-term debt liability increase of \$10,384,081.
- The City's total net position increased \$2,054,379 or 1.09% from 2017.

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

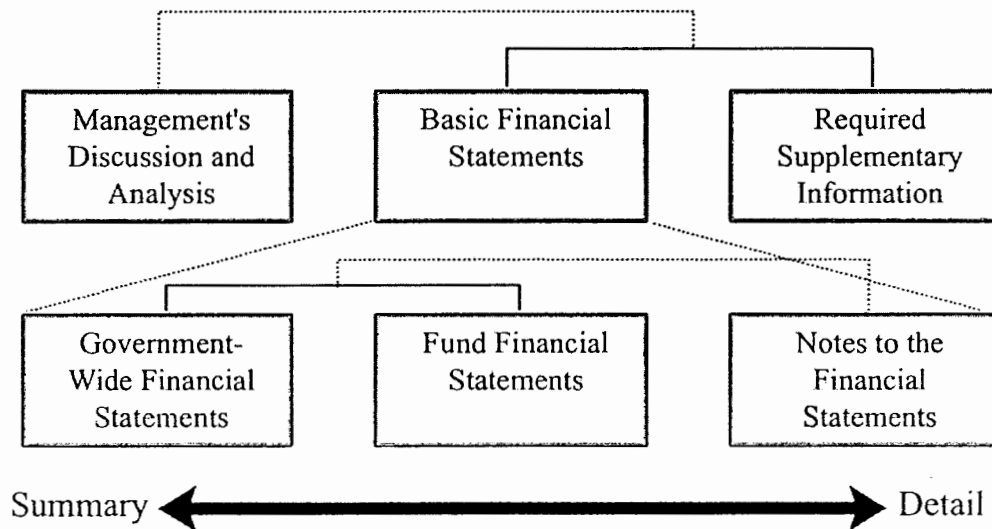


Figure 1 shows how required parts of this annual report are arranged and relate to one another.

CITY OF GREENVILLE, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2018

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

Government-Wide Financial Statements		Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	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
Required financial statements	<ul style="list-style-type: none"> Statement of net position Statement of activities 	<ul style="list-style-type: none"> Balance sheet Statement of revenues, expenditures and changes in fund balances 	<ul style="list-style-type: none"> Statement of net position Statement of revenues, expenses and changes in net assets Statement of cash flows 	<ul style="list-style-type: none"> Statement of fiduciary net position Statement of changes in net position
Accounting basis and measurement focus	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
Type of asset, deferred outflow, liability, deferred inflow information	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
Type of inflow/outflow information	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

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CITY OF GREENVILLE, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2018

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, debt service, and pension expense.

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 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 56 through 58 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, 2018**

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.

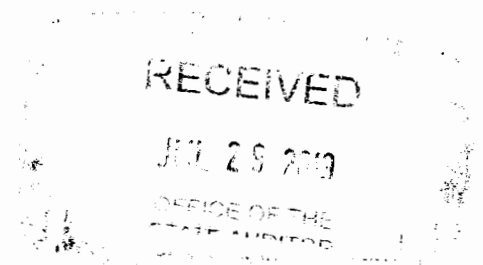
3) Notes to the Financial Statements. The notes, presented on pages 25 through 54, provide additional narrative and tabular information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

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, other post-employment benefits and pension standards on pages 55 through 64.

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, 2018, the assets and deferred outflows of the City of Greenville exceeded its liabilities and deferred inflows by \$191,219,002.

By far, the largest portion of the City's net position (\$211,375,359 or 110.54%) 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, 2018

(Table 1)
Net Position

	Governmental Activities		Business-type Activities		Total		Increase (Decrease)	Percentage change
	2018	2017	2018	2017	2018	2017		
Current and other assets	\$ 4,805,334	\$ 4,273,538	\$12,298,784	\$3,421,297	\$17,104,118	\$ 7,694,835	\$9,409,283	122.28%
Capital assets, net	186,415,750	186,724,770	54,184,920	49,948,815	240,600,670	236,673,585	3,927,085	1.66%
Total Assets	191,221,084	190,998,308	66,483,704	53,370,112	257,704,788	244,368,420	13,336,368	5.46%
Deferred outflows	2,175,049	4,129,063	65,516	167,741	2,240,565	4,296,804	(2,056,239)	-47.86%
Current and other liabilities	1,316,318	1,028,650	1,795,643	1,413,212	3,111,961	2,441,862	670,099	27.44%
OPEB benefits payable	900,156	486,665	20,577	74,391	920,733	561,056	359,677	64.11%
Net pension liability	28,658,454	30,425,361	708,563	1,024,000	29,367,017	31,449,361	(2,082,344)	-6.62%
Long-term debt	7,761,237	9,272,999	22,220,950	10,325,107	29,982,187	19,598,106	10,384,081	52.99%
Total Liabilities	38,636,165	41,213,675	24,745,733	12,836,710	63,381,898	54,050,385	9,331,513	17.26%
Deferred inflows	5,184,120	5,303,622	160,333	220,985	5,344,453	5,524,607	(180,154)	-3.26%
<u>Net Position:</u>								
Net investment in capital assets	179,460,013	178,266,004	31,915,346	39,647,076	211,375,359	217,913,080	(6,537,721)	-3.00%
Restricted	2,564,447	2,155,860	3,798,844	717,772	6,363,291	2,873,632	3,489,659	121.44%
Unrestricted	(32,448,612)	(31,811,790)	5,928,964	189,701	(26,519,648)	(31,622,089)	5,102,441	-16.14%
Total Net Position	149,575,848	148,610,074	41,643,154	40,554,549	191,219,002	189,164,623	\$2,054,379	1.09%

The City's total assets increased \$13,336,368 during 2018 with governmental activities showing an increase of \$222,776 and business-type activities showing an increase of \$13,113,592.

The City's total liabilities increased \$9,331,513. The increase in liabilities were \$2,577,510 decrease in governmental activities and \$11,909,023 increase in business-type activities. This increase is primarily due to the increase in long-term debt of \$10,384,081.

The City's net position increased \$2,054,379 over 2017.

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)	\$ (26,519,648)
Less: unrestricted deficit in net position resulting from recognition of:	
Pension liability plus deferred inflows minus deferred outflows (GASB 68 & 71)	32,470,905
OPEB liability (GASB 75)	920,733
Unrestricted net position, exclusive of the net pension and OPEB liability effect	<u>\$ 6,871,990</u>

CITY OF GREENVILLE, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2018

(Table 2)
Changes in Net Position

	Governmental Activities		Business-type Activities		Totals		Increase	Percentage
	2018	2017	2018	2017	2018	2017	(Decrease)	Change
Program Revenues:								
Charges for services	\$ 654,586	\$ 699,751	\$11,494,358	\$11,185,547	\$12,148,944	\$11,885,298	\$ 263,646	2.22%
Grants and contributions	3,073,498	2,931,621	701,238	94,587	3,774,736	3,026,208	748,528	24.73%
General Revenues:								
Property taxes	12,588,175	11,545,180			12,588,175	11,545,180	1,042,995	9.03%
Sales and tourism taxes	6,900,460	7,377,639			6,900,460	7,377,639	(477,179)	-6.47%
Other taxes and other	3,011,207	387,903	(518,819)	1,292,633	2,492,388	1,680,536	811,852	48.31%
Total Revenues	26,227,926	22,942,094	11,676,777	12,572,767	37,904,703	35,514,861	2,389,842	6.73%
Program Expenses:								
General government	\$2,082,342	\$ 2,539,598			2,082,342	2,539,598	(457,256)	-18.01%
Public safety	11,741,617	11,986,936			11,741,617	11,986,936	(245,319)	-2.05%
Public works	1,409,929	1,354,494			1,409,929	1,354,494	55,435	4.09%
Highways and streets	4,306,272	3,819,175			4,306,272	3,819,175	487,097	12.75%
Health and sanitation	375,270	351,931			375,270	351,931	23,339	6.63%
Culture and recreation	1,003,899	863,577			1,003,899	863,577	140,322	16.25%
Airport	1,159,761	1,299,802			1,159,761	1,299,802	(140,041)	-10.77%
Economic development	499,917	463,163			499,917	463,163	36,754	7.94%
Interest on long-term debt	195,918	216,808			195,918	216,808	(20,890)	-9.64%
Pension expense	1,704,580	2,958,055			1,704,580	2,958,055	(1,253,475)	-42.37%
OPEB expense	108,623	79,494			108,623	79,494	29,129	36.64%
Water and sewer			8,180,594	8,180,752	8,180,594	8,180,752	(158)	0.00%
Sanitation			2,732,367	2,594,584	2,732,367	2,594,584	137,783	5.31%
Total Expenses	24,588,128	25,933,033	10,912,961	10,775,336	35,501,089	36,708,369	(1,207,280)	-3.29%
Changes in Net Position	\$1,639,798	\$(2,990,939)	\$ 763,816	\$ 1,797,431	\$ 2,403,614	\$(1,193,508)	\$3,597,122	301.39%

The City's governmental activities continue to be funded primarily by property taxes, which made up only 48% of the total revenues. The other major revenue sources were sales and tourism taxes 26% and grants and contributions 11%. The major expense activities were public safety, highways and streets, general government, and pension expense which comprise 48%, 18%, 8%, and 7% 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 \$3,355,625 which is \$118,697 above last year's revised total of \$3,236,928.

CITY OF GREENVILLE, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2018

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 \$(304,943). The previous year saw a net change in fund balance of \$1,358,038. The Parks & Recreation Fund had a net change of \$150,343.

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 2018, 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 \$155,272

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2018, the City had \$240,600,670 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 \$3,927,085 or 1.66% 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
	2018	2017	2018	2017	2018	2017		
Land	\$ 85,023,297	\$ 85,405,314	\$ 2,512,541	\$ 2,512,541	\$ 87,535,838	\$ 87,917,855	\$ (382,017)	-0.43%
Construction in progress	2,201,780	741,208	13,940,782	7,493,792	16,142,562	8,235,000	7,907,562	96.02%
Infrastructure	86,566,746	87,782,217	21,939,710	23,826,005	108,506,456	111,608,222	(3,101,766)	-2.78%
Buildings & improvements	7,402,028	7,324,637	6,961,333	6,962,846	14,363,361	14,287,483	75,878	0.53%
Mobile and machinery equipment	3,163,349	3,368,304	2,244,741	2,153,046	5,408,090	5,521,350	(113,260)	-2.05%
Furniture & equipment	1,083,841	1,074,229	425,184	531,924	1,509,025	1,606,153	(97,128)	-6.05%
Leased property under capital lease	974,709	1,028,861	6,160,629	6,468,661	7,135,338	7,497,522	(362,184)	-4.83%
Totals	\$186,415,750	\$186,724,770	\$54,184,920	\$49,948,815	\$240,600,670	\$236,673,585	\$3,927,085	1.66%

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 2017-2018:

- (1) The construction in progress of \$16,142,562 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:

**CITY OF GREENVILLE, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2018**

Water & Sewer projects are partially financed by grants from 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 grants through the U.S. Department of Transportation Federal Aviation Administration and the State of Mississippi Department of Transportation-Multi-Modal grants. These agencies will finance ninety-five percent (95%) and seventy-five percent (75%), respectively, of the cost of rehabilitating the airport.

Long-term Debt

At year-end, the City had \$29,982,187 in long-term debt outstanding compared to \$19,598,106 last year, an increase of \$10,384,081. Of the total debt outstanding \$15,540,858 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 \$10,494,515, capital leases in the amount of \$5,957,644 and compensated absences in the amount of \$876,028.

