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**CITY OF GREENVILLE, MISSISSIPPI**

**Audited Financial Statements and Special Reports**

**For the Year Ended September 30, 2019**



**CITY OF GREENVILLE, MISSISSIPPI**

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**CITY OF GREENVILLE, MISSISSIPPI**

**FINANCIAL SECTION**



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PRIVATE COMPANIES PRACTICE SECTION

## 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, 2019, 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, 2019, 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 Schedules and corresponding notes, the Schedule of the City’s Proportionate Share of the Net Pension Liability, Schedule of the City’s Contributions and the Schedule of Changes in the Total OPEB Liability and Related Ratios 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-2018 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 16, 2020 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 the effectiveness of the City of Greenville, Mississippi's 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 16, 2020

**CITY OF GREENVILLE, MISSISSIPPI**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**



**CITY OF GREENVILLE, MISSISSIPPI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2019**

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, 2019. 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.

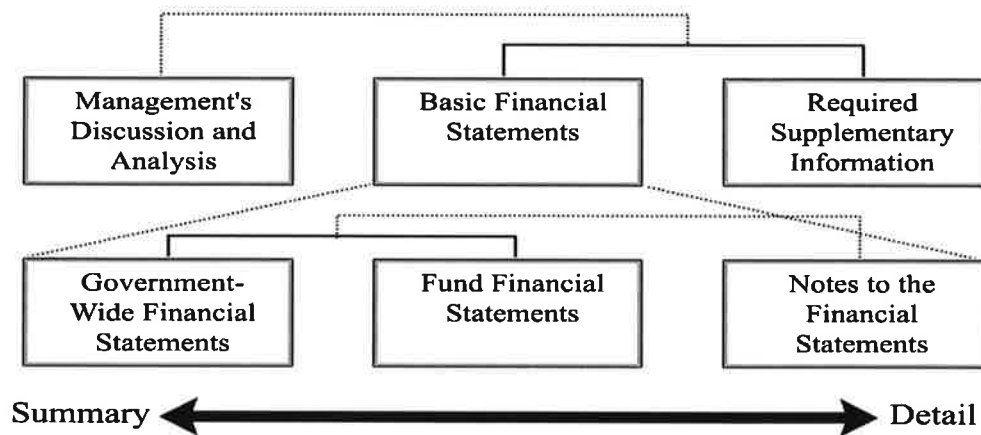
**FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of the City of Greenville exceeded its liabilities and deferred inflows at the close of the 2019 fiscal year by \$192,739,536 (net position).
- The net position of the City includes: \$212,087,997 invested in capital assets (net of related debt); \$6,442,051 in expendable and non-expendable net position; and a deficit in unrestricted net position of \$(25,790,512).
- Total assets decreased \$556,671 or 0.22% from 2018.
- Total liabilities increased \$1,168,255 or 1.84% from 2018. The increase is primarily due to the change in net pension liability which increased by \$2,376,222.
- The City's total net position increased \$1,520,534 or 0.80% from 2018.

**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 and how they are arranged and relate to one another:**



**CITY OF GREENVILLE, MISSISSIPPI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended September 30, 2019**

**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"> <li>Statement of net position</li> <li>Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>Balance sheet</li> <li>Statement of revenues, expenditures and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>Statement of net position</li> <li>Statement of revenues, expenses and changes in net assets</li> <li>Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>Statement of fiduciary net position</li> <li>Statement of changes in net position</li> </ul>
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

**CITY OF GREENVILLE, MISSISSIPPI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2019**

**1) Government-wide Financial Statements.** The government-wide financial statements presented on pages 17 and 18 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 these items 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, interest on long-term debt, other post-employment benefits (OPEB), 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 24 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures,

**CITY OF GREENVILLE, MISSISSIPPI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2019**

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 19 through 22.

The City of Greenville adopts an annual budget. Budgetary comparison schedules have been provided on pages 60 through 62 for the General Fund and the Major Fund Parks & Recreation to demonstrate compliance with this budget.

**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 23 through 25.

**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 26.

**3) Notes to the Financial Statements.** The notes, presented on pages 27 through 59, 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 60 through 71.

**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, 2019, the assets and deferred outflows of the City of Greenville exceeded its liabilities and deferred inflows by \$192,739,536.

By far, the largest portion of the City's net position (\$212,087,997 or 110.00%) 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

**CITY OF GREENVILLE, MISSISSIPPI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended September 30, 2019**

provided from other sources because the capital assets themselves cannot be used to liquidate these liabilities.

(Table 1)  
**Net Position**

	Governmental Activities		Business-type Activities		Total		Increase (Decrease)	Percentage change
	2019	2018	2019	2018	2019	2018		
Current and other assets	\$ 5,487,669	4,805,334	12,239,934	12,298,784	17,727,603	17,104,118	623,485	3.65%
Capital assets, net	184,613,243	186,415,750	54,807,271	54,184,920	239,420,514	240,600,670	(1,180,156)	-0.49%
<b>Total Assets</b>	<b>190,100,912</b>	<b>191,221,084</b>	<b>67,047,205</b>	<b>66,483,704</b>	<b>257,148,117</b>	<b>257,704,788</b>	<b>(556,671)</b>	<b>-0.22%</b>
Deferred outflows	1,700,173	2,175,049	144,681	65,516	1,844,854	2,240,565	(395,711)	-17.66%
Current and other liabilities	1,677,236	1,316,318	2,002,624	1,795,643	3,679,860	3,111,961	567,899	18.25%
OPEB benefits payable	924,270	900,156	75,328	20,577	999,598	920,733	78,865	8.57%
Net pension liability	29,632,204	28,658,454	2,111,035	708,563	31,743,239	29,367,017	2,376,222	8.09%
Long-term debt	6,283,322	7,761,237	21,844,134	22,220,950	28,127,456	29,982,187	(1,854,731)	-6.19%
<b>Total Liabilities</b>	<b>38,517,032</b>	<b>38,636,165</b>	<b>26,033,121</b>	<b>24,745,733</b>	<b>64,550,153</b>	<b>63,381,898</b>	<b>1,168,255</b>	<b>1.84%</b>
Deferred inflows	1,567,732	5,184,120	135,550	160,333	1,703,282	5,344,453	(3,641,171)	-68.13%
<b>Net Position:</b>								
Net investment in capital assets	179,100,035	179,460,013	32,987,962	31,915,346	212,087,997	211,375,359	712,638	0.34%
Restricted	3,666,167	2,564,447	2,775,884	3,798,844	6,442,051	6,363,291	78,760	1.24%
Unrestricted	(31,049,881)	(32,448,612)	5,259,369	5,928,964	(25,790,512)	(26,519,648)	729,136	-2.75%
<b>Total Net Position</b>	<b>\$ 151,716,321</b>	<b>149,575,848</b>	<b>41,023,215</b>	<b>41,643,154</b>	<b>192,739,536</b>	<b>191,219,002</b>	<b>1,520,534</b>	<b>0.80%</b>

The City's total assets decreased \$556,671 during 2019 with governmental activities showing a decrease of \$1,120,172 and business-type activities showing an increase of \$563,501

The City's total liabilities increased \$1,168,255. The increase in liabilities were a \$119,133 decrease in governmental activities and a \$1,287,388 increase in business-type activities. This increase is primarily due to the increase in net pension liability of \$2,376,222.

The City's net position increased \$1,520,534 from 2018 to 2019.

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)	\$ (25,790,512)
Less: unrestricted deficit in net position resulting from recognition of :	
Pension liability plus deferred inflows minus deferred outflows (GASB 68 & 71)	31,601,667
OPEB liability (GASB 75)	999,598
Unrestricted net position, exclusive of the net pension and OPEB liability effect	<u>\$ 6,810,753</u>

**CITY OF GREENVILLE, MISSISSIPPI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2019**

(Table 2)  
Changes in Net Position

	Governmental Activities		Business-type Activities		Totals		Increase	Percentage
	2019	2018	2019	2018	2019	2018	(Decrease)	Change
<b>Program Revenues:</b>								
Charges for services	\$ 634,682	654,586	11,658,437	11,494,358	12,293,119	12,148,944	144,175	1.19%
Grants and contributions	2,757,096	3,073,498	254,273	701,238	3,011,369	3,774,736	(763,367)	-20.22%
<b>General Revenues:</b>								
Property taxes	13,142,800	12,588,175			13,142,800	12,588,175	554,625	4.41%
Sales and tourism taxes	6,976,712	6,900,460			6,976,712	6,900,460	76,252	1.11%
Other taxes and other	2,509,005	3,011,207	(571,365)	(518,819)	1,937,640	2,492,388	(554,748)	-22.26%
<b>Total Revenues</b>	<b>26,020,295</b>	<b>26,227,926</b>	<b>11,341,345</b>	<b>11,676,777</b>	<b>37,361,640</b>	<b>37,904,703</b>	<b>(543,063)</b>	<b>-1.43%</b>
<b>Program Expenses:</b>								
General government	2,655,732	2,082,342			2,655,732	2,082,342	573,390	27.54%
Public safety	12,134,394	11,741,617			12,134,394	11,741,617	392,777	3.35%
Public works	1,349,225	1,409,929			1,349,225	1,409,929	(60,704)	-4.31%
Highways and streets	3,920,394	4,306,272			3,920,394	4,306,272	(385,878)	-8.96%
Health and sanitation	365,472	375,270			365,472	375,270	(9,798)	-2.61%
Culture and recreation	994,226	1,003,899			994,226	1,003,899	(9,673)	-0.96%
Airport	1,611,412	1,159,761			1,611,412	1,159,761	451,651	38.94%
Economic development	508,775	499,917			508,775	499,917	8,858	1.77%
Interest on long-term debt	158,766	195,918			158,766	195,918	(37,152)	-18.96%
Pension expense	1,282,870	1,704,580			1,282,870	1,704,580	(421,710)	-24.74%
OPEB expense	106,619	108,623			106,619	108,623	(2,004)	-1.84%
Water and sewer			8,269,828	8,180,594	8,269,828	8,180,594	89,234	1.09%
Sanitation			2,086,149	2,732,367	2,086,149	2,732,367	(646,218)	-23.65%
<b>Total Expenses</b>	<b>25,087,885</b>	<b>24,588,128</b>	<b>10,355,977</b>	<b>10,912,961</b>	<b>35,443,862</b>	<b>35,501,089</b>	<b>(57,227)</b>	<b>-0.16%</b>
<b>Changes in Net Position</b>	<b>\$ 932,410</b>	<b>1,639,798</b>	<b>985,368</b>	<b>763,816</b>	<b>1,917,778</b>	<b>2,403,614</b>	<b>(485,836)</b>	<b>20.21%</b>

excludes prior period adjustments

The City's governmental activities continue to be funded primarily by property taxes, which made up 50.51% of the total revenues. The other major revenue sources were sales and tourism taxes 26.81% and grants and contributions 10.60%. The major expense activities were public safety, highways and streets, general government, and airport which comprise 48.37%, 15.63%, 10.59%, and 6.42% of total expenses, respectively. The City remains totally committed to providing the services its residents expect and need.

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

### FUND FINANCIAL ANALYSIS

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

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

As the year ended, the City's governmental funds reported a combined fund balance of \$4,012,147 which is an increase of \$836,243, including a prior period adjustment of \$179,721, above last year's revised total of \$3,175,904.

**CITY OF GREENVILLE, MISSISSIPPI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2019**

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 \$(432,217), including a prior period adjustment of \$213,046. The previous year saw a net change in fund balance of \$(304,943). The Parks & Recreation Fund had a net change of \$92,771, including a prior period adjustment of \$(76,770).

**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 2019, 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 overspending by individual departments. Revisions in the General Fund increased budgeted expenditures by \$170,145.

**CITY OF GREENVILLE, MISSISSIPPI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended September 30, 2019**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of 2019, the City had \$239,420,514 invested in a broad range of capital assets, including police and fire equipment, buildings, park and recreation facilities, streets, and water and sewer lines. (See Table 3 following.) This amount represents a net decrease (including additions, deletions, adjustments, and accumulated depreciation) of approximately \$1,180,156 or 0.49% under the prior year.

