

OFFICE OF THE STATE AUDITOR REPORT NOTE:

Section 7-7-211, Mississippi Code Annotated (1972) gives the Office of the State Auditor the authority to audit, with the exception of municipalities, any governmental entity in the state. In the case of municipalities, *Section 21-35-31, Mississippi Code Annotated (1972)* requires municipalities to obtain an annual audit performed by a private CPA firm and submit that audit report to the Office of the State Auditor. The Office of the State Auditor files these audit reports for review in case questions arise related to the municipality.

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

CITY OF GREENVILLE, MISSISSIPPI

Audited Financial Statements and Special Reports

For the Year Ended September 30, 2022



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CITY OF GREENVILLE, MISSISSIPPI

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Greenville
Greenville, Mississippi

Report on the Audit of the Financial Statements

Opinions

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 (the City) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit, the accompanying 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, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 wastewater treatment plant and wastewater 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.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, which raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood, that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, which raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules and corresponding notes, the City's Schedule of Changes in the Net OPEB Liability and Related Ratios, the City's Schedule of OPEB Contributions, the Schedule of the City's Proportionate Share of the Net Pension Liability, and the Schedule of City Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 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 basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Surety Bonds for City Officials, Reconciliation of Tax Assessments to Fund Collections- 2021 Tax Rolls, and Schedule of Long-Term Debt but does not include the basic financial

statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

The accompanying section of Statistical Information on pages 81 through 84, 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 21, 2023, 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 21, 2023

CITY OF GREENVILLE, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF GREENVILLE, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2022

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, 2022. 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.

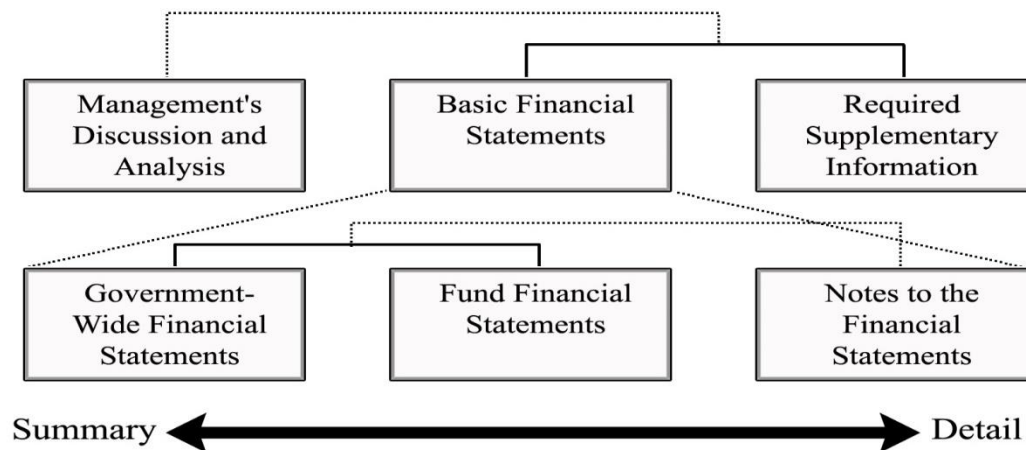
FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City of Greenville exceeded its liabilities and deferred inflows at the close of the 2022 fiscal year by \$211,943,197 (net position).
- The net position of the City includes: \$233,065,129 invested in capital assets (net of related debt); \$15,843,651 in restricted net position; and a deficit in unrestricted net position of \$(36,965,583).
- Total assets increased \$10,339,881 or 3.55% from 2021.
- Total liabilities increased \$24,760,932 or 34.24% from 2021. The increase is primarily due to the change in net pension liability which increased by \$14,618,014 and long-term debt which increased \$7,108,256.
- The City's total net position decreased \$2,962,142 or 1.38% from 2021.

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, 2022

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

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

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

CITY OF GREENVILLE, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2022

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) custodial 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 26 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Parks & Recreation, which are considered to be major funds. All other funds are considered non-major and are presented in a single column. The governmental fund financial statements are presented on pages 19 through 22.

CITY OF GREENVILLE, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2022

The City of Greenville adopts an annual budget. Budgetary comparison schedules have been provided on pages 63 through 65 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. Custodial funds are used to account for resources held for the benefit of parties outside the government. Custodial 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 Custodial funds is much like that used for proprietary funds. The City used 3 Custodial funds consisting of the police and fire pension, city separate school district tax clearing fund, and state fine assessment fund. The combined Custodial 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 61, 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 62 through 73.

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, 2022, the assets and deferred outflows of the City of Greenville exceeded its liabilities and deferred inflows by \$211,943,197.

By far, the largest portion of the City's net position (\$233,065,129 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 provided from other sources because the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF GREENVILLE, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2022

(Table 1)
Net Position

	Governmental Activities		Business-type Activities		Total		Increase	Percentage
	2022	2021	2022	2021	2022	2021	(Decrease)	change
Current and other assets	\$ 18,242,031	18,984,944	11,898,864	8,053,682	30,140,895	27,038,626	3,102,269	11.47%
Capital assets, net	198,745,020	196,716,316	72,874,941	67,666,033	271,619,961	264,382,349	7,237,612	2.74%
Total Assets	216,987,051	215,701,260	84,773,805	75,719,715	301,760,856	291,420,975	10,339,881	3.55%
Deferred outflows	7,642,953	4,973,950	1,225,013	800,864	8,867,966	5,774,814	3,093,152	53.56%
Current and other liabilities	3,222,575	3,950,291	9,533,617	5,867,255	12,756,192	9,817,546	2,938,646	29.93%
OPEB benefits payable	969,209	888,508	157,758	142,443	1,126,967	1,030,951	96,016	9.31%
Net pension liability	37,904,329	25,293,879	5,451,907	3,444,343	43,356,236	28,738,222	14,618,014	50.87%
Long-term debt	4,776,312	4,185,049	35,056,587	28,539,594	39,832,899	32,724,643	7,108,256	21.72%
Total Liabilities	46,872,425	34,317,727	50,199,869	37,993,635	97,072,294	72,311,362	24,760,932	34.24%
Deferred inflows	1,387,939	8,630,458	225,392	1,348,630	1,613,331	9,979,088	(8,365,757)	-83.83%
Net Position:								
Net investment in capital assets	195,078,121	193,528,142	37,987,008	39,244,305	233,065,129	232,772,447	292,682	0.13%
Restricted	8,688,549	7,694,800	7,155,102	-	15,843,651	7,694,800	8,148,851	105.90%
Unrestricted	(27,397,030)	(23,495,917)	(9,568,553)	(2,065,991)	(36,965,583)	(25,561,908)	(11,403,675)	44.61%
Total Net Position	\$ 176,369,640	177,727,025	35,573,557	37,178,314	211,943,197	214,905,339	(2,962,142)	-1.38%

The City's total assets increased \$10,339,881 during 2022 with governmental activities showing an increase of \$1,285,791 and business-type activities showing an increase of \$9,054,090.

The City's total liabilities increased \$24,760,932. The increase in liabilities were a \$12,554,698 increase in governmental activities and a \$12,206,234 increase in business-type activities. This increase is primarily due to the increase in net pension liability of \$14,618,014 and long-term debt of \$7,108,256.

The City's net position decreased \$2,962,142 from 2021 to 2022.

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)	\$ (36,965,583)
Less: unrestricted deficit in net position resulting from recognition of :	
Pension liability plus deferred inflows minus deferred outflows (GASB 68 & 71)	36,012,677
OPEB liability plus deferred inflows minus deferred outflows (GASB 75)	1,215,891
Unrestricted net position, exclusive of the net pension and OPEB liability effect	\$ 262,985

CITY OF GREENVILLE, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2022

(Table 2)
Changes in Net Position

	Governmental Activities		Business-type Activities		Totals		Increase	Percentage
	2022	2021	2022	2021	2022	2021	(Decrease)	Change
Program Revenues:								
Charges for services	\$ 731,234	645,747	13,014,017	14,013,847	13,745,251	14,659,594	(914,343)	-6.24%
Grants and contributions	10,272,274	8,268,681	-	71,547	10,272,274	8,340,228	1,932,046	23.17%
General Revenues:								
Property taxes	15,278,121	14,742,963			15,278,121	14,742,963	535,158	3.63%
Sales and tourism taxes	7,631,821	7,864,094			7,631,821	7,864,094	(232,273)	-2.95%
Other taxes and other	(379,800)	3,793,152	3,760,026	(297,372)	3,380,226	3,495,780	(115,554)	-3.31%
Total Revenues	33,533,650	35,314,637	16,774,043	13,788,022	50,307,693	49,102,659	1,205,034	2.45%
Program Expenses:								
General government	2,862,197	3,034,841			2,862,197	3,034,841	(172,644)	-5.69%
Public safety	12,341,829	10,852,790			12,341,829	10,852,790	1,489,039	13.72%
Public works	1,697,732	1,337,634			1,697,732	1,337,634	360,098	26.92%
Highways and streets	3,874,755	3,642,472			3,874,755	3,642,472	232,283	6.38%
Health and sanitation	379,092	373,683			379,092	373,683	5,409	1.45%
Culture and recreation	1,365,704	698,003			1,365,704	698,003	667,701	95.66%
Airport	6,640,464	2,304,665			6,640,464	2,304,665	4,335,799	188.13%
Economic development	570,518	511,805			570,518	511,805	58,713	11.47%
Interest on long-term debt	90,662	101,797			90,662	101,797	(11,135)	-10.94%
Pension expense	4,961,792	1,394,043			4,961,792	1,394,043	3,567,749	255.93%
OPEB expense	109,757	111,937			109,757	111,937	(2,180)	-1.95%
Water and sewer			15,426,624	10,687,747	15,426,624	10,687,747	4,738,877	44.34%
Sanitation			2,952,176	2,268,156	2,952,176	2,268,156	684,020	30.16%
Total Expenses	34,894,502	24,363,670	18,378,800	12,955,903	53,273,302	37,319,573	15,953,729	42.75%
Changes in Net Position	\$ (1,360,852)	10,950,967	(1,604,757)	832,119	(2,965,609)	11,783,086	(14,748,695)	125.17%

The City's governmental activities continue to be funded primarily by property taxes, which made up 45.56% of the total revenues. The other major revenue sources were sales and tourism taxes 22.76% and grants and contributions 30.63%. The major expense activities were public safety, highways and streets, general government, and airport which comprise 35.37%, 11.10%, 8.20%, and 19.03% 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 \$14,751,291 which is a decrease of \$266,330 above last year's revised total of \$15,017,621.

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 changes in fund balances were General Fund of \$(1,247,158), the Parks & Recreation Fund of \$21,073, and Non-Major Governmental Funds of \$956,288.

**CITY OF GREENVILLE, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2022**

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 2022, 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 \$59,869.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2022, the City had \$271,619,961 invested in a broad range of capital assets, including police and fire equipment, buildings, park and recreation facilities, streets, and water and sewer lines. (See Table 3 following.) This amount represents a net increase (including additions, deletions, adjustments, and accumulated depreciation) of approximately \$7,237,612 or 2.74% over the prior year.

(Table 3)

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

	Government Activities		Business-type Activities	
	2022	2021	2022	2021
Land	\$ 84,036,082	84,036,082	2,512,541	2,512,541
Construction in progress	165,859	1,238,283	30,312,857	23,158,998
Infrastructure	99,725,840	98,037,188	25,005,521	26,762,780
Buildings & improvements	7,759,496	8,022,846	6,974,345	6,977,367
Mobile and machinery equipment	5,106,034	3,726,182	2,403,940	2,135,979
Furniture & equipment	1,193,609	843,483	737,240	881,839
Intangible right to use assets	758,100	812,252	4,928,497	5,236,529
Totals	198,745,020	196,716,316	72,874,941	67,666,033
	Totals		Increase (Decrease)	Percentage Change
	2022	2021		
Land	86,548,623	86,548,623	-	0.00%
Construction in progress	30,478,716	24,397,281	6,081,435	24.93%
Infrastructure	124,731,361	124,799,968	(68,607)	-0.05%
Buildings & improvements	14,733,841	15,000,213	(266,372)	-1.78%
Mobile and machinery equipment	7,509,974	5,862,161	1,647,813	28.11%
Furniture & equipment	1,930,849	1,725,322	205,527	11.91%
Intangible right to use assets	5,686,597	6,048,781	(362,184)	-5.99%
Totals	\$ 271,619,961	264,382,349	7,237,612	2.74%

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 2022-2023:

CITY OF GREENVILLE, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2022

- (1) The construction in progress of \$30,478,716 includes various airport and public works projects involving improvements in the City's airport facilities and runways and sewer system construction and repairs.
- (2) Infrastructure investment remains a priority and challenge for City officials. Infrastructure project cost capitalized during the fiscal year include the following:

Water & Sewer projects 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. These agencies will finance the majority of the cost of rehabilitating the airport.

Long-term Debt

At year-end, the City had \$39,832,899 in long-term debt outstanding compared to \$32,724,102 last year, an increase of \$7,108,797. Of the total debt outstanding, \$11,459,311 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 \$23,459,069, financed purchases in the amount of \$3,636,452, and compensated absences in the amount of \$1,278,067.

The following table illustrates the total Long-term Debt of the City of Greenville as of September 30, 2022:
 (Table 4)

LONG-TERM DEBT				
Outstanding at Year-end				
	Governmental Activities		Business-type Activities	
	2022	2021	2022	2021
General obligation bonds	\$ 1,614,000	2,089,000	7,953,000	8,295,000
Other loans	1,560,616	523,786	23,790,764	16,451,777
Financed Purchases	492,283	575,388	3,144,169	3,674,951
Compensated absences	1,109,413	996,875	168,654	117,325
Totals	4,776,312	4,185,049	35,056,587	28,539,053
	Totals		Increase	Percentage
	2022	2021	(Decrease)	Change
General obligation bonds	9,567,000	10,384,000	(817,000)	-7.87%
Other loans	25,351,380	16,975,563	8,375,817	49.34%
Financed Purchases	3,636,452	4,250,339	(613,887)	-14.44%
Compensated absences	1,278,067	1,114,200	163,867	14.71%
Totals	\$ 39,832,899	32,724,102	7,108,797	21.72%

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, 2022**

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 2022 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 75.41 mills is expected to provide adequate funding in the following year.