The following table illustrates the total Long-term Debt of the City of Greenville as of September 30, 2018:

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

	Governmental Activities		Business-type Activities		Totals		Increase (Decrease)	Percentage Change
	2018	2017	2018	2017	2018	2017		
General obligation bonds	\$3,415,000	\$3,827,000	\$ 9,239,000	\$ -	\$12,654,000	\$ 3,827,000	\$ 8,827,000	230.65%
Other loans	2,680,347	3,753,900	7,814,168	4,694,889	10,494,515	8,448,789	2,045,726	24.21%
Capital leases	806,515	877,867	5,151,129	5,606,850	5,957,644	6,484,717	(527,073)	-8.13%
Compensated absences	859,375	814,232	16,653	23,368	876,028	837,600	38,428	4.59%
Totals	\$7,761,237	\$9,272,999	\$22,220,950	\$10,325,107	\$29,982,187	\$19,598,106	\$10,384,081	52.99%

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 2018 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 67.41 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

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CITY OF GREENVILLE, MISSISSIPPI
STATEMENT OF NET POSITION
September 30, 2018

	Primary Government Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 2,180,464	\$ 8,864,677	\$ 11,045,141
Accounts receivable		2,301,899	2,301,899
Intergovernmental receivable	629,812	330,147	959,959
Other receivables	1,832,067	63,768	1,895,835
Prepaid expenses	116,902		116,902
Inventory	6,089		6,089
Restricted assets:			
Cash and cash equivalents	40,000	738,293	778,293
Capital assets, net			
Land and construction in progress	87,225,077	16,453,323	103,678,400
Other capital assets, net	99,190,673	37,731,597	136,922,270
Total Assets	191,221,084	66,483,704	257,704,788
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred outflows related to pensions	2,175,049	65,516	2,240,565
Total Deferred Outflows of Resources	2,175,049	65,516	2,240,565
<u>LIABILITIES</u>			
Accounts payable and accrued expenses	1,222,443	992,073	2,214,516
Accrued interest payable	53,875	65,277	119,152
Liabilities payable from restricted assets:			
Customer deposits	40,000	738,293	778,293
Long-term liabilities:			
Other postemployment benefits payable	900,156	20,577	920,733
Net pension liability	28,658,454	708,563	29,367,017
Due within one year:			
Capital related debt	1,388,654	815,846	2,204,500
Due in more than one year:			
Capital related debt	5,513,208	21,388,451	26,901,659
Non-capital related debt	859,375	16,653	876,028
Total Liabilities	38,636,165	24,745,733	63,381,898
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred inflows related to pensions	5,184,120	160,333	5,344,453
Total deferred inflows of resources	5,184,120	160,333	5,344,453
<u>NET POSITION</u>			
Net investment in capital assets	179,460,013	31,915,346	211,375,359
Restricted:			
Expendable:			
Public safety	70,370		70,370
Public works		3,798,844	3,798,844
Highways & streets	1,015,009		1,015,009
Culture & recreation	553,783		553,783
Airport operation and maintenance	602,047		602,047
Debt service	200,247		200,247
Non-Expendable:			
Inventories	6,089		6,089
Prepaid expense	116,902		116,902
Unrestricted	(32,448,612)	5,928,964	(26,519,648)
Total Net Position	\$149,575,848	\$41,643,154	\$191,219,002

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, 2018

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expense) Revenue and Change in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 2,082,342	424,882		158,926	(1,498,534)		\$ (1,498,534)
Public safety	11,741,617	10,705	38,694	306,210	(11,386,008)		(11,386,008)
Public works	1,409,929	20,206	40,000	177,204	(1,172,519)		(1,172,519)
Highways and streets	4,306,272		16,196		(4,290,076)		(4,290,076)
Health and sanitation	375,270				(375,270)		(375,270)
Culture and recreation	1,003,899	192,361		693,745	(117,793)		(117,793)
Airport	1,159,761	6,432		601,757	(551,572)		(551,572)
Economic development	499,917				(499,917)		(499,917)
Interest on long-term debt	195,918				(195,918)		(195,918)
Pension expense	1,704,580				(1,704,580)		(1,704,580)
OPEB expense	108,623				(108,623)		(108,623)
Total governmental activities	24,588,128	654,586	94,890	1,937,842	(21,900,810)		(21,900,810)
Business-type activities:							
Water and sewer	8,180,594	9,422,810		701,238		1,943,454	1,943,454
Sanitation	2,732,367	2,071,548				(660,819)	(660,819)
Total business-type activities	10,912,961	11,494,358	-	701,238		1,282,635	1,282,635
Total primary government	\$ 35,501,089	12,148,944	94,890	2,639,080	(21,900,810)	1,282,635	(20,618,175)
General revenues:							
Property taxes					12,588,175		12,588,175
Sales and tourism tax					6,900,460		6,900,460
Franchise taxes					1,138,794		1,138,794
Rental income					662,548		662,548
Unrestricted interest income					62,533		62,533
Grants and contributions not restricted to specific programs					1,040,766		1,040,766
Other taxes and other income					551,720	30,971	582,691
Gain (Loss) on sale of capital assets					(19,226)		(19,226)
Internal service fund net (loss)					65,048		65,048
Transfers					549,790	(549,790)	-
Total general revenues and transfers					23,540,608	(518,819)	23,021,789
Change in net position					1,639,798	763,816	2,403,614
Net Position - beginning, as originally reported					148,610,074	40,554,549	189,164,623
Prior Period Adjustments					(674,024)	324,789	(349,235)
Net Position - beginning, as restated					147,936,050	40,879,338	188,815,388
Net Position, ending					\$ 149,575,848	\$ 41,643,154	\$ 191,219,002

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

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CITY OF GREENVILLE, MISSISSIPPI

CITY OF GREENVILLE, MISSISSIPPI
BALANCE SHEET- GOVERNMENTAL FUNDS
September 30, 2018

	<u>Major Funds</u>		<u>Non-Major</u>	<u>Total</u>
	<u>General</u>	<u>Parks &</u>	<u>Governmental</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Recreation Fund</u>	<u>Funds</u>	<u>Funds</u>
<u>ASSETS</u>				
Cash and cash equivalents		\$ 301,654	\$ 1,678,692	\$ 1,980,346
Receivables:				
Property taxes	\$ 139,680	5,334	23,457	168,471
Fines receivable (net of allowance for uncollectibles of \$2,079,016)	1,331,176			1,331,176
Franchise Fee	294,920			294,920
Intergovernmental	47,540		582,158	629,698
Other receivables	35,000		2,500	37,500
Due from other funds			298,611	298,611
Prepaid expenses	116,902			116,902
Inventory		6,089		6,089
Restricted assets - cash			40,000	40,000
Total Assets	1,965,218	313,077	2,625,418	4,903,713
<u>LIABILITIES</u>				
Accounts payable and accrued expense	729,721	47,639	432,117	1,209,477
Due to other funds	298,611			298,611
Customer deposits			40,000	40,000
Total Liabilities	1,028,332	47,639	472,117	1,548,088
<u>FUND BALANCES</u>				
Non-spendable:				
Inventories		6,089		6,089
Prepaid items	116,902			116,902
Restricted for:				
Public safety			70,370	70,370
Highways & streets			1,015,009	1,015,009
Culture & recreation		259,349	294,434	553,783
Airport operation and maintenance			602,047	602,047
Debt service			200,247	200,247
Unassigned	819,984		(28,806)	791,178
Total Fund Balances	936,886	265,438	2,153,301	3,355,625
Total Liabilities and Fund Balances	\$ 1,965,218	\$ 313,077	\$ 2,625,418	\$ 4,903,713

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, 2018

	<u>Amount</u>
Total fund balance - governmental funds	\$ 3,355,625
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 \$203,474,598	185,385,366
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental fund financial statements.	
capital debt	(6,901,862)
compensated absences	(812,847)
other postemployment benefits payable	(888,491)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the governmental fund financial statements.	(28,422,263)
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	2,153,209
Deferred inflows of resources related to pensions	(5,130,676)
Interest accrued on long-term liabilities not reported in the governmental fund financial statements.	(53,875)
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>891,662</u>
Total Net Position - Governmental Activities	<u>\$ 149,575,848</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, 2018

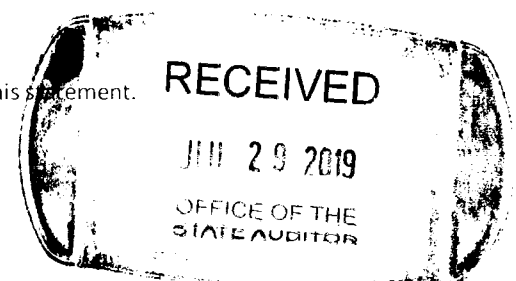
	Major Funds		Non-Major	Total
	General	Parks &	Governmental	Governmental
	Fund	Recreation Fund	Funds	Funds
<u>REVENUES:</u>				
Taxes	\$ 10,318,795	\$ 375,340	\$ 1,339,932	\$ 12,034,067
Licenses and permits	131,654			131,654
Intergovernmental:				
Federal grants	20,694		1,410,539	1,431,233
State of Mississippi:				
Grants	16,196		567,303	583,499
General sales tax	5,870,243			5,870,243
Gaming tax	1,030,217			1,030,217
Liquor licenses	33,505			33,505
Gasoline tax	213,236			213,236
Municipal aid	17,155			17,155
Privilege tax	70,081			70,081
Homestead reimbursement	397,648	15,986	56,750	470,384
Fire protection			196,365	196,365
Other state revenue	18,000			18,000
Local grants			2,500	2,500
Charges for services	30,911	192,361	6,432	229,704
Franchise tax	1,138,794			1,138,794
Fines and forfeitures	293,228			293,228
Interest income	59,371	309	2,853	62,533
Rental income	432,149	16,845	213,554	662,548
Other income	550,914	477	329	551,720
Contributions	3,077	1,141	33,321	37,539
Total revenues:	<u>20,645,868</u>	<u>602,459</u>	<u>3,829,878</u>	<u>25,078,205</u>
<u>EXPENDITURES:</u>				
Current:				
General government	2,112,550		81,943	2,194,493
Public safety	12,499,581		364,784	12,864,365
Public works	1,301,282		34,035	1,335,317
Highways and streets	3,119,833		482,972	3,602,805
Health and sanitation	366,768			366,768
Culture and recreation		973,126	993,962	1,967,088
Economic development	551,960			551,960
Airport			1,397,897	1,397,897
Debt service:				
Principal paid	71,352		1,485,552	1,556,904
Interest paid	32,606		170,422	203,028
Total expenditures:	<u>20,055,932</u>	<u>973,126</u>	<u>5,011,567</u>	<u>26,040,625</u>
Excess of Revenues over (under) Expenditures	<u>589,936</u>	<u>(370,667)</u>	<u>(1,181,689)</u>	<u>(962,420)</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Sale of capital assets	522,728			522,728
Transfers in	600,000	521,010	1,446,387	2,567,397
Transfers out	(2,017,607)			(2,017,607)
Net other financing sources (uses)	<u>(894,879)</u>	<u>521,010</u>	<u>1,446,387</u>	<u>1,072,518</u>
Net change in fund balances	<u>(304,943)</u>	<u>150,343</u>	<u>264,698</u>	<u>110,098</u>
Fund balances, beginning as previously reported	1,231,107	115,095	1,890,726	3,236,928
Prior period adjustment(s)	10,722		(2,123)	8,599
Fund balances - beginning, as restated	<u>1,241,829</u>	<u>115,095</u>	<u>1,888,603</u>	<u>3,245,527</u>
Fund balance, ending	<u>\$ 936,886</u>	<u>\$ 265,438</u>	<u>\$ 2,153,301</u>	<u>\$ 3,355,625</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, 2018

	<u>Amount</u>
Net changes in fund balances - governmental funds	\$ 110,098
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 \$2,830,450 exceeded depreciation of \$2,479,265.	351,185
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 of debt repayments of \$1,556,904.	1,556,904
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 \$19,226 and the proceeds from the sale of assets \$522,728 in the current period.	(541,954)
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	(36,920)
Change in accrued interest on long-term debt	7,110
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	(1,704,580)
Recording of contributions made prior and subsequent to the measurement date	1,904,772
Some items reported in the Statement of Activities relating to the implementation of GASB 75 are not reported in the governmental funds. These activities include:	
Recording of OBEB expense for the current period	(108,623)
Recording of contributions made during the year	36,758
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.	65,048
Change in net position of governmental activities	<u>\$ 1,639,798</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, 2018