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

	Government Activities		Business-type Activities	
	2019	2018	2019	2018
Land	\$ 83,833,424	85,023,297	2,512,541	2,512,541
Construction in progress	683,633	2,201,780	16,617,698	13,940,782
Infrastructure	87,126,884	86,566,746	20,427,800	21,939,710
Buildings & improvements	8,145,002	7,402,028	6,959,820	6,961,333
Mobile and machinery equipment	3,033,042	3,163,349	1,807,654	2,244,741
Furniture & equipment	870,702	1,083,841	629,165	425,184
Leased property under capital lease	920,556	974,709	5,852,593	6,160,629
<b>Totals</b>	<b>184,613,243</b>	<b>186,415,750</b>	<b>54,807,271</b>	<b>54,184,920</b>
	Totals		Increase	Percentage
	2019	2018	(Decrease)	Change
Land	86,345,965	87,535,838	(1,189,873)	-1.36%
Construction in progress	17,301,331	16,142,562	1,158,769	7.18%
Infrastructure	107,554,684	108,506,456	(951,772)	-0.88%
Buildings & improvements	15,104,822	14,363,361	741,461	5.16%
Mobile and machinery equipment	4,840,696	5,408,090	(567,394)	-10.49%
Furniture & equipment	1,499,867	1,509,025	(9,158)	-0.61%
Leased property under capital lease	6,773,149	7,135,338	(362,189)	-5.08%
<b>Totals</b>	<b>\$ 239,420,514</b>	<b>240,600,670</b>	<b>(1,180,156)</b>	<b>-0.49%</b>

The City of Greenville continues to provide for the growth and stability of its citizenry through various construction and rehabilitation projects. The following highlights summarize the major projects for the fiscal year of 2018-2019:

- (1) The construction in progress of \$17,301,331 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, 2019**

Water & Sewer projects have been primarily financed by loans obtained from the Mississippi Department of Environmental Quality State Revolving Loan Fund, bond proceeds, and other grants by state and federal agencies.

Airport enhancements and rehabilitation to runways and related areas have been primarily financed by grants from 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 \$28,127,456 in long-term debt outstanding compared to \$29,982,187 last year, a decrease of \$1,854,731. Of the total debt outstanding, \$13,716,818 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 \$8,205,607, capital leases in the amount of \$5,410,092, and compensated absences in the amount of \$794,939.

The following table illustrates the total Long-term Debt of the City of Greenville as of September 30, 2019:

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

	Governmental Activities		Business-type Activities	
	2019	2018	2019	2018
General obligation bonds	\$ 2,984,000	3,415,000	8,936,000	9,239,000
Other loans	1,796,818	2,680,347	8,205,607	7,814,168
Capital leases	732,390	806,515	4,677,702	5,151,129
Compensated absences	770,114	859,375	24,825	16,653
Totals	<u>6,283,322</u>	<u>7,761,237</u>	<u>21,844,134</u>	<u>22,220,950</u>
	Totals		Increase	Percentage
	2019	2018	(Decrease)	Change
General obligation bonds	11,920,000	12,654,000	(734,000)	-5.80%
Other loans	10,002,425	10,494,515	(492,090)	-4.69%
Capital leases	5,410,092	5,957,644	(547,552)	-9.19%
Compensated absences	794,939	876,028	(81,089)	-9.26%
Totals	<u>\$ 28,127,456</u>	<u>29,982,187</u>	<u>(1,854,731)</u>	<u>-6.19%</u>

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

**CITY OF GREENVILLE, MISSISSIPPI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2019**

**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 2020 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 71.41 mills is expected to provide adequate funding in the following year.

Management is continuing to evaluate the impact of the coronavirus disease 2019 (COVID-19), which was declared a pandemic by the World Health Organization in March 2020, on the City's operations. This situation has depressed the tax bases and other areas in which the City received revenue during fiscal year 2019. As such, our financial position, operations, and cash flows will be negatively impacted for the fiscal year 2020 and may hinder our ability to meet the needs of our constituents. Management has and will take the necessary actions to marginalize the disruption caused by the outbreak. The specific impact on our financial position, operations, and cash flows is not readily determinable as of the date of these financial statements, therefore, the financial statements do not include any adjustments that might result from the outcome of this uncertainty.

**Contacting the City's Finance Department**

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

**CITY OF GREENVILLE, MISSISSIPPI**

**FINANCIAL STATEMENTS**

**CITY OF GREENVILLE, MISSISSIPPI**  
**STATEMENT OF NET POSITION**  
**September 30, 2019**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 2,626,481	\$ 7,851,152	\$ 10,477,633
Accounts receivable (net of allowance for uncollectibles of \$2,911,258)		2,712,818	2,712,818
Intergovernmental receivable	1,327,089	254,273	1,581,362
Other receivables	1,849,238	79,400	1,928,638
Internal balances	(519,917)	519,917	-
Prepaid expenses	158,689		158,689
Inventory	6,089		6,089
Restricted assets:			
Cash and cash equivalents	40,000	822,374	862,374
Capital assets, net			
Land and construction in progress	84,517,057	19,130,239	103,647,296
Other capital assets, net	100,096,186	35,677,032	135,773,218
<b>Total Assets</b>	<b>190,100,912</b>	<b>67,047,205</b>	<b>257,148,117</b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Deferred outflows related to pensions	1,700,173	144,681	1,844,854
<b>Total Deferred Outflows of Resources</b>	<b>1,700,173</b>	<b>144,681</b>	<b>1,844,854</b>
<b><u>LIABILITIES</u></b>			
Accounts payable and accrued expenses	1,590,940	1,076,437	2,667,377
Accrued interest payable	46,296	103,813	150,109
Liabilities payable from restricted assets:			
Customer deposits	40,000	822,374	862,374
Long-term liabilities:			
Other postemployment benefits payable	924,270	75,328	999,598
Net pension liability	29,632,204	2,111,035	31,743,239
Due within one year:			
Capital related debt	1,417,340	1,204,639	2,621,979
Due in more than one year:			
Capital related debt	4,095,868	20,614,670	24,710,538
Non-capital related debt	770,114	24,825	794,939
<b>Total Liabilities</b>	<b>38,517,032</b>	<b>26,033,121</b>	<b>64,550,153</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Deferred inflows related to pensions	1,567,732	135,550	1,703,282
<b>Total deferred inflows of resources</b>	<b>1,567,732</b>	<b>135,550</b>	<b>1,703,282</b>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	179,100,035	32,987,962	212,087,997
Restricted:			
Expendable:			
Public safety	116,289		116,289
Public works	90,087	2,775,884	2,865,971
Highways & streets	1,912,394		1,912,394
Culture & recreation	621,752		621,752
Airport operation and maintenance	345,548		345,548
Debt service	415,319		415,319
Non-Expendable:			
Inventories	6,089		6,089
Prepaid expense	158,689		158,689
Unrestricted	(31,049,881)	5,259,369	(25,790,512)
<b>Total Net Position</b>	<b>\$ 151,716,321</b>	<b>\$ 41,023,215</b>	<b>\$ 192,739,536</b>

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

**CITY OF GREENVILLE, MISSISSIPPI**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended September 30, 2019**

	Program Revenues			Net (Expense) Revenue and Change in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	
					Governmental Activities	Business-type Activities
<b><u>FUNCTIONS/PROGRAMS</u></b>						
<b>Governmental activities:</b>						
General government	\$ 2,655,732	415,399			(2,240,333)	\$ (2,240,333)
Public safety	12,134,394	11,359	43,256	18,698	(12,061,081)	(12,061,081)
Public works	1,349,225	10,850	161,932		(1,176,443)	(1,176,443)
Highways and streets	3,920,394			1,000,000	(2,920,394)	(2,920,394)
Health and sanitation	365,472				(365,472)	(365,472)
Culture and recreation	994,226	186,881			(807,345)	(807,345)
Airport	1,611,412	10,193		1,533,210	(68,009)	(68,009)
Economic development	508,775				(508,775)	(508,775)
Interest on long-term debt	158,766				(158,766)	(158,766)
Pension expense	1,282,870				(1,282,870)	(1,282,870)
OPEB expense	106,619				(106,619)	(106,619)
<b>Total governmental activities</b>	<b>25,087,885</b>	<b>634,682</b>	<b>205,188</b>	<b>2,551,908</b>	<b>(21,696,107)</b>	<b>(21,696,107)</b>
<b>Business-type activities:</b>						
Water and sewer	8,269,828	9,736,534		254,273		1,720,979
Sanitation	2,086,149	1,921,903				(164,246)
<b>Total business-type activities</b>	<b>10,355,977</b>	<b>11,658,437</b>	<b>-</b>	<b>254,273</b>	<b>1,556,733</b>	<b>1,556,733</b>
<b>Total primary government</b>	<b>\$ 35,443,862</b>	<b>12,293,119</b>	<b>205,188</b>	<b>2,806,181</b>	<b>(21,696,107)</b>	<b>(20,139,374)</b>
<b>General revenues:</b>						
Property taxes					13,142,800	13,142,800
Sales and tourism tax					6,976,712	6,976,712
Franchise taxes					1,108,257	1,108,257
Rental income					679,492	679,492
Unrestricted interest income					103,183	198,550
Grants and contributions not restricted to specific programs					1,204,151	1,204,151
Other taxes and other income					434,022	434,280
Gain (Loss) on sale of capital assets					(1,187,649)	(1,187,649)
Internal service fund net (loss)					(367,866)	(367,866)
Transfers					535,415	(131,575)
Total general revenues and transfers					22,628,517	22,057,152
<b>Change in net position</b>					932,410	1,917,778
Net Position - beginning, as originally reported					149,575,848	191,219,002
Prior Period Adjustments					1,208,063	(397,244)
Net Position - beginning, as restated					150,783,911	190,821,758
<b>Net Position, ending</b>					<b>\$ 151,716,321</b>	<b>\$ 192,739,536</b>

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

**CITY OF GREENVILLE, MISSISSIPPI**  
**BALANCE SHEET- GOVERNMENTAL FUNDS**  
**September 30, 2019**

	<b>Major Funds</b>		<b>Non-Major</b>	<b>Total</b>
	<b>General</b>	<b>Parks &amp;</b>	<b>Governmental</b>	<b>Governmental</b>
	<b>Fund</b>	<b>Recreation Fund</b>	<b>Funds</b>	<b>Funds</b>
<b><u>ASSETS</u></b>				
Cash and cash equivalents		\$ 395,295	\$ 2,209,463	\$ 2,604,758
Receivables:				
Property taxes	\$ 166,580	5,962	29,478	202,020
Fines receivable (net of allowance for uncollectibles of \$2,257,096)	1,331,177			1,331,177
Franchise Fee	304,541			304,541
Intergovernmental	21,404		1,305,685	1,327,089
Other receivables	9,000		2,500	11,500
Prepaid expenses	158,689			158,689
Inventory		6,089		6,089
Restricted assets - cash			40,000	40,000
<b>Total Assets</b>	<b>1,991,391</b>	<b>407,346</b>	<b>3,587,126</b>	<b>5,985,863</b>
<b><u>LIABILITIES</u></b>				
Accounts payable and accrued expense	966,805	49,137	397,857	1,413,799
Due to other funds	519,917			519,917
Customer deposits			40,000	40,000
<b>Total Liabilities</b>	<b>1,486,722</b>	<b>49,137</b>	<b>437,857</b>	<b>1,973,716</b>
<b><u>FUND BALANCES</u></b>				
Non-spendable:				
Inventories		6,089		6,089
Prepaid items	158,689			158,689
Restricted for:				
Public safety			116,289	116,289
Public works			90,087	90,087
Highways & streets			1,912,394	1,912,394
Culture & recreation		352,120	269,632	621,752
Airport operation and maintenance			345,548	345,548
Debt service			415,319	415,319
Unassigned	345,980			345,980
<b>Total Fund Balances</b>	<b>504,669</b>	<b>358,209</b>	<b>3,149,269</b>	<b>4,012,147</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,991,391</b>	<b>\$ 407,346</b>	<b>\$ 3,587,126</b>	<b>\$ 5,985,863</b>

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

**CITY OF GREENVILLE, MISSISSIPPI**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**For the Year Ended September 30, 2019**