Contacting the City's Finance Department

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

CITY OF GREENVILLE, MISSISSIPPI

FINANCIAL STATEMENTS

CITY OF GREENVILLE, MISSISSIPPI
STATEMENT OF NET POSITION
September 30, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 9,991,573	\$ 10,043,770	\$ 20,035,343
Accounts receivable (net of allowance for uncollectibles of \$5,715,332)		4,430,306	4,430,306
Intergovernmental receivable	2,628,104	48,685	2,676,789
Other receivables	1,861,483	110,047	1,971,530
Internal balances	3,343,184	(3,343,184)	-
Prepaid expenses	200,020		200,020
Inventory	177,667		177,667
Restricted assets:			
Cash and cash equivalents	40,000	609,240	649,240
Capital assets, net			
Land and construction in progress	85,274,365	32,825,398	118,099,763
Other capital assets, net	113,470,655	40,049,543	153,520,198
Total Assets	216,987,051	84,773,805	301,760,856
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	7,450,296	1,194,887	8,645,183
Deferred outflows related to OPEB	192,657	30,126	222,783
Total Deferred Outflows of Resources	7,642,953	1,225,013	8,867,966
LIABILITIES			
Accounts payable and accrued expenses	3,122,869	1,688,236	4,811,105
Accrued interest payable	24,706	85,734	110,440
Unearned revenue	35,000	7,150,407	7,185,407
Liabilities payable from restricted assets:			
Customer deposits	40,000	609,240	649,240
Long-term liabilities:			
Other postemployment benefits payable	969,209	157,758	1,126,967
Net pension liability	37,904,329	5,451,907	43,356,236
Due within one year:			
Capital related debt	739,380	1,482,101	2,221,481
Due in more than one year:			
Capital related debt	2,927,519	33,405,832	36,333,351
Non-capital related debt	1,109,413	168,654	1,278,067
Total Liabilities	46,872,425	50,199,869	97,072,294
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	1,119,397	182,227	1,301,624
Deferred inflows related to OPEB	268,542	43,165	311,707
Total deferred inflows of resources	1,387,939	225,392	1,613,331
NET POSITION			
Net investment in capital assets	195,078,121	37,987,008	233,065,129
Restricted:			
Expendable:			
Public safety	90,140		90,140
Public works	15,157	7,155,102	7,170,259
Highways & streets	3,146,254		3,146,254
Culture & recreation	551,663		551,663
Airport operation and maintenance	3,134,552		3,134,552
Debt service	1,373,096		1,373,096
Non-Expendable:			
Inventories	177,667		177,667
Prepaid expense	200,020		200,020
Unrestricted	(27,397,030)	(9,568,553)	(36,965,583)
Total Net Position	\$ 176,369,640	\$ 35,573,557	\$ 211,943,197

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, 2022

		Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary		Total
	Expenses				Governmental Activities	Business-type Activities	
FUNCTIONS/PROGRAMS							
Governmental activities:							
General government	\$ 2,862,197	416,951			(2,445,246)		\$ (2,445,246)
Public safety	12,341,829	13,035	124,897	215,909	(11,987,988)		(11,987,988)
Public works	1,697,732	14,481	58,290		(1,624,961)		(1,624,961)
Highways and streets	3,874,755			1,490,732	(2,384,023)		(2,384,023)
Health and sanitation	379,092				(379,092)		(379,092)
Culture and recreation	1,365,704	220,783			(1,144,921)		(1,144,921)
Airport	6,640,464	65,984	44,383	8,338,063	1,807,966		1,807,966
Economic development	570,518				(570,518)		(570,518)
Interest on long-term debt	90,662				(90,662)		(90,662)
Pension expense	4,961,792				(4,961,792)		(4,961,792)
OPEB expense	109,757				(109,757)		(109,757)
Total governmental activities	34,894,502	731,234	227,570	10,044,704	(23,890,994)		(23,890,994)
Business-type activities:							
Water and sewer	15,426,624	10,727,417				(4,699,207)	(4,699,207)
Sanitation	2,952,176	2,286,600				(665,576)	(665,576)
Total business-type activities	18,378,800	13,014,017	-	-		(5,364,783)	(5,364,783)
Total primary government	\$ 53,273,302	13,745,251	227,570	10,044,704	(23,890,994)	(5,364,783)	(29,255,777)
General revenues:							
Property taxes					15,278,121		15,278,121
Sales and tourism tax					7,631,821		7,631,821
Franchise taxes					1,135,382		1,135,382
Rental income					702,897		702,897
Unrestricted interest income					10,485	7,252	17,737
Grants and contributions not restricted to specific programs					1,162,810		1,162,810
Other taxes and other income					275,959		275,959
Internal service fund					85,441		85,441
Transfers					(3,752,774)	3,752,774	-
Total general revenues and transfers					22,530,142	3,760,026	26,290,168
Change in net position					(1,360,852)	(1,604,757)	(2,965,609)
Net Position - beginning, as originally reported					177,727,025	37,178,314	214,905,339
Prior Period Adjustments					3,467		3,467
Net Position - beginning, as restated					177,730,492	37,178,314	214,908,806
Net Position, ending					\$ 176,369,640	\$ 35,573,557	\$ 211,943,197

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

CITY OF GREENVILLE, MISSISSIPPI
BALANCE SHEET- GOVERNMENTAL FUNDS
September 30, 2022

	Major Funds		Non-Major	Total
	General	Parks &	Governmental	Governmental
	Fund	Recreation Fund	Funds	Funds
<u>ASSETS</u>				
Cash and cash equivalents	\$ 2,442,518	\$ 581,524	\$ 6,734,763	\$ 9,758,805
Receivables:				
Property taxes	182,375	5,565	28,048	215,988
Fines receivable (net of allowance for uncollectibles of \$2,826,366)	1,332,704			1,332,704
Franchise Fee	312,791			312,791
Intergovernmental	155,456		2,472,648	2,628,104
Due from other funds	3,477,269			3,477,269
Prepaid expenses	189,714		10,306	200,020
Inventory		6,089		6,089
Restricted assets - cash			40,000	40,000
Total Assets	8,092,827	593,178	9,285,765	17,971,770
<u>LIABILITIES</u>				
Accounts payable and accrued expense	1,633,793	46,116	1,331,485	3,011,394
Unearned revenue	35,000			35,000
Due to other funds			134,085	134,085
Customer deposits			40,000	40,000
Total Liabilities	1,668,793	46,116	1,505,570	3,220,479
<u>FUND BALANCES</u>				
Non-spendable:				
Inventories		6,089		6,089
Prepaid items	189,714		10,306	200,020
Restricted for:				
Public safety			90,140	90,140
Public works			15,157	15,157
Highways & streets			3,146,254	3,146,254
Culture & recreation		540,973	10,690	551,663
Airport operation and maintenance			3,134,552	3,134,552
Debt service			1,373,096	1,373,096
Unassigned	6,234,320			6,234,320
Total Fund Balances	6,424,034	547,062	7,780,195	14,751,291
Total Liabilities and Fund Balances	\$ 8,092,827	\$ 593,178	\$ 9,285,765	\$ 17,971,770

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, 2022

	<u>Amount</u>
Total fund balance - governmental funds	\$ 14,751,291
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 \$218,020,507.	197,803,525
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	(3,666,899)
compensated absences	(1,006,955)
other postemployment benefits payable	(930,392)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the governmental fund financial statements.	(36,346,642)
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the governmental fund financial statements:	
deferred outflows of resources related to pensions	7,108,898
deferred inflows of resources related to pensions	(1,067,330)
deferred outflows of resources related to OPEB	185,121
deferred inflows of resources related to OPEB	(256,846)
Interest accrued on long-term liabilities not reported in the governmental fund financial statements.	(24,706)
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>(179,425)</u>
Total Net Position - Governmental Activities	<u>\$ 176,369,640</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, 2022

	Major Funds		Non-Major	Total
	General	Parks &	Governmental	Governmental
	Fund	Recreation Fund	Funds	Funds
<u>REVENUES:</u>				
Property taxes	\$ 12,789,183	\$ 391,165	\$ 1,580,302	\$ 14,760,650
Licenses and permits	172,108			172,108
Intergovernmental:				
Federal grants	18,841		7,352,237	7,371,078
State of Mississippi:				
Grants	18,042		1,367,222	1,385,264
General sales tax	6,560,800			6,560,800
Gaming tax	1,071,021			1,071,021
Liquor licenses	35,100			35,100
Gasoline tax	23,609			23,609
Municipal aid	17,127			17,127
Privilege tax	77,846			77,846
Homestead reimbursement	418,393	13,774	55,648	487,815
Grand Gulf nuclear	310,532			310,532
Fire protection			196,647	196,647
Other state revenue	25,200			25,200
MS Infrastructure Act	1,490,732			1,490,732
Charges for services	27,516	220,783	65,984	314,283
Franchise tax	1,135,382			1,135,382
Fines and forfeitures	244,843			244,843
Interest income	7,923	15	2,547	10,485
Rental income	435,450	32,394	235,053	702,897
Other income	216,034	59,799	126	275,959
Contributions	13,909	225		14,134
Total revenues:	<u>25,109,591</u>	<u>718,155</u>	<u>10,855,766</u>	<u>36,683,512</u>
<u>EXPENDITURES:</u>				
Current:				
General government	2,783,799		148,819	2,932,618
Public safety	14,000,145		466,499	14,466,644
Public works	1,925,710			1,925,710
Highways and streets	3,220,582		703,992	3,924,574
Health and sanitation	376,552			376,552
Culture and recreation		1,360,082		1,360,082
Economic development	607,659			607,659
Airport			7,988,195	7,988,195
Debt service:				
Principal paid	83,105		938,170	1,021,275
Interest paid	20,853		76,373	97,226
Total expenditures:	<u>23,018,405</u>	<u>1,360,082</u>	<u>10,322,048</u>	<u>34,700,535</u>
Excess of Revenues over (under) Expenditures	<u>2,091,186</u>	<u>(641,927)</u>	<u>533,718</u>	<u>1,982,977</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Long-term capital debt issued			1,500,000	1,500,000
Transfers in	2,622,462	663,000	1,135,000	4,420,462
Transfers out	(5,960,806)		(2,212,430)	(8,173,236)
Net other financing sources (uses)	<u>(3,338,344)</u>	<u>663,000</u>	<u>422,570</u>	<u>(2,252,774)</u>
Net change in fund balances	<u>(1,247,158)</u>	<u>21,073</u>	<u>956,288</u>	<u>(269,797)</u>
Fund balances - beginning, as previously reported	7,667,725	525,989	6,823,907	15,017,621
Prior period adjustment	3,467			3,467
Fund balances - beginning, as restated	<u>7,671,192</u>	<u>525,989</u>	<u>6,823,907</u>	<u>15,021,088</u>
Fund balance, ending	<u>\$ 6,424,034</u>	<u>\$ 547,062</u>	<u>\$ 7,780,195</u>	<u>\$ 14,751,291</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, 2022

	<u>Amount</u>
Net changes in fund balances - governmental funds	\$ (269,797)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays of \$4,653,997 exceeded depreciation expense of \$2,603,584.	2,050,413
The proceeds of long-term debt provides financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the government funds, but the repayment reduces long-term liabilities in the statement of net position. Thus, the change in net position differs from the change in fund balances by the amount that debt proceeds of \$1,500,000 exceeds debt payments of \$1,021,275.	(478,725)
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	(110,151)
Change in accrued interest on long-term debt	6,564
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	(4,961,793)
Recording of contributions made prior and subsequent to the measurement date	2,386,639
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 OPEB expense for the current period	(109,757)
Recording of contributions made during the year	40,314
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.	85,441
Change in net position of governmental activities	<u>\$ (1,360,852)</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, 2022

	Business-Type Activities			Governmental
	Enterprise Fund Water & Sewer Fund	Non-Major Sanitation Fund	Enterprise Funds Total	Activity Internal Service Fund
<u>ASSETS</u>				
Current assets:				
Cash and cash equivalents	\$ 10,043,770		\$ 10,043,770	\$ 232,768
Accounts receivable (net of allowance for uncollectibles of \$4,725,391 & \$989,941)	3,525,886	\$ 904,420	4,430,306	
Intergovernmental receivables	48,685		48,685	
Other receivables	110,047		110,047	
Inventory				171,578
Total Current Assets	13,728,388	904,420	14,632,808	404,346
Non-current assets:				
Restricted assets - cash	609,240		609,240	
Capital assets:				
Land and construction in progress	30,312,857	2,512,541	32,825,398	
Other capital assets, net	38,731,174	1,318,369	40,049,543	941,495
Total Non-Current Assets	69,653,271	3,830,910	73,484,181	941,495
Total Assets	83,381,659	4,735,330	88,116,989	1,345,841
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred outflows related to pensions	938,840	256,047	1,194,887	341,397
Deferred outflows related to OPEB	22,598	7,528	30,126	7,536
Total Deferred Outflows of Resources	961,438	263,575	1,225,013	348,933
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable and accrued expenses	1,585,174	103,062	1,688,236	111,475
Due to other funds	3,343,184		3,343,184	
Accrued interest payable	85,471	263	85,734	
Unearned revenue	7,150,407		7,150,407	
Capital debt:				
Finance purchases payable	551,405		551,405	
Notes payable	454,089	118,607	572,696	
Bonds payable	358,000		358,000	
Total Current Liabilities	13,527,730	221,932	13,749,662	111,475
Non-current liabilities:				
Other postemployment benefits payable	117,462	40,296	157,758	38,817
Liabilities payable from restricted assets	609,240		609,240	
Net pension liability	4,283,641	1,168,266	5,451,907	1,557,687
Capital debt:				
Finance purchases payable	2,592,764		2,592,764	
Notes payable	23,004,980	213,088	23,218,068	
Bonds payable	7,595,000		7,595,000	
Non-capital debt:				
Compensated absences	133,571	35,083	168,654	102,458
Total Non-Current Liabilities	38,336,658	1,456,733	39,793,391	1,698,962
Total Liabilities	51,864,388	1,678,665	53,543,053	1,810,437
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred inflows related to pensions	143,178	39,049	182,227	52,066
Deferred inflows related to OPEB	32,681	10,484	43,165	11,696
Total Deferred Inflows of Resources	175,859	49,533	225,392	63,762
<u>NET POSITION</u>				
Net investment in capital assets	34,487,793	3,499,215	37,987,008	941,495
Restricted for:				
Public Works	7,155,102		7,155,102	
Unrestricted	(9,340,045)	(228,508)	(9,568,553)	(1,120,920)
Total Net Position	\$ 32,302,850	\$ 3,270,707	\$ 35,573,557	\$ (179,425)