	Business-Type Activities			Governmental Activity
	Enterprise Fund Water & Sewer Fund	Non-Major Sanitation Fund	Enterprise Funds Total	Internal Service Fund
<u>ASSETS</u>				
Current assets:				
Cash and cash equivalents	\$ 8,864,677		\$ 8,864,677	\$ 200,118
Accounts receivable (net of allowance for uncollectibles of \$1,963,055 & \$508,268)	1,963,054	\$ 338,845	2,301,899	
Intergovernmental receivables	326,846	3,301	330,147	114
Other receivables	63,768		63,768	
Total Current Assets	11,218,345	342,146	11,560,491	200,232
Non-current assets:				
Restricted assets - cash	738,293		738,293	
Capital assets:				
Land and construction in progress	13,940,782	2,512,541	16,453,323	
Other capital assets, net	37,040,602	690,995	37,731,597	1,030,384
Total Non-Current Assets	51,719,677	3,203,536	54,923,213	1,030,384
Total Assets	62,938,022	3,545,682	66,483,704	1,230,616
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred outflows related to pensions	43,677	21,839	65,516	21,840
Total Deferred Outflows of Resources	43,677	21,839	65,516	21,840
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable and accrued expenses	847,355	144,718	992,073	12,966
Accrued interest payable	65,277		65,277	
Current portion of long-term debt	815,846		815,846	
Total Current Liabilities	1,728,478	144,718	1,873,196	12,966
Non-current liabilities:				
Other postemployment benefits payable	14,736	5,841	20,577	11,665
Liabilities payable from restricted assets	738,293		738,293	
Net pension liability	472,376	236,187	708,563	236,191
Capital debt:				
Capital leases payable	4,677,702		4,677,702	
Notes payable	7,774,749		7,774,749	
Bonds payable	8,936,000		8,936,000	
Non-capital debt:				
Compensated absences	6,682	9,971	16,653	46,528
Total Non-Current Liabilities	22,620,538	251,999	22,872,537	294,384
Total Liabilities	24,349,016	396,717	24,745,733	307,350
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred inflows related to pensions	106,889	53,444	160,333	53,444
Total Deferred Inflows of Resources	106,889	53,444	160,333	53,444
<u>NET POSITION</u>				
Net investment in capital assets	28,711,810	3,203,536	31,915,346	1,030,384
Restricted for:				
Public Works	3,798,844		3,798,844	
Unrestricted	6,015,140	(86,176)	5,928,964	(138,722)
Total Net Position	\$ 38,525,794	\$ 3,117,360	\$ 41,643,154	\$ 891,662

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, 2018

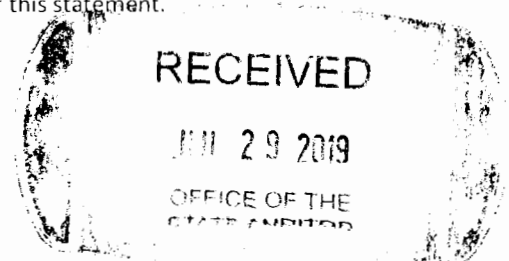
	Business-Type Activities			Governmental Activity
	Enterprise Fund	Non-Major	Enterprise	Internal Service
	Water & Sewer Fund	Sanitation Fund	Funds Total	Fund
<u>OPERATING REVENUES:</u>				
Charges for services:				
Water sales	\$ 5,346,581		\$ 5,346,581	
Sewer sales	4,076,229		4,076,229	
Sanitation fees		\$ 2,071,548	2,071,548	
Maintenance fees				\$ 1,817,267
Total Operating Revenues	9,422,810	2,071,548	11,494,358	1,817,267
<u>OPERATING EXPENSES:</u>				
Personal services	188,558	69,376	257,934	163,759
Contractual services	4,700,046	2,449,103	7,149,149	1,527,624
Consumable supplies	8,574	93,172	101,746	1,210
Capital Outlay	397,632		397,632	
Depreciation expense	2,367,852	107,425	2,475,277	45,623
Pension expense	25,155	12,577	37,732	12,577
OPEB expense	1,802	714	2,516	1,426
Total Operating Expenses	7,689,619	2,732,367	10,421,986	1,752,219
Operating Income (Loss)	1,733,191	(660,819)	1,072,372	65,048
<u>NON-OPERATING REVENUES (EXPENSES)</u>				
Intergovernmental grants	701,238		701,238	
Other income	30,971		30,971	
Gain (loss) on sale of capital assets				
Interest & bond issue expenses	(490,975)		(490,975)	
Total Non-operating Revenues (Expenses)	241,234	-	241,234	-
Net Income (Loss) Before Operating Transfers	1,974,425	(660,819)	1,313,606	65,048
<u>OPERATING TRANSFERS:</u>				
Operating Transfers in	50,210	562,955	613,165	
Operating Transfers out	(1,162,955)		(1,162,955)	
Net Operating Transfers	(1,112,745)	562,955	(549,790)	-
Change in Net Position	861,680	(97,864)	763,816	65,048
Net Position - Beginning, as previously reported	37,350,339	3,204,210	40,554,549	551,572
Prior period adjustments	313,775	11,014	324,789	275,042
Net Position - Beginning, as restated	37,664,114	3,215,224	40,879,338	826,614
Net Position - Ending	\$ 38,525,794	\$ 3,117,360	\$ 41,643,154	\$ 891,662

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, 2018

	Business-Type Activities		Governmental
	Enterprise Fund	Non-Major	Activity
	Water & Sewer	Sanitation	Internal Service
	Fund	Fund	Fund
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Cash received from customers and users	\$ 9,181,904	\$ 2,037,756	
Receipts from internal services			\$ 1,817,267
Payments to employees for services	(225,719)	(82,064)	(170,113)
Payments to suppliers for goods and services	(4,816,077)	(2,518,647)	(1,503,121)
Net Cash Provided (Used) by Operating Activities	4,140,108	(562,955)	144,033
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>			
Operating transfers, net	(1,112,745)	562,955	
Other receipts	30,971		
Net Cash Provided (Used) by Noncapital Financing Activities	(1,081,774)	562,955	-
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>			
Acquisition of property and equipment	(6,711,381)		
Capital grants received	701,238		
Principal payments on long-term debt	(1,066,977)		
Proceeds of long-term debt	12,969,535		
Interest paid on debt & bond issue cost	(462,326)		
Net Cash Provided (Used) by Capital and Related Financing Activities	5,430,089	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	8,488,423	-	144,033
Cash and Cash Equivalents, October 1	1,114,547	-	56,085
Cash and Cash Equivalents, September 30	\$ 9,602,970	\$ -	\$ 200,118
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>			
Operating income (loss)	\$ 1,733,191	\$ (660,819)	\$ 65,048
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	2,367,852	107,425	45,623
Pension/OPEB expense adjustment	(1,841)	(1,046)	(572)
(Increase) decrease in accounts receivable	(522,544)	(51,073)	
(Increase) decrease in intergovernmental receivable	95,739		
(Increase) decrease in interfund receivables	25,990		
(Increase) decrease in other receivables	53,796	9,028	17,314
Increase (decrease) in accounts payable and accrued expenses	375,767	31,882	8,398
Increase (decrease) in customer deposits	20,521		
Increase (decrease) in compensated absences	(8,363)	1,648	8,222
Total adjustments	2,406,917	97,864	78,985
Net Cash Provided (Used) by Operating Activities	\$ 4,140,108	\$ (562,955)	\$ 144,033

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



CITY OF GREENVILLE, MISSISSIPPI
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
September 30, 2018

	<u>Agency</u> <u>Funds</u>
ASSETS	
Cash and cash equivalents	\$ 966,275
Property tax receivable	<u>137,432</u>
Total Assets	<u><u>1,103,707</u></u>
LIABILITIES	
Intergovernmental payables	1,051,867
Claims and other payables	<u>51,840</u>
Total Liabilities	<u><u>\$ 1,103,707</u></u>

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

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.

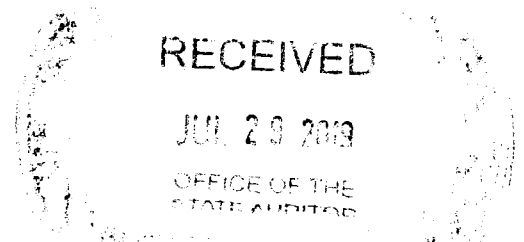
B. Basis of Presentation

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. Taxes and other revenues not classified as program revenues are presented as general revenues of the City,



CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

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 constitute 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 and report all financial resources not accounted for and reported in another fund.

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.

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

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 TYPE

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.

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.

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

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.

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

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

estimated and the methods of cost estimation, are not readily available. 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 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.

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CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

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."

Net Position Flow Assumption:

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

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

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, committed, assigned 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.

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.

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

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 1st become delinquent February 1st 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 2017 taxes was 63.41 mills as: 49.75 mills for the general fund, 7.10 mills for the debt service fund, 1.70 mills for library maintenance, 2.00 mills for park maintenance, and 2.86 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

The City has adopted a policy of compensation for accumulated unpaid employee personal leave. Accounting principles generally accepted in the United States of America require accrual of accumulated unpaid employee benefits as long-term liabilities in the government-wide financial statements and Proprietary Funds financial statements. In fund financial statements, Governmental Funds report the compensated absence liability payable only if the payable has matured, for example an employee resigns or retires.

The City's employees accumulate personal leave in following manner: Each 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 (1½) days per month for annual leave. An employee must have worked a minimum of six (6) months before being eligible to use vacation time. Vacation time will be computed by using the employee's anniversary date times the number of months worked. Accumulated vacation leave may be carried over from year to year. However, upon an employee's

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

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.

T. Changes in Accounting Standards.

The City implemented the following standard issued by the Governmental Accounting Standards Board (GASB) in the current fiscal year as required: GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The provisions of this standard have been incorporated into the financial statements and notes.

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

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>
Adjustment to correct prior year error in recording capital assets	\$ (72,628)
Adjustment to record changes in pension related accounts due to the outsourcing of Public Works and Highways & Streets Departments	(538,622)
Internal Service Fund operations	275,042
Adjustment to record implementation of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions	(346,415)
Adjustment to eliminate prior year disbursement to school for gaming revenue	10,722
Adjustment to correct prior accrual for 2015 bond refunding	(2,123)
	<u>\$ (674,024)</u>
<u>Statement of Activities: Business-Type Activities</u>	
<u>Explanation</u>	<u>Amount</u>
Adjustment to record changes in pension related accounts due to the outsourcing of Water & Sewer Fund operations	\$ 269,311
Adjustment to record implementation of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions	
Water & Sewer Fund operations	44,464
Sanitation Fund operations	11,014
	<u>\$ 324,789</u>
<u>Statement of Revenues, Expenditures, and Changes in Fund Balances: Governmental</u>	
<u>Explanation</u>	<u>Amount</u>
Adjustment to eliminate prior year disbursement to school for gaming revenue	\$ 10,722
Adjustment to correct prior accrual for 2015 bond refunding	(2,123)
	<u>\$ 8,599</u>
<u>Statement of Revenues, Expenses, and Changes in Net Position: Proprietary Funds</u>	
<u>Explanation</u>	<u>Amount</u>
Adjustment to record changes in pension related accounts due to the outsourcing of Water & Sewer Fund operations	\$ 269,311
Internal Service Fund operations	269,311
Adjustment to record implementation of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions	
Water & Sewer Fund operations	44,464
Sanitation Fund operations	11,014
Internal Service Fund operations	5,731
	<u>\$ 599,831</u>

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE 3: BUDGET POLICY

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

- A. Prior to August 1st, 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 1st. 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 15th, the budget is legally enacted through adoption by the Mayor and City Council.
- D. The budget is formally revised during the year and properly amended by the Mayor and City Council.
- E. Budgetary comparisons are employed by management as a management control device during the year for all funds.
- F. Appropriations lapse at the end of each fiscal year.

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

NOTE 4: DEPOSITS

Deposits

The carrying amount of the City's total deposits with financial institutions at September 30, 2018 was \$12,789,709 and the bank balance was \$12,944,145. 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 Depositary 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. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC). 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.

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

NOTE 5: INTER-FUND TRANSACTIONS AND BALANCES

Due From/To Other Funds:

Receivable Fund	Payable Fund	Amount
Non-Major Governmental Funds	General Fund	298,611
Total		<u>\$ 298,611</u>

Transfer In/Out:

Transfer In	Transfer Out	Amount
General Fund	Water & Sewer Fund	600,000
Parks & Recreation Fund	General Fund	521,010
Non-Major Governmental Funds	General Fund	1,446,387
Water & Sewer Fund	General Fund	50,210
Sanitation Fund	Water & Sewer Fund	562,955
Total		<u>\$ 3,180,562</u>

The purpose of the transfers were to: appropriate gaming revenues in the amount of \$1,823,397 for operations, maintenance, and capital expenditures to Major Fund Parks & Recreation (\$377,010) and Non-Major Governmental Funds (\$1,446,387); transfer from General Fund to Major Fund Parks & Recreation for operations, maintenance, and capital expenditures (\$144,000); transfers from Water & Sewer Fund to General Fund (\$600,000) for operational expenditures; transfers from General Fund to Water & Sewer Fund (\$50,210) for SRF note payment; and transfers from Water & Sewer Fund to Sanitation Fund (\$562,955) for operational expenditures.