	<u>Amount</u>
Total fund balance - governmental funds	\$ 4,012,147
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 \$205,936,069	183,608,960
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	(5,513,208)
compensated absences	(716,290)
other postemployment benefits payable	(900,218)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the governmental fund financial statements.	(29,104,442)
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	1,664,002
deferred inflows of resources related to pensions	(1,533,844)
Interest accrued on long-term liabilities not reported in the governmental fund financial statements.	(46,296)
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>245,510</u>
Total Net Position - Governmental Activities	<u>\$ 151,716,321</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, 2019**

	<b>Major Funds</b>		<b>Non-Major</b>	<b>Total</b>
	<b>General</b>	<b>Parks &amp;</b>	<b>Governmental</b>	<b>Governmental</b>
	<b>Fund</b>	<b>Recreation Fund</b>	<b>Funds</b>	<b>Funds</b>
<b><u>REVENUES:</u></b>				
Property taxes	\$ 10,654,754	\$ 380,566	\$ 1,555,645	\$ 12,590,965
Licenses and permits	166,469			166,469
Intergovernmental:				
Federal grants	32,475		1,191,366	1,223,841
State of Mississippi:				
Grants	16,419		1,487,357	1,503,776
General sales tax	5,962,249			5,962,249
Gaming tax	1,014,463			1,014,463
Liquor licenses	34,875			34,875
Gasoline tax	25,568			25,568
Municipal aid	17,155			17,155
Privilege tax	72,190			72,190
Homestead reimbursement	402,909	15,276	62,632	480,817
Grand Gulf nuclear	332,584			332,584
Fire protection			203,033	203,033
Other state revenue	29,479			29,479
Charges for services	22,209	186,881	10,193	219,283
Franchise tax	1,108,257			1,108,257
Fines and forfeitures	248,930			248,930
Interest income	96,448	212	6,523	103,183
Rental income	439,822	26,710	212,960	679,492
Other income	419,137	14,668	217	434,022
Contributions	36,359	970	600	37,929
Total revenues:	<u>21,132,751</u>	<u>625,283</u>	<u>4,730,526</u>	<u>26,488,560</u>
<b><u>EXPENDITURES:</u></b>				
Current:				
General government	2,662,254		184,824	2,847,078
Public safety	12,978,911		58,233	13,037,144
Public works	1,260,060		34,224	1,294,284
Highways and streets	3,083,189		128,358	3,211,547
Health and sanitation	359,378			359,378
Culture and recreation		963,503	30	963,533
Economic development	579,256			579,256
Airport			2,428,302	2,428,302
Debt service:				
Principal paid	74,125		1,314,529	1,388,654
Interest paid	29,833		136,511	166,344
Total expenditures:	<u>21,027,006</u>	<u>963,503</u>	<u>4,285,011</u>	<u>26,275,520</u>
Excess of Revenues over (under) Expenditures	<u>105,745</u>	<u>(338,220)</u>	<u>445,515</u>	<u>213,040</u>
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Sale of capital assets	87,788			87,788
Transfers in	1,000,000	507,761	866,450	2,374,211
Transfers out	(1,838,796)			(1,838,796)
Net other financing sources (uses)	<u>(751,008)</u>	<u>507,761</u>	<u>866,450</u>	<u>623,203</u>
Net change in fund balances	<u>(645,263)</u>	<u>169,541</u>	<u>1,311,965</u>	<u>836,243</u>
Fund balances , beginning as previously reported	936,886	265,438	2,153,301	3,355,625
Prior period adjustment(s)	213,046	(76,770)	(315,997)	(179,721)
Fund balances - beginning, as restated	<u>1,149,932</u>	<u>188,668</u>	<u>1,837,304</u>	<u>3,175,904</u>
Fund balance, ending	<u>\$ 504,669</u>	<u>\$ 358,209</u>	<u>\$ 3,149,269</u>	<u>\$ 4,012,147</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, 2019**

	<u>Amount</u>
Net changes in fund balances - governmental funds	\$ 836,243
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense of \$2,461,472 exceeded capital outlays of \$1,960,483.	(500,989)
The proceeds of long-term debt provides financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the government funds, but the repayment reduces long-term liabilities in the statement of net position. Thus, the change in net position differs from the change in fund balances by the amount that debt repayments of \$1,388,654 exceeds debt proceeds of \$0.	1,388,654
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 \$1,187,649 and the proceeds from the sale of assets \$87,788 in the current period.	(1,275,437)
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	96,557
Change in accrued interest on long-term debt	7,578
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	(1,282,870)
Recording of contributions made prior and subsequent to the measurement date	2,101,565
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	(106,619)
Recording of contributions made during the year	35,594
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.	(367,866)
Change in net position of governmental activities	<u>\$ 932,410</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, 2019**

	Business-Type Activities			Governmental Activity
	Enterprise Fund Water & Sewer Fund	Non-Major Sanitation Fund	Enterprise Funds Total	Internal Service Fund
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 7,851,152		\$ 7,851,152	\$ 21,723
Accounts receivable (net of allowance for uncollectibles of \$2,315,942 & \$595,316)	2,315,941	\$ 396,877	2,712,818	
Intergovernmental receivables	254,273		254,273	
Due from other funds	519,917		519,917	
Other receivables	79,400		79,400	
<b>Total Current Assets</b>	<b>11,020,683</b>	<b>396,877</b>	<b>11,417,560</b>	<b>21,723</b>
Non-current assets:				
Restricted assets - cash	822,374		822,374	
Capital assets:				
Land and construction in progress	16,617,698	2,512,541	19,130,239	
Other capital assets, net	35,093,456	583,576	35,677,032	1,004,283
<b>Total Non-Current Assets</b>	<b>52,533,528</b>	<b>3,096,117</b>	<b>55,629,645</b>	<b>1,004,283</b>
<b>Total Assets</b>	<b>63,554,211</b>	<b>3,492,994</b>	<b>67,047,205</b>	<b>1,026,006</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pensions	108,511	36,170	144,681	36,171
<b>Total Deferred Outflows of Resources</b>	<b>108,511</b>	<b>36,170</b>	<b>144,681</b>	<b>36,171</b>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued expenses	995,067	81,370	1,076,437	177,141
Accrued interest payable	103,813		103,813	
Current portion of long-term debt	1,204,639		1,204,639	
<b>Total Current Liabilities</b>	<b>2,303,519</b>	<b>81,370</b>	<b>2,384,889</b>	<b>177,141</b>
Non-current liabilities:				
Other postemployment benefits payable	54,041	21,287	75,328	24,052
Liabilities payable from restricted assets	822,374		822,374	
Net pension liability	1,583,277	527,758	2,111,035	527,762
Capital debt:				
Capital leases payable	4,185,881		4,185,881	
Notes payable	7,805,789		7,805,789	
Bonds payable	8,623,000		8,623,000	
Non-capital debt:				
Compensated absences	11,601	13,224	24,825	53,824
<b>Total Non-Current Liabilities</b>	<b>23,085,963</b>	<b>562,269</b>	<b>23,648,232</b>	<b>605,638</b>
<b>Total Liabilities</b>	<b>25,389,482</b>	<b>643,639</b>	<b>26,033,121</b>	<b>782,779</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to pensions	101,662	33,888	135,550	33,888
<b>Total Deferred Inflows of Resources</b>	<b>101,662</b>	<b>33,888</b>	<b>135,550</b>	<b>33,888</b>
<b>NET POSITION</b>				
Net investment in capital assets	29,891,845	3,096,117	32,987,962	1,004,283
Restricted for:				
Public Works	2,775,884		2,775,884	
Unrestricted	5,503,849	(244,480)	5,259,369	(758,773)
<b>Total Net Position</b>	<b>\$ 38,171,578</b>	<b>\$ 2,851,637</b>	<b>\$ 41,023,215</b>	<b>\$ 245,510</b>

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

**CITY OF GREENVILLE, MISSISSIPPI**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**For the Year Ended September 30, 2019**

	<b>Business-Type Activities</b>			<b>Governmental Activity</b>
	<b>Enterprise Fund Water &amp; Sewer Fund</b>	<b>Non-Major Sanitation Fund</b>	<b>Enterprise Funds Total</b>	<b>Internal Service Fund</b>
<b><u>OPERATING REVENUES:</u></b>				
Charges for services:				
Water sales	\$ 5,056,807		\$ 5,056,807	
Sewer sales	4,679,727		4,679,727	
Sanitation fees		\$ 1,921,903	1,921,903	
Maintenance fees				\$ 1,746,164
<b>Total Operating Revenues</b>	<b>9,736,534</b>	<b>1,921,903</b>	<b>11,658,437</b>	<b>1,746,164</b>
<b><u>OPERATING EXPENSES:</u></b>				
Personal services	882,095	338,572	1,220,667	386,330
Contractual services	3,070,963	1,467,586	4,538,549	897,444
Consumable supplies	692,885	145,863	838,748	777,117
Capital Outlay	433,590		433,590	
Depreciation expense	2,213,055	107,419	2,320,474	26,102
Pension expense	72,563	24,188	96,751	24,188
OPEB expense	6,400	2,521	8,921	2,849
<b>Total Operating Expenses</b>	<b>7,371,551</b>	<b>2,086,149</b>	<b>9,457,700</b>	<b>2,114,030</b>
<b>Operating Income (Loss)</b>	<b>2,364,983</b>	<b>(164,246)</b>	<b>2,200,737</b>	<b>(367,866)</b>
<b><u>NON-OPERATING REVENUES (EXPENSES)</u></b>				
Intergovernmental grants	254,273		254,273	
Interest income	95,367		95,367	
Other income	258		258	
Interest expense	(898,277)		(898,277)	
<b>Total Non-operating Revenues (Expenses)</b>	<b>(548,379)</b>	<b>-</b>	<b>(548,379)</b>	<b>-</b>
<b>Net Income (Loss) Before Operating Transfers</b>	<b>1,816,604</b>	<b>(164,246)</b>	<b>1,652,358</b>	<b>(367,866)</b>
<b><u>OPERATING TRANSFERS:</u></b>				
Operating Transfers in	333,010	180,085	513,095	
Operating Transfers out	(1,180,085)		(1,180,085)	
<b>Net Operating Transfers</b>	<b>(847,075)</b>	<b>180,085</b>	<b>(666,990)</b>	<b>-</b>
<b>Change in Net Position</b>	<b>969,529</b>	<b>15,839</b>	<b>985,368</b>	<b>(367,866)</b>
<b>Net Position - Beginning, as previously reported</b>	<b>38,525,794</b>	<b>3,117,360</b>	<b>41,643,154</b>	<b>891,662</b>
Prior period adjustments	(1,323,745)	(281,562)	(1,605,307)	(278,286)
<b>Net Position - Beginning, as restated</b>	<b>37,202,049</b>	<b>2,835,798</b>	<b>40,037,847</b>	<b>613,376</b>
<b>Net Position - Ending</b>	<b>\$ 38,171,578</b>	<b>\$ 2,851,637</b>	<b>\$ 41,023,215</b>	<b>\$ 245,510</b>

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

**CITY OF GREENVILLE, MISSISSIPPI**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**For the Year Ended September 30, 2019**