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, 2022

	Business-Type Activities			Governmental Activity
	Enterprise Fund Water & Sewer Fund	Non-Major Sanitation Fund	Enterprise Funds Total	Internal Service Fund
<u>OPERATING REVENUES:</u>				
Charges for services:				
Water sales	\$ 4,929,130		\$ 4,929,130	
Sewer sales	5,798,287		5,798,287	
Sanitation fees		\$ 2,286,600	2,286,600	
Maintenance fees				\$ 2,600,016
Total Operating Revenues	10,727,417	2,286,600	13,014,017	2,600,016
<u>OPERATING EXPENSES:</u>				
Personal services	1,943,788	791,556	2,735,344	561,530
Contractual services	6,712,991	1,559,898	8,272,889	321,172
Consumable supplies	3,018,081	220,257	3,238,338	1,382,242
Depreciation expense	2,509,113	189,273	2,698,386	21,704
Pension expense	613,593	167,285	780,878	223,259
OPEB expense	15,583	6,132	21,715	4,668
Total Operating Expenses	14,813,149	2,934,401	17,747,550	2,514,575
Operating Income (Loss)	(4,085,732)	(647,801)	(4,733,533)	85,441
<u>NON-OPERATING REVENUES (EXPENSES)</u>				
Interest income	7,252		7,252	
Interest expense	(613,475)	(17,775)	(631,250)	
Total Non-operating Revenues (Expenses)	(606,223)	(17,775)	(623,998)	-
Net Income (Loss) Before Operating Transfers	(4,691,955)	(665,576)	(5,357,531)	85,441
<u>OPERATING TRANSFERS:</u>				
Operating Transfers in	4,917,949	1,088,044	6,005,993	
Operating Transfers out	(2,253,219)		(2,253,219)	
Net Operating Transfers	2,664,730	1,088,044	3,752,774	-
Change in Net Position	(2,027,225)	422,468	(1,604,757)	85,441
Net Position - Beginning	34,330,075	2,848,239	37,178,314	(264,866)
Net Position - Ending	\$ 32,302,850	\$ 3,270,707	\$ 35,573,557	\$ (179,425)

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, 2022

	Business-Type Activities		Governmental
	Enterprise Fund	Non-Major	Activity
	Water & Sewer	Sanitation	Internal Service
	Fund	Fund	Fund
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Cash received from customers and users	\$ 10,908,595	\$ 2,108,226	
Receipts from internal services	\$ 455,532		\$ 2,600,016
Payments to employees for services	(2,159,365)	(846,324)	(562,076)
Payments to suppliers for goods and services	(9,632,660)	(1,767,046)	(1,805,172)
Net Cash Provided (Used) by Operating Activities	(427,898)	(505,144)	232,768
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>			
Operating transfers, net	2,664,730	1,088,044	
Cash received from other funds:			
Loans from other funds	3,343,184		
Interfund loan repayments	(3,962,550)		
Net Cash Provided (Used) by Noncapital Financing Activities	2,045,364	1,088,044	-
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>			
Acquisition of property and equipment	(7,579,860)	(448,853)	
Principal payments on long-term debt	(1,317,578)	(116,365)	
Proceeds of long-term debt	7,900,148		
Capital grants received	3,575,204		
Interest paid on debt	(620,217)	(17,682)	
Net Cash Provided (Used) by Capital and Related Financing Activities	1,957,697	(582,900)	-
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>			
Interest on deposits	7,252		
Net Cash Provided (Used) by Investing Activities	7,252	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	3,582,415	-	232,768
Cash and Cash Equivalents, October 1	7,070,595	-	-
Cash and Cash Equivalents, September 30	\$ 10,653,010	\$ -	\$ 232,768
<u>RECONCILIATION OF OPERATING INCOME TO NET</u>			
<u>CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>			
Operating income (loss)	\$ (4,085,732)	\$ (647,801)	\$ 85,441
Adjustments to reconcile operating income (loss)			
to net cash provided (used) by operating activities:			
Depreciation	2,509,113	189,273	21,704
Pension/OPEB expense adjustment	372,710	102,781	135,038
(Increase) decrease in accounts receivable	413,946	(172,604)	
(Increase) decrease in other receivables	14,482		
(Increase) decrease in intergovernmental receivables	100,775		
(Increase) decrease in inventory			(34,276)
Increase (decrease) in accounts payable and accrued expenses	454,985	13,308	22,475
Increase (decrease) in customer deposits	370,300		
Increase (decrease) in compensated absences	40,889	9,899	2,386
Increase (decrease) in interfund payables	(619,366)		
Total adjustments	3,657,834	142,657	147,327
Net Cash Provided (Used) by Operating Activities	\$ (427,898)	\$ (505,144)	\$ 232,768

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

CITY OF GREENVILLE, MISSISSIPPI
STATEMENT OF FIDUCIARY NET POSITION
September 30, 2022

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ 26,259
Intergovernmental receivable	133,000
Total Assets	<u>159,259</u>
LIABILITIES	
Intergovernmental payables	<u>23,772</u>
Total Liabilities	<u>23,772</u>
NET POSITION	
Held in trust for:	
Individuals, organizations, and other governments	135,487
Total Net Position	<u>\$ 135,487</u>

CITY OF GREENVILLE, MISSISSIPPI
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION
September 30, 2022

	<u>Custodial Funds</u>
ADDITIONS	
Property tax collections for other governments	\$ 11,095,108
Total Additions	<u>11,095,108</u>
DEDUCTIONS	
Payments of property tax collections to other governments	<u>11,108,603</u>
Total Deductions	<u>11,108,603</u>
Change in Net Position held in trust for:	
Net increase (decrease) in fiduciary net position	<u>(13,495)</u>
NET POSITION - BEGINNING	148,982
NET POSITION - ENDING	<u>\$ 135,487</u>

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended, September 30, 2022

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 2.00 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, 2022

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

The City reports the following major governmental funds:

General Fund - The general fund is the primary operating fund of the City. It is used to account for and report all financial resources not accounted for and reported in another fund.

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

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended, September 30, 2022

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

Custodial Funds - Custodial Funds are used to report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

D. Account Classifications.

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

E. Deposits and Investments

State law authorizes the City to invest in interest bearing time certificates of deposit for periods of fourteen days to one year with depositories and in obligations of the U.S. Treasury, State of Mississippi,

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended, September 30, 2022

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 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.

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended, September 30, 2022

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
Intangible assets		**		**

** Intangible assets for the City represent right-to-use leased assets and are capitalized as a group for reporting purposes. The estimated useful life is the term of the lease agreement. There is no mandated maximum amortization period. Intangible assets with indefinite useful lives should not be amortized. The term "depreciation" includes the amortization of intangible assets.

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.

Deferred outflows related to OPEB – This amount represents the City's proportionate share of the deferred outflows of resources reported by the OPEB plan in which the City participates. See Note 10 for additional details.

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended, September 30, 2022

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.

Deferred inflows related to OPEB – This amount represents the City's proportionate share of the deferred inflows of resources reported by the OPEB plan in which the City participates. See Note 10 for additional details.

L. Leases.

The Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases* (GASB 87), to establish a single leasing model for accounting and reporting purposes. This guidance is intended to enhance the accountability, consistency and comparability of lease activities reported by governments. GASB 87 was implemented during fiscal year 2022.

The City uses the Federal Prime Borrowing Rate in effect at the date of the lease inception (3.3%) to calculate the present value of lease payments when the rate implicit in the lease is not known when the City is the lessee. See Note 9 for details.

M. 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.

N. Other Postemployment Benefits

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 Council may amend the City's health insurance plan. The City purchases health insurance coverage from a commercial insurance company and offers health insurance benefit coverage through the City's health insurance plan (the Plan). Since retirees may obtain health insurance by participating in a group with active employees and consequently receive a health insurance premium rate differential, the City has a postemployment healthcare benefit reportable under GASB Statement 75 as a single employer defined benefit health care plan. Effective October 1, 2017, the City implemented GASB Statement 75 prospectively, which requires reporting on an accrual basis the liability associated with other postemployment benefits. The City does not issue a publicly available financial report of the Plan.

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended, September 30, 2022

O. 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 financed purchases 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.

P. Equity Classifications

Government-wide Financial Statements:

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

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

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

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

Net Position Flow Assumption:

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

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

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended, September 30, 2022

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.

Q. 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.

R. 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.

S. Property Tax Revenues

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

The City, each year at a meeting in September, levies property taxes for the ensuing fiscal year which begins on October 1. Real property taxes become a lien on January 1 of the current year, and personal property taxes become a lien on March 1 of the current year. Taxes on both real and personal property, however, are due on or before February 1 of the next succeeding year. Taxes on motor vehicles and mobile homes become a lien and are due in the month that coincides with the month of original purchase. All unpaid taxes levied October 1st become delinquent February 1st of the following year. Delinquent taxes are considered fully collectible

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended, September 30, 2022

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 total millage rate for the City for the 2022 property taxes were 75.41 mills: 60.75 mills for the general fund, 8.08 mills for the debt service fund, 2.00 mills for library maintenance, 2.00 mills for park maintenance, and 2.58 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.

T. 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.

U. Compensated Absences

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

The City's employees accumulate personal leave in following manner: Each shall earn one (1) working day per month for annual leave during the first 15 years of employment. After 15 years of continuous employment, each employee shall earn one and one-half (1½) days per month for annual leave. An employee must have worked a minimum of six (6) months before being eligible to use vacation time. Vacation time will be computed by using the employee's anniversary date times the number of months worked. Accumulated vacation leave may be carried over from year to year. However, upon an employee's 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.

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V. Changes in Accounting Standards

GASB 87, *Leases*, was implemented during fiscal year 2022. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. It established a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This guidance is intended to enhance the accountability, consistency and comparability of lease activities reported by governments.

NOTE 2: PRIOR PERIOD ADJUSTMENTS

A summary of significant fund equity adjustments is as follows:

Statement of Activities: Governmental Activities	
Explanation	Amount
Adjustment to correct prior year posting error	\$ 3,467
	<u>\$ 3,467</u>
Statement of Revenues, Expenditures, and Changes in Fund Balances: Governmental	
Explanation	Amount
Adjustment to correct prior year posting error	\$ 3,467
	<u>\$ 3,467</u>

NOTE 3: BUDGET POLICY

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

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

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

CITY OF GREENVILLE, MISSISSIPPI
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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, 2022, was \$20,710,842 and the bank balance was \$21,159,616. The collateral for public entities’ deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss Code Annotated (1972). Under this program, the entity’s funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace deposits not covered by the Federal Depository Insurance Corporation (FDIC).

Custodial Credit Risk- Deposits. Custodial credit risk is the risk that in the event of the failure of a financial institution, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk. 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
General Fund	Water & Sewer fund	\$ 3,343,184
General Fund	Non-Major Governmental Funds	134,085
Total		<u>\$ 3,477,269</u>

The receivable fund represents inter-fund loans from General Fund to Water & Sewer and Non-Major Governmental funds for operational expenditures. All inter-fund balances are expected to be repaid within one year from the date of the financial statements.

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Transfer In/Out:

Transfer In	Transfer Out	Amount
General Fund	Water & Sewer Fund	\$ 1,363,500
General Fund	Non-Major Governmental Funds	1,258,962
Parks & Recreation Fund	General Fund	663,000
Non-Major Governmental Funds	General Fund	1,135,000
Water & Sewer Fund	Non-Major Governmental Funds	755,143
Water & Sewer Fund	General Fund	4,162,806
Sanitation Fund	General Fund	665,116
Sanitation Fund	Water & Sewer Fund	224,603
Sanitation Fund	Non-Major Governmental Funds	198,325
Total		<u>\$ 10,426,455</u>

The purpose of the transfers were to: appropriate gaming revenues in the amount of \$1,368,000 for operations, maintenance, and capital expenditures to Major Fund Parks & Recreation (\$233,000) and Non-Major Governmental Funds (\$1,135,000); transfers from Water & Sewer Fund to General Fund (\$1,363,500) for operational expenditures; and transfers from General Fund to Major Fund Parks & Recreation (\$430,000), Water & Sewer Fund (\$587,602) for SRF note payment and negative cash (\$3,575,203) and, to Sanitation Funds (\$665,116) for operational expenditures; transfers from Non-Major Governmental Funds to General Fund (\$1,258,962), Water & Sewer Fund (\$755,143), and Sanitation (\$198,325) for operational expenses; and transfers from Water & Sewer Fund (\$224,603) to Sanitation Fund for operational expenses.

NOTE 6: RECEIVABLES AND UNCOLLECTIBLES

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, 2022, include the following:

Governmental Activities

Description	Amount
Inter-governmental Receivables:	
Federal	
FAA projects	\$ 2,215,178
FEMA-Assistance to Fighters	215,909
FEMA-Flood 2019	144,059
Airport Security	7,750
FBI Safe Streets Task Force	3,648
Sub-total	<u>2,586,544</u>
State	
FAA projects	39,420
Litter program	2,140
Sub-total	<u>41,560</u>
TOTAL	<u>\$ 2,628,104</u>

CITY OF GREENVILLE, MISSISSIPPI
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Description	Amount
Other Receivables:	
Fines (net of allowance for uncollectibles of \$2,826,366)	\$ 1,332,704
Franchise fees	312,791
Property tax	215,988
TOTAL	\$ 1,861,483

Business-type Activities

Inter-Governmental and Other Receivables

Description	Amount
Inter-governmental Receivables:	
Federal FEMA-Flood 2019	\$ 16,720
State FEMA-Flood 2019	31,965
TOTAL	\$ 48,685

Description	Amount
Other Receivables:	
Returned checks	\$ 64,486
Sales tax	45,561
TOTAL	\$ 110,047

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 \$3,525,886 and \$904,420 respectively are reported net of estimated uncollectible of \$4,725,391 and \$989,941.

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		\$ 609,240
Total	\$ 40,000	\$ 609,240

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NOTE 8: CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2022, was as follows:

GOVERNMENTAL ACTIVITIES	Balance Oct. 1, 2021	Additions	Deletions	Adjustments	Balance Sept. 30, 2022
Non-depreciable capital assets:					
Land	\$ 84,036,082				\$ 84,036,082
Construction in progress	1,238,283	165,859		(1,238,283)	165,859
Total non-depreciable capital assets	85,274,365	165,859	-	(1,238,283)	84,201,941
Depreciable capital assets:					
Infrastructure	281,665,764	1,884,202		1,238,283	284,788,249
Buildings & Improvements	32,012,486	37,857			32,050,343
Mobile & machinery equipment	11,478,364	1,986,459			13,464,823
Furniture & equipment	3,610,667	579,620			4,190,287
Leased property under capital lease	1,353,772			(1,353,772)	-
Intangible right to use assets					
Building improvements	-			1,353,772 *	1,353,772
Total depreciable capital assets	330,121,053	4,488,138	-	1,238,283	335,847,474
Less accumulated depreciation for:					
Infrastructure	183,628,576	1,433,828		5	185,062,409
Buildings & Improvements	23,989,640	301,207			24,290,847
Mobile & machinery equipment	7,752,182	606,607			8,358,789
Furniture & equipment	2,767,184	229,494			2,996,678
Leased property under capital lease	541,520			(541,520)	-
Intangible right to use assets					
Building improvements	-	54,152		541,520 *	595,672
Total accumulated depreciation	218,679,102	2,625,288	-	5	221,304,395
Depreciable capital assets, net	111,441,951	1,862,850	-	1,238,278	114,543,079
Governmental activities capital assets, net	\$ 196,716,316	2,028,709	-	(5)	\$ 198,745,020
Total capital assets, net, excluding intangible right to use assets					\$ 197,986,920
Intangible right to use assets					758,100
Total capital assets, net, as reported in the statement of net position					\$ 198,745,020

The adjustments above for leased assets are a result of the implementation of GASB 87. Under the new guidance, leases that were previously reported as capital leases and whereby the asset conveys to the lessee at the conclusion of the lease, are now considered

* financed purchases. Since these assets are no longer considered leased assets, reclassifications have been made to report them in their respective category. Other adjustments were for reclassification of assets.

