

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, 2023



**CITY OF GREENVILLE, MISSISSIPPI
TABLE OF CONTENTS**

FINANCIAL SECTION	1
INDEPENDENT AUDITOR'S REPORT.....	2
MANAGEMENT'S DISCUSSION AND ANALYSIS.....	6
FINANCIAL STATEMENTS.....	16
Statement of Net Position	17
Statement of Activities	18
Balance Sheet – Governmental Funds.....	19
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	20
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	21
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	22
Statement of Net Position – Proprietary Funds	23
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds.....	24
Statement of Cash Flows – Proprietary Funds	25
Statement of Fiduciary Net Position and Statement of Change in Fiduciary Net Position	26
Notes to Financial Statements.....	27
REQUIRED SUPPLEMENTARY INFORMATION	62
Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis) General Fund	63
Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis) Major Fund Airport	65
Major Fund Parks & Recreation Fund.....	66
Schedule of Changes in the Total OPEB Liability and Related Ratios	67
Schedule of City's Proportionate Share of the Net Pension Liability (PERS)	68
Schedule of City's Contributions - Pension (PERS) & (MMRS).....	69
Schedule of City's Changes in Net Pension Liability (MMRS)	70
Notes to the Required Supplementary Information	71
SUPPLEMENTARY INFORMATION	76
Schedule of Expenditures of Federal Awards.....	77
Notes to the Schedule of Expenditures of Federal Awards.....	78
OTHER INFORMATION	79
Schedule of Surety Bonds for City Officials	80
Reconciliation of Tax Assessments to Fund Collections - 2021 Tax Rolls	81
Schedule of Long-Term Debt	83
STATISTICAL INFORMATION	84
Governmental Revenues by Source	85
Governmental Expenditures by Function.....	86
Computation of Legal Debt Margin	87
SPECIAL REPORTS	88
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards.....	89
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by Uniform Guidance	91
Independent Auditor's Report on Compliance with State Laws and Regulations	94
Limited Internal Control and Compliance Review Management Report	95
SCHEDULE OF FINDINGS AND QUESTIONED COSTS.....	102

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, 2023, 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, 2023, 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 13: 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, that 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 GAAS, 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. Such information 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. The 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 GAAS. 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-2022 Tax Rolls, and the 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 84 through 87, 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 28, 2024, 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 28, 2024

CITY OF GREENVILLE, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF GREENVILLE, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2023

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, 2023. 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.

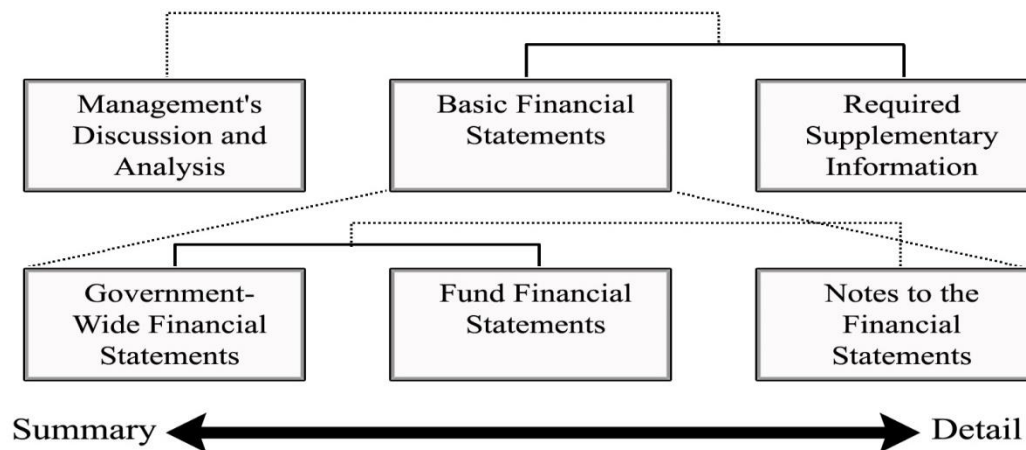
FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City of Greenville exceeded its liabilities and deferred inflows at the close of the 2023 fiscal year by \$204,135,406 (net position).
- The net position of the City includes: \$224,739,790 invested in capital assets (net of related debt); \$16,824,768 in restricted net position; and a deficit in unrestricted net position of \$(37,429,152).
- Total assets increased \$17,225,267 or 5.71% from 2022.
- Total liabilities increased \$25,571,361 or 26.34% from 2022. The increase is primarily due to the change in net pension liability which increased by \$6,067,363 and long-term debt which increased \$19,095,769.
- The City's total net position decreased \$7,807,791 or 3.68% from 2022.

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, 2023

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 position 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, 2023

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 28 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, Airport, 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, 2023

The City of Greenville adopts an annual budget. Budgetary comparison schedules have been provided on pages 63 through 66 for the General Fund, Major Fund Airport Fund, and 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 71.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of September 30, 2023, the assets and deferred outflows of the City of Greenville exceeded its liabilities and deferred inflows by \$204,135,406.

By far, the largest portion of the City's net position (\$224,739,790 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, 2023

(Table 1)
Net Position

	Governmental Activities		Business-type Activities		Total		Increase	Percentage
	2023	2022	2023	2022	2023	2022	(Decrease)	change
Current and other assets	\$ 26,949,646	18,242,031	9,542,124	11,898,864	36,491,770	30,140,895	6,350,875	21.07%
Capital assets, net	201,359,156	198,745,020	81,135,197	72,874,941	282,494,353	271,619,961	10,874,392	4.00%
Total Assets	228,308,802	216,987,051	90,677,321	84,773,805	318,986,123	301,760,856	17,225,267	5.71%
Deferred outflows	9,625,220	7,642,953	1,548,360	1,225,013	11,173,580	8,867,966	2,305,614	26.00%
Current and other liabilities	3,092,078	3,222,575	10,686,951	9,533,617	13,779,029	12,756,192	1,022,837	8.02%
OPEB benefits payable	433,883	969,209	78,476	157,758	512,359	1,126,967	(614,608)	-54.54%
Net pension liability	43,154,613	37,904,329	6,268,986	5,451,907	49,423,599	43,356,236	6,067,363	13.99%
Long-term debt	17,556,869	4,776,312	41,371,799	35,056,587	58,928,668	39,832,899	19,095,769	47.94%
Total Liabilities	64,237,443	46,872,425	58,406,212	50,199,869	122,643,655	97,072,294	25,571,361	26.34%
Deferred inflows	2,917,502	1,387,939	463,140	225,392	3,380,642	1,613,331	1,767,311	109.54%
Net Position:								
Net investment in capital assets	184,772,938	195,078,121	39,966,852	37,987,008	224,739,790	233,065,129	(8,325,339)	-3.57%
Restricted	16,824,768	8,688,549		7,155,102	16,824,768	15,843,651	981,117	6.19%
Unrestricted	(30,818,629)	(27,397,030)	(6,610,523)	(9,568,553)	(37,429,152)	(36,965,583)	(463,569)	1.25%
Total Net Position	\$ 170,779,077	176,369,640	33,356,329	35,573,557	204,135,406	211,943,197	(7,807,791)	-3.68%

The City's total assets increased \$17,225,267 during 2023 with governmental activities showing an increase of \$11,321,751 and business-type activities showing an increase of \$5,903,516.

The City's total liabilities increased \$25,571,361. The increase in liabilities were a \$17,365,018 increase in governmental activities and a \$8,206,343 increase in business-type activities. This increase is primarily due to the increase in net pension liability of \$6,067,363 and long-term debt of \$19,095,769.

The City's net position decreased \$7,807,791 from 2022 to 2023.

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)	\$ (37,429,152)
Less: unrestricted deficit in net position resulting from recognition of :	
Pension liability plus deferred inflows minus deferred outflows (GASB 68 & 71)	40,733,315
OPEB liability plus deferred inflows minus deferred outflows (GASB 75)	1,279,161
Unrestricted net position, exclusive of the net pension and OPEB liability effect	<u>\$ 4,583,324</u>

CITY OF GREENVILLE, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2023

(Table 2)
Changes in Net Position

	Governmental Activities		Business-type Activities		Totals		Increase	Percentage
	2023	2022	2023	2022	2023	2022	(Decrease)	Change
Program Revenues:								
Charges for services	\$ 773,269	731,234	11,372,534	13,014,017	12,145,803	13,745,251	(1,599,448)	-11.64%
Grants and contributions	7,424,961	10,272,274	1,581,471	-	9,006,432	10,272,274	(1,265,842)	-12.32%
General Revenues:								
Property taxes	15,693,296	15,278,121			15,693,296	15,278,121	415,175	2.72%
Sales and tourism taxes	7,885,857	7,631,821			7,885,857	7,631,821	254,036	3.33%
Other taxes and other	389,480	(379,800)	4,242,497	3,760,026	4,631,977	3,380,226	1,251,751	37.03%
Total Revenues	32,166,863	33,533,650	17,196,502	16,774,043	49,363,365	50,307,693	(944,328)	-1.88%
Program Expenses:								
General government	3,054,200	2,862,197			3,054,200	2,862,197	192,003	6.71%
Public safety	13,208,184	12,341,829			13,208,184	12,341,829	866,355	7.02%
Public works	1,693,804	1,697,732			1,693,804	1,697,732	(3,928)	-0.23%
Highways and streets	3,231,552	3,874,755			3,231,552	3,874,755	(643,203)	-16.60%
Health and sanitation	383,420	379,092			383,420	379,092	4,328	1.14%
Culture and recreation	931,771	1,365,704			931,771	1,365,704	(433,933)	-31.77%
Airport	7,727,981	6,640,464			7,727,981	6,640,464	1,087,517	16.38%
Economic development	706,356	570,518			706,356	570,518	135,838	23.81%
Interest on long-term debt	583,720	90,662			583,720	90,662	493,058	543.84%
Pension expense	6,181,991	4,961,792			6,181,991	4,961,792	1,220,199	24.59%
OPEB expense	68,051	109,757			68,051	109,757	(41,706)	-38.00%
Water and sewer			16,129,421	15,426,624	16,129,421	15,426,624	702,797	4.56%
Sanitation			3,268,906	2,952,176	3,268,906	2,952,176	316,730	10.73%
Total Expenses	37,771,030	34,894,502	19,398,327	18,378,800	57,169,357	53,273,302	3,896,055	7.31%
Changes in Net Position	\$ (5,604,167)	(1,360,852)	(2,201,825)	(1,604,757)	(7,805,992)	(2,965,609)	(4,840,383)	-163.22%

The City's governmental activities continue to be funded primarily by property taxes, which made up 48.79% of the total revenues. The other major revenue sources were sales and tourism taxes 24.52% and grants and contributions 23.08%. The major expense activities were public safety, highways and streets, general government, and airport which comprise 34.97%, 8.56%, 8.09%, and 20.46% 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 \$22,565,066 which is an increase of \$7,811,702 above last year's revised total of \$14,753,364.

Governmental funds meeting the requirements for being reported as major funds include the General Fund, Airport 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

CITY OF GREENVILLE, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2023

\$(392,515), Airport Fund of \$8,557,045, Parks & Recreation Fund of \$173,267, and Non-Major Governmental Funds of \$(526,095).

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 2023, 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 decreased budgeted expenditures by \$1,313,560.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2023, the City had \$282,494,353 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 \$10,874,392 or 4.00% over the prior year.