	<b>Business-Type Activities</b>		<b>Governmental</b>
	<b>Enterprise Fund</b>	<b>Non-Major</b>	<b>Activity</b>
	<b>Water &amp; Sewer</b>	<b>Sanitation</b>	<b>Internal Service</b>
	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>			
Cash received from customers and users	\$ 9,533,370	\$ 1,867,435	
Receipts from internal services			\$ 1,740,608
Payments to employees for services	(987,131)	(373,714)	(406,170)
Payments to suppliers for goods and services	(4,265,382)	(1,673,806)	(1,512,833)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>4,280,857</b>	<b>(180,085)</b>	<b>(178,395)</b>
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u></b>			
Operating transfers, net	(847,075)	180,085	
Loans made to other funds	(519,917)		
Other receipts	258		
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>(1,366,734)</b>	<b>180,085</b>	<b>-</b>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u></b>			
Acquisition of property and equipment	(2,942,893)		
Principal payments on long-term debt	(1,017,545)		
Proceeds of long-term debt	632,557		
Capital grants received	254,273		
Interest paid on debt	(647,867)		
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(3,721,475)</b>	<b>-</b>	<b>-</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>			
Interest on deposits	95,367		
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>95,367</b>	<b>-</b>	<b>-</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(711,985)</b>	<b>-</b>	<b>(178,395)</b>
<b>Cash and Cash Equivalents, October 1</b>	<b>9,602,970</b>	<b>-</b>	<b>200,118</b>
Adjustments to Beginning of Year Cash to reconcile to client records	(217,459)	-	-
<b>Cash and Cash Equivalents, September 30</b>	<b>\$ 8,673,526</b>	<b>\$ -</b>	<b>\$ 21,723</b>
<b><u>RECONCILIATION OF OPERATING INCOME TO NET</u></b>			
<b><u>CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u></b>			
Operating income (loss)	\$ 2,364,983	\$ (164,246)	\$ (367,866)
Adjustments to reconcile operating income (loss)			
to net cash provided (used) by operating activities:			
Depreciation	2,213,055	107,419	26,102
Pension/OPEB expense adjustment	(69,785)	(8,432)	(8,216)
(Increase) decrease in accounts receivable	(352,887)	(58,032)	
(Increase) decrease in intergovernmental receivable	72,573	3,301	114
(Increase) decrease in other receivables	(15,632)		
Increase (decrease) in accounts payable and accrued expenses	147,712	(63,348)	164,175
Increase (decrease) in customer deposits	(84,081)		
Increase (decrease) in compensated absences	4,919	3,253	7,296
Total adjustments	1,915,874	(15,839)	189,471
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 4,280,857</b>	<b>\$ (180,085)</b>	<b>\$ (178,395)</b>

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, 2019**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,387,726
Property tax receivable	153,344
<b>Total Assets</b>	<u>1,541,070</u>
<b>LIABILITIES</b>	
Intergovernmental payables	432,562
Claims and other payables	1,108,508
<b>Total Liabilities</b>	<u>\$ 1,541,070</u>

**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended, September 30, 2019**

**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

**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended, September 30, 2019**

presented as general revenues of the City, with certain limited exceptions. Internal service fund balances have been eliminated against the expenses and program revenue. The comparison of direct expenses with program revenues identifies the extent to which each business-type activity or governmental function is self-financing or draws from the general revenues of the City.

**Fund Financial Statements:**

Fund financial statements of the City are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund balance/net position, 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.

**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended, September 30, 2019**

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

The City reports the following major proprietary fund:

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

Additionally, the City reports the following fund types:

**GOVERNMENTAL FUND TYPES**

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

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

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

**PROPRIETARY FUND TYPES**

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

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

**FIDUCIARY FUND 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.



**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended, September 30, 2019**

**E. Deposits and Investments**

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

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

**F. Receivables**

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

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

Transactions between funds that are representative of short-term lending/borrowing arrangements and transactions that have not resulted in the actual transfer of cash at the end of the fiscal year are referred to as "due to/from other funds". 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

**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended, September 30, 2019**

activities column in the government-wide financial statements. All purchased capital assets are stated at historical cost where records are available and at an estimated historical cost where no records exist. Capital assets include significant amounts of infrastructure which have been valued at estimated historical cost. The estimated historical cost was based on replacement cost multiplied by the consumer price index implicit price deflator for the year of acquisition. The extent to which capital assets, other than infrastructure, cost have been estimated and the methods of cost estimation, are not readily available. 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.

**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended, September 30, 2019**

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

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

**L. Pensions**

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

**M. Long-Term Liabilities**

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

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

**N. Equity Classifications**

Government-wide Financial Statements:

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

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

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

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

**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended, September 30, 2019**

**Net Position Flow Assumption:**

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

**Fund Financial Statements:**

Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Government fund balance is classified as non-spendable, restricted, 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.

**CITY OF GREENVILLE, MISSISSIPPI**  
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**P. Estimates and Assumptions**

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

**Q. Property Tax Revenues**

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

The City, each year at a meeting in September, levies property taxes for the ensuing fiscal year which begins on October 1. Real property taxes become a lien on January 1 of the current year, and personal property taxes become a lien on March 1 of the current year. Taxes on both real and personal property, however, are due on or before February 1 of the next succeeding year. Taxes on motor vehicles and mobile homes become a lien and are due in the month that coincides with the month of original purchase. All unpaid taxes levied October 1<sup>st</sup> become delinquent February 1<sup>st</sup> of the following year. Delinquent taxes are considered fully collectible and therefore no allowance for uncollectible taxes is provided. The City entered an inter-local agreement with the Washington County Tax Collector for the billing and collection of its real and personal property taxes, motor vehicle, and mobile home. Taxes are billed, collected, and remitted to the City by the Washington County Tax Collector each month. The millage rate for the City for the 2018 taxes was 67.41 mills as: 52.75 mills for the general fund, 8.20 mills for the debt service fund, 1.70 mills for library maintenance, 2.00 mills for park maintenance, and 2.76 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.

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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 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.

**CITY OF GREENVILLE, MISSISSIPPI**  
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**NOTE 2: PRIOR PERIOD ADJUSTMENTS**

A summary of significant fund equity adjustments is as follows:

Statement of Activities: Governmental Activities	
Explanation	Amount
Adjustments to pension accounts due to the re-establishment of internal:	
Public Works and Highways & Streets Departments operations	\$ 1,606,759
Internal Service Fund operations	(267,795)
Adjustments to OPEB accounts due to the re-establishment of internal:	
Governmental Funds operations	59,290
Internal Service Fund operations	(10,491)
Adjustments to reconcile fixed assets and cash to client records	(179,700)
	<u>\$ 1,208,063</u>
Statement of Activities: Business-Type Activities	
Explanation	Amount
Adjustments to pension accounts due to the re-establishment of internal:	
Water & Sewer Fund operations	\$ (1,071,177)
Sanitation Fund operations	(267,795)
Adjustments to OPEB accounts due to the re-establishment of internal:	
Water & Sewer Fund operations	(35,041)
Sanitation Fund operations	(13,767)
Adjustments to reconcile fixed assets and cash to client records	
Water & Sewer Fund operations	(217,527)
	<u>\$ (1,605,307)</u>
Statement of Revenues, Expenditures, and Changes in Fund Balances: Governmental	
Explanation	Amount
Adjustments to reconcile cash to client records and excess distribution of gaming funds	
General Funds	\$ 213,046
Parks & Recreation Fund	\$ (76,770)
Non-Major Governmental Funds	(315,997)
	<u>\$ (179,721)</u>
Statement of Revenues, Expenses, and Changes in Net Position: Proprietary Funds	
Explanation	Amount
Adjustments to pension accounts due to the re-establishment of internal:	
Water & Sewer Fund operations	\$ (1,071,177)
Sanitation Fund operations	(267,795)
Internal Service Fund operations	(267,795)
Adjustments to OPEB accounts due to the re-establishment of internal:	
Water & Sewer Fund operations	(35,041)
Sanitation Fund operations	(13,767)
Internal Service Fund operations	(10,491)
Adjustments to reconcile fixed assets and cash to client records	
Water & Sewer Fund operations	(217,527)
	<u>\$ (1,883,593)</u>

**CITY OF GREENVILLE, MISSISSIPPI  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 3: BUDGET POLICY**

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

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

Mississippi laws require that municipalities budget revenue and expenditures on a modified-cash basis. Claims that have been incurred prior to the end of the year and that are paid within 30 days are recorded under the accrual basis. Prior year claims that are paid after 30 days revert to the cash basis. All revenue is accounted for under the cash basis. The required budgetary basis is therefore not considered a generally accepted accounting principal. Governmental accounting requires that the "budget to actual" statements be 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, 2019 was \$12,727,733 and the bank balance was \$12,857,379. 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).



**CITY OF GREENVILLE, MISSISSIPPI**  
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**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.

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

**Due From/To Other Funds:**

Receivable Fund	Payable Fund	Amount
Water & Sewer	General Fund	519,917
Total		<u>\$ 519,917</u>

**Transfer In/Out:**

Transfer In	Transfer Out	Amount
General Fund	Water & Sewer Fund	1,000,000
Parks & Recreation Fund	General Fund	507,761
Non-Major Governmental Funds	General Fund	866,450
Water & Sewer Fund	General Fund	333,010
Sanitation Fund	Water & Sewer Fund	180,085
Agency	General Fund	131,575
Total		<u>\$ 3,018,881</u>

The purpose of the transfers were to: appropriate gaming revenues in the amount of \$1,374,211 for operations, maintenance, and capital expenditures to Major Fund Parks & Recreation (\$507,761) and Non-Major Governmental Funds (\$866,450); Water & Sewer Fund to General Fund (\$1,000,000) for operational expenditures; General Fund to Water & Sewer Fund (\$333,010) for SRF note payment; Water & Sewer Fund to Sanitation Fund (\$180,085) for operational expenditures; and General Fund to Agency for rebates of health insurance premiums.

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

**Governmental Activities**

**Inter-Governmental and Other 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, 2019 include the following:

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Description	Amount
Inter-governmental Receivables:	
Federal	
FAA projects	\$ 741,831
Brownfield grant	80,930
Levee walking & biking trail	38,439
FEMA-Flood 2016	20,038
Railroad Depot	12,472
Airport Security	1,366
Sub-total	895,076
State	
FAA projects and Multi-Modal grants	366,656
Senate Bill 2868 - airport hangers	51,131
Solid waste grant	14,226
Sub-total	432,013
TOTAL	\$ 1,327,089

Description	Amount
Other Receivables:	
Fines, net of allowance for doubtful accounts of \$2,257,097	\$ 1,331,177
Franchise fees	304,541
Property tax	202,020
Other receivable sign rent	9,000
Other receivable tennis gant	2,500
TOTAL	\$ 1,849,238

**Business-type Activities**

Inter-Governmental and Other Receivables

Inter-governmental receivables of \$254,273 consists of amounts due from the Mississippi Development Authority – HUD CDBG grant reimbursement for expenses incurred during the fiscal year. Other receivables of \$79,400 represent amounts due for sales tax (\$21,416), bank debits and returned checks of (\$57,984).

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 \$2,315,941 and \$396,877 respectively are reported net of estimated un-collectibles of \$2,315,942 and \$595,316.

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**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		\$ 822,374
Total	\$ 40,000	\$ 822,374

**NOTE 8: CAPITAL ASSETS**

Capital asset activity for the fiscal year ended September 30, 2019, was as follows:

GOVERNMENTAL ACTIVITIES	Balance Oct. 1, 2018	Additions	Deletions	Adjustments	Balance Sept. 30, 2019
Non-depreciable capital assets:					
Land	\$ 85,023,297	85,565	1,275,437	(1)	\$ 83,833,424
Construction in progress	2,201,780	671,629		(2,189,776)	683,633
Total non-depreciable capital assets	87,225,077	757,194	1,275,437	(2,189,777)	84,517,057
Depreciable capital assets:					
Infrastructure	261,111,815	792,393		1,146,931	263,051,139
Buildings & Improvements	30,274,393	93,456		1,042,860	31,410,709
Mobile & machinery equipment	9,868,381	237,955			10,106,336
Furniture & equipment	3,243,344	79,485		5	3,322,834
Leased property under capital lease	1,353,772				1,353,772
Total depreciable capital assets	305,851,705	1,203,289	-	2,189,796	309,244,790
Less accumulated depreciation for:					
Infrastructure	174,545,069	1,379,186			175,924,255
Buildings & Improvements	22,872,365	393,342			23,265,707
Mobile & machinery equipment	6,705,032	368,265		(3)	7,073,294
Furniture & equipment	2,159,503	292,629			2,452,132
Leased property under capital lease	379,063	54,152		1	433,216
Total accumulated depreciation	206,661,032	2,487,574	-	(2)	209,148,604
Depreciable capital assets, net	99,190,673	(1,284,285)	-	2,189,798	100,096,186
Governmental activities capital assets, net	\$ 186,415,750	(527,091)	1,275,437	21	\$ 184,613,243