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

GOVERNMENTAL ACTIVITIES	Amount
General government	\$ 129,892
Public safety	456,348
Public works	84,554
Highway & streets	325,170
Health & welfare	2,540
Culture & recreation	100,124
Economic development	4,967
Airport	1,499,989
Internal service fund	21,704
Total governmental activities depreciation	\$ 2,625,288

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BUSINESS-TYPE ACTIVITIES	Balance Oct. 1, 2021	Additions	Deletions	Adjustments	Balance Sept. 30, 2022
Non-depreciable capital assets:					
Land	\$ 2,512,541				\$ 2,512,541
Construction in progress	23,158,998	7,153,859			30,312,857
Total non-depreciable capital assets	25,671,539	7,153,859	-	-	32,825,398
Depreciable capital assets:					
Infrastructure	360,261,904	267,358			360,529,262
Buildings & improvements	34,818,325				34,818,325
Mobile & machinery equipment	12,147,679	472,591			12,620,270
Furniture & equipment	1,757,230	13,486			1,770,716
Leased property under capital lease	7,700,785			(7,700,785)	-
Intangible right to use assets					
Equipment	-			7,700,785 *	7,700,785
Total depreciable capital assets	416,685,923	753,435	-	-	417,439,358
Less accumulated depreciation for:					
Infrastructure	333,499,124	2,024,617			335,523,741
Buildings & Improvements	27,840,958	3,022			27,843,980
Mobile & machinery equipment	10,011,700	204,630			10,216,330
Furniture & equipment	875,391	158,085			1,033,476
Leased property under capital lease	2,464,256			(2,464,256)	-
Intangible right to use assets					
Equipment	-	308,032		2,464,256 *	2,772,288
Total accumulated depreciation	374,691,429	2,698,386	-	-	377,389,815
Depreciable capital assets, net	41,994,494	(1,944,951)	-	-	40,049,543
Business-Type activities capital assets, net	\$ 67,666,033	5,208,908	-	-	\$ 72,874,941
Total capital assets, net, excluding intangible right to use assets					\$ 67,946,444
Intangible right to use assets					4,928,497
Total capital assets, net, as reported in the statement of net position					\$ 72,874,941

The adjustments above for leased assets are a result of the implementation of GASB 87. Under the new guidance, leases that were previously reported as capital leases and whereby the asset conveys to the lessee at the conclusion of the lease, are now considered financed purchases. Since these assets are no longer considered leased assets, reclassifications have been made to report them in their respective category. Other adjustments were for reclassification of assets.

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

BUSINESS-TYPE ACTIVITIES	Amount
Sewer & Water	\$ 2,509,113
Sanitation	189,273
Total business-type activities depreciation	<u>\$ 2,698,386</u>

Commitments with respect to major unfinished capital projects at September 30, 2022, consisted of the following:

Description	Remaining Financial Commitment	Expected Date of Completion
Various Airport Projects	\$851,803	Fiscal 2023
Various Sewer Projects	Unknown	Unknown

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NOTE 9: LEASES

The City is a lessee for various non-cancellable leases of building improvements and equipment. For leases that have a maximum possible term of 12 months or less at commencement, the City recognizes expense based on the provisions of the lease contract. For all other leases, other than short-term, the City recognized a lease and an intangible right-to-use lease asset.

At lease commencement, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, less lease payments made at or before the lease commencement date, plus any initial direct costs ancillary to placing the underlying asset into service, less any lease incentives received at or before the lease commencement date. Subsequently, the lease asset is amortized in depreciation expense, which includes amortization, on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

The lease term includes the non-cancellable period of the lease plus any additional periods covered by either a City or lessor option to extend for which it is reasonably certain to be exercised or terminate for which it is reasonably certain to not be exercised. Periods in which both the City and the lessor have a unilateral option to terminate (or if both parties have agreed to extend) are excluded from the lease term.

Lease Assets

	Balance			Balance
	Oct. 1, 2021	Additions	Amortization	Sept. 30, 2022
GOVERNMENTAL ACTIVITIES				
Building improvements	\$ 812,252		54,152	\$ 758,100
Total	812,252	-	54,152	758,100
BUSINESS-TYPE ACTIVITIES				
Water meters and related equipment	5,236,529		308,032	4,928,497
Total	\$ 5,236,529	-	308,032	\$ 4,928,497

Lease Liabilities

	Balance		Principal	Balance
	Oct. 1, 2021	Additions	Payments	Sept. 30, 2022
GOVERNMENTAL ACTIVITIES				
Building improvements	\$ 575,388		83,105	\$ 492,283
Total	575,388	-	83,105	492,283
BUSINESS-TYPE ACTIVITIES				
Water meters and related equipment	\$ 3,674,951		530,782	\$ 3,144,169
Total	3,674,951	-	530,782	3,144,169

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The following is a schedule by years of the total payments due as of September 30, 2022:

Year Ending September 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 86,334	\$ 17,624	\$ 551,405	\$ 112,565
2024	89,688	14,270	572,829	91,141
2025	93,173	10,785	595,085	68,884
2026	96,793	7,165	618,206	45,763
2027	100,553	3,404	642,226	21,744
2028	25,742	246	164,418	1,574
Total	<u>\$ 492,283</u>	<u>\$ 53,494</u>	<u>\$ 3,144,169</u>	<u>\$ 341,671</u>

NOTE 10: OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description

The Council administers the City's health insurance plan which is authorized by Sections 25-15-101 et seq., Mississippi Code Ann. (1972). The City's health insurance plan may be amended by the City Council. The City purchases health insurance coverage from a commercial insurance company and offers health insurance benefit coverage through the City's health insurance plan (the Plan). Since retirees may obtain health insurance by participating in a group with active employees and consequently receive a health insurance premium rate differential, the City has a postemployment healthcare benefit reportable under GASB Statement 75 as a single employer defined benefit health care plan. Effective October 1, 2017, the City implemented GASB Statement 75 prospectively, which requires reporting on an accrual basis the liability associated with other postemployment benefits. The City does not issue a publicly available financial report of the Plan.

Benefits Provided

The Plan was formed by the City to provide group health benefits to full-time active and retired employees of the City. Employees become eligible for benefits under the plan upon attainment of 25 years of PERS 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 \$50,004 for the year ended September 30, 2022.

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Employees Covered by Benefit Terms

At September 30, 2022, the following employees were covered by the benefit terms:

Active (with medical coverage)	328
Retirees (with medical coverage)	5
Retiree Spouse (with medical coverage)	3
Total	<u><u>336</u></u>

Total OPEB Liability

The City's total OPEB liability of \$1,126,967 was measured as of September 30, 2022, and was determined by an actuarial valuation date of September 30, 2021.

Actuarial assumptions and other inputs. The total OPEB liability in the October 1, 2021, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

<u>Description</u>	<u>Assumptions</u>
Inflation	2.06 percent
Salary increases	2.00 percent per annum, including inflation
Investment rate of return	N/A
Healthcare cost trend rates	6.50% graded down to 5.75% over 3 years After the transition period, medical trend follows the Getzen model.

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

The following changes were made to the actuarial assumptions and methods effective October 1, 2020.

1. The discount rate is 2.06% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of October 21, 2021, compared to the prior Statement No. 75 discount rate of 3.75%.
2. Medical trend was set to follow the Getzen Model after a 3-year transition period starting at 6.50% decreasing uniformly to 5.75% over 3 years.
3. The mortality rate has been updated to use the Pri-2012 mortality tables with improvement scale MP2020.
4. For active employees, 30% are assumed to be married at retirement, with males assumed to be 3 years older than female spouses.
5. The claims aging factors have been updated to follow the Yamamoto aging factors.
6. Plan participation rate of 25% of future eligible retirees are assumed to elect medical coverage upon retirement.

The actuarial assumptions used in the September 30, 2022, valuation was based on the experience of the plan.

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Changes in the Total OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 09/30/2021	\$ 1,030,951	\$ -	\$ 1,030,951
Changes for the Year:			
Service cost	125,211	-	125,211
Interest	20,809	-	20,809
Benefit changes	-	-	-
Differences between expected and actual experience	-	-	-
Changes in assumptions	-	-	-
Contributions-Employer	-	50,004	(50,004)
Benefits paid	(50,004)	(50,004)	-
Net Changes	96,016	-	96,016
Balances at 09/30/2022	\$ 1,126,967	\$ -	\$ 1,126,967

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 (1.06 percent) or 1-percentage-point higher (3.06 percent) than the current discount rate:

	1% Decrease (1.06%)	Current Rate (2.06%)	1% Increase (3.06%)
Net OPEB liability	\$ 1,238,471	1,126,967	1,030,951

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 (5.50 percent decreasing to 4.75 percent) or 1-percentage-point higher (7.50 percent decreasing to 6.75 percent) than the assumed trend rate:

	1% Decrease 5.50% decreasing to 4.75% over 3 years to the Getzen Model	Current 6.50% decreasing to 5.75% over 3 years to the Getzen Model	1% Increase 7.50% decreasing to 6.75% over 3 years to the Getzen Model
Net OPEB liability	\$ 1,030,951	1,126,967	1,413,609

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

For the year ended September 30, 2022, the City recognized OPEB expense of \$136,140. As of September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience losses (gains)	\$	(311,707)
Changes of assumptions	222,783	
Total	\$ 222,783	(311,707)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending September	Amount
2023	\$ (9,880)
2024	(9,880)
2025	(9,880)
2026	(9,880)
2027	(9,880)
Thereafter	(39,524)
Total	\$ (88,924)

NOTE 11: DEFINED BENEFIT PENSION PLAN

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

General Information about the Pension Plan

Plan Description. The City of Greenville contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing, multiple-employer, defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Plan provisions and the Board of Trustees' authority to determine contribution rates are established by Miss. Code Ann. Section 25-11-1 et seq., (1972, as amended) and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Public Employees' Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling 1-800-444-PERS.

Benefits Provided. Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi, state universities, community and junior colleges, and teachers and employees of the public-school districts. For those persons employed by political subdivisions and instrumentalities of the State of Mississippi, membership is contingent upon approval of the entity's participation in PERS by the PERS' Board of Trustees. If approved, membership for the entity's employees is a condition of employment and eligibility is granted to those who qualify upon hiring. Participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance

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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 additional 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 completion of 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. As of September 30, 2022, 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 as of September 30, 2022, was 17.40% of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The City's contributions (employer share only) to PERS for the years ending September 30, 2022, 2021 and 2020 were \$2,279,472, \$1,937,020, and \$2,048,585, 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, 2022, the City reported a liability of \$38,942,187 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2022, net pension liability was 0.166 percent, which was based on a measurement date of June 30, 2022. This was an increase of 0.023 percent from its proportionate share used to calculate the September 30, 2021, net pension liability, which was based on a measurement date of June 30, 2021.

For the year ended September 30, 2022, the City recognized pension expense of \$5,578,115. As of September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 527,704	
Net difference between projected and actual earnings on pension plan investments	2,871,757	
Changes of assumptions	1,184,970	
Changes in the proportion and differences between actual contributions and proportionate share of contributions	3,415,355	1,301,624
Contributions subsequent to the measurement date	535,121	
	<u>\$ 8,534,907</u>	<u>1,301,624</u>

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The \$535,121 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, 2023. 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
2023	\$ 2,544,819
2024	1,398,554
2025	641,685
2026	2,113,104
Total	<u>\$ 6,698,162</u>

Actuarial Assumptions. The total pension liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods in the measurement:

Description	Assumptions
Inflation	2.40 percent
Salary increases	2.65 - 17.90 percent, including inflation
Investment rate of return	7.55 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, 95% of male rates up to age 60, 110% for ages 61 to 75 and 101% for ages above 77. For females, 84% of female rates up to age 72 and 100% for ages above 76. Mortality rates for Contingent Annuitants were based on the PubS.H-2010(B) Contingent Annuitant Table, adjusted 97% for males and 110% for females. Mortality rates will be projected generationally using the MP-2020 projection scale to account for future improvements in life expectancy.

The actuarial assumptions used for the purposes of determining the total pension liability were based on the results of an actuarial experience study for the four-year period from July 1, 2016, to June 30, 2020. The experience report is dated April 20, 2021.

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

The most recent target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	25.00%	4.60%
International Equity	20.00%	4.50%
Global Equity	12.00%	4.85%
Fixed Income	18.00%	1.40%
Real Estate	10.00%	3.65%
Private Equity	10.00%	6.00%
Private Infrastructure	2.00%	4.00%
Private Credit	2.00%	4.00%
Cash Equivalents	1.00%	-0.10%
	<u>100.00%</u>	

Discount Rate. The discount rate used to measure the total pension liability was 7.55 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 7.55 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 (6.55 percent) or 1-percentage-point higher (8.55 percent) than the current rate:

	1% Decrease (6.55%)	Discount Rate (7.55%)	1% Increase (8.55%)
Proportionate share of the net pension liability	\$ 54,607,331	38,942,187	29,146,623

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

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

General information about the Plan

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

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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 years. 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 years with a maximum benefit of 66-2/3 percent of average compensation.

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

The allowances of certain retired members are adjusted annually by a Cost-of-Living Adjustment (COLA) on the basis of the annual percentage change in each fiscal year of the Consumer Price Index. The City of Greenville adjustments are limited to a maximum of 2.5 percent per year (not to exceed 25 percent) for all retirees and beneficiaries.

As of June 30, 2022 (measurement date), the following employees were covered by the plan:

Inactive Members or Their Beneficiaries Currently Receiving Benefits	58
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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

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
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September 30, 2022, the City levied 2.58 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, 2022, was \$537,412.

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, 2022, 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, 2022, actuarial valuations were determined using the following actuarial information and assumptions:

Description	Assumptions
Valuation date	June 30, 2022
Actuarial cost method	Ultimate Asset Reserve
Amortization method	N/A
Remaining amortization period	N/A
Asset valuation method	Market value of assets
Inflation	2.75 percent
Cost of living adjustments	3.00 - 4.50 percent, including inflation
Investment rate of return	6.25 percent, net of pension plan investment expense, including inflation

The underlying assumptions and all other actuarial assumptions used in the June 30, 2022, valuation was adopted by the PERS Board of Trustees. Further details can be found on the PERS website.