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CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

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, 2018 include the following:

Description	Amount
Inter-governmental Receivables:	
Federal	
FEMA-Flood 2016	\$ 298,905
Brownfield grant	177,204
FAA projects	166,973
Levee walking & biking trail	38,439
Railroad Depot	14,845
Airport Security	8,569
Occupant grant	789
Sub-total	<u>705,724</u>
State	
Senate Bill 2868 - airport hangers	129,072
MEMA	69,539
Solid waste grant	40,000
FAA projects and Multi-Modal grants	15,624
Sub-total	<u>254,235</u>
TOTAL	<u><u>\$ 959,959</u></u>

Description	Amount
Other Receivables:	
Fines, net of allowance for doubtful accounts of \$2,079,016	\$ 1,331,176
Franchise fees	294,920
Property tax	168,471
Other receivable sales tax & returned cheks	63,768
Other receivable Gaming rent	35,000
Other receivable related to Schelben Park	2,500
TOTAL	<u><u>\$ 1,895,835</u></u>

CITY OF GREENVILLE, MISSISSIPPI
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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 \$1,963,054 and \$338,845 respectively are reported net of estimated un-collectibles of \$1,963,055 and \$508,268.

Intergovernmental receivables of \$330,147 consisted of amounts due from FEMA and MEMA related to reimbursement for expenses incurred during the fiscal year.

Other receivables of \$63,768 represent amounts due for sales tax (\$15,239), bank debits and returned checks of (\$48,529).

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		\$ 738,293
Total	\$ 40,000	\$ 738,293

NOTE 8: CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2018, was as follows:

GOVERNMENTAL ACTIVITIES	Balance Oct. 1, 2017	Additions	Deletions	Adjustments	Balance Sept. 30, 2018
Non-depreciable capital assets:					
Land	\$ 85,405,314		382,017		\$ 85,023,297
Construction in progress	741,208	1,496,288		(35,716)	2,201,780
Total non-depreciable capital assets	86,146,522	1,496,288	382,017	(35,716)	87,225,077
Depreciable capital assets:					
Infrastructure	260,814,098	297,717			261,111,815
Buildings & Improvements	30,483,071	473,692	786,425	104,055	30,274,393
Mobile & machinery equipment	9,627,979	240,402			9,868,381
Furniture & equipment	2,920,993	322,351			3,243,344
Leased property under capital lease	1,353,772				1,353,772
Total depreciable capital assets	305,199,913	1,334,162	786,425	104,055	305,851,705
Less accumulated depreciation for:					
Infrastructure	173,031,881	1,391,892		121,296	174,545,069
Buildings & Improvements	23,158,434	320,748	626,488	19,671	22,872,365
Mobile & machinery equipment	6,259,675	445,357			6,705,032
Furniture & equipment	1,846,764	312,739			2,159,503
Leased property under capital lease	324,911	54,152			379,063
Total accumulated depreciation	204,621,665	2,524,888	626,488	140,967	206,661,032
Depreciable capital assets, net	100,578,248	(1,190,726)	159,937	(36,912)	99,190,673
Governmental activities capital assets, net	\$186,724,770	305,562	541,954	(72,628)	\$186,415,750

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
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BUSINESS-TYPE ACTIVITIES	Balance Oct. 1, 2017	Additions	Deletions	Adjustments	Balance Sept. 30, 2018
Non-depreciable capital assets:					
Land	\$ 2,512,541				\$ 2,512,541
Construction in progress	7,493,792	6,446,990			13,940,782
Total non-depreciable capital assets	10,006,333	6,446,990	-	-	16,453,323
Depreciable capital assets:					
Infrastructure	349,156,360				349,156,360
Buildings & improvements	34,782,882				34,782,882
Mobile & machinery equipment	11,509,482	264,391			11,773,873
Furniture & equipment	879,758				879,758
Leased property under capital lease	7,700,785				7,700,785
Total depreciable capital assets	404,029,267	264,391	-	-	404,293,658
Less accumulated depreciation for:					
Infrastructure	325,330,354	1,886,296			327,216,650
Buildings & Improvements	27,820,036	1,513			27,821,549
Mobile & machinery equipment	9,356,436	172,696			9,529,132
Furniture & equipment	347,834	106,740			454,574
Leased property under capital lease	1,232,124	308,032			1,540,156
Total accumulated depreciation	364,086,784	2,475,277	-	-	366,562,061
Depreciable capital assets, net	39,942,483	(2,210,886)	-	-	37,731,597
Business-Type activities capital assets, net	\$ 49,948,816	4,236,104	-	-	\$ 54,184,920

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

GOVERNMENTAL ACTIVITIES	Amount
General government	\$ 87,039
Public safety	470,548
Public works	80,198
Highway & streets	1,030,273
Health & welfare	8,502
Culture & recreation	68,487
Economic development	4,967
Airport	729,251
Internal service fund	45,623
Total governmental activities depreciation	<u>\$2,524,888</u>

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

BUSINESS-TYPE ACTIVITIES	Amount
Sewer & Water	\$2,367,852
Sanitation	107,425
Total business-type activities depreciation	<u>\$2,475,277</u>

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
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Commitments with respect to major unfinished capital projects at September 30, 2018, consisted of the following:

Description	Remaining Financial Commitment	Expected Date of Completion
Airport Drainage Project	\$868,213	August 2019
Sewer Projects	Unknown	Unknown

NOTE 9: CAPITAL LEASES

As Lessee:

The City is obligated for the following capital assets acquired by capital leases as of September 30, 2018:

Classes of Property	Governmental Activities	Business-Type Activities
Building improvements	\$ 1,353,772	
Water meters and related equipment		\$ 7,700,785
Less: Accumulated depreciation	379,063	1,540,156
Leased property under capital leases	<u>\$ 974,709</u>	<u>\$ 6,160,629</u>

The following is a schedule by years of the total payments due as of September 30, 2018:

Year Ending September 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
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	83,105	20,853	530,782	133,188
2023	86,334	17,624	551,405	112,565
2024-2028	405,950	35,871	2,592,764	229,107
Total	<u>\$ 806,515</u>	<u>\$ 155,097</u>	<u>\$5,151,129</u>	<u>\$ 990,590</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 75 as a single employer defined benefit health care plan. Effective October 1, 2017, the City implemented GASB Statement 75 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.

Benefits Provided

The Plan was formed by the City to provide group health benefits to full-time active and retired employees of the City. Employees become eligible for benefits under the plan upon attainment of 25 years of PERS

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CITY OF GREENVILLE, MISSISSIPPI
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service, or age 60 with a minimum of 10 years of service to the City of Greenville. It is assumed that coverage will cease for each retiree and spouse upon attainment of age 65. In addition, surviving spouses of eligible retirees may continue to receive benefits until they are Medicare eligible. In this valuation, such spouses are included until attainment of age 65. Benefits for retirees are deemed to be similar to those benefits provided for actives. The retiree medical plan is assumed to be the primary plan of benefits prior to age 65. Employees' premiums are funded primarily by the City. Retirees must pay their own premiums, as do active employees for spouse and dependent medical coverage.

Contributions

The Council, acting in conjunction with the commercial insurance company, has the sole authority for setting health insurance premiums for the Plan. The required premiums vary based on the plan selected and the type of participant. Employers pay no premiums for retirees while employees' premiums are funded primarily by their employer. The Plan is financed on a pay-as-you-go basis. Contributions to the Plan from the City were \$38,094 for the year ended September 30, 2018.

Employees Covered by Benefit Terms

At September 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	6
Inactive employees entitled to but not yet receiving benefit payments	-
Active plan members	<u>247</u>
	<u>253</u>

Total OPEB Liability

The City's total OPEB liability of \$920,733 was measured as of September 30, 2018 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the September 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

<u>Description</u>	<u>Assumptions</u>
Inflation	3.00 percent
Salary increases	2.00 percent per annum, including inflation
Investment rate of return	N/A
Healthcare cost trend rates	7.5% graded down to 6.75% over 3 years After the transition period, medical trend follows the Getzen model.

The discount rate is 3.75% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of September 30, 2018, compared to the prior Statement No. 45 discount rate of 4.5%.

Medical trend was set to follow the Getzen Model after a 3 year transition period starting at 7.5% decreasing uniformly to 6.75% over 3 years.

The mortality rate has been updated to use improvement scale MP2018.

The claims aging factors have been updated to follow the Yamamoto aging factors.

Participation rate was reduced to 25% compared to 50% used in the last valuation.

The actuarial assumptions used in the September 30, 2018 valuation were based on the experience of the plan.

CITY OF GREENVILLE, MISSISSIPPI
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Changes in the Total OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 09/30/2017	\$ 846,261	\$ -	\$ 846,261
Changes for the Year:			
Service cost	79,286	-	79,286
Interest	33,280	-	33,280
Benefit changes	-		
Differences between expected and actual experience			
Changes in assumptions or other inputs			
Contributions-Employer	-	38,094	(38,094)
Benefits paid	(38,094)	(38,094)	-
Net Changes	<u>74,472</u>	<u>-</u>	<u>74,472</u>
Balances at 09/30/2018	<u>\$ 920,733</u>	<u>\$ -</u>	<u>\$ 920,733</u>

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75 percent) or 1-percentage-point higher (4.75 percent) than the current discount rate:

	1% Decrease (2.75%)	Current Rate (3.75%)	1% Increase (4.75%)
Total OPEB liability	\$ 1,006,813	920,733	842,504

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.50 percent decreasing to 5.75 percent) or 1-percentage-point higher (8.50 percent decreasing to 7.75 percent) than the current healthcare cost trend rates:

	1% Decrease 6.5% decreasing to 5.75% over 3 years to the Getzen Model	Current 7.50% decreasing to 6.75% over 3 years to the Getzen Model	1% Increase 8.50% decreasing to 7.75% over 3 years to the Getzen Model
Total OPEB liability	\$ 809,703	920,733	1,056,086

CITY OF GREENVILLE, MISSISSIPPI
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OPEB Expense and Deferred Outflows/Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2018, the City recognized OPEB expense of \$112,565. At September 30, 2018, the City reported no deferred outflows of resources and no deferred inflows of resources related to OPEB, therefore, there will be no amortization of changes of assumptions and experience losses (gains). Also, no amounts are reported as deferred outflows or inflows of resources related to OPEBs will be recognized in pension expense.

NOTE 11: DEFINED BENEFIT PENSION PLAN

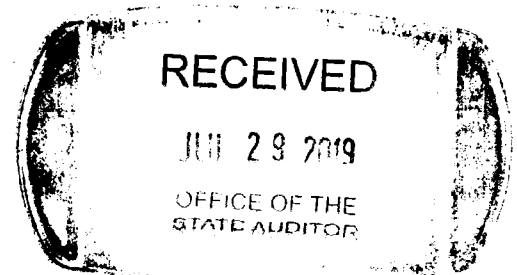
Cost-Sharing Multiple-Employer Defined Benefit Pension Plan – Public Employees Retirement System

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. Plan provisions and the Board of Trustees' authority to determine contribution rates are established by Miss. Code Ann. Section 25-11-1 et seq., (1972, as amended) 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 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, 2018, 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, 2018 was 15.75% of annual covered payroll. The contribution requirements of PERS



CITY OF GREENVILLE, MISSISSIPPI
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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, 2018, 2017 and 2016 were \$1,409,416, \$1,467,162, and \$1,861,107, 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, 2018 the City reported a liability of \$23,618,817 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, 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. The City's proportionate share used to calculate the September 30, 2018 net pension liability was 0.142 percent, which was based on a measurement date of June 30, 2018. This was a decrease of 0.012 percent from its proportionate share used to calculate the September 30, 2018 net pension liability, which was based on a measurement date of June 30, 2018.

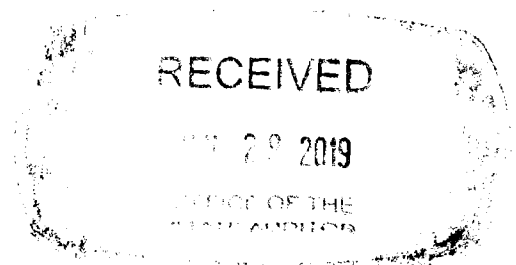
For the year ended September 30, 2018, the City recognized pension expense of \$1,257,740. At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 124,074	107,979
Net difference between projected and actual earnings on pension plan investments	1,665,514	1,908,361
Changes of assumptions	15,113	16,352
Changes in the proportion and differences between actual contributions and proportionate share of contributions		3,311,761
Contributions subsequent to the measurement date	379,146	
	<u>\$ 2,183,847</u>	<u>5,344,453</u>

The \$379,146 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, 2019. 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
2019	\$ (1,397,904)
2020	(977,871)
2021	(1,057,762)
2022	(106,215)
Total	<u>\$ (3,539,752)</u>

Actuarial Assumptions. The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods in the measurement:



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<u>Description</u>	<u>Assumptions</u>
Inflation	3.00 percent
Salary increases	3.25 - 18.50 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 2022, with male rates set forward one year.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2016. The experience report is dated April 18, 2017.