(Table 3)

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

	Government Activities		Business-type Activities	
	2023	2022	2023	2022
Land	\$ 84,165,110	84,036,082	2,512,541	2,512,541
Construction in progress	-	165,859	11,506,307	30,312,857
Infrastructure	101,518,906	99,725,840	49,274,910	25,005,521
Buildings & improvements	9,731,993	8,517,596	6,971,323	6,974,345
Mobile and machinery equipment	4,874,281	5,106,034	2,486,670	2,403,940
Furniture & equipment	1,042,731	1,193,609	8,383,446	5,665,737
Intangible right to use assets	26,135	-	-	-
Totals	201,359,156	198,745,020	81,135,197	72,874,941
	Totals		Increase	Percentage
	2023	2022	(Decrease)	Change
Land	86,677,651	86,548,623	129,028	0.15%
Construction in progress	11,506,307	30,478,716	(18,972,409)	-62.25%
Infrastructure	150,793,816	124,731,361	26,062,455	20.89%
Buildings & improvements	16,703,316	15,491,941	1,211,375	7.82%
Mobile and machinery equipment	7,360,951	7,509,974	(149,023)	-1.98%
Furniture & equipment	9,426,177	6,859,346	2,566,831	37.42%
Intangible right to use assets	26,135	-	26,135	100.00%
Totals	\$ 282,494,353	271,619,961	10,874,392	4.00%

CITY OF GREENVILLE, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2023

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 2023-2024:

- (1) The construction in progress of \$11,506,307 includes various public works projects involving improvements in the City's water & 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 bond proceeds, grants from the U.S. Department of Transportation Federal Aviation Administration, and the State of Mississippi Department of Transportation. The City and these agencies will finance the majority of the cost of rehabilitating the airport.

Long-term Debt

At year-end, the City had \$58,902,880 in long-term debt outstanding compared to \$39,832,899 last year, an increase of \$19,069,981. Of the total debt outstanding, \$23,923,299 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 \$30,064,625, financed purchases in the amount of \$3,766,639, and compensated absences in the amount of \$1,148,318.

The following table illustrates the total Long-term Debt of the City of Greenville as of September 30, 2023:

(Table 4)

LONG-TERM DEBT				
Outstanding at Year-end				
	Governmental Activities		Business-type Activities	
	2023	2022	2023	2022
General obligation bonds	\$ 12,959,000	1,614,000	7,595,000	7,953,000
Other loans	3,156,211	1,560,616	30,277,712	23,790,764
Financed Purchases	471,007	492,283	3,295,632	3,144,169
Compensated absences	944,863	1,109,413	203,455	168,654
Totals	17,531,081	4,776,312	41,371,799	35,056,587
	Totals		Increase	Percentage
	2023	2022	(Decrease)	Change
General obligation bonds	20,554,000	9,567,000	10,987,000	114.84%
Other loans	33,433,923	25,351,380	8,082,543	31.88%
Financed Purchases	3,766,639	3,636,452	130,187	3.58%
Compensated absences	1,148,318	1,278,067	(129,749)	-10.15%
Totals	\$ 58,902,880	39,832,899	19,069,981	47.87%

**CITY OF GREENVILLE, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2023**

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's elected and appointed officials considered many factors when compiling and approving the fiscal year 2023 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, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 14,232,167	\$ 2,685,464	\$ 16,917,631
Investments	8,758,388		8,758,388
Accounts receivable (net of allowance for uncollectibles of \$5,671,860)		4,430,930	4,430,930
Intergovernmental receivable	1,376,147	1,614,371	2,990,518
Leases receivable	133,983		133,983
Other receivables	2,033,738	124,045	2,157,783
Prepaid expenses	199,150		199,150
Inventory	176,073		176,073
Restricted assets:			
Cash and cash equivalents	40,000	687,314	727,314
Capital assets, net			
Land and construction in progress	84,165,110	14,018,848	98,183,958
Other capital assets, net	117,194,046	67,116,349	184,310,395
Total Assets	228,308,802	90,677,321	318,986,123
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	9,453,525	1,522,026	10,975,551
Deferred outflows related to OPEB	171,695	26,334	198,029
Total Deferred Outflows of Resources	9,625,220	1,548,360	11,173,580
LIABILITIES			
Accounts payable and accrued expenses	2,970,071	2,634,995	5,605,066
Accrued interest payable	82,007	214,235	296,242
Unearned revenue		7,150,407	7,150,407
Liabilities payable from restricted assets:			
Customer deposits	40,000	687,314	727,314
Long-term liabilities:			
Other postemployment benefits payable	433,883	78,476	512,359
Net pension liability	43,154,613	6,268,986	49,423,599
Due within one year:			
Lease liability	15,144		15,144
Capital related debt	1,281,641	2,841,666	4,123,307
Due in more than one year:			
Lease liability	10,644		
Capital related debt	15,304,577	38,326,679	53,631,256
Non-capital related debt	944,863	203,454	1,148,317
Total Liabilities	64,237,443	58,406,212	122,643,655
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	1,965,330	319,937	2,285,267
Deferred inflows related to OPEB	821,628	143,203	964,831
Deferred inflows related to Leases	130,544		130,544
Total deferred inflows of resources	2,917,502	463,140	3,380,642
NET POSITION			
Net investment in capital assets	184,772,938	39,966,852	224,739,790
Restricted:			
Expendable:			
Public safety	241,072		241,072
Public works	4,083		4,083
Highways & streets	2,100,438		2,100,438
Culture & recreation	722,932		722,932
Airport operation and maintenance	11,693,669		11,693,669
Debt service	1,687,351		1,687,351
Non-Expendable:			
Inventories	176,073		176,073
Prepaid expense	199,150		199,150
Unrestricted	(30,818,629)	(6,610,523)	(37,429,152)
Total Net Position	\$ 170,779,077	\$ 33,356,329	\$ 204,135,406

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, 2023

	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary		
					Governmental Activities	Business-type Activities	Total
FUNCTIONS/PROGRAMS							
Governmental activities:							
General government	\$ 3,054,200	434,023	25,295		(2,594,882)		\$ (2,594,882)
Public safety	13,208,184	11,185	102,000		(13,094,999)		(13,094,999)
Public works	1,693,804	3,494	149,808		(1,540,502)		(1,540,502)
Highways and streets	3,231,552			2,047,732	(1,183,820)		(1,183,820)
Health and sanitation	383,420				(383,420)		(383,420)
Culture and recreation	931,771	230,137			(701,634)		(701,634)
Airport	7,727,981	94,430	15,783	5,084,343	(2,533,425)		(2,533,425)
Economic development	706,356				(706,356)		(706,356)
Interest on long-term debt	583,720				(583,720)		(583,720)
Pension expense	6,181,991				(6,181,991)		(6,181,991)
OPEB expense	68,051				(68,051)		(68,051)
Total governmental activities	37,771,030	773,269	292,886	7,132,075	(29,572,800)		(29,572,800)
Business-type activities:							
Water and sewer	16,129,421	9,362,186		1,581,471		(5,185,764)	(5,185,764)
Sanitation	3,268,906	2,010,348				(1,258,558)	(1,258,558)
Total business-type activities	19,398,327	11,372,534	-	1,581,471		(6,444,322)	(6,444,322)
Total primary government	\$ 57,169,357	12,145,803	292,886	8,713,546	(29,572,800)	(6,444,322)	(36,017,122)
General revenues:							
Property taxes					15,693,296		15,693,296
Sales and tourism tax					7,885,857		7,885,857
Franchise taxes					1,241,534		1,241,534
Rental income					637,014		637,014
Unrestricted interest income					168,356	3,196	171,552
Grants and contributions not restricted to specific programs					1,229,859		1,229,859
Other taxes and other income					551,075		551,075
Gain (Loss) on sale of capital assets						(19,471)	(19,471)
Internal service fund					820,414		820,414
Transfers					(4,258,772)	4,258,772	-
Total general revenues and transfers					23,968,633	4,242,497	28,211,130
Change in net position					(5,604,167)	(2,201,825)	(7,805,992)
Net Position - beginning, as originally reported					176,369,640	35,573,557	211,943,197
Prior Period Adjustments					13,604	(15,403)	(1,799)
Net Position - beginning, as restated					176,383,244	35,558,154	211,941,398
Net Position, ending					\$ 170,779,077	\$ 33,356,329	\$ 204,135,406

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

CITY OF GREENVILLE, MISSISSIPPI
BALANCE SHEET- GOVERNMENTAL FUNDS
September 30, 2023

	Major Funds			Non-Major	Total
	General	Airport	Parks &	Governmental	Governmental
	Fund	Fund	Recreation Fund	Funds	Funds
<u>ASSETS</u>					
Cash and cash equivalents	\$ 5,184,914	\$ 2,784,319	\$ 749,878	\$ 4,211,868	\$ 12,930,979
Investments		8,758,388			8,758,388
Receivables:					
Property taxes	177,078		5,432	29,146	211,656
Fines receivable (net of allowance for uncollectibles of \$2,826,366)	1,332,704				1,332,704
Franchise Fee	375,027				375,027
Lease receivable		133,983			133,983
Intergovernmental	150,026	1,224,652		1,469	1,376,147
Other receivables	72,351	42,000			114,351
Prepaid expenses	188,844			10,306	199,150
Inventory			6,089		6,089
Restricted assets - cash		40,000			40,000
Total Assets	7,480,944	12,983,342	761,399	4,252,789	25,478,474
<u>LIABILITIES</u>					
Accounts payable and accrued expense	1,449,425	1,119,129	41,070	133,240	2,742,864
Customer deposits		40,000			40,000
Total Liabilities	1,449,425	1,159,129	41,070	133,240	2,782,864
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Leases		130,544			130,544
Total Deferred Inflows of Resources	-	130,544	-	-	130,544
<u>FUND BALANCES</u>					
Non-spendable:					
Inventories			6,089		6,089
Prepaid items	188,844			10,306	199,150
Restricted for:					
Public safety				251,378	251,378
Public works				4,083	4,083
Highways & streets				2,100,438	2,100,438
Culture & recreation			714,240	8,692	722,932
Airport operation and maintenance		11,693,669			11,693,669
Debt service				1,744,652	1,744,652
Unassigned	5,842,675				5,842,675
Total Fund Balances	6,031,519	11,693,669	720,329	4,119,549	22,565,066
Total Liabilities, Deferred Inflows of Resource and Fund Balances	\$ 7,480,944	\$ 12,983,342	\$ 761,399	\$ 4,252,789	\$ 25,478,474

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

CITY OF GREENVILLE, MISSISSIPPI
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
September 30, 2023

	<u>Amount</u>
Total fund balance - governmental funds	\$ 22,565,066
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 \$220,942,575.	200,439,097
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	(16,586,218)
compensated absences	(914,393)
other postemployment benefits payable	(417,548)
lease liability	(25,788)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the governmental fund financial statements.	(41,363,474)
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	9,018,659
deferred inflows of resources related to pensions	(1,873,918)
deferred outflows of resources related to OPEB	164,948
deferred inflows of resources related to OPEB	(789,109)
Interest accrued on long-term liabilities not reported in the governmental fund financial statements.	(82,007)
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>643,762</u>
Total Net Position - Governmental Activities	<u><u>\$ 170,779,077</u></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, 2023