**CITY OF GREENVILLE, MISSISSIPPI**  
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<b>BUSINESS-TYPE ACTIVITIES</b>	<b>Balance Oct. 1, 2018</b>	<b>Additions</b>	<b>Deletions</b>	<b>Adjustments</b>	<b>Balance Sept. 30, 2019</b>
Non-depreciable capital assets:					
Land	\$ 2,512,541				\$ 2,512,541
Construction in progress	13,940,782	2,676,987		\$ (71)	16,617,698
Total non-depreciable capital assets	16,453,323	2,676,987	-	(71)	19,130,239
Depreciable capital assets:					
Infrastructure	349,156,360	219,171		9	349,375,540
Buildings & improvements	34,782,882				34,782,882
Mobile & machinery equipment	11,773,873			(264,391)	11,509,482
Furniture & equipment	879,758	46,735		264,389	1,190,882
Leased property under capital lease	7,700,785				7,700,785
Total depreciable capital assets	404,293,658	265,906	-	7	404,559,571
Less accumulated depreciation for:					
Infrastructure	327,216,650	1,731,090			328,947,740
Buildings & Improvements	27,821,549	1,513			27,823,062
Mobile & machinery equipment	9,529,132	172,696			9,701,828
Furniture & equipment	454,574	107,143			561,717
Leased property under capital lease	1,540,156	308,032		4	1,848,192
Total accumulated depreciation	366,562,061	2,320,474	-	4	368,882,539
Depreciable capital assets, net	37,731,597	(2,054,568)	-	3	35,677,032
Business-Type activities capital assets, net	\$ 54,184,920	622,419	-	(68)	\$ 54,807,271

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

<b>GOVERNMENTAL ACTIVITIES</b>	<b>Amount</b>
General government	\$ 114,520
Public safety	403,178
Public works	61,862
Highway & streets	991,574
Health & welfare	6,094
Culture & recreation	94,790
Economic development	4,967
Airport	784,487
Internal service fund	26,102
Total governmental activities depreciation	\$ 2,487,574

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

<b>BUSINESS-TYPE ACTIVITIES</b>	<b>Amount</b>
Sewer & Water	\$ 2,213,055
Sanitation	107,419
Total business-type activities depreciation	\$ 2,320,474

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Commitments with respect to major unfinished capital projects at September 30, 2019, consisted of the following:

Description	Remaining Financial Commitment	Expected Date of Completion
Various Airport Projects	\$1,662,000	Fiscal 2020
Various 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, 2019:

Classes of Property	Governmental Activities	Business-Type Activities
Building improvements	\$ 1,353,772	
Water meters and related equipment		\$ 7,700,785
Less: Accumulated depreciation	433,216	1,848,192
Leased property under capital leases	<u>\$ 920,556</u>	<u>\$ 5,852,593</u>

The following is a schedule by years of the total payments due as of September 30, 2019:

Year Ending September 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
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	89,688	14,270	572,829	91,141
2025-2028	316,261	21,603	2,019,935	137,966
Total	<u>\$ 732,390</u>	<u>\$ 125,264</u>	<u>\$ 4,677,702</u>	<u>\$ 800,047</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.

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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 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 \$39,523 for the year ended September 30, 2019.

**Employees Covered by Benefit Terms**

At September 30, 2019, the following employees were covered by the benefit terms:

Active (with medical coverage)	247
Retirees (with medical coverage)	6
Total	<u>253</u>

**Total OPEB Liability**

The City's total OPEB liability of \$999,598 was measured as of September 30, 2019 and was determined by an actuarial valuation date of October 1, 2018.

*Actuarial assumptions and other inputs.* The total OPEB liability in the October 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

<b>Description</b>	<b>Assumptions</b>
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.

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Changes in plan provisions, actuarial assumptions, and actuarial methods:

The following changes were made to the actuarial assumptions and methods effective October 1, 2018.

1. 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%.
2. Medical trend was set to follow the Getzen Model after a 3year transition period starting at 7.5% decreasing uniformly to 6.75% over 3 years.
3. The mortality rate has been updated to use improvement scale MP2018.
4. The claims aging factors have been updated to follow the Yamamoto aging factors.
5. Participation rate was reduced to 25% compared to 50% used in the last valuation.

The actuarial assumptions used in the September 30, 2019 valuation were based on the experience of the plan.

Changes in the Total OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Net Position (b)	Net OPEB Liability (a) - (b)
<b>Balances at 09/30/2018</b>	\$ 920,732	\$ -	\$ 920,732
<b>Changes for the Year:</b>			
Service cost	82,259	-	82,259
Interest	36,130	-	36,130
Benefit changes	-		
Differences between expected and actual experience			
Changes in assumptions or other inputs			
Contributions-Employer	-	39,523	(39,523)
Benefits paid	(39,523)	(39,523)	-
<b>Net Changes</b>	<u>78,866</u>	<u>-</u>	<u>78,866</u>
<b>Balances at 09/30/2019</b>	<u>\$ 999,598</u>	<u>\$ -</u>	<u>\$ 999,598</u>

*Sensitivity of the net OPEB liability to changes in the discount rate.* The following represents the net OPEB liability of the City, as well as what the City's net 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%)
Net OPEB liability	\$ 1,096,122	999,598	912,162

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*Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates.* The following represents the net OPEB liability of the City calculated using the stated health care cost trend assumption, as well as what the City's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 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 assumed trend rate:

	1% Decrease	Current	1% Increase
	6.50% decreasing to 5.75% over 3 years to the Getzen Model	7.50% decreasing to 6.75% over 3 years to the Getzen Model	8.50% decreasing to 7.75% over 3 years to the Getzen Model
Net OPEB liability	\$ 866,089	999,598	1,164,232

**OPEB Expense and Deferred Outflows/Deferred Inflows of Resources Related to OPEB**

For the year ended September 30, 2019, the City recognized OPEB expense of \$118,389. At September 30, 2019, 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, since no amounts are reported as deferred outflows or inflows of resources related to OPEBs there will be no outflow or inflow 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



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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, 2019, 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, 2019 was 17.40% of annual covered payroll. The rate increased as of July 1, 2019 from 15.75%. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The City's contributions (employer share only) to PERS for the years ending September 30, 2019, 2018 and 2017 were \$1,714,996, \$1,409,416, and \$1,467,162, 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, 2019, the City reported a liability of \$26,387,952 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, 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, 2019 net pension liability was 0.150 percent, which was based on a measurement date of June 30, 2019. This was an increase of 0.008 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, 2019, the City recognized pension expense of \$1,209,377. At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of	Deferred Inflows of
Differences between expected and actual experience	\$	14,385
Net difference between projected and actual earnings on pension plan investments		197,625
Changes of assumptions	258,816	
Changes in the proportion and differences between actual contributions and proportionate share of contributions		490,837
Contributions subsequent to the measurement date	558,179	
	<u>\$ 816,995</u>	<u>702,847</u>

The \$558,179 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, 2020. 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	Amount
2020	\$ (416,846)
2021	(496,736)
2022	349,080
2023	120,471
Total	<u>\$ (444,031)</u>

**Actuarial Assumptions.** The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods in the measurement:

Description	Assumptions
Inflation	2.75 percent
Salary increases	3.00 - 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 PubS.H-2010(B) Retiree Table with the following adjustments: For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119. For females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119. Mortality rates will be projected generationally using the MP-2018 projection scale to account for future improvements in life expectancy.

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

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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, 2019, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	27.00 %	4.90 %
International Equity	22.00	4.75
Global Equity	12.00	5.00
Fixed Income	20.00	1.50
Real Estate	10.00	4.00
Private Equity	8.00	6.25
Cash	1.00	0.25
	<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 (17.40%). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (6.75%)	Discount Rate (7.75%)	1% Increase (8.75%)
Proportionate share of the net pension liability	\$ 34,687,887	26,387,952	19,537,115

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

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**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 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.

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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, 2019 (measurement date), the following employees were covered by the plan:

Inactive Members or Their Beneficiaries Currently Receiving Benefits	69
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**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, 2019, the City levied 2.76 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, 2019, was \$557,823.

**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, 2019, 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, 2019, actuarial valuations were determined using the following actuarial information and assumptions:

Description	Assumptions
Valuation date	June 30, 2017
Actuarial cost method	Ultimate Asset Reserve
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, 2019 valuation were adopted by the PERS Board of Trustees when the Experience Investigation for the Four-Year Period Ending June 30, 2018, was adopted at its August 2019 meeting. Further details can be found on the PERS website.

**Discount Rate.** The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at the current employer contribution rate (2.76 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.

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Changes in Net Pension Liability. Changes in the City's net pension liability for the year ended September 30, 2019 were as follows:

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (Asset) (a) - (b)</b>
<b>Balances at June 30, 2018</b>	\$ 8,772,163	3,023,963	5,748,200
Changes for the year:			
Service Cost			-
Interest	642,606		642,606
Changes of benefit terms			-
Difference between expected and actual experience	(259,101)		(259,101)
Changes of assumptions	(34,141)		(34,141)
Contributions - employer		557,823	(557,823)
Contributions - employee			-
Net Investment income		195,610	(195,610)
Benefit payments, including refunds of employee contributions	(960,950)	(960,950)	-
Administrative expense		(11,156)	11,156
Other changes			-
Net Changes	(611,586)	(218,673)	(392,913)
<b>Balances at June 30, 2019</b>	<b>\$ 8,160,577</b>	<b>2,805,290</b>	<b>5,355,287</b>

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:

	<b>1% Decrease (6.75%)</b>	<b>Discount Rate (7.75%)</b>	<b>1% Increase (8.75%)</b>
Plan's net pension liability (asset)	\$ 5,953,437	5,355,287	4,830,183

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, 2019, the plan recognized pension expense of \$194,432.

At September 30, 2019, the plan reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of	Deferred Inflows of
Net difference between projected and actual earnings on pension plan investments	\$	8,911
Contributions subsequent to the measurement date	36,335	
	\$ 36,335	8,911

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, 2020.

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	Amount
2020	\$ 15,894
2021	(33,272)
2022	3,929
2023	4,538
Total	\$ (8,911)

**Summary of Pension Plan Balances**

The City's pension related balances presented on the Statement of Net Position as of September 30, 2019, by individual plan are as follows:

	PERS	MMRS	Total
Deferred outflows - Pensions	\$ 1,808,519	36,335	1,844,854
Net pension liability	26,387,952	5,355,287	31,743,239
Deferred inflows - Pensions	1,694,371	8,911	1,703,282
Pension expense	\$ 1,209,377	194,432	1,403,809

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**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, 2019 is approximately:

<u>15% Limit</u>	<u>20% Limit</u>
\$17,746,285	\$28,233,986



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Debt outstanding as of September 30, 2019, consisted of the following:

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
<b>Governmental Activities:</b>			
<b>A. General Obligation Bonds:</b>			
Series 2010-Street Bond	580,000	3.000 to 4.150	05-2022
Series 2015-Refunding Bond	2,404,000	1.538 to 2.634	04-2028
Total General Obligation Bonds	<u>2,984,000</u>		
<b>B. Other Loans</b>			
GO Note-Pierce Fire Truck	121,566	1.77	02-2021
GO Note-Equipment & Expenses	439,978	1.73	03-2021
GO Note-Equipment, vehicles & building	375,382	2.01	12-2021
GO Note-Equipment & vehicles	489,514	1.93	02-2022
GO Note-Sewer lifts & water tank	370,378	2.09	04-2022
Total Other Loans	<u>1,796,818</u>		
<b>C. Capital Leases:</b>			
Energy Project-Siemens	732,390	3.83	10-2027
Total Capital Leases	<u>732,390</u>		
<b>Business-Type Activities:</b>			
<b>A. General Obligation Bonds:</b>			
Series 2018B-Public Improvement Bond	2,777,000	4.54	08-2027
Series 2018A-Public Improvement Bond	6,159,000	3.93	08-2038
Total General Obligation Bonds	<u>8,936,000</u>		
<b>B. Other Loans</b>			
Emergency Loan WPE-C280028-02-01	337,535	4.00	12-2028
State Revolving-C280767-07	277,359	1.75	03-2030
State Revolving-C280767-08	317,884	1.75	01-2037
State Revolving-C280767-09	7,272,829	1.75	07-2038
Total Other Loans	<u>8,205,607</u>		
<b>C. Capital Leases:</b>			
Energy Project-Siemens	4,677,702	3.83	10-2027
Total Capital Leases	<u>\$ 4,677,702</u>		