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, 2018, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Broad	27.00%	4.60
International Equity	18.00%	4.50
Emerging Markets Equity	4.00%	4.75
Global	12.00%	4.75
Fixed Income	18.00%	0.75
Real Assets	10.00%	3.50
Private Equity	8.00%	5.10
Emerging Debt	2.00%	2.25
Cash	1.00%	0.00
	<u>100.00%</u>	

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:

CITY OF GREENVILLE, MISSISSIPPI
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	1% Decrease (6.75%)	Discount Rate (7.75%)	1% Increase (8.75%)
Proportionate share of the net pension liability	\$ 31,099,207	23,618,817	17,401,629

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 66-2/3 percent of average compensation, regardless of service.

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, either physically or mentally, regardless of creditable service, if the disability is due to causes in the performance of duty. If the disability is not 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 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

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

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 66-2/3 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 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. The City of Greenville adjustments are limited to a maximum of 2.5 percent per year (not to exceed 25 percent) for all retirees and beneficiaries.

At June 30, 2018 (measurement date), the following employees were covered by the plan:

Inactive Members or Their Beneficiaries Currently Receiving Benefits	74
--	----

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, 2018, the City levied 2.86 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, 2018, was \$547,552.

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, 2018, 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, 2018, actuarial valuations were determined using the following actuarial information and assumptions:

Description	Assumptions
Valuation date	June 30, 2016
Actuarial cost method	Ultimate Asset Reserve
Amortization method	N/A
Remaining amortization period	N/A
Asset valuation method	Five year smoothed market
Inflation	3.00 percent
Salary increases	4.00 - 5.50 percent, including inflation
Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation

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.

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

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 (2.86 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, 2018 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2017	\$ 9,084,159	3,234,825	5,849,334
Changes for the year:			
Service Cost			-
Interest	665,908		665,908
Changes of benefit terms			-
Difference between expected and actual experience	5,694		5,694
Changes of assumptions			-
Contributions - employer		547,552	(547,552)
Contributions - employee			-
Net Investment income		236,432	(236,432)
Benefit payments, including refunds of employee contributions	(983,598)	(983,598)	-
Administrative expense		(10,951)	10,951
Other changes		(297)	297
Net Changes	(311,996)	(210,862)	(101,134)
Balances at June 30, 2018	<u>\$ 8,772,163</u>	<u>3,023,963</u>	<u>5,748,200</u>

Sensitivity 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%)
Plan's net pension liability (asset)	\$ 6,396,036	5,748,200	5,179,217

Pension Plan Fiduciary Net Position. Detailed information about the pension plans fiduciary net position is available in the separately issued 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, 2018, the plan recognized pension expense of \$497,149.

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

At September 30, 2018, 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	\$ 20,610	
Contributions subsequent to the measurement date	36,108	
	<u>\$ 56,718</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, 2019.

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
2019	\$ 47,676
2020	11,355
2021	(37,811)
2022	(610)
Total	<u>\$ 20,610</u>

Summary of Pension Plan Balances

The City's pension related balances presented on the Statement of Net Position as of September 30, 2018, by individual plan are as follows:

	PERS	MMRS	Total
Deferred outflows - Pensions	\$ 2,183,847	56,718	2,240,565
Net pension liability	23,618,817	5,748,200	29,367,017
Deferred inflows - Pensions	5,344,453	-	5,344,453
Pension expense	\$ 1,257,740	497,149	1,754,889

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

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 and notes are direct obligations. They are backed by the full faith and credit of the City. The City also incurs debt in the form of various other 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 indebtedness in an amount that exceeds 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 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, 2018 is approximately:

<u>15% Limit</u>	<u>20% Limit</u>
\$14,984,545	\$25,159,679

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CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

Debt outstanding as of September 30, 2018, consisted of the following:

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
Governmental Activities:			
<u>A. General Obligation Bonds:</u>			
Series 2010-Street Bond	760,000	3.000 to 4.150	05-2022
Series 2015-Refunding Bond	2,655,000	1.538 to 2.634	04-2028
Total General Obligation Bonds	<u>3,415,000</u>		
<u>B. Other Loans</u>			
GO Note-Pierce Fire Truck	205,561	1.77	02-2021
GO Note-Equipment & Expenses	743,975	1.73	03-2021
GO Note-Equipment, vehicles & building	536,850	2.01	12-2021
GO Note-Equipment & vehicles	685,492	1.93	02-2022
GO Note-Sewer lifts & water tank	508,469	2.09	04-2022
Total Other Loans	<u>2,680,347</u>		
<u>C. Capital Leases:</u>			
Energy Project-Siemens	806,515	3.83	10-2027
Total Capital Leases	<u>806,515</u>		
Business-Type Activities:			
<u>A. General Obligation Bonds:</u>			
Series 2018A-Public Improvement Bond	6,159,000	3.93	08-2038
Series 2018B-Public Improvement Bond	3,080,000	4.54	08-2027
Total General Obligation Bonds	<u>9,239,000</u>		
<u>B. Other Loans</u>			
State Revolving-C280767-07	301,213	1.75	03-2030
State Revolving-C280767-08	333,448	1.75	01-2037
	634,661		
State Revolving-C280767-09	7,179,507	drawn to date	
Total Other Loans	<u>7,814,168</u>		
<u>C. Capital Leases:</u>			
Energy Project-Siemens	5,151,129	3.83	10-2027
Total Capital Leases	<u>\$ 5,151,129</u>		

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

The annual debt service requirements of long-term debt of September 30, 2018 are as follows:

Governmental Activities:				
Year Ending September 30,	General Obligation Bonds		Other Loans	
	Principal	Interest	Principal	Interest
2019	431,000	95,503	883,529	43,547
2020	440,000	82,923	900,335	26,741
2021	455,000	69,727	682,506	10,633
2022	475,000	55,728	213,977	1,155
2023	278,000	40,943		
2024-2028	1,336,000	97,478		
Totals	<u>\$3,415,000</u>	<u>\$ 442,303</u>	<u>\$2,680,347</u>	<u>\$ 82,076</u>

Business-Type Activities:				
Year Ending September 30,	General Obligation Bonds		Other Loans	
	Principal	Interest	Principal	Interest
2019	303,000	379,759	39,419	10,791
2020	313,000	368,125	40,114	10,096
2021	328,000	353,915	40,822	9,388
2022	342,000	339,023	41,542	8,668
2023	358,000	323,497	42,274	7,935
2024-2028	2,048,000	1,359,488	222,828	28,224
2029-2033	2,507,000	900,559	138,825	18,233
2034-2038	3,040,000	367,651	68,837	2,077
Totals	<u>\$9,239,000</u>	<u>\$4,392,017</u>	<u>\$ 634,661</u>	<u>\$ 95,412</u>

The following is a summary of changes in long-term debt for the year ended September 30, 2018:

	Balance Oct. 1, 2017	Additions	Reductions	Balance Sept. 30, 2018	Amount due within one year
Governmental Activities:					
Compensated absences	\$ 814,232	45,143		859,375	
General obligation bonds	3,827,000		412,000	3,415,000	\$ 431,000
Other Loans	3,753,899		1,073,552	2,680,347	883,529
Capital leases	877,867		71,352	806,515	74,125
Total	<u>\$ 9,272,998</u>	<u>45,143</u>	<u>1,556,904</u>	<u>7,761,237</u>	<u>\$ 1,388,654</u>
Business-Type Activities:					
Compensated absences	\$ 23,367		6,714	16,653	
General obligation bonds	-	\$9,239,000		9,239,000	\$ 303,000
Other Loans	4,694,889	3,730,535	611,256	7,814,168	39,419
Capital leases	5,606,850		455,721	5,151,129	473,427
Total	<u>\$10,325,106</u>	<u>12,969,535</u>	<u>1,073,691</u>	<u>22,220,950</u>	<u>\$ 815,846</u>

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

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

NOTE 13: DEFICIT FUND BALANCES OF INDIVIDUAL FUNDS

Fund	Deficit Amount
Municipal Improvement	(113,361)
Solid Waste Assistance Grant	(28,806)

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 or, possibly, a modified version thereof, the City has performed and will continue to perform evaluation, planning and construction/repair projects on the sanitary sewer system. 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. At this point in time an estimated range of additional cost has not been derived. Therefore, no financial provision has been entered in the financial statements at this time.

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

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

NOTE 15: TAX ABATEMENTS

Governmental Accounting Standards Board (GASB) Statement 77, *Tax Abatement Disclosures* requires governmental entities to disclose the reduction in tax revenues resulting from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The City's council negotiates property tax abatements on an individual or entity basis with varying abatement periods. These abatements contribute to the economic development and citizenry of the municipality. The City had tax abatement agreements with seven entities as of September 30, 2018

The City had abatements under the following statute, which does not provide for the abatement of school or state tax levies:

27-31-105, Miss. Code (Ann.) 1972
All allowable property tax levies

Category	Fiscal Year 2018	
	% of Taxes Abated	Amount of Taxes Abated
Additions, expansions or equipment replacment	100.00%	\$ 848,759

The companies were not required to comply with any special provisions in order to receive the abatements and the City made no commitments as part of the agreements other than to reduce taxes.

NOTE 16: 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 11, 2019 and determined that the following subsequent event occurred requiring disclosure in the notes to the financial statements.

In the prior year, the City obtained a SRF revolving loan C280767-09 at 1.75% interest in the amount of \$7,462,064. At September 30, 2018, the amount drawn down on this loan was \$7,179,507. The remainder of \$282,557 was drawn down during the 2019 fiscal year. This revolving loan was issued for sewer infrastructure and is to be repaid from the operations of the water and sewer utility.

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, 2018

	Budgeted Amount		Actual	Variance
	Original	Final	Non-GAAP Basis	Favorable (Unfavorable)
<u>REVENUES:</u>				
Ad Valorem Taxes	\$ 9,596,000	\$ 10,318,795	\$ 10,318,795	\$ -
Licenses, Permits & Franchise Fees	1,247,000	1,340,528	1,340,528	-
Grants & Intergovernmental	7,833,000	7,629,045	7,629,045	-
Fines and Forfeits	339,400	293,228	293,228	-
Rental	435,600	432,149	432,149	-
Miscellaneous Revenues	333,200	1,136,859	1,136,859	-
Charges for Services	35,000	30,143	30,143	-
Total Revenues	19,819,200	21,180,747	21,180,747	-
<u>EXPENDITURES:</u>				
General Government				
Personal services	1,250,236	1,213,295	1,213,295	-
Other services and charges	1,044,231	860,323	860,323	-
Supplies	58,435	38,931	38,931	-
Total general government	2,352,902	2,112,549	2,112,549	-
Public Safety				
Police Department				
Personal services	5,686,445	5,893,029	5,893,029	-
Other services and charges	1,662,964	1,658,159	1,658,159	-
Supplies	73,624	67,911	67,911	-
Capital outlay	-	138,712	138,712	-
Total Police Department	7,423,033	7,757,811	7,757,811	-
Fire Department				
Personal services	4,125,204	4,177,944	4,177,944	-
Other services and charges	467,211	491,029	491,029	-
Supplies	46,950	45,559	45,559	-
Capital Outlay	-	95,493	95,493	-
Total Fire Department	4,639,365	4,810,025	4,810,025	-
Total Public Safety	12,062,398	12,567,836	12,567,836	-
Public Works				
Personal services	469,644	318,251	318,251	-
Other services and charges	910,490	970,506	970,506	-
Supplies	32,477	9,559	9,559	-
Capital outlay	-	2,966	2,966	-
Total Public Works	1,412,611	1,301,282	1,301,282	-
Highways and Streets				
Personal services	241,861	207,676	207,676	-
Other services and charges	2,801,353	2,833,978	2,833,978	-
Supplies	331,000	78,179	78,179	-
Capital outlay	-	-	-	-
Total Highways and Streets	3,374,214	3,119,833	3,119,833	-