Discount Rate. The discount rate used to measure the total pension liability was 7.55 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 (2.58 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, 2022, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2021	\$ 7,020,137	2,883,876	4,136,261
Changes for the year:			
Service Cost			-
Interest	498,788		498,788
Changes of benefit terms			-
Difference between expected and actual experience	76,155		76,155
Changes of assumptions			-
Contributions - employer		537,412	(537,412)
Contributions - employee			-
Net Investment income		(229,509)	229,509
Benefit payments, including refunds of employee contributions	(827,358)	(827,358)	-
Administrative expense		(10,748)	10,748
Other changes			-
Net Changes	(252,415)	(530,203)	277,788
Balances at June 30, 2022	<u>\$ 6,767,722</u>	<u>2,353,673</u>	<u>4,414,049</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the plan net pension liability calculated using the discount rate of 7.55 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 (6.55 percent) or one percentage point higher (8.55 percent) than the current rate:

	1% Decrease (6.55%)	Discount Rate (7.55%)	1% Increase (8.55%)
Plan's net pension liability (asset)	\$ 4,867,986	4,414,049	4,011,209

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, 2022, the plan recognized pension expense of \$(387,739).

CITY OF GREENVILLE, MISSISSIPPI
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As of September 30, 2022, the plan reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 80,013	
Contributions subsequent to the measurement date	30,263	
	<u>\$ 110,276</u>	<u>-</u>

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

The \$30,263 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, 2023.

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
2023	\$ 9,038
2024	4,499
2025	(20,704)
2026	87,180
Total	<u>\$ 80,013</u>

Summary of Pension Plan Balances

The City's pension related balances presented on the Statement of Net Position as of September 30, 2022, by individual plan are as follows:

	PERS	MMRS	Total
Deferred outflows - Pensions	\$ 8,534,907	110,276	8,645,183
Net pension liability	38,942,187	4,414,049	43,356,236
Deferred inflows - Pensions	1,301,624	-	1,301,624
Pension expense	\$ 5,578,115	387,739	5,965,854

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended, September 30, 2022

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 further indebtedness under the above debt limits as of September 30, 2022, is approximately:

<u>15% Limit</u>	<u>20% Limit</u>
\$19,963,069	\$30,437,196

CITY OF GREENVILLE, MISSISSIPPI
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Debt outstanding as of September 30, 2022, consisted of the following:

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
Governmental Activities:			
A. General Obligation Bonds:			
Series 2015-Refunding Bond	1,614,000	1.538 to 2.634	04-2028
Total General Obligation Bonds	<u>1,614,000</u>		
B. Other Loans			
GO Note-Equipment & vehicles	229,349	1.91	06-2025
GO Note-Equipment & vehicles	1,331,267	1.64	02-2027
Total Other Loans	<u>1,560,616</u>		
C. Financed Purchases:			
Energy Project-Siemens	492,283	3.83	10-2027
Total Financed Purchases	<u>492,283</u>		
Business-Type Activities:			
A. General Obligation Bonds:			
Series 2018B-Public Improvement Bond	1,794,000	4.54	08-2027
Series 2018A-Public Improvement Bond	6,159,000	3.93	08-2038
Total General Obligation Bonds	<u>7,953,000</u>		
B. Other Loans			
GO Note-Equipment & vehicles	331,695	1.91	06-2025
Emergency Loan WPE-C280028-02-01	241,397	4.00	12-2028
Emergency Loan WPE-C280026-03-01	254,511	4.00	01-2030
State Revolving-C280767-07	203,239	1.75	03-2030
State Revolving-C280767-08	269,526	1.75	01-2037
State Revolving-C280767-09	6,268,530	1.75	07-2038
State Revolving-C280767-10	14,769,099	1.75	Drawn to Date
State Revolving-C280767-11	1,452,767	1.75	Drawn to Date
Total Other Loans	<u>23,790,764</u>		
C. Financed Purchases:			
Energy Project-Siemens	3,144,169	3.83	10-2027
Total Financed Purchases	<u>\$ 3,144,169</u>		

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended, September 30, 2022

The annual debt service requirements of long-term debt of September 30, 2022, are as follows:

Governmental Activities:				
Year Ending September 30,	General Obligation Bonds		Other Loans	
	Principal	Interest	Principal	Interest
2023	278,000	40,943	375,046	23,302
2024	282,000	34,196	381,469	16,880
2025	291,000	27,191	366,549	10,380
2026	299,000	19,823	307,804	4,869
2027	307,000	12,133	129,748	532
2028	157,000	4,135		
Totals	<u>\$ 1,614,000</u>	<u>\$ 138,421</u>	<u>\$ 1,560,616</u>	<u>\$ 55,963</u>
			Financed Purchases	
			Principal	Interest
2023			86,334	17,624
2024			89,688	14,270
2025			93,173	10,785
2026			96,793	7,165
2027			100,553	3,404
2028			25,742	246
Totals			<u>\$ 492,283</u>	<u>\$ 53,494</u>
Business-Type Activities:				
Year Ending September 30,	General Obligation Bonds		Other Loans	
	Principal	Interest	Principal	Interest
2023	358,000	323,497	572,696	138,814
2024	374,000	307,243	584,498	127,012
2025	391,000	290,264	565,546	114,987
2026	409,000	272,512	483,330	104,271
2027	428,000	253,944	493,555	94,047
2028-2032	2,412,000	995,351	2,267,020	335,061
2033-2037	2,925,000	482,603	2,227,292	132,766
2038	656,000	25,781	374,961	3,013
Totals	<u>\$ 7,953,000</u>	<u>\$ 2,951,195</u>	<u>\$ 7,568,898</u>	<u>\$ 1,049,971</u>
			Financed Purchases	
			Principal	Interest
2023			551,405	112,565
2024			572,829	91,141
2025			595,085	68,884
2026			618,206	45,763
2027			642,226	21,744
2028			164,418	1,574
Totals			<u>\$ 3,144,169</u>	<u>\$ 341,671</u>

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
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The following is a summary of changes in long-term debt for the year ended September 30, 2022:

	Balance Oct. 1, 2021	Additions	Reductions	Adjustments	Balance Sept. 30, 2022	Amount due within one year
Governmental Activities:						
General obligation bonds	\$ 2,089,000		475,000		1,614,000	\$ 278,000
Other Loans	523,786	1,500,000	463,170		1,560,616	375,046
Capital leases	575,388			(575,388)	-	
Financed Purchases	-		83,105	575,388	492,283	86,334
Compensated absences	996,875	112,538			1,109,413	
Total	<u>\$ 4,185,049</u>	<u>1,612,538</u>	<u>1,021,275</u>	<u>-</u>	<u>4,776,312</u>	<u>\$ 739,380</u>
Business-Type Activities:						
General obligation bonds	\$ 8,295,000		342,000		7,953,000	\$ 358,000
Other Loans	16,451,777	7,900,148	561,161		23,790,764	572,696
Capital leases	3,674,951			(3,674,951)	-	
Financed Purchases	-		530,782	3,674,951	3,144,169	551,405
Compensated absences	117,866	50,788			168,654	
Total	<u>\$ 28,539,594</u>	<u>7,950,936</u>	<u>1,433,943</u>	<u>-</u>	<u>35,056,587</u>	<u>\$ 1,482,101</u>

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

NOTE 13: DEFICIT FUND BALANCES OF INDIVIDUAL FUNDS

Fund	Deficit Amount
Municipal Improvement	(13,947)

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:

As has been noted in previous reports, 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).

CITY OF GREENVILLE, MISSISSIPPI
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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 in the foreseeable future. The City has been diligently working to comply with the requirements of the Consent Decree and, in fact, is on or ahead of schedule in that regard. The City has now restored its wastewater treatment to operation and its treated wastewater can safely be released into the Mississippi River.

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 and the Administrative Order of Consent (AOC). 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 twenty-five to 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.

One other issue that the city has discussed for some time now is its claim against Clearwater, which managed the WWTP during the time frame that the plant was allowed to become dysfunctional. The city is keeping track of the large amount of damages and expenses that have arisen from this event. It is anticipated that this claim will be made in the upcoming months by the City Attorney.

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, 2022, and as of the date of this response.

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.

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

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended, September 30, 2022

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, 2022.

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 2022	
	% of Taxes Abated	Amount of Taxes Abated
Additions, expansions or equipment replacment	100.00%	\$ 799,161

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 \$(27,397,030) 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 \$469,062 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, 2023. The \$6,981,234 balance of the deferred outflow of resources related to pensions as of September 30, 2022, will be recognized in pension expense over the next 4 years. The \$1,119,397 balance of the deferred inflow of resources related to pension as of September 30, 2022, will be recognized in pension expense over the next 4 years.

The governmental activities' unrestricted net position deficit amount of \$(27,397,030) includes the effect of deferred inflows/outflows of resources related to other postemployment benefits (OPEB). The \$192,657 balance of the deferred outflow of resources related to OPEB as of September 30, 2022, will be recognized in OPEB expense over the next 11 years. The \$268,542 balance of the deferred inflow of resources related to OPEB as of September 30, 2022, will be recognized in pension expense over the next 11 years.

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended, September 30, 2022

The business-type activities' unrestricted net position deficit amount of \$(9,568,553) 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 \$96,322 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, 2023. The \$1,098,565 balance of the deferred outflow of resources related to pensions as of September 30, 2022, will be recognized in pension expense over the next 4 years. The \$182,227 balance of the deferred inflow of resources related to pension as of September 30, 2022, will be recognized in pension expense over the next 4 years.

The business-type activities' unrestricted net position deficit amount of \$(9,568,553) includes the effect of deferred inflows/outflows of resources related to other postemployment benefits (OPEB). The \$30,126 balance of the deferred outflow of resources related to OPEB as of September 30, 2022, will be recognized in OPEB expense over the next 11 years. The \$43,165 balance of the deferred inflow of resources related to pension as of September 30, 2022, will be recognized in pension expense over the next 11 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 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 21, 2023, and determined that the following subsequent events occurred requiring disclosure in the notes to the financial statements.

Subsequent to September 30, 2022, the City issued the following debt obligation(s):

SRF revolving loans:

C280767-10 at 1.75% interest in the amount of \$15,232,108 (drawn to date \$14,769,099).

C280767-11 at 1.75% interest in the amount of \$9,038,470 (drawn to date \$1,452,767).

C280767-12 at 0.80% interest in the amount of \$22,358,856.

These revolving loans were issued for sewer infrastructure and are to be repaid from the operations of the water and sewer utility.

<u>Issue Date</u>	<u>Interest Rate</u>	<u>Issue Amount</u>	<u>Type of Financing</u>	<u>Source of Financing</u>
			General Obligation Bonds (Kearns Aerospace Project), Series 2022B	Ad Valorem Tax
11/3/2022	4.78%	\$ 6,421,000		

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended, September 30, 2022

The General Obligation Bonds were issued under authorization of the City Council as one of three potential issuances of General Obligation Bonds, not to exceed \$15 Million, for the purpose of preparing facilities and grounds to be leased under the following agreement:

On May 18, 2022, the City (as Lessor) entered into a lease arrangement with Greenville Kearns Aerospace Maintenance, Inc. (a Mississippi Corporation) (as Lessee) for the purpose of leasing buildings and real property under certain terms and conditions. The Lessee is developing an aircraft Maintenance/Repair/Overhaul ("MRO") facility; and/or providing aircraft MRO services.

The term of this Lease ("Term") shall commence on the date ("Commencement Date") that Lessee receives keys (control of facility access), Certificate of Occupancy issued by the City of Greenville; and, subject to the terms, provisions, covenants and conditions contained in the Lease, the Term of this Lease shall be for a period of twenty (20) years from the Commencement Date, and shall expire at 11 :59 p.m. on the day that is exactly twenty (20) years from the Commencement Date ("Term Expiration Date"), unless sooner terminated as provided.

The Lessee has agreed to pay to Lessor the amount of \$1,380,000 per year ("Annual Rent") in twelve (12) equal monthly installments of \$115,000 ("Monthly Rent") (the Parties have based the Monthly Rent on the inclusion of the Lessor's estimated monthly replacement cost insurance premium estimate (\$40,000 per annum) and the Parties agree Monthly Rent will be based on the final monthly premium amount), in advance, on or before the 10th day of the calendar month without demand, set off, or deduction, with the time of payment being of essence to this Lease. Changes or updates may be made by the parties' mutual agreement.

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, 2022

	Budgeted Amount		Actual	Variance
	Original	Final	Non-GAAP Basis	Favorable (Unfavorable)
REVENUES:				
Ad Valorem Taxes	\$ 12,030,000	\$ 13,099,715	\$ 13,099,715	\$ -
Licenses, Permits & Franchise Fees	1,175,000	1,385,336	1,385,336	-
Grants & Intergovernmental	7,672,855	9,788,686	9,788,686	-
Fines and Forfeits	197,200	244,843	244,843	-
Rental	434,100	435,450	435,450	-
Miscellaneous Revenues	138,100	237,862	237,862	-
Charges for Services	14,000	27,516	27,516	-
Total Revenues	21,661,255	25,219,408	25,219,408	-
EXPENDITURES:				
General Government				
Personal services	1,595,218	1,439,563	1,439,563	-
Other services and charges	1,154,705	1,124,580	1,124,580	-
Supplies	88,700	95,308	95,308	-
Capital outlay	186,500	99,350	99,350	-
Total general government	3,025,123	2,758,801	2,758,801	-
Public Safety				
Police Department				
Personal services	6,204,449	5,977,408	5,977,408	-
Other services and charges	1,821,370	1,850,738	1,850,738	-
Supplies	107,000	97,097	97,097	-
Capital outlay	675,210	720,280	720,280	-
Total Police Department	8,808,029	8,645,523	8,645,523	-
Fire Department				
Personal services	4,480,558	4,721,811	4,721,811	-
Other services and charges	363,415	331,652	331,652	-
Supplies	62,020	61,713	61,713	-
Capital Outlay	202,270	239,446	239,446	-
Total Fire Department	5,108,263	5,354,622	5,354,622	-
Total Public Safety	13,916,292	14,000,145	14,000,145	-
Public Works				
Personal services	909,462	860,109	860,109	-
Other services and charges	366,610	598,614	598,614	-
Supplies	320,875	249,200	249,200	-
Capital outlay	212,252	217,786	217,786	-
Total Public Works	1,809,199	1,925,709	1,925,709	-
Highways and Streets				
Personal services	809,933	857,342	857,342	-
Other services and charges	1,263,520	1,308,294	1,308,294	-
Supplies	587,500	776,070	776,070	-
Capital outlay	373,248	278,875	278,875	-
Total Highways and Streets	3,034,201	3,220,581	3,220,581	-