	Major Funds			Non-Major	Total
	General Fund	Airport Fund	Parks & Recreation Fund	Governmental Funds	Governmental Funds
REVENUES:					
Property taxes	\$ 13,038,071		\$ 399,097	\$ 1,738,657	\$ 15,175,825
Licenses and permits	227,877				227,877
Intergovernmental:					
Federal grants	23,878	4,348,908		40,495	4,413,281
State of Mississippi:					
Grants	211,513	735,435			946,948
General sales tax	6,800,197				6,800,197
Gaming tax	1,085,660				1,085,660
Liquor licenses	36,450				36,450
Gasoline tax	22,723				22,723
Municipal aid	14,830				14,830
Privilege tax	75,565				75,565
Homestead reimbursement	472,995		15,572	68,282	556,849
Grand Gulf nuclear	302,591				302,591
Fire protection				191,690	191,690
Other state revenue	17,000				17,000
MS Infrastructure Act	2,047,732				2,047,732
Charges for services	14,679	94,430	230,137		339,246
Franchise tax	1,241,534				1,241,534
Fines and forfeitures	206,146				206,146
Interest income	3,348	164,607	1	400	168,356
Rental income	468,165	133,864	34,985		637,014
Other income	430,047	63,230	2,838	54,960	551,075
Contributions	29,116		45		29,161
Total revenues:	<u>26,770,117</u>	<u>5,540,474</u>	<u>682,675</u>	<u>2,094,484</u>	<u>35,087,750</u>
EXPENDITURES:					
Current:					
General government	2,997,414			268,624	3,266,038
Public safety	14,448,291			84,076	14,532,367
Public works	1,762,872			26,350	1,789,222
Highways and streets	3,019,178			1,446,146	4,465,324
Health and sanitation	380,509				380,509
Culture and recreation			921,550		921,550
Economic development	745,029				745,029
Airport		9,026,830			9,026,830
Debt service:					
Principal paid	29,914	51,378	689	682,405	764,386
Interest paid	5,738	442,552	151	77,978	526,419
Bond issue costs		298,994			298,994
Total expenditures:	<u>23,388,945</u>	<u>9,819,754</u>	<u>922,390</u>	<u>2,585,579</u>	<u>36,716,668</u>
Excess of Revenues over (under) Expenditures	<u>3,381,172</u>	<u>(4,279,280)</u>	<u>(239,715)</u>	<u>(491,095)</u>	<u>(1,628,918)</u>
OTHER FINANCING SOURCES (USES):					
Long-term capital debt issued		11,673,000		2,000,000	13,673,000
Leases issued	23,410		2,982		26,392
Transfers in	22,815	1,186,140	410,000	640,000	2,258,955
Transfers out	(3,819,912)	(22,815)		(2,675,000)	(6,517,727)
Net other financing sources (uses)	<u>(3,773,687)</u>	<u>12,836,325</u>	<u>412,982</u>	<u>(35,000)</u>	<u>9,440,620</u>
Net change in fund balances	<u>(392,515)</u>	<u>8,557,045</u>	<u>173,267</u>	<u>(526,095)</u>	<u>7,811,702</u>
Fund balances - beginning, as previously reported	6,424,034	3,134,551	547,062	4,645,644	14,751,291
Prior period adjustment		2,073			2,073
Fund balances - beginning, as restated	<u>6,424,034</u>	<u>3,136,624</u>	<u>547,062</u>	<u>4,645,644</u>	<u>14,753,364</u>
Fund balance, ending	<u>\$ 6,031,519</u>	<u>\$ 11,693,669</u>	<u>\$ 720,329</u>	<u>\$ 4,119,549</u>	<u>\$ 22,565,066</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, 2023

	<u>Amount</u>
Net changes in fund balances - governmental funds	\$ 7,811,702
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 \$5,541,141 exceeded depreciation expense of \$2,915,359.	2,625,782
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 \$13,699,392 exceeds debt repayments of \$764,386.	(12,935,006)
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	92,562
Change in accrued interest on long-term debt	(57,301)
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	(6,181,991)
Recording of contributions made prior and subsequent to the measurement date	2,268,332
Some items reported in the Statement of Activities relating to the implementation of GASB 75 are not reported in the governmental funds. These activities include:	
Recording of OBEB expense for the current period	(68,051)
Recording of contributions made during the year	19,390
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.	820,414
Change in net position of governmental activities	<u>\$ (5,604,167)</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, 2023

	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	\$ 2,683,192	\$ 2,272	\$ 2,685,464	\$ 1,301,188
Accounts receivable (net of allowance for uncollectibles of \$4,628,530 & \$1,043,330)	3,453,612	\$ 977,318	4,430,930	
Intergovernmental receivables	1,614,371		1,614,371	
Other receivables	124,045		124,045	
Inventory				169,984
Total Current Assets	7,875,220	979,590	8,854,810	1,471,172
Non-current assets:				
Restricted assets - cash	687,314		687,314	
Capital assets:				
Land and construction in progress	11,506,307	2,512,541	14,018,848	
Other capital assets, net	65,717,928	1,398,421	67,116,349	920,059
Total Non-Current Assets	77,911,549	3,910,962	81,822,511	920,059
Total Assets	85,786,769	4,890,552	90,677,321	2,391,231
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred outflows related to pensions	1,195,878	326,148	1,522,026	434,866
Deferred outflows related to OPEB	19,856	6,478	26,334	6,747
Total Deferred Outflows of Resources	1,215,734	332,626	1,548,360	441,613
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable and accrued expenses	2,502,766	132,229	2,634,995	227,207
Accrued interest payable	213,678	557	214,235	
Unearned revenue	7,150,407		7,150,407	
Current portion of long-term debt	2,647,213	194,453	2,841,666	
Total Current Liabilities	12,514,064	327,239	12,841,303	227,207
Non-current liabilities:				
Other postemployment benefits payable	56,754	21,722	78,476	16,335
Liabilities payable from restricted assets	687,314		687,314	
Net pension liability	4,925,632	1,343,354	6,268,986	1,791,139
Capital debt:				
Finance purchases payable	2,019,935	77,902	2,097,837	
Notes payable	28,915,646	92,196	29,007,842	
Bonds payable	7,221,000		7,221,000	
Non-capital debt:				
Compensated absences	153,935	49,519	203,454	30,470
Total Non-Current Liabilities	43,980,216	1,584,693	45,564,909	1,837,944
Total Liabilities	56,494,280	1,911,932	58,406,212	2,065,151
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred inflows related to pensions	251,379	68,558	319,937	91,412
Deferred inflows related to OPEB	105,028	38,175	143,203	32,519
Total Deferred Inflows of Resources	356,407	106,733	463,140	123,931
<u>NET POSITION</u>				
Net investment in capital assets	36,420,441	3,546,411	39,966,852	920,059
Restricted for:				
Public Works			-	
Unrestricted	(6,268,625)	(341,898)	(6,610,523)	(276,297)
Total Net Position	\$ 30,151,816	\$ 3,204,513	\$ 33,356,329	\$ 643,762

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, 2023

	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 & sewer sales	\$ 9,362,186		\$ 9,362,186	
Sanitation fees		\$ 2,010,348	2,010,348	
Maintenance fees				\$ 3,499,980
Total Operating Revenues	9,362,186	2,010,348	11,372,534	3,499,980
<u>OPERATING EXPENSES:</u>				
Personal services	1,950,315	753,008	2,703,323	464,619
Contractual services	5,279,685	1,869,977	7,149,662	504,545
Consumable supplies	2,836,230	229,468	3,065,698	1,415,513
Depreciation expense	4,146,877	193,903	4,340,780	21,441
Pension expense	744,662	203,090	947,752	270,786
OPEB expense	9,250	3,540	12,790	2,662
Total Operating Expenses	14,967,019	3,252,986	18,220,005	2,679,566
Operating Income (Loss)	(5,604,833)	(1,242,638)	(6,847,471)	820,414
<u>NON-OPERATING REVENUES (EXPENSES)</u>				
Intergovernmental grants	1,581,471		1,581,471	
Interest income	3,196		3,196	
Gain (Loss) on disposal of assets	(19,471)		(19,471)	
Interest expense	(1,162,402)	(15,920)	(1,178,322)	
Total Non-operating Revenues (Expenses)	402,794	(15,920)	386,874	-
Net Income (Loss) Before Operating Transfers	(5,202,039)	(1,258,558)	(6,460,597)	820,414
<u>OPERATING TRANSFERS:</u>				
Operating Transfers in	3,058,772	1,200,000	4,258,772	
Net Operating Transfers	3,058,772	1,200,000	4,258,772	-
Change in Net Position	(2,143,267)	(58,558)	(2,201,825)	820,414
Fund balances - beginning, as previously reported	32,302,850	3,270,707	35,573,557	(179,425)
Prior period adjustment	(7,767)	(7,636)	(15,403)	2,773
Fund balances - beginning, as restated	32,295,083	3,263,071	35,558,154	(176,652)
Net Position - Ending	\$ 30,151,816	\$ 3,204,513	\$ 33,356,329	\$ 643,762

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, 2023

	Business-Type Activities		Governmental
	Enterprise Fund	Non-Major	Activity
	Water & Sewer	Sanitation	Internal Service
	Fund	Fund	Fund
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Cash received from customers and users	\$ 9,822,695	\$ 1,967,059	
Receipts from internal services			\$ 3,499,980
Payments to employees for services	(2,099,384)	(808,174)	(595,817)
Payments to suppliers for goods and services	(7,763,341)	(2,099,887)	(1,835,743)
Net Cash Provided (Used) by Operating Activities	(40,030)	(941,002)	1,068,420
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>			
Cash received from other funds:			
Operating transfers, net	3,058,772	1,200,000	
Cash paid to other funds:			
Interfund loan repayments	(3,343,184)		
Net Cash Provided (Used) by Noncapital Financing Activities	(284,412)	1,200,000	-
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>			
Acquisition of property and equipment	(11,663,760)	(273,952)	
Principal payments on long-term debt	(1,150,307)	(118,607)	
Proceeds of long-term debt	6,958,611	151,462	
Capital grants received	562,776		
Interest paid on debt	(1,059,338)	(15,629)	
Net Cash Provided (Used) by Capital and Related Financing Activities	(6,352,018)	(256,726)	-
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>			
Interest on deposits	3,196		
Net Cash Provided (Used) by Investing Activities	3,196	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	(6,673,264)	2,272	1,068,420
Cash and Cash Equivalents, October 1	10,043,770		232,768
Cash and Cash Equivalents, September 30	\$ 3,370,506	\$ 2,272	\$ 1,301,188
<u>RECONCILIATION OF OPERATING INCOME TO NET</u>			
<u>CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>			
Operating income (loss)	\$ (5,604,833)	\$ (1,242,638)	\$ 820,414
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	4,146,877	193,903	21,441
Pension/OPEB expense adjustment	499,768	137,028	181,227
(Increase) decrease in accounts receivable	72,274	(72,898)	
(Increase) decrease in other receivables	(13,998)		
(Increase) decrease in inventory			1,594
Increase (decrease) in accounts payable and accrued expenses	917,592	29,167	115,732
Increase (decrease) in customer deposits	(78,074)		
Increase (decrease) in compensated absences	20,364	14,436	(71,988)
Total adjustments	5,564,803	301,636	248,006
Net Cash Provided (Used) by Operating Activities	\$ (40,030)	\$ (941,002)	\$ 1,068,420

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

CITY OF GREENVILLE, MISSISSIPPI
STATEMENT OF FIDUCIARY NET POSITION
September 30, 2023

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ 28,832
Intergovernmental receivable	267,211
Total Assets	<u>296,043</u>
LIABILITIES	
Intergovernmental payables	24,425
Total Liabilities	<u>24,425</u>
NET POSITION	
Held in trust for:	
Individuals, organizations, and other governments	271,618
Total Net Position	<u>\$ 271,618</u>

CITY OF GREENVILLE, MISSISSIPPI
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION
For the Year Ended September 30, 2023

	<u>Custodial Funds</u>
ADDITIONS	
Property tax collections for other governments	\$ 11,320,731
Total Additions	<u>11,320,731</u>
DEDUCTIONS	
Payments of property tax collections to other governments	11,184,600
Total Deductions	<u>11,184,600</u>
Change in Net Position held in trust for:	
Net increase (decrease) in fiduciary net position	<u>136,131</u>
NET POSITION - BEGINNING	135,487
NET POSITION - ENDING	<u>\$ 271,618</u>

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

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, 2023

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, deferred outflows, liabilities, deferred inflows, fund balances, revenues, and expenditures/expenses. Funds are organized into governmental, proprietary, and fiduciary, even though the latter are excluded from the government-wide financial statements. Major individual Governmental funds and major individual 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 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 taxes are recognized as revenue 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.

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.

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

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

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

The City reports the following major proprietary fund:

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

Additionally, the City reports the following fund types:

GOVERNMENTAL FUND TYPES

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

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

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

PROPRIETARY FUND TYPES

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

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

FIDUCIARY FUND TYPE

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 conforms to the broad classifications recommended in *Governmental Accounting, Auditing and Financial Reporting* as issued in 2012 by the Government Finance Officers Association.

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

E. Deposits and Investments

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

Cash includes cash on hand, demand deposits, all certificates of deposit and cash equivalents, which are short-term highly liquid investments that are readily convertible to cash (generally three months or less). Investments in governmental securities are stated at fair value.

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 Proprietary Funds are valued at cost, which approximates market, using the first-in/first-out method.