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, 2018

	Budgeted Amount		Actual	Variance
	Original	Final	Non-GAAP Basis	Favorable (Unfavorable)
<u>EXPENDITURES CONTINUED:</u>				
Health & Welfare				
Other services and charges	366,700	365,762	365,762	-
Supplies	5,500	541	541	-
Capital outlay	1,500	465	465	-
Total Health & Welfare	373,700	366,768	366,768	-
Economic Development				
Personal services	321,274	284,737	284,737	-
Other services and charges	237,854	225,867	225,867	-
Supplies	10,793	8,026	8,026	-
Capital outlay	27,829	33,328	33,328	-
Total Economic Development	597,750	551,958	551,958	-
Debt Service				
Principal paid	71,352	70,682	70,682	-
Interest paid	34,529	33,276	33,276	-
	105,881	103,958	103,958	-
Total Expenditures	20,279,456	20,124,184	20,124,184	-
Excess of Revenues over (under) Expenditures	(460,256)	1,056,563	1,056,563	-
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in (out)				
transfers in	970,000	790,000	790,000	-
transfers (out)	(2,170,387)	(2,147,397)	(2,147,397)	-
Total other financing sources (uses)	(1,200,387)	(1,357,397)	(1,357,397)	-
Net Change in Fund Balance	(1,660,643)	(300,834)	(300,834)	-
Fund Balances - Beginning	(3,363,515)	4,419,415	4,419,415	-
Fund Balances - Ending	\$(5,024,158)	\$ 4,118,581	\$ 4,118,581	\$ -

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City of Greenville, Mississippi
 Budgetary Comparison Schedule
 Budget and Actual (Non-GAAP Basis)
 Major Fund Parks & Recreation
 For the Year Ended September 30, 2018

	Budgeted Amount		Actual	Variance
	Original	Final	Non-GAAP Basis	Favorable (Unfavorable)
<u>REVENUES:</u>				
Ad Valorem Taxes	\$ 363,250	\$ 375,340	\$ 375,340	\$ -
Grants & Intergovernmental	15,000	15,986	15,986	-
Rental	18,000	16,845	16,845	-
Miscellaneous Revenues	1,020	1,926	1,926	-
Charges for Services	216,000	192,361	192,361	-
Total Revenues	613,270	602,458	602,458	-
<u>EXPENDITURES:</u>				
Parks & Recreation				
Personal services	559,336	622,432	622,432	-
Other services and charges	153,253	164,342	164,342	-
Supplies	169,677	145,286	145,286	-
Capital outlay	37,350	41,065	41,065	-
Total Expenditures	919,616	973,125	973,125	-
Excess of Revenues over (under) Expenditures	(306,346)	(370,667)	(370,667)	-
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in (out)				
transfers in	521,010	521,010	521,010	-
transfers (out)	-	-	-	-
Total other financing sources (uses)	521,010	521,010	521,010	-
Net Change in Fund Balance	214,664	150,343	150,343	-
Fund Balances - Beginning	83,608	(142,492)	(142,492)	-
Fund Balances - Ending	\$ 298,272	\$ 7,851	\$ 7,851	\$ -

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

City of Greenville, Mississippi
Schedule of Changes in the Total OPEB Liability and Related Ratios
For the Year Ended September 30, 2018

	<u>2018</u>
Total OPEB Liability	
Service Cost	\$ 79,286
Interest	33,280
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit payments/refunds	(38,094)
Net Change in total OPEB liability	<u>74,472</u>
Total OPEB liability - beginning	<u>846,261</u>
Total OPEB liability - ending (a)	<u><u>\$ 920,733</u></u>
 Plan fiduciary net position	
Contributions - employer	\$ 38,094
Contributions - employee	-
Net investment income	-
Benefit payments/refunds	(38,094)
Administrative expense	-
Other	-
Net change in plan fiduciary net position	<u>-</u>
Plan net position - beginning	<u>-</u>
Plan net position - ending (b)	<u><u>\$ -</u></u>
 Net OPEB liability (asset) - ending (a) - (b)	<u><u>\$ 920,733</u></u>

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

City of Greenville, Mississippi
Schedule of City's Contributions OPEB
For the Year Ended September 30, 2018

	<u>2018</u>
Contractually required contribution	\$ 140,547
Contributions in relation to the contractually required contribution	<u>38,094</u>
Contribution deficiency (excess)	\$ <u>102,453</u>
Covered payroll	\$ 7,878,516
Contributions as a percentage of covered payroll	0.48%

This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No. 75 was implemented for the fiscal year ended September 30, 2018, and, until, a full 10 year trend is compiled, the City has only presented information for the years in which information is available.

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

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City of Greenville, Mississippi
Schedule of the City's Proportionate Share of the Net Pension Liability (PERS)
Last 10 Fiscal Years*
For the Year Ended September 30, 2018

City of Greenville
Schedule of Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years*
For the Year Ended September 30, 2018

	2018	2017	2016	2015	2014
Proportion of the net pension liability (asset)	0.142%	0.154%	0.178%	0.181%	0.184%
Proportionate share of the net pension liability (asset)	\$ 23,618,817	25,600,027	31,795,245	27,979,031	22,334,231
Covered-employee payroll	\$ 9,077,714	9,866,505	11,381,273	11,281,090	11,205,833
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	260.18%	259.46%	279.36%	248.02%	199.31%
Plan fiduciary net position as a percentage of the total pension liability	62.54%	61.49%	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.

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

City of Greenville, Mississippi
Schedule of City's Contributions – Pension (PERS) & (MMRS)
Last 10 Fiscal Years*
For the Year Ended September 30, 2018

Public Employees Retirement Systems (PERS)

	2018	2017	2016	2015
Contractually required contribution	\$ 1,409,416	1,467,162	1,861,107	1,779,564
Contributions in relation to the contractually required contribution	<u>1,409,416</u>	<u>1,467,162</u>	<u>1,861,107</u>	<u>1,779,564</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered-employee payroll	\$ 8,948,675	9,315,315	11,816,549	11,298,816
Contributions as a percentage of covered-employee payroll	15.75%	15.75%	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)

	2018	2017	2016	2015
Actuarially determined contribution	\$ 547,552	589,633	612,832	601,720
Contributions in relation to the actuarially determined contribution	<u>547,552</u>	<u>589,633</u>	<u>612,832</u>	<u>601,720</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered-employee payroll*	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, The City presents information for those years for which information is available.

* Payroll-related information not provided because the 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
Schedule of City's Changes in the Net Pension Liability (MMRS)
Last 10 Fiscal Years*
For the Year Ended September 30, 2018

	2018	2017	2016	2015
Total Pension Liability				
Service Cost				
Interest	\$ 665,908	685,107	692,751	719,926
Differences between expected and actual experience	5,694	25,167	205,643	(59,398)
Changes of assumptions	-	29,545	-	284,198
Benefit payments, including refunds of employee contributions	(983,598)	(991,494)	(1,002,578)	(1,007,564)
Net Change in total pension liability	(311,996)	(251,675)	(104,184)	(62,838)
Total pension liability - beginning	9,084,159	9,335,834	9,440,018	9,502,856
Total pension liability - ending (a)	\$ 8,772,163	9,084,159	9,335,834	9,440,018
 Plan fiduciary net position				
Contributions - employer	\$ 547,552	589,633	612,832	601,720
Net investment income	236,432	419,956	17,714	114,107
Benefit payments, including refunds of employee contributions	(983,598)	(991,494)	(1,002,578)	(1,007,564)
Administrative expense	(10,951)	(11,793)	(12,257)	(12,034)
Other	(297)	2,805	8,467	-
Net change in plan fiduciary net position	(210,862)	9,107	(375,822)	(303,771)
Plan net position - beginning	3,234,825	3,225,718	3,601,540	3,905,311
Plan net position - ending (b)	\$ 3,023,963	3,234,825	3,225,718	3,601,540
 Net pension liability (asset) - ending (a) - (b)	\$ 5,748,200	5,849,334	6,110,116	5,838,478
 Plan fiduciary net position as a percentage of the total pension liability	34.47%	35.61%	34.55%	38.15%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City can only present information for which it is available.

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, 2018
"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.

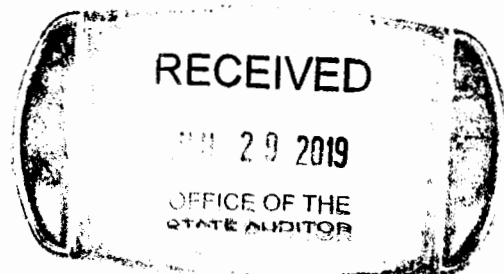
C. Budget/GAAP Reconciliation

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)	\$ (300,834)
Increase (Decrease)	
Net adjustments for revenue accruals	(339,776)
Net adjustments for expense accruals	335,667
Net Change in Fund Balance - GAAP Basis	<u>\$ (304,943)</u>



CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2018
"UNAUDITED"

Governmental Fund Type	Major Fund Parks and Recreation
Budget (Cash Basis)	\$ 150,343
Increase (Decrease)	
Net adjustments for revenue accruals	-
Net adjustments for expense accruals	-
Net Change in Fund Balance - GAAP Basis	<u>\$ 150,343</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.

2016

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.

2015

The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB rather than the RP-2000 Mortality Table, which was used prior to 2015.

The expectation of disabled mortality was changed to the RP-2014 Disabled Retiree Table, rather than the RP-2000 Disabled Mortality Table, which was used prior to 2015.

Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.

Assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

The price inflation and investment rate of return assumptions were changed from 3.50% to 3.00% and 8.00% to 7.75%, respectively.

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2018
“UNAUDITED”

2016

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

2017

The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Mortality Table projected with Scale BB to 2022. Small adjustments were also made to the Mortality Table for disabled lives.

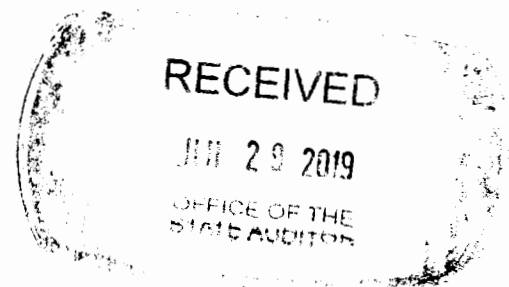
The wage inflation assumption was reduced from 3.75% to 3.25%

Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual and anticipated experience.

The percentage of active member disabilities assumed to be in the line of duty was increased from 6% to 7%.

CITY OF GREENVILLE, MISSISSIPPI

SUPPLEMENTAL INFORMATION



CITY OF GREENVILLE, MISSISSIPPI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2018

Federal Agency/ Pass-Through Entity/ Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures
U.S. Department of Defense			
Direct Programs:			
Mississippi Environmental Infrastructure (Section 592) ARRA	12.124	Corp of Engineers	701,238
Total Department of Defense			<u>701,238</u>
U. S. Department of Transportation			
Direct Programs:			
Airport Improvement Program			
FAA Project 2017	20.106	3-28-0027-034-2017	15,068
FAA Project 2018	20.106	3-28-0027-035-2018	170,590
Total Direct Programs			<u>185,658</u>
Pass-Through Programs:			
Passed-through the Mississippi Department of Transportation			
Highway Planning and Construction			
Levee Pedestrian and Bike Trail	* 20.205	LPA-106865-701000	669,145
Yazoo & Mississippi Railroad Depot	* 20.205	LPA-105560-701000	50,926
Total Highway Planning and Construction			<u>720,071</u>
Total U. S. Department of Transportation			<u>905,729</u>
U.S. Environmental Protection Agency			
Direct Programs:			
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	#00D11113	177,204
Total U. S. Environmental Protection Agency			<u>177,204</u>
U.S. Department of Homeland Security			
Direct Programs:			
Law Enforcement Officer Reimbursement Agreement Program	97.090	HSTS01-04-A-LEF-295	19,905
Assistance to Firefighters Grant	97.044	EMW-2016-FO-02375	149,846
Assistance to Firefighters Grant	97.044	EMW-2016-FO-01614	156,364
Total U. S. Department of Homeland Security			<u>326,115</u>
U.S. Department of Justice			
Direct Programs:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738		789
Total Delta Area Economic Development			<u>789</u>
Total Expenditures of Federal Awards			<u>\$ 2,111,075</u>

* Denotes Major Federal Award Program

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

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE SUPPLEMENTAL INFORMATION
For the Year Ended September 30, 2018

A. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City of Greenville under programs of the federal government for the year ended September 30, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

B. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts (if any) shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

C. Indirect Cost Rate

The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

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CITY OF GREENVILLE, MISSISSIPPI