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, 2022

	Budgeted Amount		Actual	Variance
	Original	Final	Non-GAAP	Favorable
			Basis	(Unfavorable)
<u>EXPENDITURES CONTINUED:</u>				
Health & Welfare				
Other services and charges	369,900	374,000	374,000	-
Supplies	6,000	1,199	1,199	-
Capital outlay	-	1,353	1,353	-
Total Health & Welfare	375,900	376,552	376,552	-
Economic Development				
Personal services	322,618	239,432	239,432	-
Other services and charges	341,745	365,197	365,197	-
Supplies	4,500	3,030	3,030	-
Total Economic Development	668,863	607,659	607,659	-
Debt Service				
Principal paid	83,104	82,130	82,130	-
Interest paid	20,854	21,828	21,828	-
	103,958	103,958	103,958	-
Total Expenditures	22,933,536	22,993,405	22,993,405	-
Excess of Revenues over (under) Expenditures	(1,272,281)	2,226,003	2,226,003	-
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in (out)				
transfers in	1,378,500	2,720,462	2,720,462	-
transfers (out)	(1,651,000)	(1,665,996)	(1,665,996)	-
Total other financing sources (uses)	(272,500)	1,054,466	1,054,466	-
Net Change in Fund Balance	(1,544,781)	3,280,469	3,280,469	-
Fund Balances - Beginning	(5,463,263)	11,656,057	11,656,057	-
Fund Balances - Ending	\$ (7,008,044)	\$ 14,936,526	\$ 14,936,526	\$ -

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, 2022

	Budgeted Amount		Actual	Variance
	Original	Final	Non-GAAP Basis	Favorable (Unfavorable)
REVENUES:				
Ad Valorem Taxes	\$ 375,400	\$ 391,165	\$ 391,165	\$ -
Grants & Intergovernmental	15,000	13,774	13,774	-
Rental	20,000	32,394	32,394	-
Miscellaneous Revenues	2,025	60,040	60,040	-
Charges for Services	145,500	220,783	220,783	-
Total Revenues	557,925	718,156	718,156	-
EXPENDITURES:				
Parks & Recreation				
Personal services	847,275	579,996	579,996	-
Other services and charges	213,540	546,386	546,386	-
Supplies	225,500	197,007	197,007	-
Capital outlay	8,200	36,694	36,694	-
Total Expenditures	1,294,515	1,360,083	1,360,083	-
Excess of Revenues over (under) Expenditures	(736,590)	(641,927)	(641,927)	-
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)				
transfers in	433,000	663,000	663,000	-
transfers (out)	-	-	-	-
Total other financing sources (uses)	433,000	663,000	663,000	-
Net Change in Fund Balance	(303,590)	21,073	21,073	-
Fund Balances - Beginning	390,854	435,902	435,902	-
Fund Balances - Ending	\$ 87,264	\$ 456,975	\$ 456,975	\$ -

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, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability					
Service Cost	\$ 125,211	125,211	85,344	82,259	79,286
Interest	20,809	20,809	38,078	36,130	33,279
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	-	-	(415,609)	-	-
Changes of assumptions	-	-	297,045	-	-
Benefit payments/refunds	(50,004)	(50,004)	(69,521)	(39,523)	(38,094)
Net Change in total OPEB liability	<u>96,016</u>	<u>96,016</u>	<u>(64,663)</u>	<u>78,866</u>	<u>74,471</u>
Total OPEB liability - beginning	<u>1,030,951</u>	<u>934,935</u>	<u>999,598</u>	<u>920,732</u>	<u>846,261</u>
Total OPEB liability - ending (a)	<u><u>\$ 1,126,967</u></u>	<u><u>1,030,951</u></u>	<u><u>934,935</u></u>	<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, 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability (asset)	0.189%	0.166%	0.180%	0.150%	0.142%	0.154%	0.178%	0.181%	0.184%
Proportionate share of the net pension liability (asset)	\$ 38,942,187	24,602,037	34,847,867	26,387,952	23,618,817	25,600,027	31,795,245	27,979,031	22,334,231
Covered payroll	\$ 13,024,133	11,064,978	12,062,222	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	299.00%	222.34%	288.90%	270.59%	260.18%	259.46%	279.36%	248.02%	199.31%
Plan fiduciary net position as a percentage of the total pension liability	59.93%	70.44%	58.97%	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, 2022

Public Employees Retirement Systems (PERS)	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 2,279,472	1,937,020	2,048,585	1,714,996	1,409,416	1,467,162	1,861,107	1,779,564
Contributions in relation to the contractually required contribution	<u>2,279,472</u>	<u>1,937,020</u>	<u>2,048,585</u>	<u>1,714,996</u>	<u>1,409,416</u>	<u>1,467,162</u>	<u>1,861,107</u>	<u>1,779,564</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered payroll	\$ 13,100,405	11,132,292	11,773,473	10,552,804	8,948,675	9,315,315	11,816,549	11,298,816
Contributions as a percentage of covered payroll	17.40%	17.40%	17.40%	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.

Mississippi Municipal Retirement Systems (MMRS)	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 537,412	549,495	537,969	557,823	547,552	589,633	612,832	601,720
Contributions in relation to the actuarially determined contribution	<u>537,412</u>	<u>549,495</u>	<u>537,969</u>	<u>557,823</u>	<u>547,552</u>	<u>589,633</u>	<u>612,832</u>	<u>601,720</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered payroll*	N/A	N/A	N/A	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	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, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability								
Service Cost								
Interest	\$ 498,788	571,803	597,258	642,606	665,908	685,107	692,751	719,926
Differences between expected and actual experience	76,155	(395,523)	(33,736)	(259,101)	5,694	25,167	205,643	(59,398)
Changes of assumptions	-	(96,292)	-	(34,141)	-	29,545	-	284,198
Benefit payments, including refunds of employee contributions	(827,358)	(875,902)	(908,048)	(960,950)	(983,598)	(991,494)	(1,002,578)	(1,007,564)
Net Change in total pension liability	(252,415)	(795,914)	(344,526)	(611,586)	(311,996)	(251,675)	(104,184)	(62,838)
Total pension liability - beginning	7,020,137	7,816,051	8,160,577	8,772,163	9,084,159	9,335,834	9,440,018	9,502,856
Total pension liability - ending (a)	<u>\$ 6,767,722</u>	<u>7,020,137</u>	<u>7,816,051</u>	<u>8,160,577</u>	<u>8,772,163</u>	<u>9,084,159</u>	<u>9,335,834</u>	<u>9,440,018</u>
Plan fiduciary net position								
Contributions - employer	\$ 537,412	549,495	537,969	557,823	547,552	589,633	612,832	601,720
Net investment income	(229,509)	720,175	76,647	195,610	236,432	419,956	17,714	114,107
Benefit payments, including refunds of employee contributions	(827,358)	(875,902)	(908,048)	(960,950)	(983,598)	(991,494)	(1,002,578)	(1,007,564)
Administrative expense	(10,748)	(11,205)	(10,545)	(11,156)	(10,951)	(11,793)	(12,257)	(12,034)
Other	-	-	-	-	(297)	2,805	8,467	-
Net change in plan fiduciary net position	(530,203)	382,563	(303,977)	(218,673)	(210,862)	9,107	(375,822)	(303,771)
Plan net position - beginning	2,883,876	2,501,313	2,805,290	3,023,963	3,234,825	3,225,718	3,601,540	3,905,311
Plan net position - ending (b)	<u>\$ 2,353,673</u>	<u>2,883,876</u>	<u>2,501,313</u>	<u>2,805,290</u>	<u>3,023,963</u>	<u>3,234,825</u>	<u>3,225,718</u>	<u>3,601,540</u>
Net pension liability (asset) - ending (a) - (b)	\$ 4,414,049	4,136,261	5,314,738	5,355,287	5,748,200	5,849,334	6,110,116	5,838,478
Plan fiduciary net position as a percentage of the total pension liability	34.78%	41.08%	32.00%	34.38%	34.47%	35.61%	34.55%	38.15%

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

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

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2022
"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	Major Fund-Parks and Recreation
Budget (Cash Basis)	\$ 3,280,469	\$ 21,073
Increase (Decrease)		
Net adjustments for revenue accruals	(385,613)	-
Net adjustments for expense accruals	4,142,014	-
Net Change in Fund Balance - GAAP Basis	<u>\$ (1,247,158)</u>	<u>\$ 21,073</u>

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2022
"UNAUDITED"

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 reflect actual experience more closely.

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

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%.

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 reflect actual experience more closely.

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

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2022
“UNAUDITED”

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 reflect actual experience more closely.

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

2021

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

For males, 95% of male rates up to age 60, 110% for ages 61 to 75, and 101% for ages above 77.
For females, 84% of female rates up to age 72, 100% for ages above 76.
Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

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

For males, 134% of male rates at all ages.
For females, 121% of female rates at all ages.
Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

The expectation of contingent annuitant mortality was based on the PubS.H-2010(B) Contingent Annuitant Table with the following adjustments:

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2022
“UNAUDITED”

For males, 97% of male rates at all ages.

For females, 110% of female rates at all ages.

Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

The price inflation assumption was reduced from 2.75% to 2.40%.

The wage inflation assumption was reduced from 3.00% to 2.65%.

The investment rate of return assumption was changed from 7.75% to 7.55%.

The assumed load for administrative expenses was increased from 0.25% to 0.28% of payroll.

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

The percentage of active member disabilities assumed to be in the line of duty was increased from 9% to 12%.

The percentage of active member deaths assumed to be in in the line of duty was decreased from 6% to 4%.

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.

C. 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, 2020, valuation for the June 30, 2022, 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	30.9 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, 2022

Federal Agency/ Pass-Through Entity/ Program Title	Federal Assistance Listing Number	Federal Agency/ Pass-through Entity Identifying Number	Federal Expenditures
U. S. Department of Transportation			
Direct Programs:			
Airport Improvement Program and COVID-19 Airports Programs			
FAA COVID-19 Airports Programs	20.106	3-28-0027-043-2022	\$ 53,576
FAA COVID-19 Airports Programs	20.106	3-28-0027-042-2021	27,280
FAA Project 2019	20.106	3-28-0027-036-2019	760,500
FAA Project 2020	20.106	3-28-0027-040-2020	285,266
FAA Project 2021	20.106	3-28-0027-041-2021	2,963,598
FAA Project 2022	20.106	3-28-0027-044-2022	56,926
Total Airport Improvement Program			<u>4,147,146</u>
Payments for Essential Air Services			
Payments for Essential Air Services	20.901*	DPT-OST-2008-0209	* 2,904,552
Total Payments for Essential Air Services			<u>2,904,552</u>
Total U. S. Department of Transportation			<u>7,051,698</u>
U. S. Environmental Protection Agency			
Direct Programs:			
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup			
Cooperative Agreements	66.818	BF-02D09221-0	40,248
Total U. S. Environmental Protection Agency			<u>40,248</u>
U.S. Department of Homeland Security			
Direct Programs:			
Assistance to Firefighters	97.044	EMW-2020-FG-14514	215,909
Law Enforcement Officer Reimbursement Agreement Program	97.090	H70T0202-0T9-N-SLR-001	18,841
Total U. S. Department of Homeland Security			<u>234,750</u>
Total Expenditures of Federal Awards			<u>\$ 7,326,696</u>

* Denotes Major Federal Award Program

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2022

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, 2022. 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, 2022

Name	Position	Bond Amount	Expiration Date	Surety Company	Name	Position	Bond Amount	Expiration Date	Surety Company
Erick D. Simmons	Mayor	100,000	12/31/2023	CNA Surety/Western	Carolyn S. Bolden	Police Records Clerk	50,000	12/31/2022	CNA Surety/Western
William Al Brock, Jr.	Council Member	100,000	12/31/2023	CNA Surety/Western	Docia Floyd	Police Records Clerk	50,000	12/31/2022	CNA Surety/Western
Lois Hawkins	Council Member	100,000	12/31/2023	CNA Surety/Western	Shakara Barber	Police Records Clerk	50,000	12/31/2022	CNA Surety/Western
Tasha Bailey-Banks	Council Member	100,000	12/31/2022	CNA Surety/Western	Latrinese D. King	Police Records Clerk	50,000	12/31/2022	CNA Surety/Western
Lurann Thomas-Kingdom	Council Member	100,000	12/31/2022	CNA Surety/Western	Tawana Morris	Police Records Clerk	50,000	12/31/2022	CNA Surety/Western
Vernon Greenlee	Council Member	100,000	12/31/2022	CNA Surety/Western	Cynthia Willis	Police Admin. Asst.	50,000	12/31/2022	CNA Surety/Western
James Wilson, Sr.	Council Member	100,000	12/31/2023	CNA Surety/Western	Cordell Daniels	Police Special Operations	50,000	12/31/2022	CNA Surety/Western
Amelia D. Wicks	City Clerk	100,000	12/31/2022	CNA Surety/Western	Lonnie McClinton	Police Special Operations	50,000	12/31/2022	CNA Surety/Western
Susan Leslie	Accounting Clerk	50,000	12/31/2022	CNA Surety/Western	Austin McGonagill	Police Special Operations	50,000	12/31/2022	CNA Surety/Western
Janice Caswell Davenport	Deputy City Clerk	50,000	12/31/2022	CNA Surety/Western	Lavonte' Epton	Police Special Operations	50,000	12/31/2022	CNA Surety/Western
Maple Smith	Legal Secretary	50,000	12/31/2022	CNA Surety/Western	Samuel L. Washington	Airport Director	50,000	12/31/2022	CNA Surety/Western
Tiefa Chillis	Privilege License Clerk	50,000	12/31/2022	CNA Surety/Western	Chontina J. Smith	Airport Exec. Assistant	50,000	12/31/2022	CNA Surety/Western
Brenda Marsalis	Utility Clerk	50,000	12/31/2022	CNA Surety/Western	Alfred Rankins, Sr.	Park Commissioner	50,000	12/31/2022	CNA Surety/Western
Rita Milton	Utility Clerk	50,000	12/31/2022	CNA Surety/Western	Mario Kirksey	Park Commissioner	50,000	12/31/2022	CNA Surety/Western
Charles Stewart	Utility Clerk	50,000	12/31/2022	CNA Surety/Western	D. Scott Rainwater	Park Commissioner	50,000	12/31/2022	CNA Surety/Western
Felicia Wilkerson	Utility Clerk	50,000	12/31/2022	CNA Surety/Western	Thomas D. Nall, Sr.	Park Commissioner	50,000	12/31/2022	CNA Surety/Western
Mary Ann Taylor	Utility Clerk	50,000	12/31/2022	CNA Surety/Western	Mel Covington	Park Commissioner	50,000	12/31/2022	CNA Surety/Western
Antonio Lambert	Utility Clerk	50,000	12/31/2022	CNA Surety/Western	Corey Holmes	Parks/Recr. Director	50,000	12/31/2022	CNA Surety/Western
LaDonna B. Mosby	Utility Clerk	50,000	12/31/2022	CNA Surety/Western	Charles Robinson	Parks/Recr. Supervisor	50,000	12/31/2022	CNA Surety/Western
Priscilla Bush	Municipal Court Clerk	50,000	12/31/2022	CNA Surety/Western	Frederick K. Patterson	Park Program Coordinator	50,000	12/31/2022	CNA Surety/Western
Cynthia Stevens	Deputy Court Clerk	50,000	12/31/2022	CNA Surety/Western	Jasmine Grant	Parks Art Coordinator	50,000	12/31/2022	CNA Surety/Western
Tiffani D. Dorsey	Deputy Court Clerk	50,000	12/31/2022	CNA Surety/Western	Cassandra Perkins-McMiller	Administrative Assistant	50,000	12/31/2022	CNA Surety/Western
Ennissica Hibler	Deputy Court Clerk	50,000	12/31/2022	CNA Surety/Western	Sidney Lee Sipes	Golf Course Manager	50,000	12/31/2022	CNA Surety/Western
Tosheva H. Jackson	Deputy Court Clerk	50,000	12/31/2022	CNA Surety/Western	Jake Perry	Golf Course Assistant	50,000	12/31/2022	CNA Surety/Western
Gwanda Wilson-Suber	Municipal Court Hearing Ofcr	50,000	12/31/2022	CNA Surety/Western	Ronald Thomas	Human Resources Dir.	50,000	12/31/2022	CNA Surety/Western
Marcus Turner, Sr.	Police Chief	50,000	12/31/2022	CNA Surety/Western	Geneva Carter	H R Administrative Asst.	50,000	12/31/2022	CNA Surety/Western
Kenneth T. Redfield	Asst. Police Chief	50,000	12/31/2022	CNA Surety/Western	Linda Dillard	H R Payroll Clerk	50,000	12/31/2022	CNA Surety/Western
Misty Litton	Police Major	50,000	12/31/2022	CNA Surety/Western	Thomas Haynes	Safety Coordinator	50,000	12/31/2022	CNA Surety/Western
Timothy Elzy	Police Captain	50,000	12/31/2022	CNA Surety/Western	Ruben Brown, Sr.	Fire Chief	50,000	12/31/2022	CNA Surety/Western
Keith C. Jackson	Police Captain	50,000	12/31/2022	CNA Surety/Western	Tawanna Haynes	Fire Adm. Assistant	50,000	12/31/2022	CNA Surety/Western
Nikia Hunt	Police Captain	50,000	12/31/2022	CNA Surety/Western	Carlton Williams	Planning/Zoning Dir.	50,000	12/31/2022	CNA Surety/Western
Katrina S. Thomas	Police Admin. Asst.	50,000	12/31/2022	CNA Surety/Western	Erie Jackson	Planning Clerk	50,000	12/31/2022	CNA Surety/Western
Veronica Johnson	Police Records Supervisor	50,000	12/31/2022	CNA Surety/Western	Timothy Joe Clark	Planning Clerk	50,000	12/31/2022	CNA Surety/Western
Katrina Ingram	Police Fingerprint Clerk	50,000	12/31/2022	CNA Surety/Western	Marketta N. Landrum	Executive Asst. to Mayor	50,000	12/31/2022	CNA Surety/Western
Joanna Ross	Police Records Clerk	50,000	12/31/2022	CNA Surety/Western	Kyla Rice	Mayor's Ofc. Planning Coor.	50,000	12/31/2022	CNA Surety/Western