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

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

infrastructure, cost have been estimated and the methods of cost estimation, are not readily available. Donated capital assets are recorded at estimated fair market value at the time of donation. The cost of normal maintenance and repairs that do not add to the value of assets or materially extend their respective lives are not capitalized; however, improvements are capitalized. Interest expenditures are not capitalized on capital assets.

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

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

The following schedule details those thresholds and estimated useful lives:

Asset Classification		Capitalization Thresholds		Estimated Useful Life
Land	\$	-0-		N/A
Infrastructure		-0-		20-50 years
Building		50,000		40 years
Improvements other than buildings		25,000		20 years
Mobile equipment and machinery		5,000		5-10 years
Furniture and equipment		5,000		3-7 years
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, 2023

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 leases – Deferred inflows of resources measured at the initial value of the lease receivable to reflect that the receivable relates to future periods.

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 to calculate the present value of lease payments when the rate implicit in the lease is not known.

M. Subscription-Based Information Technology Arrangements

The Governmental Accounts Standards Board (GASB) issued Statement No.96, Subscription-Based Information Technology Arrangements (SBITAs) (GASB 96) to establish uniform accounting and financial reporting requirements for SBITAs, to improve comparability of financial statements amount governments that have entered into SBITAs, and to enhance understandability, relatability, relevance and consistency of information about SBITAs.

N. 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.

O. 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

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

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.

P. 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.

Q. 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

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

for which amounts in those funds can be spent. Government fund balance is classified as non-spendable, restricted, committed, assigned or unassigned. The following are descriptions of fund classifications used by the City:

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

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

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

Fund Balance Flow Assumption:

When an expenditure 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 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.

R. Property Tax Revenues

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

The City, each year at a meeting in September, levies property taxes for the ensuing fiscal year which begins on October 1. Real property taxes become a lien on January 1 of the current year, and personal property taxes become a lien on March 1 of the current year. Taxes on both real and personal property, however, are due on or before February 1 of the next succeeding year. Taxes on motor vehicles and mobile homes become a lien and are due in the month that coincides with the month of original purchase. All unpaid taxes levied October 1st become delinquent February 1st of the following year. Delinquent taxes are considered fully collectible and therefore no allowance for uncollectible taxes is provided. The City entered an inter-local agreement with the Washington County Tax Collector for the billing and collection of its real and personal property taxes, motor vehicle, and mobile home. Taxes are billed, collected, and remitted to the City by the Washington County Tax Collector each month. The total millage rate for the City for the 2023 property

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

taxes were 75.41 mills: 60.75 mills for the general fund, 8.77 mills for the debt service fund, 2.00 mills for library maintenance, 2.00 mills for park maintenance, and 1.89 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.

S. 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.

T. 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.

U. 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.

V. 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 (1&1/2) days per month for annual leave. An employee must have worked a minimum of six (6) months before being eligible to use vacation time. Vacation time will be computed by using the employee's anniversary date times the number of months worked. Accumulated vacation leave may be carried over from year to year. 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

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

employment, each firefighter will be allowed seven (7) shift absences per year of employment to be used as approved vacation.

W. Changes in Accounting Standards

GASB 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, was implemented during the 2023 fiscal year. Prior to the issuance of this statement there was no accounting or financial reporting guidance specifically for SBITAs. The purpose of the standard is to establish uniform accounting and financial reporting requirements for SBITAs, to improve comparability of financial statements among governments that have entered into SBITAs, and to enhance understandability, relatability, relevance, and consistency of information about SBITAs. The City had no SBITAs applicable during the current year.

NOTE 2: PRIOR PERIOD ADJUSTMENTS

A summary of significant fund equity adjustments is as follows:

Statement of Activities: Governmental Activities	
Explanation	Amount
Adjustments to fixed assets and debt related to leases	1,262
Adjustments to reconcile OPEB to GASB 75 report	12,342
	<u>\$ 13,604</u>
Statement of Activities: Business-Type Activities	
Explanation	Amount
Adjustments to reconcile OPEB to GASB 75 report	(15,403)
	<u>\$ (15,403)</u>
Statement of Revenues, Expenses, and Changes in Net Position: Proprietary Funds	
Explanation	Amount
Adjustments to reconcile OPEB to GASB 75 report	
Water & Sewer Funds	\$ (7,767)
Sanitation Fund	\$ (7,636)
Internal Service Fund	\$ 2,773
Statement of Revenues, Expenditures, and Changes in Fund Balances: Governmental	
Explanation	Amount
Adjustments to record leases	2,073
	<u>\$ 2,073</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.

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

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

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

NOTE 4: DEPOSITS and INVESTMENTS

Deposits

The carrying amount of the City’s total deposits with financial institutions at September 30, 2023, was \$26,432,165 and the bank balance was \$27,529,286. 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 Depositary Insurance Corporation (FDIC).

Custodial Credit Risk- Deposits. Custodial credit risk is the risk that in the event of the failure of a financial institution, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC). Deposits above FDIC coverage are collateralized by the pledging financial institution’s trust department or agent in the name of the Mississippi State Treasurer on behalf of the City.

Investments

Investments balances at September 30, 2023, are as follows:

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

Investment Type	Maturities	Fair Value Level	Fair Value
US Treasury Money Market	Less than 1 year	1	\$ 6,941,066
US Treasury Notes	Less than 1 year	1	1,817,322
Total			<u>\$ 8,758,388</u>

Interest Rate Risk. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, *Section 19-9-29, Mississippi Code of 1972 Annotated* limits the maturity period of any investment to no more than one year.

Credit Risk. State law limits investments to those authorized by *Sections 19-9-29 and 91-13-8, Mississippi Code of 1972 Annotated*. The City does not have a formal investment policy that would further limit its investments choices or one that addresses credit risk.

Custodial Credit Risk - Investments. Custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk.

NOTE 5: INTER-FUND TRANSACTIONS AND BALANCES

A. Transfers In/Out

Transfer In	Transfer Out	Amount
Water & Sewer Fund	Non-Major Governmental Funds	2,000,000
Sanitation Fund	General Fund	1,200,000
Water & Sewer Fund	General Fund	1,058,772
Airport	Non-Major Governmental Funds	675,000
Non-Major Governmental Funds	General Fund	640,000
Airport	General Fund	511,140
Parks & Recreation Fund	General Fund	410,000
General Fund	Airport	22,815
Total		<u>\$ 6,517,727</u>

The purpose of the transfers were to: appropriate gaming revenues in the amount of \$2,761,140 for operations, maintenance, and capital expenditures to Sanitation Fund \$(1,200,000), Major Fund Airport (\$511,140), Major Fund Parks & Recreation (\$410,000) and Non-Major Governmental Funds (\$640,000); transfers from Airport to General Fund (\$22,815) for operational expenditures; and transfers from General Fund to Water & Sewer Fund (\$1,058,772) for SRF note payment, to Water & Sewer fund from Non-Major Governmental Funds (2,000,000) for operational expenditures, and to Major Fund Airport (\$675,000) for operational expenditures.

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

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, 2023, include the following:

Governmental Activities

Description	Amount
Inter-governmental Receivables:	
Federal	
FAA, AEAS, and DRA project grants	\$ 1,185,076
Gear Up MS grant	2,297
FEMA-Flood 2019	144,059
Airport Security	2,200
Sub-total	<u>1,333,632</u>
State	
MDOT Litter program	2,939
Hanger 450 and Multi-Modal grants	39,576
Sub-total	<u>42,515</u>
TOTAL	<u><u>\$ 1,376,147</u></u>
Description	Amount
Other Receivables:	
Fines (net of allowance for uncollectibles of of \$2,826,366)	\$ 1,332,704
Franchise fees	375,027
Property tax	211,656
Road tax	72,351
Airport	42,000
TOTAL	<u><u>\$ 2,033,738</u></u>

Business-type Activities

Inter-Governmental and Other Receivables

Description	Amount
Inter-governmental Receivables:	
Federal	
EDA grant	\$ 1,614,371
TOTAL	<u><u>\$ 1,614,371</u></u>
Description	Amount
Other Receivables:	
Returned checks	\$ 76,730
Sales tax	47,315
TOTAL	<u><u>\$ 124,045</u></u>

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

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 \$3,453,612 and \$977,318 respectively are reported net of estimated uncollectible of \$4,628,530 and \$1,043,330.

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		\$ 687,314
Total	<u>\$ 40,000</u>	<u>\$ 687,314</u>

NOTE 8: CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2023, was as follows:

GOVERNMENTAL ACTIVITIES	Balance Oct. 1, 2022	Additions	Deletions	Adjustments	Balance Sept. 30, 2023
Non-depreciable capital assets:					
Land	\$ 84,036,082	129,028			\$ 84,165,110
Construction in progress	165,859			(165,859)	-
Total non-depreciable capital assets	<u>84,201,941</u>	<u>129,028</u>	<u>-</u>	<u>(165,859)</u>	<u>84,165,110</u>
Depreciable capital assets:					
Infrastructure	284,788,249	3,219,532		165,859	288,173,640
Buildings & Improvements	33,404,115	1,675,196			35,079,311
Mobile & machinery equipment	13,464,823	440,014			13,904,837
Furniture & equipment	4,190,292	50,979			4,241,271
Intangible right to use assets					
Equipment	-	26,392		15,931	42,323
Total depreciable capital assets	<u>335,847,479</u>	<u>5,412,113</u>	<u>-</u>	<u>181,790</u>	<u>341,441,382</u>
Less accumulated depreciation for:					
Infrastructure	185,062,409	1,592,325			186,654,734
Buildings & Improvements	24,886,519	460,799			25,347,318
Mobile & machinery equipment	8,358,789	671,767			9,030,556
Furniture & equipment	2,996,678	201,862			3,198,540
Intangible right to use assets					
Equipment	-	10,047		6,141	16,188
Total accumulated depreciation	<u>221,304,395</u>	<u>2,936,800</u>	<u>-</u>	<u>6,141</u>	<u>224,247,336</u>
Depreciable capital assets, net	<u>114,543,084</u>	<u>2,475,313</u>	<u>-</u>	<u>175,649</u>	<u>117,194,046</u>
Governmental activities capital assets, net	<u>\$ 198,745,025</u>	<u>2,604,341</u>	<u>-</u>	<u>9,790</u>	<u>\$ 201,359,156</u>
Total capital assets, net, excluding intangible right to use assets					201,333,021
Intangible right to use assets					26,135
Total capital assets, net, as reported in the statement of net position					<u>201,359,156</u>

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

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

GOVERNMENTAL ACTIVITIES	Amount
General government	\$ 140,233
Public safety	501,220
Public works	90,693
Highway & streets	413,176
Health & welfare	2,911
Culture & recreation	94,666
Economic development	463
Airport	1,671,997
Internal service fund	21,441
Total governmental activities depreciation	<u>\$ 2,936,800</u>

BUSINESS-TYPE ACTIVITIES	Balance Oct. 1, 2022	Additions	Deletions	Adjustments	Balance Sept. 30, 2023
Non-depreciable capital assets:					
Land	\$ 2,512,541				\$ 2,512,541
Construction in progress	30,312,857	3,626,817		(22,433,367)	11,506,307
Total non-depreciable capital assets	<u>32,825,398</u>	<u>3,626,817</u>	<u>-</u>	<u>(22,433,367)</u>	<u>14,018,848</u>
Depreciable capital assets:					
Infrastructure	360,529,262	5,151,454		22,433,367	388,114,083
Buildings & improvements	34,818,325				34,818,325
Mobile & machinery equipment	12,620,270	327,336	194,707		12,752,899
Furniture & equipment	9,471,501	3,514,900			12,986,401
Total depreciable capital assets	<u>417,439,358</u>	<u>8,993,690</u>	<u>194,707</u>	<u>22,433,367</u>	<u>448,671,708</u>
Less accumulated depreciation for:					
Infrastructure	335,523,741	3,315,432			338,839,173
Buildings & Improvements	27,843,980	3,022			27,847,002
Mobile & machinery equipment	10,216,330	225,135	175,236		10,266,229
Furniture & equipment	3,805,764	797,191			4,602,955
Total accumulated depreciation	<u>377,389,815</u>	<u>4,340,780</u>	<u>175,236</u>	<u>-</u>	<u>381,555,359</u>
Depreciable capital assets, net	<u>40,049,543</u>	<u>4,652,910</u>	<u>19,471</u>	<u>22,433,367</u>	<u>67,116,349</u>
Business-Type activities capital assets, net	<u>\$ 72,874,941</u>	<u>8,279,727</u>	<u>19,471</u>	<u>-</u>	<u>\$ 81,135,197</u>

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

BUSINESS-TYPE ACTIVITIES	Amount
Sewer & Water	\$ 4,146,877
Sanitation	193,903
Total business-type activities depreciation	<u>\$ 4,340,780</u>

Commitments with respect to major unfinished capital projects at September 30, 2023, consisted of the following:

Description	Remaining Financial Commitment	Expected Date of Completion
Various Airport Projects	Unknown	Fiscal 2024
Various Sewer Projects	Unknown	Unknown

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

NOTE 9: INTANGIBLE RIGHT-TO-USE LEASES

Leases

As Lessee:

The City is a lessee for various non-cancellable leases of 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 City uses the Federal Prime Borrowing Rate in effect at the date of the lease inception to calculate the present value of lease payments unless the rate that the lessor charges is known.