OTHER INFORMATION

CITY OF GREENVILLE, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR CITY OFFICIALS
September 30, 2018

Name	Position	Bond Amount	Expiration Date	Surety Company
Errick D. Simmons	Mayor	100,000	1/1/2020	CNA Surety/Western
William Al Brock, Jr.	Council Member	100,000	1/1/2020	CNA Surety/Western
Lois Hawkins	Council Member	100,000	1/1/2020	CNA Surety/Western
Tasha Bailey	Council Member	100,000	1/1/2022	CNA Surety/Western
Lurann Thomas	Council Member	100,000	1/1/2022	CNA Surety/Western
Carolyn Weathers	Council Member	100,000	1/1/2022	CNA Surety/Western
James Wilson, Sr.	Council Member	100,000	1/1/2020	CNA Surety/Western
Amelia D. Wicks	City Clerk	100,000	Indefinite	CNA Surety/Western
Lisa Cain	Accounting Clerk	50,000	Indefinite	CNA Surety/Western
Janice Caswell	Deputy Court Clerk	50,000	Indefinite	CNA Surety/Western
Maple Smith	Legal Secretary	50,000	Indefinite	CNA Surety/Western
Martha Harris	Privilege License Clerk	50,000	Indefinite	CNA Surety/Western
Celestine Humes	Accounting Clerk	50,000	Indefinite	CNA Surety/Western
Felicia Wilkerson	Utility Clerk	50,000	Indefinite	CNA Surety/Western
Gwanda Suber	Municipal Court Clerk	50,000	Indefinite	CNA Surety/Western
Cynthia Stevens	Deputy Court Clerk	50,000	Indefinite	CNA Surety/Western
Priscilla Bush	Deputy Court Clerk	50,000	Indefinite	CNA Surety/Western
Kenyotta Lee	Deputy Court Clerk	50,000	Indefinite	CNA Surety/Western
Ennissica Hibler	Deputy Court Clerk	50,000	Indefinite	CNA Surety/Western
Lisa M. Reine	Deputy Court Clerk	50,000	Indefinite	CNA Surety/Western
Delando Wilson	Police Chief	50,000	Indefinite	CNA Surety/Western
Michael Merchant	Asst. Police Chief	50,000	Indefinite	CNA Surety/Western
Misty Litton	Police Major	50,000	Indefinite	CNA Surety/Western
Danny Graise	Police Captain	50,000	Indefinite	CNA Surety/Western
Keith Jackson	Police Captain	50,000	Indefinite	CNA Surety/Western
Nakia Williams-Hunter	Police Administrative Asst.	50,000	Indefinite	CNA Surety/Western
Virginia Davis	Police Records Supervisor	50,000	Indefinite	CNA Surety/Western
Cynthia Willis	Police Administrative Asst.	50,000	Indefinite	CNA Surety/Western
Joanna Gardner Ross	Police Records Clerk	50,000	Indefinite	CNA Surety/Western
Kimberlee Johnson	Police Records Clerk	50,000	Indefinite	CNA Surety/Western
Veronica Johnson	Police Records Clerk	50,000	Indefinite	CNA Surety/Western
Khirya Page	Police Records Clerk	50,000	Indefinite	CNA Surety/Western
Carolyn S. Bolden	Police Records Clerk	50,000	Indefinite	CNA Surety/Western
Katrina Ingram	Police Records Clerk	50,000	Indefinite	CNA Surety/Western
Alexis Harris	Police Records Clerk	50,000	Indefinite	CNA Surety/Western
Ashley R. Smith	Police Records Clerk	50,000	Indefinite	CNA Surety/Western
Sammeisha Faulkner	Police Records Clerk	50,000	Indefinite	CNA Surety/Western
Cordell Daniels	Police Special Operations	50,000	Indefinite	CNA Surety/Western
Lonnie McClinton	Police Special Operations	50,000	Indefinite	CNA Surety/Western
Johnathan West	Police Special Operations	50,000	Indefinite	CNA Surety/Western
Samuel L. Washington	Airport Director	50,000	Indefinite	CNA Surety/Western
LaToya Redmon	Airport Executive Assistant	50,000	Indefinite	CNA Surety/Western
Alfred Rankins, Sr.	Park Commissioner	50,000	Indefinite	CNA Surety/Western
Mario Kirksey	Park Commissioner	50,000	Indefinite	CNA Surety/Western
Scott Rainwater	Park Commissioner	50,000	Indefinite	CNA Surety/Western
Thomas D. Nall	Park Commissioner	50,000	Indefinite	CNA Surety/Western
Mel Covington	Park Commissioner	50,000	Indefinite	CNA Surety/Western
Corey Holmes	Parks/Recr. Director	50,000	Indefinite	CNA Surety/Western
Cassandra McMiller	Administrative Assistant	50,000	Indefinite	CNA Surety/Western
Ervin Thomas	Parks/Recr. Supervisor	50,000	Indefinite	CNA Surety/Western
Nathaniel Watkins, Jr.	Parks/Recr. Supervisor	50,000	Indefinite	CNA Surety/Western
Frederick K. Patterson	Park Program Coordinator	50,000	Indefinite	CNA Surety/Western
Sidney Lee Sipes	Golf Course Supervisor	50,000	Indefinite	CNA Surety/Western
Jake Perry	Golf Course Assistant	50,000	Indefinite	CNA Surety/Western
Teresa Kingdom	Human Resources Dir.	50,000	Indefinite	CNA Surety/Western
Geneva Carter	HR Administrative Asst.	50,000	Indefinite	CNA Surety/Western
Thomas Haynes	Safety Coordinator	50,000	Indefinite	CNA Surety/Western
Ruben Brown, Sr.	Fire Chief	50,000	Indefinite	CNA Surety/Western
Tawanna Haynes	Fire Adm. Assistant	50,000	Indefinite	CNA Surety/Western
Carlton Williams	Planning/Zoning Dir.	50,000	Indefinite	CNA Surety/Western
Erie Jackson	Planning Clerk II	50,000	Indefinite	CNA Surety/Western
Everett Chin	Exec Asst. to the Mayor	50,000	Indefinite	CNA Surety/Western

CITY OF GREENVILLE, MISSISSIPPI
RECONCILIATION OF TAX ASSESSMENTS TO FUND COLLECTIONS - 2017 TAX ROLLS
For the Year Ended September 30, 2018

Assessments - 2017 Tax Rolls	Tax	
	Assessed Valuation	Ad Valorem
Real Property	\$ 124,409,190	
Personal Property	29,239,151	
Auto and Mobile Home	27,441,401	
Public Utility	22,412,943	
Total Assessed Valuation	203,502,685	
Total Ad Valorem Tax @ 63.41 Mills	12,904,105	
Less: Homestead Exemption Credit	\$ 973,832	
Net Ad Valorem Taxes		\$ 11,930,273
Other Collections:		
Actual Homestead Reimbursements		506,847
Prior Year Tax Collections		276,251
Penalties and Interest on Delinquent Taxes		77,509
Deductions:		
Washington County Tax Collector's Commission		(130,003)
Total Ad Valorem Taxes to be Accounted For		\$ 12,660,877
Collections:		
Allocated to: Fund #	Taxes	Homestead Total
General Fund 001	9,501,760	397,648 9,899,408
Parks 100	375,340	15,986 391,326
Library 103	319,025	13,603 332,628
Debt Service 200	1,330,152	56,750 1,386,902
Fire & Police Pension 600	536,684	22,860 559,544
	12,062,961	506,847 12,569,808
Balance Represented by:		
Unpaid realty & unaccounted for under (over) collections		91,069
Total Ad Valorem Taxes Accounted for		\$ 12,660,877

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CITY OF GREENVILLE, MISSISSIPPI
RECONCILIATION OF TAX ASSESSMENTS TO FUND COLLECTIONS - 2017 TAX ROLLS (Cont'd)
For the Year Ended September 30, 2018

Tax millage levies for the current fiscal year (tax year 2017) were as follows:

<u>Fund</u>	<u>Millage</u>	<u>Purpose</u>
General	49.75	General Current Expenditures & Maintenance
Parks	2.00	Park Current Expenditures & Maintenance
Library	1.70	Library Current Expenditures & Maintenance
Bond & Interest	7.10	General City Obligation Bonds & Interest
Fire & Police Disability	2.86	Fire & Police Disability Fund
Total Tax Levy	<u>63.41</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:

\$ 11,335,412	Base 2016-2017	\$ 12,062,961	Taxes collected 2017-2018
<u>1,073,547</u>	Less: Applicable to Debt Service	<u>1,330,152</u>	Less: Applicable to Debt Service
10,261,865		10,732,809	
1,026,187	10 % Increase	506,847	Homestead Exemption
		<u>56,750</u>	Less: Applicable to Debt Service
		<u>450,097</u>	
		<u>105,146</u>	Under (Over) Limitation
<u>\$ 11,288,052</u>		<u>\$ 11,288,052</u>	

CITY OF GREENVILLE, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
For the Year Ended September 30, 2018

Description	Issue Date	Balance 10/01/17	Issued	Paid	Balance 09/30/18	Principal Amount Due	
						2019	Remaining Years
General Obligation Bonds							
Series 2008-Street Bond	08/22/08	95,000		95,000	-		
Series 2010-Street Bond	05/18/10	930,000		170,000	760,000	180,000	\$ 580,000
Series 2015-Refunding Bond	07/29/15	2,802,000		147,000	2,655,000	251,000	2,404,000
Series 2018A-Public Improvement Bond	07/29/15		6,159,000		6,159,000		6,159,000
Series 2018B-Public Improvement Bond	07/29/15		3,080,000		3,080,000	303,000	2,777,000
Total General Obligation Bonds		3,827,000	9,239,000	412,000	12,654,000	734,000	11,920,000
Other Loans							
GO Note - Parks, Equipment & Expenses	07/26/13	206,511		206,511	-		
GO Note - Parks, Equipment & Expenses	12/15/15	1,042,761		298,786	743,975	303,996	439,979
E One Fire Pumper Truck	01/06/16	288,084		82,523	205,561	83,995	121,566
GO Note Equip, Vehicles & Building Ren	12/7/2016	695,108		158,258	536,850	161,468	375,382
GO Note Equipment & Vehicles	1/5/2017	877,727		192,235	685,492	195,978	489,514
GO Note Sewer Lifts & Water Tank	5/4/2017	643,708		135,239	508,469	138,092	370,377
Sub-Total Governmental Funds		3,753,899	-	1,073,552	2,680,347	883,529	1,796,818
State Revolving-C280767-07	09/01/10	324,654		23,441	301,213	23,855	277,358
SRF Refunding GO Note	07/01/13	572,521		572,521	-		
State Revolving-C280767-08	07/30/14	348,742		15,294	333,448	15,564	317,884
State Revolving-C280767-09	Various	3,448,972	3,730,535		7,179,507	189,236	6,990,271
Sub-Total Water & Sewer Fund		4,694,889	3,730,535	611,256	7,814,168	228,655	7,585,513
Total Other Loans		8,448,788	3,730,535	1,684,808	10,494,515	1,112,184	9,382,331
Capital Leases							
Energy Project - Siemens-General Fund	09/28/11	877,867		71,352	806,515	74,125	732,390
Energy Project - Siemens-Water & Sewer Fund	09/28/11	5,606,850		455,721	5,151,129	473,427	4,677,702
Total Capital Leases		6,484,717	-	527,073	5,957,644	547,552	5,410,092
Other							
Compensated Absences		837,599	45,143	6,714	876,028		
Total Long Term Debt		\$ 19,598,104	13,014,678	2,630,595	29,982,187	2,393,736	\$ 26,712,423