CITY OF GREENVILLE, MISSISSIPPI
RECONCILIATION OF TAX ASSESSMENTS TO FUND COLLECTIONS – 2021 TAX ROLLS
For the Year Ended September 30, 2022

		Tax	
		Assessed	
		Valuation	Ad Valorem
<u>Assessments - 2021 Tax Rolls</u>			
Real Property		\$ 124,829,288	
Personal Property		33,483,443	
Auto and Mobile Home		25,771,184	
Public Utility		<u>25,398,621</u>	
Total Assessed Valuation		209,482,536	
Total Ad Valorem Tax @	75.41 Mills	15,797,078	
Less: Special Homestead Exemption Credit		<u>\$ 1,249,586</u>	
Net Ad Valorem Taxes			\$ 14,547,492
Other Collections:			
Actual Homestead Reimbursements			519,381
Prior Year Tax Collections			483,393
Penalties and Interest on Delinquent Taxes			77,660
Deductions:			
Washington County Tax Collector's Commission			<u>(135,016)</u>
Total Ad Valorem Taxes to be Accounted For			<u><u>\$ 15,492,910</u></u>
Collections:			
Allocated to:	Fund #	Taxes	Homestead Total
General Fund	001	12,064,606	418,393 12,482,999
Parks	100	391,165	13,774 404,939
Library	103	390,964	13,797 404,761
Debt Service	200	1,580,302	55,648 1,635,950
Fire & Police Pension	600	504,919	17,769 522,688
		<u>14,931,956</u>	<u>519,381 15,451,337</u>
Balance Represented by:			
Unpaid realty & unaccounted for under (over) collections			<u>41,573</u>
Total Ad Valorem Taxes Accounted for			<u><u>\$ 15,492,910</u></u>

CITY OF GREENVILLE, MISSISSIPPI
RECONCILIATION OF TAX ASSESSMENTS TO FUND COLLECTIONS – 2021 TAX ROLLS (Cont'd)
For the Year Ended September 30, 2022

Tax millage levies for the current fiscal year (tax year 2021) were as follows:

<u>Fund</u>	<u>Millage</u>	<u>Purpose</u>
General	60.75	General Current Expenditures & Maintenance
Parks	2.00	Park Current Expenditures & Maintenance
Library	2.00	Library Current Expenditures & Maintenance
Bond & Interest	8.08	General City Obligation Bonds & Interest
Fire & Police Disability	2.58	Fire & Police Disability Fund
Total Tax Levy	<u>75.41</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:

\$ 14,332,336	Base 2020-2021	\$ 14,931,956	Taxes collected 2021-2022
<u>1,597,159</u>	Less: Applicable to Debt Service	<u>1,580,302</u>	Less: Applicable to Debt Service
12,735,177		13,351,654	
1,273,518	10 % Increase	519,381	Homestead Exemption
		<u>55,648</u>	Less: Applicable to Debt Service
		<u>463,733</u>	
		193,308	Under (Over) Limitation
<u>\$ 14,008,695</u>		<u>\$ 14,008,695</u>	

CITY OF GREENVILLE, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
For the Year Ended September 30, 2022

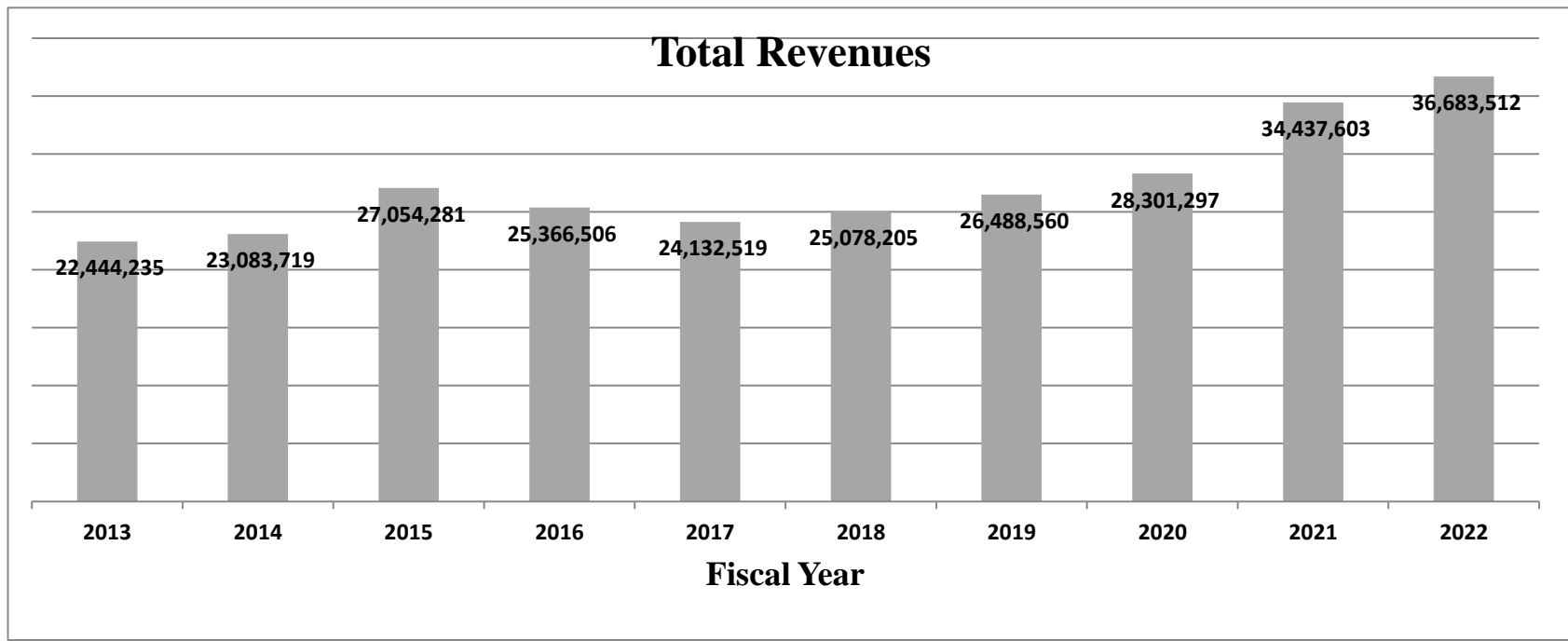
Description	Issue Date	Balance Oct. 1, 2021	Issued	Paid	Balance Sept. 30, 2022	Principal Amount Due	
						2023	Remaining Years
General Obligation Bonds							
Series 2010-Street Bond	05/18/10	\$ 200,000		200,000	-		
Series 2015-Refunding Bond	07/29/15	1,889,000		275,000	1,614,000	278,000	\$ 1,336,000
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	2,136,000		342,000	1,794,000	358,000	1,436,000
Total General Obligation Bonds		10,384,000	-	817,000	9,567,000	636,000	8,931,000
Other Loans							
GO Note Equip, Vehicles & Building Renovation	12/07/16	42,552		42,552	-		-
GO Note Equipment & Vehicles	01/05/17	86,035		86,035	-		-
GO Note Sewer Lifts & Water Tank	05/04/17	85,390		85,390	-		-
GO Note Equipment & Vehicles	07/10/20	309,809		80,460	229,349	82,010	147,339
GO Note Equipment & Vehicles	02/23/22		1,500,000	168,733	1,331,267	293,036	1,038,231
Sub-Total Governmental Funds		523,786	1,500,000	463,170	1,560,616	375,046	1,185,570
State Revolving-C280767-07	09/01/10	228,379		25,140	203,239	25,583	177,656
State Revolving-C280767-08	07/30/14	285,928		16,402	269,526	16,691	252,835
State Revolving-C280767-09	02/01/19	6,609,167		340,637	6,268,530	346,646	5,921,884
State Revolving-C280767-10	Drawn to date	8,321,718	6,447,381		14,769,099	-	14,769,099
State Revolving-C280767-11	Drawn to date	-	1,452,767		1,452,767	-	1,452,767
Emergency Loan WPE-C280028-02-01	04/01/19	274,731		33,334	241,397	34,692	206,705
Emergency Loan WPE-C280028-03-01	04/01/19	283,794		29,283	254,511	30,477	224,034
GO Note Equipment & Vehicles	07/10/20	448,060		116,365	331,695	118,607	213,088
Sub-Total Water & Sewer Fund		16,451,777	7,900,148	561,161	23,790,764	572,696	23,218,068
Total Other Loans		16,975,563	9,400,148	1,024,331	25,351,380	947,742	24,403,638
Financed Purchases							
Energy Project - Siemens-General Fund	09/28/11	575,388		83,105	492,283	86,334	405,949
Energy Project - Siemens-Water & Sewer Fund	09/28/11	3,674,951		530,782	3,144,169	551,405	2,592,764
Total Financed Purchases		4,250,339	-	613,887	3,636,452	637,739	2,998,713
Other							
Compensated Absences		1,114,741	163,326		1,278,067	-	1,278,067
Total Long Term Debt		\$ 32,724,643	9,563,474	2,455,218	39,832,899	2,221,481	\$ 37,611,418

CITY OF GREENVILLE, MISSISSIPPI

STATISTICAL INFORMATION

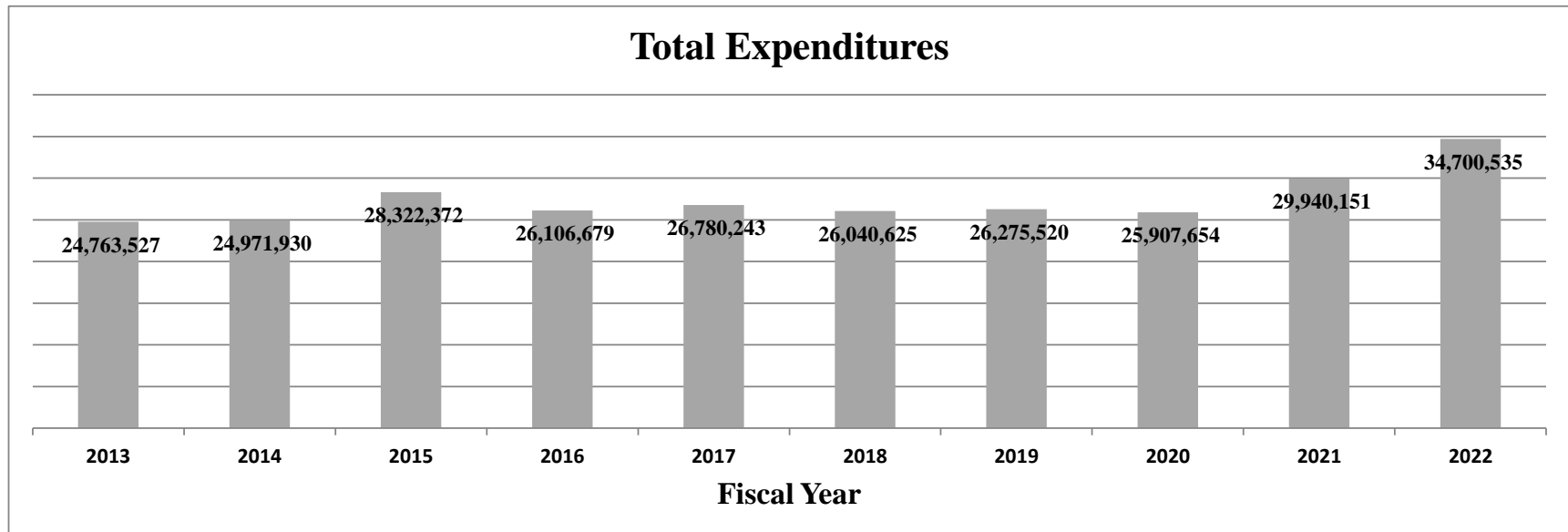
**CITY OF GREENVILLE, MISSISSIPPI
GOVERNMENTAL REVENUES BY SOURCE
Last Ten Fiscal Years**