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 10/1/2022	Additions	Amortization	+ / - Adjustments	Balance 9/30/2023
Equipment	\$ -	36,182	10,047	-	26,135
Total	\$ -	36,182	10,047	-	26,135

See Note 8 for further details regarding intangible right-to-use assets, which represents leased assets.

Lease Liabilities

	Balance 10/1/2022	Additions	Principal Payments	+ / - Adjustments	Balance 9/30/2023
Equipment	\$ -	26,392	10,705	10,101	25,788
Total	\$ -	26,392	10,705	10,101	25,788

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

The City has entered into several lease agreements with lessors for the lease of the following listed items. The leases stipulate that the lessee would pay various amounts, as shown in the following schedule, per month or quarter in lease payments commencing on various date terms.

Description	Discount Rate	Term	Issue Date	Maturity Date	Monthly Payment	Amount Outstanding
Copiers	3.73% - 7.82%	Various	Various	Various	\$ 1,170	\$ 19,727
Postage Machine	3.25%	5 years	6/1/2021	6/30/2026	\$ 578	\$ 6,061

The following is a schedule by years of the total payments due as of September 30, 2023:

Year Ending September 30,	Governmental Activities	
	Principal	Interest
2024	\$ 15,144	\$ 1,204
2025	8,124	279
2026	2,520	56
Total	<u>\$ 25,788</u>	<u>\$ 1,538</u>

As Lessor:

On October 1, 2021, the City entered into a lease agreement with Corporate Flight Management, Inc. d/b/a Contour Airlines for the lease of property and facilities owned by the City for the purpose of operating an air transportation system. The lease stipulated that the lessee would pay approximately \$64,954 annually in lease payments commencing October 1, 2021, for a term of 4 years. The City is to receive \$64,954 in lease payments annually with an implicit interest rate of 3.25%.

On March 1, 2005, the City entered into a lease agreement with Skin Consultants, LLC for the lease of general aviation hangar space and property owned by the City for the purpose of air equipment storage. The lease stipulated that the lessee would pay approximately \$1,400 annually (adjusted for inflation in five-year increments) in lease payments commencing March 1, 2005, for a term of 25 years. The City is to receive \$1,680 (as adjusted) in lease payments annually with an implicit interest rate of 5.58%.

Remaining amounts to be received associated with these leases are as follows:

Year Ending September 30	Principal	Interest
2024	\$ 63,000	\$ 3,634
2025	65,106	1,528
2026	1,352	328
2027	1,427	253
2028	1,507	173
2029-2029	1,591	89
Total	<u>\$ 133,983</u>	<u>\$ 6,005</u>

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

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 \$23,793 for the year ended September 30, 2023.

Employees Covered by Benefit Terms

At September 30, 2023, the following employees were covered by the benefit terms:

Active (with medical coverage)	240
Retirees (with medical coverage)	7
Retiree Spouse (with medical coverage)	1
Total	<u><u>248</u></u>

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

Total OPEB Liability

The City's total OPEB liability of \$512,359 was measured as of September 30, 2023, and was determined by an actuarial valuation date of October 1, 2023.

Actuarial assumptions and other inputs. The total OPEB liability in the October 1, 2023, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Description	Assumptions
Inflation	N/A
Salary increases	2.00 percent per annum
Investment rate of return	N/A
Healthcare cost trend rates	6.25% in 2023, then 7.00% in 2024 decreasing uniformly to 5.60% over 3 years Afterwards, trend follows the Getzen model to an ultimate rate of 4.04% in 2075.

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 4.87% as of October 1, 2023, compared to the prior Statement No. 75 discount rate of 2.06%.
2. Healthcare Cost Trend Rate-Medical: 6.25% in 2023, then 7.00% in 2024 decreasing uniformly to 5.60% over 3 years Afterwards, trend follows the Getzen model to an ultimate rate of 4.04% in 2075.
3. Mortality Rates:

Actives: PRI-2012 Generational Employee Headcount-weighted Mortality Tables (Total Dataset) with Pre and Post Commencement Rates (adjusted to 2012) and projected mortality improvement after year 2012 under Projection Scale MP-2021 (male and female scales).

Retiree: PRI-2012 Generational Retiree Mortality Headcount-weighted Tables (Total Dataset) with Pre and Post Commencement Rates (adjusted to 2012) and projected mortality improvement after year 2012 under Projection Scale MP-2021 (male and female scales).

Beneficiaries: PRI-2012 Generational Contingent Survivor Headcount-weighted Mortality Tables (Total Dataset) with Pre and Post Commencement Rates (adjusted to 2012) and projected mortality improvement after year 2012 under Projection Scale MP-2021 (male and female scales).

4. For active employees, 15% are assumed to be married at retirement, with males assumed to be three years older than female spouses. For retirees, actual spouse participation and dates of birth were used.
5. Age Variance: Medical claims costs were adjusted by both age and gender and assumed to follow the Yamamoto aging assumptions.
6. Plan Participation: 25% of future eligible retirees are assumed to elect medical coverage upon retirement.

The actuarial assumptions used in the September 30, 2023, valuation was based on the experience of the plan.

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

Changes in the Total OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 09/30/2022	\$ 1,130,526	\$ -	\$ 1,130,526
Changes for the Year:			
Service cost	130,422	-	130,422
Interest	25,485	-	25,485
Benefit changes	-	-	-
Experience losses (gains)	(521,443)	-	(521,443)
Changes in assumptions	(228,838)	-	(228,838)
Contributions-Employer	-	23,793	(23,793)
Benefits paid	(23,793)	(23,793)	-
Net Changes	(618,167)	-	(618,167)
Balances at 09/30/2023	\$ 512,359	\$ -	\$ 512,359

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 (3.87 percent) or 1-percentage-point higher (5.87 percent) than the current discount rate:

	1% Decrease (3.87%)	Current Rate (4.87%)	1% Increase (5.87%)
Net OPEB liability	\$ 557,609	512,359	471,482

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following represents the net OPEB liability of the City calculated using the stated health care cost trend assumption, as well as what the City's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (6.25% in 2023, then 7.00% in 2024 decreasing uniformly to 5.60% over 3 years Afterwards, trend follows the Getzen model to an ultimate rate of 4.04% in 2075) or 1-percentage-point higher (6.25% in 2023, then 7.00% in 2024 decreasing uniformly to 5.60% over 3 years Afterwards, trend follows the Getzen model to an ultimate rate of 4.04% in 2075) than the assumed trend rate:

	1% Decrease	Current	1% Increase
	6.25% in 2023, then 7.00% in 2024 decreasing uniformly to 5.60% over 3 years Afterwards, trend follows the Getzen model to an ultimate rate of 4.04% in 2075.	6.25% in 2023, then 7.00% in 2024 decreasing uniformly to 5.60% over 3 years Afterwards, trend follows the Getzen model to an ultimate rate of 4.04% in 2075.	6.25% in 2023, then 7.00% in 2024 decreasing uniformly to 5.60% over 3 years Afterwards, trend follows the Getzen model to an ultimate rate of 4.04% in 2075.
Net OPEB liability	\$ 457,290	512,359	578,155

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

For the year ended September 30, 2023, the City recognized OPEB expense of \$83,503. As of September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience losses (gains)	\$	755,062
Changes of assumptions	198,029	209,769
Total	\$ 198,029	964,831

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
2024	\$ (72,404)
2025	(72,404)
2026	(72,404)
2027	(72,404)
2028	(72,404)
Thereafter	(404,782)
Total	\$ (766,802)

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 of 1972 Annotated Section 25-11-1 et seq.* and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Public Employees' Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling 1-800-444-PERS.

Benefits Provided. Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi, state universities, community and junior colleges, and teachers and employees of the public-school districts. For those persons employed by political subdivisions and instrumentalities of the State of Mississippi, membership is contingent upon approval of the entity's participation in PERS by the PERS' Board of Trustees. If approved, membership for the entity's employees is a condition of employment and eligibility is granted to those who qualify upon hiring. Participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.0 percent of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.5 percent for each additional year of creditable service with an actuarial reduction in

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

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, 2023, 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, 2023, 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, 2023, 2022 and 2021 were \$2,286,440, \$2,279,472, and \$1,937,020 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, 2023, the City reported a liability of \$44,778,473 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, 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, 2023, net pension liability was 0.178 percent, which was based on a measurement date of June 30, 2023. This was a decrease of 0.011 percent from its proportionate share used to calculate the September 30, 2022, net pension liability, which was based on a measurement date of June 30, 2022.

For the year ended September 30, 2023, the City recognized pension expense of \$6,769,654. As of September 30, 2023, 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	\$ 1,127,936	
Net difference between projected and actual earnings on pension plan investments	2,438,077	
Changes of assumptions	5,219,135	
Changes in the proportion and differences between actual contributions and proportionate share of contributions	1,561,219	2,285,267
Contributions subsequent to the measurement date	525,257	
	<u>\$ 10,871,624</u>	<u>2,285,267</u>

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

The \$525,257 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, 2024. 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
2024	\$ 2,900,090
2025	2,143,221
2026	3,004,475
2027	13,314
Total	\$ <u>8,061,100</u>

Actuarial Assumptions. The total pension liability in the June 30, 2023, 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	7.00 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 disability retirees were based on the PubG.H-2010 Disabled Table adjusted 134% for males and 121% for females. 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, 2018, to June 30, 2022. The experience report is dated April 21, 2023.

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:

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	27.00 %	4.75 %
International Equity	22.00	4.75
Global Equity	12.00	4.95
Fixed Income	20.00	1.75
Real Estate	10.00	3.25
Private Equity	8.00	6.00
Cash	1.00	0.25
	<u>100.00 %</u>	

Discount Rate. The discount rate used to measure the total pension liability was 7.00 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 phased in to 22.40 percent over three fiscal years (17.40 percent for FYE 2024, 19.40 percent for FYE 2025, 21.40 percent for FYE 2026, and 22.40 percent for FYE 2027). 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 7.00 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability	\$ 57,741,915	44,778,473	34,139,029

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

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

General information about the Plan

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

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

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, 2023 (measurement date), the following employees were covered by the plan:

Inactive Members or Their Beneficiaries Currently Receiving Benefits	56
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Contributions. Funding policies for MMRS are established by Mississippi statutes. Employer contributions are paid through an annual millage rate on the assessed property values of the City. For the year ended September 30, 2023, the City levied 1.89 mills to help fund MMRS. These millage rates are determined

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

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, 2023, was \$423,587.