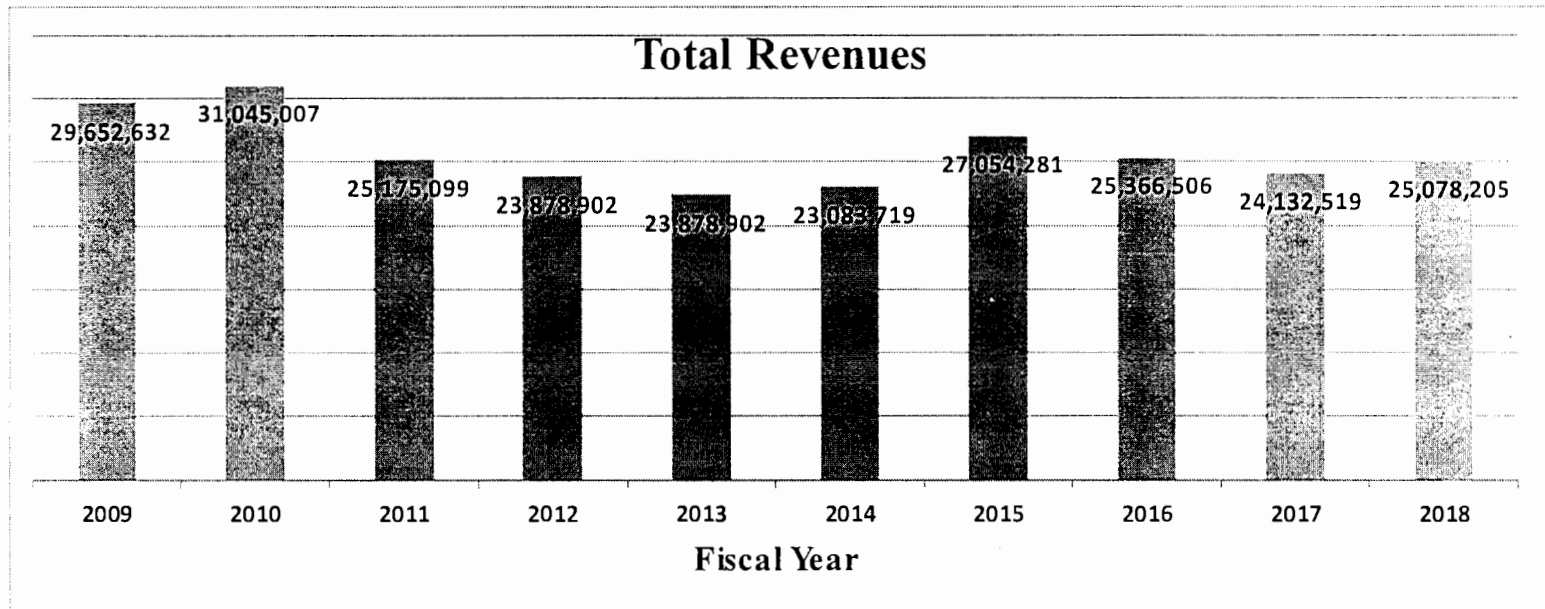
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CITY OF GREENVILLE, MISSISSIPPI

STATISTICAL INFORMATION

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

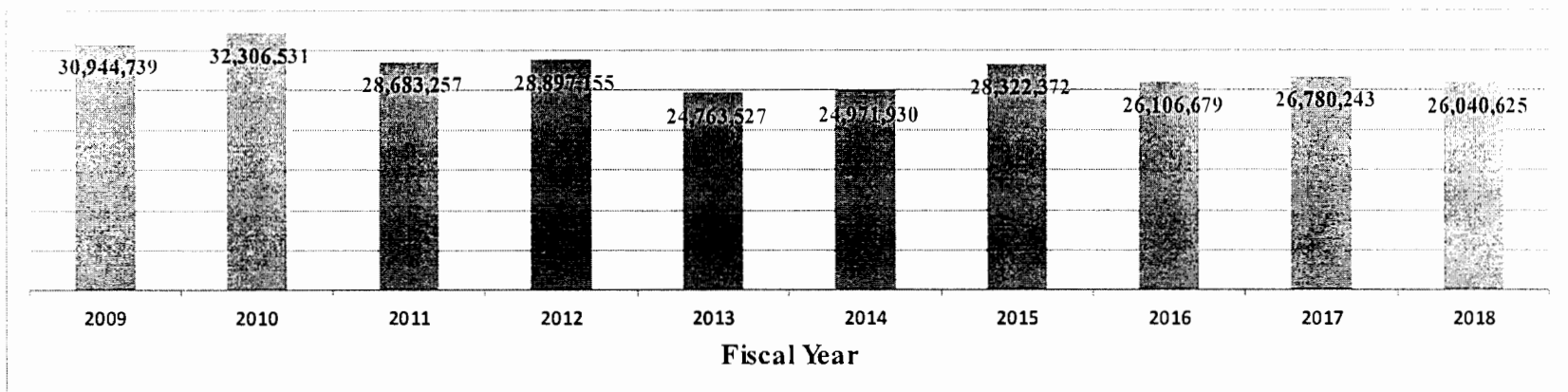
Fiscal Year	Taxes	Fines, Fees, Licenses & Permits	Intergovernmental	Charges for Services	Rental Income	Miscellaneous Operating	Total Revenues
2009	20,353,656	1,229,088	5,349,737	1,628,402	755,341	336,408	29,652,632
2010	21,150,238	904,484	6,500,612	1,444,171	792,144	253,358	31,045,007
2011	18,787,050	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
2017	19,986,255	489,524	2,102,037	434,805	717,686	402,212	24,132,519
2018	20,827,022	458,387	2,052,387	426,069	662,548	651,792	25,078,205
Total	199,483,560	6,735,807	32,343,831	6,406,245	8,734,319	3,207,343	\$ 256,911,105



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

Fiscal Year	General Government	Public Safety	Public Works & Hwys & Streets	Health and Sanitation	Culture & Recreation and Economic Dev.	Airport	Capital Projects	Debt Service	Total Expenditures
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
2017	2,545,360	13,280,155	5,127,487	344,386	1,412,150	2,307,289	-	1,763,416	26,780,243
2018	2,194,493	12,864,365	4,938,122	366,768	2,519,048	1,397,897	-	1,759,932	26,040,625
Total	\$28,538,423	\$124,855,649	\$46,526,495	\$3,617,519	\$14,050,477	\$20,407,037	\$14,520,400	\$25,301,058	\$277,817,058

Total Expenditures



**CITY OF GREENVILLE, MISSISSIPPI
COMPUTATION OF LEGAL DEBT MARGIN
For the Year Ended September 30, 2018**

Date of Issue	Description	Total Outstanding G/O Debt	Bonds/Notes Subject To 15% Limitation	Bonds/Notes Subject To 20% Limitation
<u>OUTSTANDING GENERAL OBLIGATION DEBT:</u>				
05/18/10	Series 2010-Street Bond	760,000	760,000	760,000
07/29/15	Series 2015-Refunding Bond	2,655,000	2,655,000	2,655,000
08/03/18	Series 2018A-Public Improvement Bond	6,159,000	6,159,000	6,159,000
08/03/18	Series 2018B-Public Improvement Bond	3,080,000	3,080,000	3,080,000
07/26/13	Parks & Equipment-GO Note	206,511	206,511	206,511
12/15/15	Parks & Equipment-GO Note	743,975	743,975	743,975
01/06/16	E One Fire Pumper Truck-GO Note	205,561	205,561	205,561
12/7/2016	Equipment, Vehicles & Building Ren-GO Note	536,850	536,850	536,850
1/5/2017	Equipment & Vehicles-GO Note	685,492	685,492	685,492
5/4/2017	Sewer Lifts & Water Tank-GO Note	508,469	508,469	508,469
	Total Outstanding General Obligation Debt	<u>15,540,858</u>	<u>15,540,858</u>	<u>15,540,858</u>

AUTHORIZED DEBT LIMIT:

Assessed Value for the fiscal year ended September 30, 2018	203,502,685	30,525,403	40,700,537
Present Debt (Subject to 15% and 20% Limitation, respectively)		<u>15,540,858</u>	<u>15,540,858</u>
Margin for Further Indebtedness (Under 15% and 20% Limitation, respectively)		<u>\$14,984,545</u>	<u>\$ 25,159,679</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

CITY OF GREENVILLE, MISSISSIPPI
COMPUTATION OF LEGAL DEBT MARGIN
For the Year Ended September 30, 2018

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

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

Honorable Mayor and City Council
City of Greenville
Greenville, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Greenville, Mississippi, as of and for the year ended September 30, 2018, 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 11, 2019.

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, Baird & Clarke, PLLC

Bridgers, Goodman, Baird & Clarke, PLLC
Certified Public Accountants
Vicksburg, Mississippi

June 11, 2019

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JUN 28 2019

CLERK OF THE
COURT

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**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, 2018. The City of Greenville, Mississippi's major federal program is 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 its major federal program for the year ended September 30, 2018.

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, Baird & Clarke, PLLC

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Certified Public Accountants
Vicksburg, Mississippi

June 11, 2019

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

Honorable Mayor and City Council
City of Greenville
Greenville, Mississippi

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Greenville, Mississippi, as of and for the fiscal year ended September 30, 2018, which collectively comprise the City of Greenville, Mississippi's basic financial statements and have issued our report thereon dated June 11, 2019. 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 the following instance of noncompliance with state laws and regulations.

City Clerk

1. Compliance with state statutes applicable to the issuance of warrant or check.

Criteria: The Clerk is responsible for complying with Section 21-39-13, subsection [3], Miss Code Ann. (1972), which establishes the guidelines for the requirement of sufficient money in the fund upon which a warrant or check is drawn.

Condition: The Clerk did not comply with the requirement of Section 21-39-13, subsection [3], Miss Code Ann. (1972), which establishes the guidelines for the requirement of sufficient money in the fund upon which a warrant or check is drawn.

Cause: The Clerk did not comply with the requirements of Section 21-39-13, subsection [3], Miss Code Ann. (1972).

Effect: The Clerk issued warrants or checks when insufficient moneys were not available in the fund upon which the warrant or check was drawn. Therefore, the Clerk was not in compliance with Section 21-39-13, subsection [3], Miss Code Ann. (1972).

Recommendation: The Clerk should follow the prescribed regulations set forth by Section 21-39-13, subsection [3], Miss Code Ann. (1972) which states "No warrant or check shall be signed, removed from the warrant book or checkbook or delivered by the clerk until there is sufficient money in the fund upon which it is drawn to pay the same and all prior unpaid warrants or checks drawn upon that fund, whether delivered or not".

Response: It became evident that a cash shortage will be realized beginning in December 2017 and continue through August 2018. Most departments are located within the General Fund and as such that fund experienced the brunt of expenditures. The City entered into an unsustainable contract for external operation of Public Works, Vehicle Fleet Repair and Water Utility departments. Contract for operation of the three (3) departments was subsequently terminated. Please note, the operating bank account was never overdrawn. Expenditures were approved by the City Council *pending the availability of funds*. Additionally, the Council was cognizant of the City's financial position and approved the necessary steps to become and remain solvent.

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, Baird & Clarke, PLLC

Bridgers, Goodman, Baird & Clarke, PLLC
Certified Public Accountants
Vicksburg, Mississippi

June 11, 2019

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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, 2018, 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 state legal compliance procedures. 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 11, 2019 on the financial statements of the City of Greenville, Mississippi.

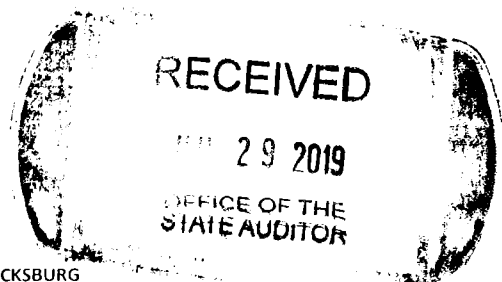
Although no findings came to our attention as a result of these review procedures and compliance tests, these procedures and tests cannot and do not provide absolute assurance that all state legal requirements have been complied with. Also, our consideration of the internal control would not necessarily disclose all matters within the internal control that might be weaknesses. In accordance with Section 7-7-211, Miss. Code Ann. (1972), the Office of the State Auditor, when deemed necessary, may conduct additional procedures and tests of transactions for this or other fiscal years to ensure compliance with legal requirements.

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, Baird & Clarke, PLLC

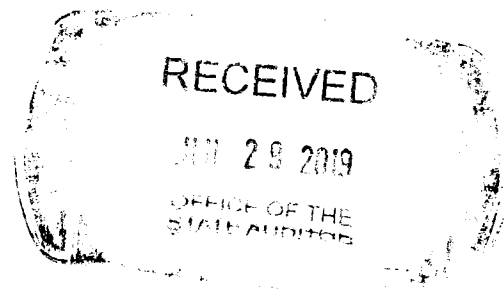
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Vicksburg, Mississippi

June 11, 2019



CITY OF GREENVILLE, MISSISSIPPI

SCHEDULE OF FINDINGS AND QUESTIONED COST



CITY OF GREENVILLE, MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2018

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 program: | |
| | CFDA #20.205, Highway Planning and Construction | |
| 8. | The dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| 9. | Auditee qualified as a low-risk auditee? | Yes |

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.