Fiscal Year	Taxes	Fines, Licenses Fees & Permits	Inter- governmental	Charges for Services	Rental Income	Miscellaneous Operating	Total Revenues
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
2020	22,653,063	457,313	3,727,647	372,928	675,259	415,087	28,301,297
2021	24,085,508	447,283	8,285,836	405,619	739,956	473,401	34,437,603
2022	24,427,655	452,051	10,289,401	510,930	702,897	300,578	36,683,512
Total	212,860,994	5,217,036	38,887,172	4,246,058	7,698,429	4,160,748	273,070,437



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	Debt Service	Total Expenditures
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
2020	2,740,122	13,071,017	4,000,168	370,256	1,400,934	2,752,539	1,572,618	25,907,654
2021	3,145,452	12,822,997	4,279,945	369,889	1,495,962	6,417,459	1,408,447	29,940,151
2022	2,932,618	14,466,644	5,850,284	376,552	1,967,741	7,988,195	1,118,501	34,700,535
Total	26,481,146	129,542,719	48,802,640	3,677,612	16,270,736	32,304,590	16,729,793	273,809,236



**CITY OF GREENVILLE, MISSISSIPPI
COMPUTATION OF LEGAL DEBT MARGIN
For the Year Ended September 30, 2022**

Date of Issue	Description	Total Outstanding G/O Debt	Bonds/Notes Subject To 15% Limitation	Bonds/Notes Subject To 20% Limitation
<u>OUTSTANDING GENERAL OBLIGATION DEBT:</u>				
07/29/15	Series 2015-Refunding Bond	1,614,000	1,614,000	1,614,000
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	1,794,000	1,794,000	1,794,000
07/10/20	Equipment & Vehicles-GO Note	561,044	561,044	561,044
02/23/22	Equipment & Vehicles-GO Note	1,331,267	1,331,267	1,331,267
	Total Outstanding General Obligation Debt	<u>11,459,311</u>	<u>11,459,311</u>	<u>11,459,311</u>
<u>AUTHORIZED DEBT LIMIT:</u>				
	Assessed Value for the fiscal year ended September 30, 2022	\$ 209,482,536		
		@15%	31,422,380	
		@20%		41,896,507
	Present Debt			
	(Subject to 15% and 20% Limitation, respectively)		<u>11,459,311</u>	<u>11,459,311</u>
	Margin for Further Indebtedness			
	(Under 15% and 20% Limitation, respectively)		<u>\$ 19,963,069</u>	<u>\$ 30,437,196</u>

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

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

CITY OF GREENVILLE, MISSISSIPPI

SPECIAL REPORTS

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GOVERNMENT AUDIT QUALITY CENTER
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, 2022, 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 21, 2023.

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 21, 2023, 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 21, 2023

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

Honorable Mayor and City Council
City of Greenville
Greenville, Mississippi

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the City of Greenville, Mississippi's compliance with the types of compliance requirements identified as subject to audit 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, 2022. 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.

In our opinion, the City of Greenville, Mississippi complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2022.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Greenville, Mississippi and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the City of Greenville's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design,

implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City of Greenville, Mississippi's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Greenville, Mississippi's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Greenville, Mississippi's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Greenville, Mississippi's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Greenville, Mississippi's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City of Greenville, Mississippi's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 21, 2023

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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, 2022, which collectively comprise the City of Greenville, Mississippi's basic financial statements and have issued our report thereon dated June 21, 2023. 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 did not disclose any material instances of noncompliance with state laws and regulations.

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 21, 2023

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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, 2022, 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 21, 2023, on the financial statements of the City of Greenville, Mississippi.

Due to the reduced scope, these review procedures and compliance tests cannot and do not provide absolute assurance that all state legal requirements have been complied with. Also, our consideration of internal control would not necessarily disclose all matters within the internal control that might be weaknesses. In accordance with Section 7-7-211, *Mississippi Code of 1972 Annotated*, 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.

The results of our review procedures and compliance tests identified two items we considered as immaterial instances of noncompliance with state laws and regulations that are opportunities for strengthening internal controls and operating efficiency. Our findings, recommendations, and your responses are disclosed below:

2022-001.	<u>Public Officials Should Ensure Compliance with State Law over Rehiring PERS Retirees.</u>
Repeat Finding	Yes; 2021
Criteria	<i>Section 25-11-127, Mississippi Code Annotated (1972)</i> , states, "No person who is being paid a retirement allowance or a pension after retirement under this article shall be employed or paid for any service by the State of Mississippi, including services as an employee, contract worker, contractual employee or independent contractor, until the retired person has been retired for not less than ninety (90)

consecutive days from his or her effective date of retirement. After the person has been retired for not less than ninety (90) consecutive days from his or her effective date of retirement or such later date as established by the board, he or she may be reemployed while being paid a retirement allowance under the terms and conditions provided in this section....

4) The provisions of this section shall not be construed to prohibit any retiree, regardless of age, from being employed and drawing a retirement allowance either:

(a) For a period of time not to exceed one-half ($\frac{1}{2}$) of the normal working days for the position in any fiscal year during which the retiree will receive no more than one-half ($\frac{1}{2}$) of the salary in effect for the position at the time of employment, or

(b) For a period of time in any fiscal year sufficient in length to permit a retiree to earn not in excess of twenty-five percent (25%) of retiree's average compensation.

To determine the normal working days for a position under paragraph (a) of this subsection, the employer shall determine the required number of working days for the position on a full-time basis and the equivalent number of hours representing the full-time position. The retiree then may work up to one-half ($\frac{1}{2}$) of the required number of working days or up to one-half ($\frac{1}{2}$) of the equivalent number of hours and receive up to one-half ($\frac{1}{2}$) of the salary for the position. In the case of employment with multiple employers, the limitation shall equal one-half ($\frac{1}{2}$) of the number of days or hours for a single full-time position.

Notice shall be given in writing to the executive director, setting forth the facts upon which the employment is being made, and the notice shall be given within five (5) days from the date of employment and also from the date of termination of the employment. *[Note: This notice is provided on PERS Form 4B and must be executed annually and sent to PERS]*

(6) (a) A member may retire and continue in municipal or county elective office provided that the member has reached the age and/or service requirement that will not result in a prohibited in-service distribution as defined by the Internal Revenue Service, or a retiree may be elected to a municipal or county office, provided that the person:

(i) Files annually, in writing, in the office of the employer and the office of the executive director of the system before the person takes office or as soon as possible after retirement, a waiver of all salary or compensation and elects to receive in lieu of that salary or compensation a retirement allowance as provided in this section, in which event no salary or compensation shall thereafter be due or payable for those services; however, any such officer or employee may receive, in addition to the retirement allowance, office expense allowance, mileage or travel expense authorized by any statute of the State of Mississippi; or

(ii) Elects to receive compensation for that elective office in an amount not to exceed twenty-five percent (25%) of the retiree's average compensation. In order to receive compensation as allowed in this subparagraph, the retiree shall file annually, in writing, in the office of the employer and the office of the executive director of the system, an election to receive, in addition to a retirement

allowance, compensation as allowed in this subparagraph. *[Note: This notice is provided on PERS Form 9C and must be executed annually and sent to PERS]*

(b) The municipality or county in which the retired person holds elective office shall pay to the board the amount of the employer's contributions on the full amount of the regular compensation for the elective office that the retired person holds.

Condition	During the course of our audit, we noted the following: <ul style="list-style-type: none">• Two exceptions as to PERS forms not being properly executed.• Three retirees appeared to be earning over their PERS limitations.
Cause	The City did not comply with Section 25-11-127, Mississippi Code Annotated (1972) in that it failed to ensure proper notice to PERS, proper execution of required documents, and proper monitoring of wages to ensure the PERS cap was not exceeded.
Effect	The failure to comply with the reemployment conditions as reported on PERS Form 4B and 9C could jeopardize the provisions for reemployment.
Recommendation	The City should timely and accurately file PERS Form 4Bs and 9Cs for all re-hired retirees and ensure that the statutory conditions for reemployment are met.
Response	The City of Greenville has reviewed this issue and informed the employees that will be impacted. Each employee will cease employment with the city until they have received approval by PERS. The City of Greenville will also provide training for the Human Resources Department and all department heads to ensure compliance in the future.
2022-002.	<u>Public Officials Should Establish and Maintain Internal Control and Compliance with Public Purchasing Laws.</u>
Repeat Finding	No
Criteria	The City is responsible for complying with the requirements of the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws; Titles 31 and 37.
Condition	<p>The City failed to comply with the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws: Titles 31 and 37. A well-designed purchasing system would comply with the provisions of Titles 31 and 37 and would include proper bidding and obtaining of quotes where required by law as well as the use of purchase requisitions, purchase orders, and receiving reports. During our test work, we noted the following instances of non-compliance:</p> <ul style="list-style-type: none">• Four (4) instances where no competitive bid or second quote was obtained for an expenditure of greater than \$5,000.• Four (4) instances where there were no purchase requisitions, purchase orders, or receiving reports evidenced.• Two (2) instances where the invoice was dated prior to the approved purchase requisition or purchase order.

Cause	The City has failed to establish and maintain an adequate internal control system to ensure compliance with the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws: Titles 31 and 37.
Effect	The City is not in compliance with the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws: Titles 31 and 37, and this could result in the misappropriation of public funds.
Recommendation	The City should establish and maintain an adequate internal control system which would ensure that the City is in compliance with the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws: Titles 31 and 37.
Response	A refresher meeting will be held with a representative from each department responsible for purchasing. Staff turnover throughout the city has resulted in employees charged with executing functions that he/she may not have been fully trained to perform. Departments will be notified that the individual who will perform purchasing duties must sit with a staff member from my office before engaging in these duties.
2022-003.	<u>Public Officials Should Establish and Maintain Adequate Internal Controls over Expenditures.</u>
Repeat Finding	No
Criteria	The City Council is responsible for seeing to it that the various departments in the City establish and maintain an effective system of internal control over expenditures. An effective system would include the use of a central purchasing function to approve expenditures as well as maintaining all supporting documentation for all expenditures.
Condition	During the course of our audit, we noted that multiple departments maintain and utilize a "petty cash" checking account from which they pay certain expenditures without those expenditures being approved by the central purchasing function. These expenditures frequently fall outside the accepted bounds for "petty cash" usage and appear to circumvent the central purchasing function.
Cause	The City failed to establish and maintain adequate controls over expenditures.
Effect	A lack of controls over expenditures could result in the misappropriation of public funds.
Recommendation	The City Council should cease the use of multiple "petty cash" accounts and ensure that the City's departments route expenditures through the central purchasing function to ensure that purchases are made properly and in keeping with State purchasing laws.
Response	Specific guidelines for petty cash usage will be developed and presented to City Council for adoption. Such policy will contain stipulations for violation of the policy.

Parks & Recreation Commission

2022-004.	<u>Public Officials Failed to Ensure Adequate Internal Controls over Expenditures.</u>
Repeat Finding	No
Criteria	The Commission is responsible for establishing and maintaining an effective system of internal control over expenditures. An effective system would include the matching of invoice amounts to disbursements issued, ensuring that expenditures are reasonable and necessary, obtaining proper authorization for the expenditure, and maintaining all supporting documentation for all expenditures.
Condition	<p>During the course of our audit we noted the following instances from a sample of twenty items:</p> <ul style="list-style-type: none">• Five (5) instances where there was no supporting documentation provided;<ul style="list-style-type: none">○ Disco DJ for \$300○ Volunteer Appreciation for \$750○ Food Services for \$6,000○ Hotel for Artist for \$4,089.80○ Hotel for Artist for \$2,032.80• Three (3) instances where the expenditure did not appear to be reasonable and necessary;<ul style="list-style-type: none">○ One instance of purchasing liquor for a performing artist for \$1,051○ Hotel for a performing artist for \$4,089.80○ Hotel for a performing artist for \$2,083.24○ Transportation for a performing artist for \$5,175○ Hotel for a performing artist for \$2,032.80• Two (2) instances where there was no second signature on the check, as required;• Two (2) instances where the amount of the invoice did not agree to the amount of the check; and• Eight (8) instances where contracts were signed without obtaining written authorization from the Commission.
Cause	The Commission failed to implement and ensure compliance with a proper system of internal control over the processing of disbursements and authorization for expenditures. The Commission further failed to ensure that the necessary and appropriate documentation was maintained to support the expenditures.
Effect	A lack of controls over expenditures could result in the misappropriation of public funds.

Recommendation	The Commission should ensure that there are sufficient controls over expenditures.
Response	<p>The items cited under finding 2022-004 are unique to the City of Greenville and occurred because of the malfeasance of the former Director of Parks and Recreation in relation to a festival organized under his leadership. As a result of this malfeasance, the Director resigned in June of 2022.</p> <p>The City of Greenville will be providing ongoing training to the Director of Parks and Recreation and the Park Commission to clarify their obligations, role, and authority as park commissioners. These training sessions will include the system of internal control over expenditures; the purchase and procurement laws; reviewing requests for expenditures that are both reasonable and necessary; ensuring the provision of supporting documentation for all expenditures; and the review and approval of all contractual agreements.</p>
2022-005.	<u>Public Officials Failed to Establish and Maintain Internal Control and Compliance with Public Purchasing Laws.</u>
Repeat Finding	No
Criteria	The Commission is responsible for complying with the requirements of the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws; Titles 31 and 37.
Condition	<p>The Commission failed to comply with the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws: Titles 31 and 37. A well-designed purchasing system would comply with the provisions of Titles 31 and 37 and would include proper bidding and obtaining of quotes where required by law. During our test work, we noted the following instances of non-compliance:</p> <ul style="list-style-type: none"> • Two (2) instances where no competitive bid or second quote was obtained for an expenditure of greater than \$5,000.
Cause	The Commission has failed to establish and maintain an adequate internal control system to ensure compliance with the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws: Titles 31 and 37.
Effect	The Commission is not in compliance with the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws: Titles 31 and 37, and this could result in the misappropriation of public funds.
Recommendation	The Commission should establish and maintain an adequate internal control system, which would ensure that the Commission is in compliance with the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws: Titles 31 and 37.
Response	Park personnel will be included in the training referenced in Finding 2022-002.

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 21, 2023

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, 2022**

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: | |
| | Assistance Listing Number 20.901, Payments for Essential Air Services | |
| 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 |
| 10. | Prior fiscal year audit finding(s) and questioned cost relative to federal awards which would require the auditee to prepare a summary schedule of prior audit findings in accordance with 2 CFR 200.516(b)? | No |

Section 2: Financial Statement Findings

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

Section 3: Federal Award Findings and Questioned Costs

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