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, 2023, actuarial valuations were determined using the following actuarial information and assumptions:

Description	Assumptions
Valuation date	June 30, 2021
Actuarial cost method	Ultimate Asset Reserve
Amortization method	N/A
Remaining amortization period	N/A
Asset valuation method	Market value of assets
Inflation	2.40 percent
Salary increases	N/A
Investment rate of return	6.05 percent, net of pension plan investment expense, including inflation

The underlying assumptions and all other actuarial assumptions used in the June 30, 2023, 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 7.00 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 (1.89 mills). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability. Changes in the City's net pension liability for the year ended September 30, 2023, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2022	<u>\$ 6,767,722</u>	<u>2,353,673</u>	<u>4,414,049</u>
Changes for the year:			
Service Cost			-
Interest	480,493		480,493
Changes of benefit terms			-
Difference between expected and actual experience	64,265		64,265
Changes of assumptions	228,111		228,111
Contributions - employer		402,957	(402,957)
Contributions - employee			-
Net Investment income		146,894	(146,894)
Benefit payments	(807,151)	(807,151)	-
Administrative expense		(8,059)	8,059
Other changes			-
Net Changes	<u>(34,282)</u>	<u>(265,359)</u>	<u>231,077</u>
Balances at June 30, 2023	<u>\$ 6,733,440</u>	<u>2,088,314</u>	<u>4,645,126</u>

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

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 7.00 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 (6.00 percent) or one percentage point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Plan's net pension liability (asset)	\$ 5,100,683	4,645,126	4,241,005

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, 2023, the plan recognized pension expense of \$630,875.

As of September 30, 2023, 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	\$ 83,170	
Contributions subsequent to the measurement date	20,757	
	\$ 103,927	-

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 \$20,757 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, 2024.

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

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

Year ending September	Amount
2024	\$ 7,548
2025	(17,655)
2026	90,227
2027	3,050
Total	\$ <u>83,170</u>

Summary of Pension Plan Balances

The City's pension related balances presented on the Statement of Net Position as of September 30, 2023, by individual plan are as follows:

	<u>PERS</u>	<u>MMRS</u>	<u>Total</u>
Deferred outflows - Pensions	\$ 10,871,624	103,927	10,975,551
Net pension liability	44,778,473	4,645,126	49,423,599
Deferred inflows - Pensions	2,285,267	-	2,285,267
Pension expense	\$ 6,769,654	630,875	7,400,529

NOTE 12: LONG-TERM DEBT

The City's long-term debt is made up of general obligation bonds, notes payable, financed purchases, 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

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

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, 2023, is approximately:

<u>15% Limit</u>	<u>20% Limit</u>
\$9,424,367	\$20,540,256

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

Debt outstanding as of September 30, 2023, consisted of the following:

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
Governmental Activities:			
A. General Obligation Bonds:			
Series 2015-Refunding Bond	\$ 1,336,000	1.538 to 2.634	04-2028
Series 2022A-General Obligation Bond	5,202,000	4.27	09-2032
Series 2022B-General Obligation Bond	6,421,000	4.78	09-2042
Total General Obligation Bonds	<u>12,959,000</u>		
B. Other Loans			
GO Note-Equipment & vehicles	147,339	1.91	06-2025
GO Note-Equipment & vehicles	1,038,231	1.64	02-2027
GO Note Water Meter project	1,970,641	4.80	08-2028
Total Other Loans	<u>3,156,211</u>		
C. Financed Purchases:			
Energy Project-Siemens	471,007	3.83	10-2027
Total Capital Leases	<u>471,007</u>		
Business-Type Activities:			
A. General Obligation Bonds:			
Series 2018B-Public Improvement Bond	1,436,000	4.54	08-2027
Series 2018A-Public Improvement Bond	6,159,000	3.93	08-2038
Total General Obligation Bonds	<u>7,595,000</u>		
B. Other Loans			
GO Note-Equipment & vehicles	213,088	1.91	06-2025
Emergency Loan WPE-C280028-02-01	206,705	4.00	12-2028
Emergency Loan WPE-C280026-03-01	224,034	4.00	01-2030
State Revolving-C280767-07	177,656	1.75	03-2030
State Revolving-C280767-08	252,835	1.75	01-2037
State Revolving-C280767-09	5,921,884	1.75	07-2038
State Revolving-C280767-10	14,996,866	1.75	05-2042
Sub-Total Other Loans	<u>21,993,068</u>		
State Revolving-C280767-11	8,284,645	0.80	Drawn to Date
Total Other Loans	<u>30,277,713</u>		
C. Financed Purchases:			
Energy Project-Siemens	3,144,169	3.83	10-2027
JD 324L Four Wheel Drive Loader	151,463	5.75	09-2025
Total Capital Leases	<u>\$ 3,295,632</u>		

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

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		Financed Purchases	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	382,000	563,245	744,895	104,965	154,746	27,181
2025	839,000	551,970	748,311	80,130	93,173	10,785
2026	871,000	521,203	708,565	55,620	96,793	7,165
2027	903,000	489,088	550,454	31,338	100,554	3,404
2028	779,000	455,641	403,986	9,899	25,741	246
2029-2033	2,764,000	1,835,869				
2034-2038	1,944,000	1,489,258				
2039-2042	4,477,000	547,501				
Totals	<u>\$ 12,959,000</u>	<u>\$ 6,453,775</u>	<u>\$ 3,156,211</u>	<u>\$ 281,952</u>	<u>\$ 471,007</u>	<u>\$ 48,782</u>

Business-Type Activities:						
Year Ending September 30,	General Obligation Bonds		Other Loans		Financed Purchases	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	374,000	307,243	1,269,871	383,977	1,197,795	210,497
2025	391,000	290,264	1,263,010	359,862	672,987	71,332
2026	409,000	272,512	1,193,098	336,842	618,206	45,763
2027	428,000	253,944	1,215,844	314,097	642,226	21,744
2028	446,000	235,525	1,239,060	290,884	164,418	1,574
2029-2033	2,507,000	900,559	6,070,051	1,130,966		
2034-2038	3,040,000	367,651	6,397,778	577,095		
2039-2042			3,344,357	110,883		
Totals	<u>\$ 7,595,000</u>	<u>\$ 2,627,698</u>	<u>\$ 21,993,069</u>	<u>\$ 3,504,606</u>	<u>\$ 3,295,632</u>	<u>\$ 350,911</u>

The following is a summary of changes in long-term debt for the year ended September 30, 2023:

	Balance			Balance	
	Oct. 1, 2022	Additions	Reductions	Sept. 30, 2023	Amount due within one year
Governmental Activities:					
General obligation bonds	\$ 1,614,000	11,673,000	328,000	12,959,000	\$ 382,000
Other Loans	1,560,616	2,000,000	404,405	3,156,211	744,895
Financed purchases	492,283		21,276	471,007	154,746
Compensated absences	1,109,413		164,550	944,863	
Total	<u>\$ 4,776,312</u>	<u>13,673,000</u>	<u>918,231</u>	<u>17,531,081</u>	<u>\$ 1,281,641</u>
Business-Type Activities:					
General obligation bonds	\$ 7,953,000		358,000	7,595,000	\$ 374,000
Other Loans	23,790,764	7,397,862	910,914	30,277,712	1,269,871
Financed purchases	3,144,169	151,463		3,295,632	1,197,795
Compensated absences	168,654	34,801		203,455	
Total	<u>\$ 35,056,587</u>	<u>7,584,126</u>	<u>1,268,914</u>	<u>41,371,799</u>	<u>\$ 2,841,666</u>

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

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

NOTE 13: 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).

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, subsequently entered Administrative Consent(s) 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 and the AOC 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.

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

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, 2023, 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.

NOTE 14: 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, 2023.

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 2023	
	% of Taxes Abated	Amount of Taxes Abated
Additions, expansions or equipment replacment	100.00%	\$ 889,012

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 15: EFFECT OF DEFERRED AMOUNTS ON NET POSITION.

The governmental activities' unrestricted net position deficit amount of \$(30,818,629) 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 \$472,478 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, 2024. The \$8,981,044 balance of the deferred outflow of resources related to pensions as of September 30, 2023, will be recognized in pension expense over the next 4 years. The

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

\$1,965,330 balance of the deferred inflow of resources related to pension as of September 30, 2023, will be recognized in pension expense over the next 3 years.

The governmental activities' unrestricted net position deficit amount of \$(30,818,629) includes the effect of deferred inflows/outflows of resources related to other postemployment benefits (OPEB). The \$171,695 balance of the deferred outflow of resources related to OPEB as of September 30, 2023, will be recognized in OPEB expense over the next 10 years. The \$821,628 balance of the deferred inflow of resources related to OPEB as of September 30, 2023, will be recognized in pension expense over the next 10 years.

The governmental activities' unrestricted net position amount of \$(30,818,629) includes the effect of recognition of deferring the recognition of revenue resulting from capital leases receivable. The \$130,544 balance of deferred inflows of resources at September 30, 2023, will be recognized as revenue and will increase the unrestricted net position over the next 6 years.

The business-type activities' unrestricted net position deficit amount of \$(6,610,523) 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 \$73,536 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, 2024. The \$1,448,490 balance of the deferred outflow of resources related to pensions as of September 30, 2023, will be recognized in pension expense over the next 4 years. The \$319,937 balance of the deferred inflow of resources related to pension as of September 30, 2023, will be recognized in pension expense over the next 3 years.

The business-type activities' unrestricted net position deficit amount of \$(6,610,523) includes the effect of deferred inflows/outflows of resources related to other postemployment benefits (OPEB). The \$26,334 balance of the deferred outflow of resources related to OPEB as of September 30, 2023, will be recognized in OPEB expense over the next 10 years. The \$143,203 balance of the deferred inflow of resources related to OPEB as of September 30, 2023, will be recognized in pension expense over the next 10 years.

NOTE 16: SUBSEQUENT EVENTS

Events that occurred after the Statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management of the City of Greenville evaluated the activity of the City through June 28, 2023, and determined that the following subsequent events occurred requiring disclosure in the notes to the financial statements.

CITY OF GREENVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

Subsequent to September 30, 2023, the City issued the following debt obligation(s):

SRF revolving loans:

C280767-11 at 1.75% interest in the amount of \$9,038,470 (drawn to date \$8,284,645).

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>
			Financed Purchased Commencing on Acceptance	
6/20/2023	Implied	\$ 72,184	Date	Charges for Services

The financed purchase was to acquire video management and intercom system for entry and exit of the wastewater treatment plant.

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, 2023

	Budgeted Amount		Actual	Variance
	Original	Final	Non-GAAP	Favorable
			Basis	(Unfavorable)
REVENUES:				
Ad Valorem Taxes	\$ 12,100,000	\$ 15,502,257	\$ 15,502,257	\$ -
Licenses, Permits & Franchise Fees	1,277,500	1,544,976	1,544,976	-
Grants & Intergovernmental	7,662,155	8,548,435	8,548,435	-
Fines and Forfeits	233,200	201,796	201,796	-
Rental	435,000	468,165	468,165	-
Miscellaneous Revenues	128,700	462,511	462,511	-
Charges for Services	15,000	14,679	14,679	-
Total Revenues	21,851,555	26,742,819	26,742,819	-
EXPENDITURES:				
General Government				
Personal services	1,675,040	1,472,925	1,472,925	-
Other services and charges	1,486,177	1,293,355	1,293,355	-
Supplies	89,000	54,420	54,420	-
Capital outlay	27,500	135,245	135,245	-
Total general government	3,277,717	2,955,945	2,955,945	-
Public Safety				
Police Department				
Personal services	6,689,440	6,317,086	6,317,086	-
Other services and charges	2,106,422	2,098,553	2,098,553	-
Supplies	113,100	103,015	103,015	-
Capital outlay	451,360	439,489	439,489	-
Total Police Department	9,360,322	8,958,143	8,958,143	-
Fire Department				
Personal services	5,148,204	4,829,992	4,829,992	-
Other services and charges	439,906	416,017	416,017	-
Supplies	58,800	56,506	56,506	-
Capital Outlay	7,500	187,633	187,633	-
Total Fire Department	5,654,410	5,490,148	5,490,148	-
Total Public Safety	15,014,732	14,448,291	14,448,291	-
Public Works				
Personal services	1,199,399	883,621	883,621	-
Other services and charges	487,046	607,740	607,740	-
Supplies	346,899	265,117	265,117	-
Capital outlay	-	6,395	6,395	-
Total Public Works	2,033,344	1,762,872	1,762,872	-
Highways and Streets				
Personal services	900,468	786,100	786,100	-
Other services and charges	1,241,748	1,447,237	1,447,237	-
Supplies	832,724	785,840	785,840	-
Total Highways and Streets	2,974,940	3,019,177	3,019,177	-