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The annual debt service requirements of long-term debt of September 30, 2019 are as follows:

<b>Governmental Activities:</b>				
Year Ending September 30,	General Obligation Bonds		Other Loans	
	Principal	Interest	Principal	Interest
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	282,000	34,196		
2025-2028	1,054,000	63,282		
Totals	<u>\$ 2,984,000</u>	<u>\$ 346,799</u>	<u>\$ 1,796,818</u>	<u>\$ 38,529</u>

<b>Business-Type Activities:</b>				
Year Ending September 30,	General Obligation Bonds		Other Loans	
	Principal	Interest	Principal	Interest
2020	313,000	368,125	399,818	147,682
2021	328,000	353,915	407,583	139,917
2022	342,000	339,023	415,513	131,988
2023	358,000	323,497	423,612	123,887
2024	374,000	307,243	431,888	115,613
2025-2029	2,137,000	1,270,242	2,256,734	447,981
2030-2034	2,606,000	802,034	2,141,378	254,613
2035-2038	2,478,000	248,179	1,729,081	59,255
Totals	<u>\$ 8,936,000</u>	<u>\$ 4,012,258</u>	<u>\$ 8,205,607</u>	<u>\$ 1,420,936</u>

The following is a summary of changes in long-term debt for the year ended September 30, 2019:

	Balance Oct. 1, 2018	Additions	Reductions	Balance Sept. 30, 2019	Amount due within one year
<b>Governmental Activities:</b>					
General obligation bonds	\$ 3,415,000		431,000	2,984,000	\$ 440,000
Other Loans	2,680,347		883,529	1,796,818	900,335
Capital leases	806,515		74,125	732,390	77,005
Compensated absences	859,375		89,261	770,114	
Total	<u>\$ 7,761,237</u>	<u>-</u>	<u>1,477,915</u>	<u>6,283,322</u>	<u>\$ 1,417,340</u>
<b>Business-Type Activities:</b>					
General obligation bonds	\$ 9,239,000		303,000	8,936,000	\$ 313,000
Other Loans	7,814,168	632,557	241,118	8,205,607	399,818
Capital leases	5,151,129		473,427	4,677,702	491,821
Compensated absences	16,653	8,172		24,825	
Total	<u>\$ 22,220,950</u>	<u>640,729</u>	<u>1,017,545</u>	<u>21,844,134</u>	<u>\$ 1,204,639</u>

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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
Airport	(517,341)
Solid Waste Assistance Grant	(1,060)

**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 alleged shortcomings in connection with the City's National Pollutant Discharge Elimination System Permit Number MS0020184 (the City's Wastewater Treatment Plant and Wastewater 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, strategy 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, or later, 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, if not later. The City has been diligently working to comply with the requirements of the Consent

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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.

Beginning in August of 2018, the City began to enter into discussions with the Federal and State agencies that are parties to the Partial Consent Decree. Although progress began slowly, by late 2019, the City had reached the point where the agencies acknowledged that the City's obligations under the Decree would have to be spread out over a much longer time period, possibly thirty years or longer. It remains uncertain at present what length of time the extension of the Decree will be, but this has certainly been a positive development.

Another related "issue" began to arise in the Spring of 2019. The City's Waste Water Treatment Plant (WWTP) had been managed by ClearWater Solutions, a Florida company, since October 1, 2016. The City became dissatisfied with ClearWater's performance and ultimately terminated the contract on March 15, 2019. The WWTP was barely operational at that point and, shortly thereafter, it ceased functioning altogether. All pertinent agencies were promptly notified, and the City began making what repairs could be made. Ultimately, in December of 2019, the Mississippi Department of Environmental Quality (MDEQ) filed an Administrative Order of Consent (AOC) against the City, requiring that certain tasks be performed within certain time periods. The City has endeavored to complete this work but, for most of the spring and, now, into the summer, have been stymied by high water levels in the Mississippi River as well as delays caused by the COVID-19 virus. The City filed a timely request for extensions where necessary and, while MDEQ and EPA have participated in conferences; they have not yet made a final decision. From the discussions, however, the City is reasonably confident that it will be fairly treated in connection with the AOC.

Obviously, in connection with the Partial Consent Decree and the AOC, the Fiscal years became somewhat melded together. The matters discussed above represent the City's situation as of September 30, 2019 and as of the date of this response.

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, 2019.

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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 2019	
	% of Taxes Abated	Amount of Taxes Abated
Additions, expansions or equipment replacment	100.00%	\$ 906,730

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: EFFECT OF DEFERRED AMOUNTS ON NET POSITION.**

The governmental activities' unrestricted net position deficit amount of \$(31,049,881) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflow of resources related to the pension in the amount of \$549,860 results from the City's contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended September 30, 2020. The \$1,113,978 balance of the deferred outflow of resources related

to pensions at September 30, 2019, will be recognized in pension expense over the next 4 years. The \$1,567,732 balance of the deferred inflow of resources related to pension at September 30, 2019, will be recognized in pension expense over the next 4 years.

The business-type activities' unrestricted net position amount of \$5,259,369 includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflow of resources related to the pension in the amount of \$44,654 results from the City's contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended September 30, 2020. The \$100,027 balance of the deferred outflow of resources related to pensions at September 30, 2019, will be recognized in pension expense over the next 4 years. The \$135,550 balance of the deferred inflow of resources related to pension at September 30, 2019, will be recognized in pension expense over the next 4 years.

**NOTE 17: 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

**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended, September 30, 2019**

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 16, 2020 and determined that the following subsequent events occurred requiring disclosure in the notes to the financial statements.

The City obtained an SRF revolving loan C280767-10 at 1.75% interest in the amount of \$14,485,633. At September 30, 2019, no funds had been drawn down on this loan. This revolving loan was issued for sewer infrastructure and is to be repaid from the operations of the water and sewer utility.

Management is continuing to evaluate the impact of the coronavirus disease 2019 (COVID-19), which was declared a pandemic by the World Health Organization in March 2020, on the City's operations. This situation has depressed the tax bases and other areas in which the City received revenue during fiscal year 2019. As such, our financial position, operations, and cash flows will be negatively impacted for the fiscal year 2020 and may hinder our ability to meet the needs of our constituents. Management has and will take the necessary actions to marginalize the disruption caused by the outbreak. The specific impact on our financial position, operations, and cash flows is not readily determinable as of the date of these financial statements, therefore, the financial statements do not include any adjustments that might result from the outcome of this uncertainty.

**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, 2019**

	Budgeted Amount		Actual	Variance
	Original	Final	Non-GAAP Basis	Favorable (Unfavorable)
<b>REVENUES:</b>				
Ad Valorem Taxes	\$ 10,398,500	\$ 10,987,338	\$ 10,987,338	\$ -
Licenses, Permits & Franchise Fees	1,301,000	1,346,916	1,346,916	-
Grants & Intergovernmental	7,384,723	7,557,096	7,557,096	-
Fines and Forfeits	285,200	248,930	248,930	-
Rental	435,100	439,822	439,822	-
Miscellaneous Revenues	317,374	639,621	639,621	-
Charges for Services	20,000	22,209	22,209	-
<b>Total Revenues</b>	<b>20,141,897</b>	<b>21,241,932</b>	<b>21,241,932</b>	<b>-</b>
<b>EXPENDITURES:</b>				
<b>General Government</b>				
Personal services	1,358,655	1,288,233	1,288,233	-
Other services and charges	1,092,522	1,201,171	1,201,171	-
Supplies	59,085	46,170	46,170	-
Capital outlay	38,960	126,678	126,678	-
Total general government	2,549,222	2,662,252	2,662,252	-
<b>Public Safety</b>				
Police Department				
Personal services	5,840,188	6,264,201	6,264,201	-
Other services and charges	1,686,738	1,701,074	1,701,074	-
Supplies	85,850	61,533	61,533	-
Capital outlay	16,707	16,101	16,101	-
Total Police Department	7,629,483	8,042,909	8,042,909	-
Fire Department				
Personal services	4,367,771	4,508,680	4,508,680	-
Other services and charges	500,075	360,157	360,157	-
Supplies	48,450	53,342	53,342	-
Capital Outlay	14,629	13,824	13,824	-
Total Fire Department	4,930,925	4,936,003	4,936,003	-
Total Public Safety	12,560,408	12,978,912	12,978,912	-
<b>Public Works</b>				
Personal services	660,708	470,977	470,977	-
Other services and charges	576,128	650,569	650,569	-
Supplies	32,477	136,015	136,015	-
Capital outlay	-	2,499	2,499	-
Total Public Works	1,269,313	1,260,060	1,260,060	-
<b>Highways and Streets</b>				
Personal services	899,905	539,613	539,613	-
Other services and charges	2,009,005	1,815,854	1,815,854	-
Supplies	532,500	489,767	489,767	-
Capital outlay	-	237,955	237,955	-
Total Highways and Streets	3,441,410	3,083,189	3,083,189	-

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, 2019**

	Budgeted Amount		Actual	Variance
	Original	Final	Non-GAAP	Favorable
			Basis	(Unfavorable)
<b><u>EXPENDITURES CONTINUED:</u></b>				
<b>Health &amp; Welfare</b>				
Other services and charges	373,400	356,870	356,870	-
Supplies	500	1,328	1,328	-
Capital outlay	-	1,180	1,180	-
Total Health & Welfare	373,900	359,378	359,378	-
<b>Economic Development</b>				
Personal services	303,478	318,373	318,373	-
Other services and charges	244,247	247,805	247,805	-
Supplies	9,000	10,716	10,716	-
Capital outlay	-	2,362	2,362	-
Total Economic Development	556,725	579,256	579,256	-
<b>Debt Service</b>				
Principal paid	74,125	74,125	74,125	-
Interest paid	31,757	29,833	29,833	-
	105,882	103,958	103,958	-
<b>Total Expenditures</b>	<b>20,856,860</b>	<b>21,027,005</b>	<b>21,027,005</b>	<b>-</b>
<b>Excess of Revenues over</b>				
<b>(under) Expenditures</b>	<b>(714,963)</b>	<b>214,927</b>	<b>214,927</b>	<b>-</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Operating transfers in (out)				
transfers in	1,125,000	1,135,000	1,135,000	-
transfers (out)	(1,848,847)	(1,748,847)	(1,748,847)	-
Total other financing sources (uses)	(723,847)	(613,847)	(613,847)	-
<b>Net Change in Fund Balance</b>	<b>(1,438,810)</b>	<b>(398,920)</b>	<b>(398,920)</b>	<b>-</b>
<b>Fund Balances - Beginning</b>	<b>(5,024,158)</b>	<b>4,118,581</b>	<b>4,118,581</b>	<b>-</b>
<b>Fund Balances - Ending</b>	<b>\$ (6,462,968)</b>	<b>\$ 3,719,661</b>	<b>\$ 3,719,661</b>	<b>\$ -</b>

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

**City of Greenville, Mississippi**  
**Budgetary Comparison Schedule**  
**Budget and Actual (Non-GAAP Basis)**  
**Major Fund Parks & Recreation**  
**For the Year Ended September 30, 2019**

	Budgeted Amount		Actual	Variance
	Original	Final	Non-GAAP Basis	Favorable (Unfavorable)
<b>REVENUES:</b>				
Ad Valorem Taxes	\$ 358,750	\$ 380,566	\$ 380,566	\$ -
Grants & Intergovernmental	15,000	15,276	15,276	-
Rental	10,000	26,710	26,710	-
Miscellaneous Revenues	3,200	15,850	15,850	-
Charges for Services	135,900	186,882	186,882	-
<b>Total Revenues</b>	<b>522,850</b>	<b>625,284</b>	<b>625,284</b>	<b>-</b>
<b>EXPENDITURES:</b>				
<b>Parks &amp; Recreation</b>				
Personal services	583,589	574,684	574,684	-
Other services and charges	151,653	172,458	172,458	-
Supplies	226,101	201,713	201,713	-
Capital outlay	11,500	14,649	14,649	-
<b>Total Expenditures</b>	<b>972,843</b>	<b>963,504</b>	<b>963,504</b>	<b>-</b>
<b>Excess of Revenues over (under) Expenditures</b>	<b>(449,993)</b>	<b>(338,220)</b>	<b>(338,220)</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in (out)				
transfers in	600,000	600,000	600,000	-
transfers (out)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>600,000</b>	<b>600,000</b>	<b>600,000</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>150,007</b>	<b>261,780</b>	<b>261,780</b>	<b>-</b>
<b>Fund Balances - Beginning</b>	<b>298,272</b>	<b>7,851</b>	<b>7,851</b>	<b>-</b>
<b>Fund Balances - Ending</b>	<b>\$ 448,279</b>	<b>\$ 269,631</b>	<b>\$ 269,631</b>	<b>\$ -</b>

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, 2019**

	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>		
Service Cost	\$ 82,259	79,286
Interest	36,130	33,279
Changes in benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of assumptions	-	-
Benefit payments/refunds	<u>(39,523)</u>	<u>(38,094)</u>
<b>Net Change in total OPEB liability</b>	<u>78,866</u>	<u>74,471</u>
<b>Total OPEB liability - beginning</b>	<u>920,732</u>	<u>846,261</u>
<b>Total OPEB liability - ending (a)</b>	<u><u>\$ 999,598</u></u>	<u><u>920,732</u></u>

The amounts presented for each fiscal year were determined as of the measurement date of September 30 for the fiscal year presented. 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.