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, 2023

	Budgeted Amount		Actual	Variance
	Original	Final	Non-GAAP	Favorable
			Basis	(Unfavorable)
<u>EXPENDITURES CONTINUED:</u>				
Health & Welfare				
Other services and charges	369,900	372,705	372,705	-
Supplies	2,500	7,804	7,804	-
Total Health & Welfare	372,400	380,509	380,509	-
Economic Development				
Personal services	449,712	305,242	305,242	-
Other services and charges	419,869	436,390	436,390	-
Supplies	4,700	3,397	3,397	-
Total Economic Development	874,281	745,029	745,029	-
Debt Service				
Principal paid	86,334	21,276	21,276	-
Interest paid	17,624	4,714	4,714	-
	103,958	25,990	25,990	-
Total Expenditures	24,651,372	23,337,812	23,337,812	-
Excess of Revenues over (under) Expenditures	(2,799,817)	3,405,007	3,405,007	-
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in (out)				
transfers in	15,000	15,000	15,000	-
transfers (out)	(2,776,140)	(2,776,140)	(2,776,140)	-
Total other financing sources (uses)	(2,761,140)	(2,761,140)	(2,761,140)	-
Net Change in Fund Balance	(5,560,957)	643,867	643,867	-
Fund Balances - Beginning	(7,008,044)	14,936,526	14,936,526	-
Fund Balances - Ending	\$ (12,569,001)	\$ 15,580,393	\$ 15,580,393	\$ -

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 Airport
For the Year Ended September 30, 2023

	Budgeted Amount		Actual	Variance
	Original	Final	Non-GAAP	Favorable
			Basis	(Unfavorable)
REVENUES:				
Grants & Intergovernmental	\$ 3,712,889	\$ 2,212,490	\$ 2,212,490	\$ -
Charges for Services	19,849	94,431	94,431	-
Interest	250	158,936	158,936	-
Rental	223,434	200,498	200,498	-
Miscellaneous Revenues	-	901	901	-
Total Revenues	3,956,422	2,667,256	2,667,256	-
EXPENDITURES:				
Parks & Recreation				
Personal services	459,306	426,538	426,538	-
Other services and charges	521,240	1,126,242	1,126,242	-
Supplies	101,450	165,000	165,000	-
Capital outlay	18,226,230	4,180,029	4,180,029	-
Debt service:				
Principal	-	50,000	50,000	-
Interest	675,000	442,502	442,502	-
Total Expenditures	19,983,226	6,390,311	6,390,311	-
Excess of Revenues over				
(under) Expenditures	(16,026,804)	(3,723,055)	(3,723,055)	-
OTHER FINANCING SOURCES (USES)				
Long-term capital debt issued	15,000,000	11,971,994	11,971,994	-
Transfers in	1,166,134	1,186,140	1,186,140	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	16,166,134	13,158,134	13,158,134	-
Net Change in Fund Balance	139,330	9,435,079	9,435,079	-
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	\$ 139,330	\$ 9,435,079	\$ 9,435,079	\$ -

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, 2023

	Budgeted Amount		Actual	Variance
	Original	Final	Non-GAAP Basis	Favorable (Unfavorable)
REVENUES:				
Ad Valorem Taxes	\$ 370,500	\$ 399,097	\$ 399,097	\$ -
Grants & Intergovernmental	14,000	15,572	15,572	-
Charges for Services	155,500	229,277	229,277	-
Interest	-	1	1	-
Rental	20,000	34,985	34,985	-
Miscellaneous Revenues	2,000	2,883	2,883	-
Total Revenues	562,000	681,815	681,815	-
EXPENDITURES:				
Parks & Recreation				
Personal services	765,469	510,990	510,990	-
Other services and charges	182,050	229,435	229,435	-
Supplies	278,532	178,982	178,982	-
Total Expenditures	1,226,051	919,407	919,407	-
Excess of Revenues over (under) Expenditures	(664,051)	(237,592)	(237,592)	-
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)				
transfers in	410,000	410,000	410,000	-
transfers (out)	-	-	-	-
Total other financing sources (uses)	410,000	410,000	410,000	-
Net Change in Fund Balance	(254,051)	172,408	172,408	-
Fund Balances - Beginning	87,264	456,975	456,975	-
Fund Balances - Ending	\$ (166,787)	\$ 629,383	\$ 629,383	\$ -

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, 2023

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service Cost	\$ 130,422	127,790	125,211	85,344	82,259	79,286
Interest	25,485	22,819	20,809	38,078	36,130	33,279
Changes in benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	(521,443)	-	-	(415,609)	-	-
Changes of assumptions	(228,838)	-	-	297,045	-	-
Benefit payments/refunds	(23,793)	(51,034)	(50,004)	(69,521)	(39,523)	(38,094)
Net Change in total OPEB liability	(618,167)	99,575	96,016	(64,663)	78,866	74,471
Total OPEB liability - beginning	<u>1,130,526</u>	<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>\$ 512,359</u>	<u>1,130,526</u>	<u>1,030,951</u>	<u>934,935</u>	<u>999,598</u>	<u>920,732</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, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability (asset)	0.178%	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)	\$ 44,778,473	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	\$ 13,197,143	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	339.30%	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	55.70%	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.

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, 2023

Public Employees Retirement Systems (PERS)	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 2,286,440	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>2,286,440</u>	<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>	<u>-</u>
Covered payroll	\$ 13,140,451	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%	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)	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined employer contribution (ADEC)*	\$ 423,587	518,634	549,495	537,969	557,823	547,552	589,633	612,832	601,720
Contributions in relation to the actuarially determined contribution**	<u>394,898</u>	<u>526,664</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>28,689</u>	<u>(8,030)</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	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	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.

* Beginning in 2022, methodology for ADEC determination was changed to match cash flow projections that calculate the certified millage rates.

** Net of administrative expenses.

*** 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, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability									
Service Cost									
Interest	\$ 480,493	498,788	571,803	597,258	642,606	665,908	685,107	692,751	719,926
Differences between expected and actual experience	64,265	76,155	(395,523)	(33,736)	(259,101)	5,694	25,167	205,643	(59,398)
Changes of assumptions	228,111	-	(96,292)	-	(34,141)	-	29,545	-	284,198
Benefit payments, including refunds of employee contributions	(807,151)	(827,358)	(875,902)	(908,048)	(960,950)	(983,598)	(991,494)	(1,002,578)	(1,007,564)
Net Change in total pension liability	(34,282)	(252,415)	(795,914)	(344,526)	(611,586)	(311,996)	(251,675)	(104,184)	(62,838)
Total pension liability - beginning	6,767,722	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)	\$ 6,733,440	6,767,722	7,020,137	7,816,051	8,160,577	8,772,163	9,084,159	9,335,834	9,440,018
Plan fiduciary net position									
Contributions - employer	\$ 402,957	537,412	549,495	537,969	557,823	547,552	589,633	612,832	601,720
Net investment income	146,894	(229,509)	720,175	76,647	195,610	236,432	419,956	17,714	114,107
Benefit payments, including refunds of employee contributions	(807,151)	(827,358)	(875,902)	(908,048)	(960,950)	(983,598)	(991,494)	(1,002,578)	(1,007,564)
Administrative expense	(8,059)	(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	(265,359)	(530,203)	382,563	(303,977)	(218,673)	(210,862)	9,107	(375,822)	(303,771)
Plan net position - beginning	2,353,673	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)	\$ 2,088,314	2,353,673	2,883,876	2,501,313	2,805,290	3,023,963	3,234,825	3,225,718	3,601,540
Net pension liability (asset) - ending (a) - (b)	\$ 4,645,126	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	31.01%	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 Airport	Major Fund Parks and Recreation
Budget (Cash Basis)	\$ 643,866.65	\$ 9,435,079	\$ 172,408
Increase (Decrease)			
Net adjustments for revenue accruals	(178,568)	2,574,224	859
Net adjustments for expense accruals	857,814	3,452,258	-
Net Change in Fund Balance - GAAP Basis	<u>\$ (392,515)</u>	<u>\$ 8,557,045</u>	<u>\$ 173,267</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%.

2023

The investment rate of return assumption was changed from 7.55% to 7.00%.

The assumed load for administrative expenses was decreased from 0.28% to 0.26% of payroll.

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

The percentage of participants assumed to receive a deferred benefit upon attaining the eligibility requirements for retirement was increased from 60% to 65%.

For married members, the number of years that a male is assumed to be older than his spouse was changed from 3 years to 2 years.

The assumed amount of unused sick leave at retirement was increased from 0.50 years to 0.55 years.

The assumed average number of years of military service that participants will have at retirement was decreased from 0.25 years to 0.20 years.

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, 2021, valuation for the June 30, 2023, fiscal year end).

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

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	26.7 years
Asset valuation method	5-year smoothed market
Price Inflation	2.40 percent
Salary increase	2.65 percent to 17.90 percent, including inflation
Investment rate of return	7.55 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, 2023

Federal Agency/ Pass-Through Entity/ Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures
U. S. Department of Commerce			
Direct Programs:			
Economic Adjustment Assistance	11.307*	N/A	\$ 1,584,861
Total U. S. Department of U. S. Department of Commerce			1,584,861
U. S. Department of Justice			
Direct Programs:			
Rural Violent Crime Initiative	16.039	N/A	2,517
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	5,798
Total U. S. Department of U. S. Department of Justice			8,315
U. S. Department of Transportation			
Direct Programs:			
Airport Improvement Program			
FAA COVID-19 Airports Programs	20.106	3-28-0027-043-2020	3,750
FAA Project 2022	20.106	3-28-0027-044-2022	791,904
FAA Project 2023	20.106	3-28-0027-045-2023	45,619
Sub-Total			841,273
Payments for Essential Air Services	20.901	N/A	2,982,168
Total U. S. Department of Transportation			3,823,441
U. S. Environmental Protection Agency			
Direct Programs:			
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	N/A	39,254
Total U. S. Environmental Protection Agency			39,254
U.S. Department of Education			
Pass-Through Programs:			
Passed-through Mississippi State University			
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	N/A	15,026
Total U. S. Department of Education			15,026
Delta Regional Authority			
Direct Programs:			
Community Infrastructure	90.200	N/A	312,663
Total Delta Regional Authority			312,663
U.S. Department of Homeland Security			
Direct Programs:			
Law Enforcement Officer Reimbursement Agreement Program	97.090	HSTS01-04-A-LEF-295	15,782
Total U. S. Department of Homeland Security			15,782
Total Expenditures of Federal Awards			\$ 5,799,342

* 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, 2023

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, 2023. 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, 2023

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

CITY OF GREENVILLE, MISSISSIPPI
RECONCILIATION OF TAX ASSESSMENTS TO FUND COLLECTIONS – 2022 TAX ROLLS
For the Year Ended September 30, 2023

		Tax	
		Assessed	
Assessments - 2022 Tax Rolls		Valuation	Ad Valorem
Real Property		\$ 126,295,219	
Personal Property		44,755,249	
Auto and Mobile Home		23,149,976	
Public Utility		28,117,332	
Total Assessed Valuation		222,317,776	
Total Ad Valorem Tax @	75.41 Mills	16,764,983	
Less: Special Homestead Exemption Credit		\$ 1,287,528	
Net Ad Valorem Taxes			\$ 15,477,455
Other Collections:			
Actual Homestead Reimbursements			587,137
Prior Year Tax Collections			348,524
Penalties and Interest on Delinquent Taxes			72,307
Deductions:			
Washington County Tax Collector's Commission			(125,657)
Total Ad Valorem Taxes to be Accounted For			\$ 16,359,766
Collections:			
Allocated to:	Fund #	Taxes	Homestead Total
General Fund	001	12,248,969	472,995 12,721,964
Parks	100	399,097	15,572 414,669
Library	103	396,713	15,572 412,285
Debt Service	200	1,738,657	68,283 1,806,940
Fire & Police Pension	600	376,136	14,715 390,851
		15,159,572	587,137 15,746,709
Balance Represented by:			
Unpaid realty & unaccounted for under (over) collections			613,057
Total Ad Valorem Taxes Accounted for			\$ 16,359,766