**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, 2019**

	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability (asset)	0.150%	0.142%	0.154%	0.178%	0.181%	0.184%
Proportionate share of the net pension liability (asset)	\$ 26,387,952	23,618,817	25,600,027	31,795,245	27,979,031	22,334,231
Covered payroll	\$ 9,752,153	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 payroll	270.59%	260.18%	259.46%	279.36%	248.02%	199.31%
Plan fiduciary net position as a percentage of the total pension liability	61.59%	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, 2019**

<b>Public Employees Retirement Systems (PERS)</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required contribution	\$ 1,714,996	1,409,416	1,467,162	1,861,107	1,779,564
Contributions in relation to the contractually required contribution	1,714,996	1,409,416	1,467,162	1,861,107	1,779,564
Contribution deficiency (excess)	\$ -	-	-	-	-
Covered payroll	\$ 10,552,804	8,948,675	9,315,315	11,816,549	11,298,816
Contributions as a percentage of covered payroll	16.25%	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.

<b>Mississippi Municipal Retirement Systems (MMRS)</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Actuarially determined contribution	\$ 557,823	547,552	589,633	612,832	601,720
Contributions in relation to the actuarially determined contribution	557,823	547,552	589,633	612,832	601,720
Contribution deficiency (excess)	\$ -	-	-	-	-
Covered payroll*	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	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, 2019**

	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>					
Service Cost					
Interest	\$ 642,606	665,908	685,107	692,751	719,926
Differences between expected and actual experience	(259,101)	5,694	25,167	205,643	(59,398)
Changes of assumptions	(34,141)	-	29,545	-	284,198
Benefit payments, including refunds of employee contributions	(960,950)	(983,598)	(991,494)	(1,002,578)	(1,007,564)
<b>Net Change in total pension liability</b>	<b>(611,586)</b>	<b>(311,996)</b>	<b>(251,675)</b>	<b>(104,184)</b>	<b>(62,838)</b>
<b>Total pension liability - beginning</b>	<b>8,772,163</b>	<b>9,084,159</b>	<b>9,335,834</b>	<b>9,440,018</b>	<b>9,502,856</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 8,160,577</b>	<b>8,772,163</b>	<b>9,084,159</b>	<b>9,335,834</b>	<b>9,440,018</b>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 557,823	547,552	589,633	612,832	601,720
Net investment income	195,610	236,432	419,956	17,714	114,107
Benefit payments, including refunds of employee contributions	(960,950)	(983,598)	(991,494)	(1,002,578)	(1,007,564)
Administrative expense	(11,156)	(10,951)	(11,793)	(12,257)	(12,034)
Other	-	(297)	2,805	8,467	-
<b>Net change in plan fiduciary net position</b>	<b>(218,673)</b>	<b>(210,862)</b>	<b>9,107</b>	<b>(375,822)</b>	<b>(303,771)</b>
<b>Plan net position - beginning</b>	<b>3,023,963</b>	<b>3,234,825</b>	<b>3,225,718</b>	<b>3,601,540</b>	<b>3,905,311</b>
<b>Plan net position - ending (b)</b>	<b>\$ 2,805,290</b>	<b>3,023,963</b>	<b>3,234,825</b>	<b>3,225,718</b>	<b>3,601,540</b>
<b>Net pension liability (asset) - ending (a) - (b)</b>	<b>\$ 5,355,287</b>	<b>5,748,200</b>	<b>5,849,334</b>	<b>6,110,116</b>	<b>5,838,478</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>34.38%</b>	<b>34.47%</b>	<b>35.61%</b>	<b>34.55%</b>	<b>38.15%</b>

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, 2019**  
**"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)	\$ (398,920)
Increase (Decrease)	
Net adjustments for revenue accruals	(31,394)
Net adjustments for expense accruals	214,949
Net Change in Fund Balance - GAAP Basis	<u>\$ (645,263)</u>

**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended September 30, 2019**  
**"UNAUDITED"**

Governmental Fund Type	Major Fund-Parks and Recreation
Budget (Cash Basis)	\$ 261,780
Increase (Decrease)	
Net adjustments for revenue accruals	-
Net adjustments for expense accruals	92,239
Net Change in Fund Balance - GAAP Basis	<u>\$ 169,541</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 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.

**2016**

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



**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended September 30, 2019**  
**"UNAUDITED"**

**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 experience.

The percentage of active member disabilities assumed to be in the line of duty was increased from 6.00% to 7.00%.

**2019**

The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:

For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119.

For females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119.

Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.

The expectation of disabled mortality was changed to PubT.H-2010 Disabled Retiree Table for disabled retirees with the following adjustments:

For males, 137% of male rates at all ages.

For females, 115% of female rates at all ages.

Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.

The price inflation assumption was reduced from 3.00% to 2.75%.

The wage inflation assumption was reduced from 3.25% to 3.00%.

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

The percentage of active member disabilities assumed to be in the line of duty was increased from 7% to 9%.

B. 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.

**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended September 30, 2019**  
**"UNAUDITED"**

Method and assumptions used in calculations of actuarially determined contributions:

The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported (June 30, 2017 valuation for the June 30, 2019 fiscal year end). The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	38.4 years
Asset valuation method	5-year smoothed market
Price Inflation	3.00 percent
Salary increase	3.25 percent to 18.50 percent, including inflation
Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation

**CITY OF GREENVILLE, MISSISSIPPI**

**SUPPLEMENTARY INFORMATION**

**CITY OF GREENVILLE, MISSISSIPPI**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended September 30, 2019**

<b>Federal Agency/ Pass-Through Entity/ Program Title</b>	<b>Federal CFDA Number</b>	<b>Agency or Pass-through Number</b>	<b>Federal Expenditures</b>
<b>U. S. Department of Housing and Urban Development</b>			
Pass-Through Programs:			
Passed-through the Mississippi Development Authority			
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	1133-17-198-PF-01	\$ 254,274
<b>Total U. S. Department of Housing and Urban Development</b>			<b>254,274</b>
<b>U.S. Department of Justice</b>			
Direct Programs:			
Bulletproff Vest Partnership Program	16.607		18,698
<b>Total U.S. Department of Justice</b>			<b>18,698</b>
<b>U. S. Department of Transportation</b>			
Direct Programs:			
Airport Improvement Program			
FAA Project 2017	* 20.106	3-28-0027-034-2017	873
FAA Project 2018	* 20.106	3-28-0027-035-2018	789,446
FAA Project 2019	* 20.106	3-28-0027-036-2019	286,425
<b>Total U. S. Department of Transportation</b>			<b>1,076,744</b>
<b>U.S. Environmental Protection Agency</b>			
Direct Programs:			
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	#00D11113	114,621
<b>Total U. S. Environmental Protection Agency</b>			<b>114,621</b>
<b>U.S. Department of Homeland Security</b>			
Direct Programs:			
Law Enforcement Officer Reimbursement Agreement Program	97.090	HSTS01-04-A-LEF-295	13,777
<b>Total U. S. Department of Homeland Security</b>			<b>13,777</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ 1,478,114</b>

\* Denotes Major Federal Award Program

**CITY OF GREENVILLE, MISSISSIPPI**  
**NOTES TO THE SUPPLEMENTARY INFORMATION**  
**For the Year Ended September 30, 2019**

**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, 2019. 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 position, 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.

**CITY OF GREENVILLE, MISSISSIPPI**

**OTHER INFORMATION**

**CITY OF GREENVILLE, MISSISSIPPI**  
**SCHEDULE OF SURETY BONDS FOR CITY OFFICIALS**  
**September 30, 2019**

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

**CITY OF GREENVILLE, MISSISSIPPI**  
**RECONCILIATION OF TAX ASSESSMENTS TO FUND COLLECTIONS – 2018 TAX ROLLS**  
**For the Year Ended September 30, 2019**

Assessments - 2018 Tax Rolls	Tax	
	Assessed Valuation	Ad Valorem
Real Property	\$ 124,266,583	
Personal Property	32,936,509	
Auto and Mobile Home	28,931,817	
Public Utility	23,619,113	
Total Assessed Valuation	209,754,022	
Total Ad Valorem Tax @ 67.41 Mills	14,139,519	
Less: Special Homestead Exemption Credit	\$ 992,992	
Net Ad Valorem Taxes		\$ 13,146,527
Other Collections:		
Actual Homestead Reimbursements		514,883
Prior Year Tax Collections		116,092
Penalties and Interest on Delinquent Taxes		80,046
Deductions:		
Washington County Tax Collector's Commission		(140,515)
<b>Total Ad Valorem Taxes to be Accounted For</b>		<b>\$ 13,717,033</b>
Collections:		
Allocated to: Fund #	Taxes	Homestead Total
General Fund 001	10,197,502	402,909 10,600,411
Parks 100	380,566	15,276 395,842
Library 103	323,481	12,985 336,466
Debt Service 200	1,558,103	62,632 1,620,735
Fire & Police Pension 600	525,362	21,081 546,443
	12,985,014	514,883 13,499,897
Balance Represented by:		
Unpaid realty & unaccounted for under (over) collections		217,136
<b>Total Ad Valorem Taxes Accounted for</b>		<b>\$ 13,717,033</b>



**CITY OF GREENVILLE, MISSISSIPPI**  
**RECONCILIATION OF TAX ASSESSMENTS TO FUND COLLECTIONS – 2018 TAX ROLLS (Cont'd)**  
**For the Year Ended September 30, 2019**

<u>Fund</u>	<u>Millage</u>	<u>Purpose</u>
General	52.75	General Current Expenditures & Maintenance
Parks	2.00	Park Current Expenditures & Maintenance
Library	1.70	Library Current Expenditures & Maintenance
Bond & Interest	8.20	General City Obligation Bonds & Interest
Fire & Police Disability	2.76	Fire & Police Disability Fund
<b>Total Tax Levy</b>	<u>67.41</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:

\$ 12,140,472	Base 2017-2018	\$ 12,985,014	Taxes collected 2018-2019
<u>1,330,152</u>	Less: Applicable to Debt Service	<u>1,558,103</u>	Less: Applicable to Debt Service
10,810,320		11,426,910	
1,081,032	10 % Increase	514,883	Homestead Exemption
		<u>62,632</u>	Less: Applicable to Debt Service
		<u>452,251</u>	
		<u>12,191</u>	Under (Over) Limitation
<u>\$ 11,891,352</u>		<u>\$ 11,891,352</u>	

**CITY OF GREENVILLE, MISSISSIPPI**  
**SCHEDULE OF LONG-TERM DEBT**  
**For the Year Ended September 30, 2019**

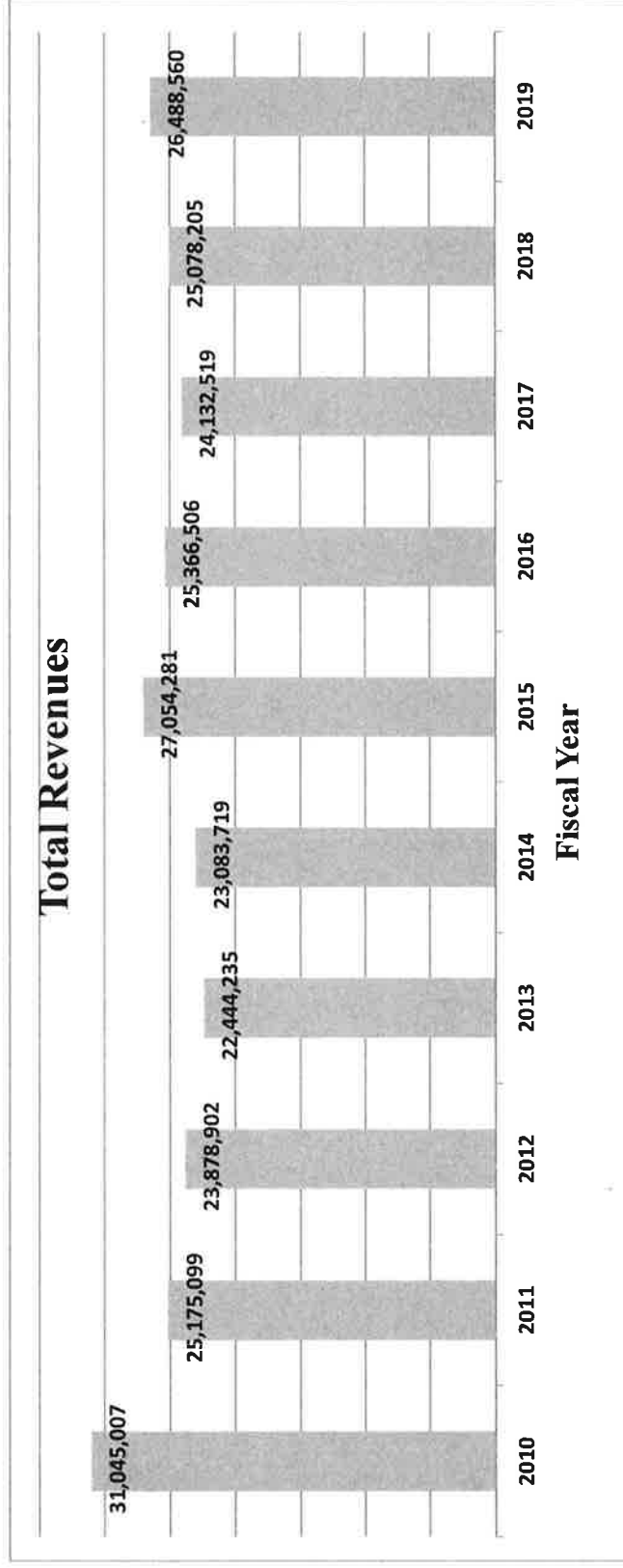
Description	Issue Date	Balance Oct. 1, 2018	Issued	Paid	Balance Sept. 30, 2019	Principal Amount Due	
						2020	Remaining Years
General Obligation Bonds							
Series 2010-Street Bond	05/18/10	760,000		180,000	580,000	185,000	\$ 395,000
Series 2015-Refunding Bond	07/29/15	2,655,000		251,000	2,404,000	255,000	2,149,000
Series 2018A-Public Improvement Bond	08/03/18	6,159,000			6,159,000		6,159,000
Series 2018B-Public Improvement Bond	08/03/18	3,080,000		303,000	2,777,000	313,000	2,464,000
Total General Obligation Bonds		12,654,000	-	734,000	11,920,000	753,000	11,167,000
Other Loans							
GO Note - Parks, Equipment & Expenses	12/15/15	743,975		303,997	439,978	309,297	130,681
E One Fire Pumper Truck	01/06/16	205,561		83,995	121,566	85,494	36,072
GO Note Equip, Vehicles & Building Ren	12/07/16	536,850		161,468	375,382	164,744	210,638
GO Note Equipment & Vehicles	01/05/17	685,492		195,978	489,514	199,794	289,720
GO Note Sewer Lifts & Water Tank	05/04/17	508,469		138,091	370,378	141,006	229,372
Sub-Total Governmental Funds		2,680,347	-	883,529	1,796,818	900,335	896,483
State Revolving-C280767-07	09/01/10	301,212		23,853	277,359	24,276	253,083
State Revolving-C280767-08	07/30/14	333,448		15,564	317,884	15,838	302,046
State Revolving-C280767-09	02/01/19	7,179,508	282,557	189,236	7,272,829	328,929	6,943,900
Emergency Loan WPE-C280028-02-01	04/01/19	-	350,000	12,465	337,535	30,775	306,760
Sub-Total Water & Sewer Fund		7,814,168	632,557	241,118	8,205,607	399,818	7,805,789
Total Other Loans		10,494,515	632,557	1,124,647	10,002,425	1,300,153	8,702,272
Capital Leases							
Energy Project - Siemens-General Fund	09/28/11	806,515		74,125	732,390	77,005	655,385
Energy Project - Siemens-Water & Sewer Fund	09/28/11	5,151,129		473,427	4,677,702	491,821	4,185,881
Total Capital Leases		5,957,644	-	547,552	5,410,092	568,826	4,841,266
Other							
Compensated Absences		876,028	8,172	89,261	794,939	-	794,939
Total Long Term Debt		\$ 29,982,187	640,729	2,495,460	28,127,456	2,621,979	\$ 25,505,477

## **CITY OF GREENVILLE, MISSISSIPPI**

## **STATISTICAL INFORMATION**

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

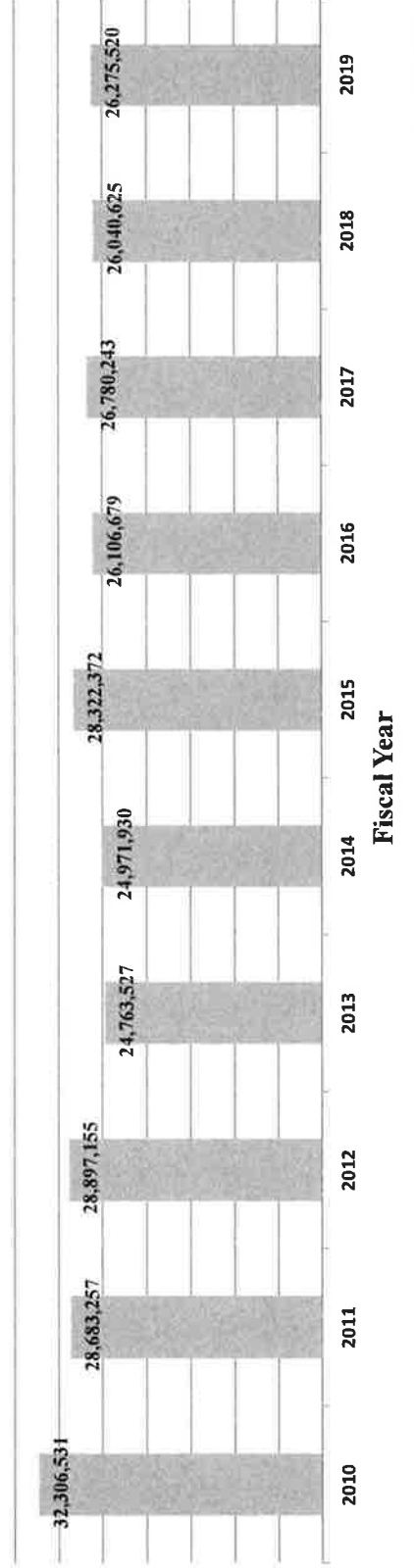
Fiscal Year	Taxes	Fines, Licenses Fees & Permits	Inter-governmental	Charges for Services	Rental Income	Miscellaneous Operating	Total Revenues
2010	21,150,238	904,484	6,500,612	1,444,171	792,144	253,358	31,045,007
2011	18,787,050	613,631	4,166,620	428,614	1,122,068	57,116	25,175,099
2012	19,084,941	578,489	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
2019	21,587,093	450,274	2,774,251	422,316	679,492	575,134	26,488,560
Total	200,716,997	5,956,993	29,768,345	5,200,159	8,658,470	3,446,069	253,747,033



**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
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
2019	2,847,078	13,037,144	4,505,831	359,378	1,542,789		2,428,302	-	1,554,998	26,275,520
Total	27,526,481	125,104,206	48,964,650	3,682,897	14,729,742		21,836,020	8,073,127	23,230,716	273,147,839

**Total Expenditures**



**CITY OF GREENVILLE, MISSISSIPPI  
COMPUTATION OF LEGAL DEBT MARGIN  
For the Year Ended September 30, 2019**

Date of Issue	Description	Total Outstanding G/O Debt	Bonds/Notes Subject To 15% Limitation	Bonds/Notes Subject To 20% Limitation
<b><u>OUTSTANDING GENERAL OBLIGATION DEBT:</u></b>				
05/18/10	Series 2010-Street Bond	580,000	580,000	580,000
07/29/15	Series 2015-Refunding Bond	2,404,000	2,404,000	2,404,000
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	2,777,000	2,777,000	2,777,000
12/15/15	Parks & Equipment-GO Note	439,978	439,978	439,978
01/06/16	E One Fire Pumper Truck-GO Note	121,566	121,566	121,566
12/07/16	Equipment, Vehicles & Building Ren-GO Note	375,382	375,382	375,382
01/05/17	Equipment & Vehicles-GO Note	489,514	489,514	489,514
05/04/17	Sewer Lifts & Water Tank-GO Note	370,378	370,378	370,378
	Total Outstanding General Obligation Debt	<u>13,716,818</u>	<u>13,716,818</u>	<u>13,716,818</u>

**AUTHORIZED DEBT LIMIT:**

Assessed Value for the fiscal year ended September 30, 2019	209,754,022	31,463,103	41,950,804
Present Debt (Subject to 15% and 20% Limitation, respectively)		<u>13,716,818</u>	<u>13,716,818</u>
Margin for Further Indebtedness (Under 15% and 20% Limitation, respectively)		<u>\$ 17,746,285</u>	<u>\$ 28,233,986</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

**CITY OF GREENVILLE, MISSISSIPPI  
COMPUTATION OF LEGAL DEBT MARGIN  
For the Year Ended September 30, 2019**

ending September 30, 1984, whichever is greater. Nothing herein contained shall be construed to apply to contract obligations in any form heretofore issued by any municipality for school purposes, or to contract obligations in any form heretofore or hereafter incurred by any municipality which are payable exclusively from the revenues of any municipality-owned utility, or to bonds issued by any municipality under the provisions of Sections 57-1-1 through 57-1-51, or to any special assessment improvement bonds issued by any municipality under the provisions of Sections 21-41-1 through 21-41-53.

**CITY OF GREENVILLE, MISSISSIPPI**

**SPECIAL REPORTS**



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PRIVATE COMPANIES PRACTICE SECTION

**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, 2019, 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 16, 2020.

**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 of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City'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 amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted a matter that we reported to the management of Greenville, Mississippi, in the Independent Auditor's Report on Compliance with State Laws and Regulations dated June 16, 2020, included within this document.

### **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 16, 2020

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PRIVATE COMPANIES PRACTICE SECTION

## **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 the 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 Greenville, Mississippi's major federal program for the year ended September 30, 2019. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for the City of Greenville, Mississippi's major federal program 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 the 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 the 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, 2019.

### 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*

Bridgers, Goodman, Baird & Clarke, PLLC  
Certified Public Accountants  
Vicksburg, Mississippi  
June 16, 2020

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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, 2019, which collectively comprise the City of Greenville, Mississippi's basic financial statements and have issued our report thereon dated June 16, 2020. 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.

Repeat Finding: Yes, 2018

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 for a period of time until cured. 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; however, the financial effects will bear upon the City for a period of time. 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 16, 2020



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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, 2019, 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 16, 2020 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*

Bridgers, Goodman, Baird & Clarke, PLLC  
Certified Public Accountants  
Vicksburg, Mississippi  
June 16, 2020

**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, 2019**

**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 #20.106, Airport Improvement Program  |               |
| 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.