CITY OF GREENVILLE, MISSISSIPPI
RECONCILIATION OF TAX ASSESSMENTS TO FUND COLLECTIONS – 2022 TAX ROLLS (Cont'd)
For the Year Ended September 30, 2023

Tax millage levies for the current fiscal year (tax year 2022) 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	8.77	General City Obligation Bonds & Interest
Fire & Police Disability	1.89	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:

\$ 14,931,956	Base 2021-2022	\$ 15,159,572	Taxes collected 2022-2023
<u>1,580,302</u>	Less: Applicable to Debt Service	<u>1,738,657</u>	Less: Applicable to Debt Service
13,351,654		13,420,915	
1,335,165	10 % Increase	587,137	Homestead Exemption
		<u>68,283</u>	Less: Applicable to Debt Service
		<u>518,854</u>	
		<u>747,050</u>	Under (Over) Limitation
<u>\$ 14,686,819</u>		<u>\$ 14,686,819</u>	

CITY OF GREENVILLE, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
For the Year Ended September 30, 2023

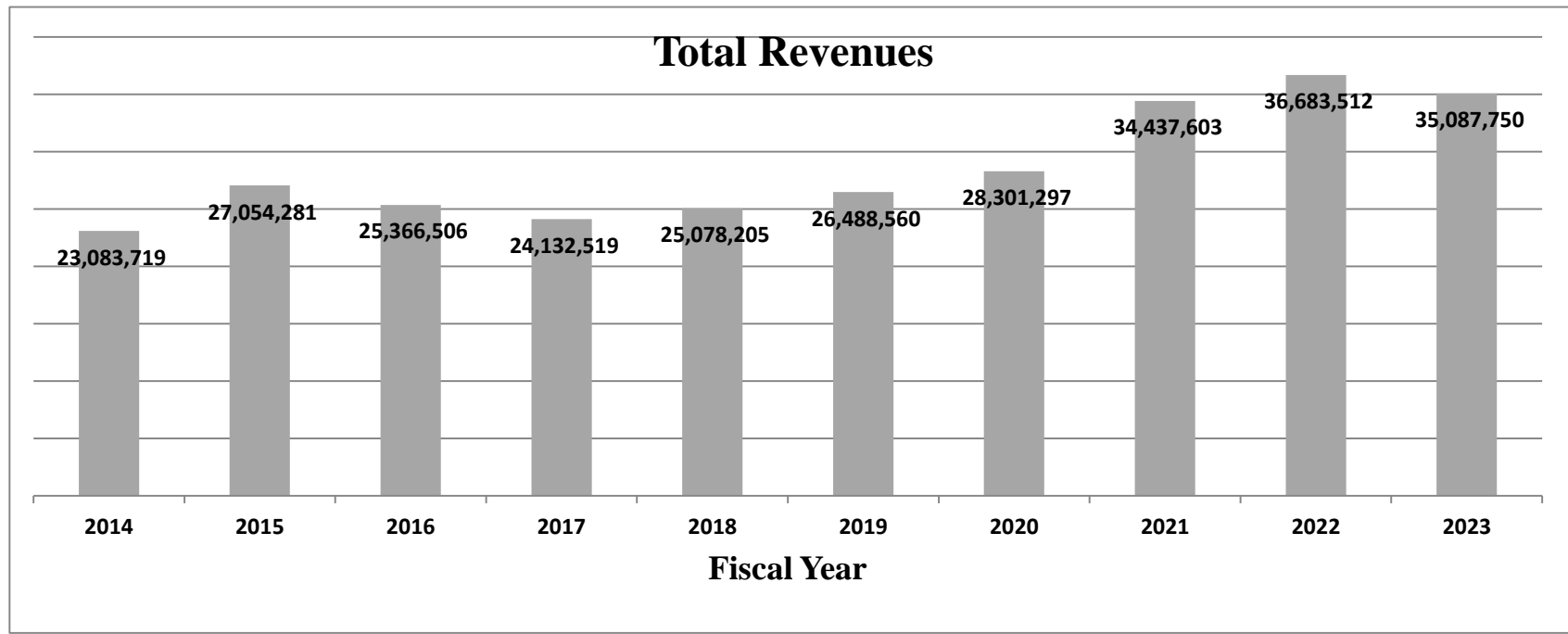
Description	Issue Date	Balance Oct. 1, 2022	Issued	Paid	Balance Sept. 30, 2023	Principal Amount Due	
						2024	Remaining Years
General Obligation Bonds							
Series 2015-Refunding Bond	07/29/15	\$ 1,614,000		278,000	1,336,000	282,000	\$ 1,054,000
Series 2022A-General Obligation Bond	11/03/22	-	5,252,000	50,000	5,202,000	100,000	5,102,000
Series 2022B-General Obligation Bond	11/03/22	-	6,421,000	-	6,421,000	-	6,421,000
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	1,794,000		358,000	1,436,000	374,000	1,062,000
Total General Obligation Bonds		9,567,000	11,673,000	686,000	20,554,000	756,000	19,798,000
Other Loans							
GO Note Equipment & Vehicles	07/10/20	229,349		82,010	147,339	83,591	63,748
GO Note Equipment & Vehicles	02/23/22	1,331,267		293,036	1,038,231	297,878	740,353
GO Note Water Meter Project	8/15/2023	-	2,000,000	29,359	1,970,641	363,426	1,607,215
Sub-Total Governmental Funds		1,560,616	2,000,000	404,405	3,156,211	744,895	2,411,316
State Revolving-C280767-07	09/01/10	203,239		25,583	177,656	26,035	151,621
State Revolving-C280767-08	07/30/14	269,526		16,691	252,835	16,986	235,849
State Revolving-C280767-09	02/01/19	6,268,530		346,646	5,921,884	352,761	5,569,123
State Revolving-C280767-10	03/01/23	14,769,099	565,986	338,218	14,996,867	685,373	14,311,494
State Revolving-C280767-11	Drawn to date	1,452,767	6,831,877		8,284,644	-	8,284,644
Emergency Loan WPE-C280028-02-01	04/01/19	241,397		34,692	206,705	36,106	170,599
Emergency Loan WPE-C280028-03-01	04/01/19	254,511		30,477	224,034	31,718	192,316
GO Note Equipment & Vehicles	07/10/20	331,695		118,607	213,088	120,892	92,196
Sub-Total Water & Sewer Fund		23,790,764	7,397,863	910,914	30,277,713	1,269,871	29,007,842
Total Other Loans		25,351,380	9,397,863	1,315,319	33,433,924	2,014,766	31,419,158
Financed Purchases							
Energy Project - Siemens-General Fund	09/28/11	492,283		21,276	471,007	154,746	316,261
Energy Project - Siemens-Water & Sewer Fund	09/28/11	3,144,169			3,144,169	1,124,234	2,019,935
JD 324L Four Wheel Drive Loader	09/14/23	-	151,463		151,463	73,561	77,902
Total Financed Purchases		3,636,452	151,463	21,276	3,766,639	1,352,541	2,414,098
Other							
Compensated Absences		1,278,067	34,801	164,551	1,148,317	-	1,148,317
Total Long Term Debt		\$ 39,832,899	21,257,127	2,187,146	58,902,880	4,123,307	\$ 54,779,573

CITY OF GREENVILLE, MISSISSIPPI

STATISTICAL INFORMATION

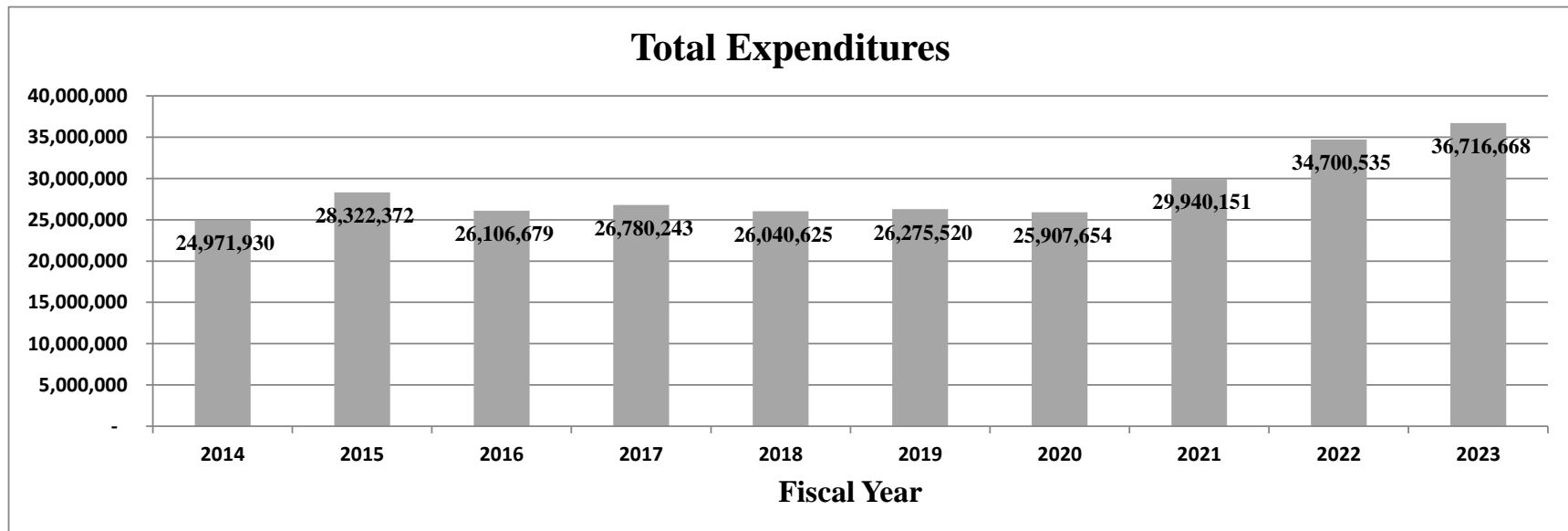
**CITY OF GREENVILLE, MISSISSIPPI
GOVERNMENTAL REVENUES BY SOURCE
Last Ten Fiscal Years**

Fiscal Year	Taxes	Fines, Licenses Fees & Permits	Inter-governmental	Charges for Services	Rental Income	Miscellaneous Operating	Total Revenues
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
2023	25,260,944	470,473	7,439,791	530,936	637,014	748,592	35,087,750
Total	218,947,937	5,176,297	45,216,217	4,380,125	7,258,237	4,735,139	285,713,952



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
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
2023	3,266,038	14,532,367	6,254,546	380,509	1,666,579	9,026,830	1,589,799	36,716,668
Total	27,543,746	132,337,187	50,690,216	3,692,693	16,738,871	40,045,650	14,714,014	285,762,377



**CITY OF GREENVILLE, MISSISSIPPI
COMPUTATION OF LEGAL DEBT MARGIN
For the Year Ended September 30, 2023**

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	\$ 1,336,000	\$ 1,336,000	\$ 1,336,000
11/03/22	Series 2022A-General Obligation Bond	5,202,000	5,202,000	5,202,000
11/03/22	Series 2022B-General Obligation Bond	6,421,000	6,421,000	6,421,000
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	1,436,000	1,436,000	1,436,000
07/10/20	GO Note Equipment & Vehicles	147,339	147,339	147,339
07/10/20	GO Note Equipment & Vehicles	213,088	213,088	213,088
02/23/22	GO Note Equipment & Vehicles	1,038,231	1,038,231	1,038,231
8/15/2023	GO Note Water Meter Project	1,970,641	1,970,641	1,970,641
	Total Outstanding General Obligation Debt	<u>23,923,299</u>	<u>23,923,299</u>	<u>23,923,299</u>
<u>AUTHORIZED DEBT LIMIT:</u>				
	Assessed Value for the fiscal year ended September 30, 2023	\$ 222,317,776		
		@15%	33,347,666	
		@20%		44,463,555
	Present Debt (Subject to 15% and 20% Limitation, respectively)		<u>23,923,299</u>	<u>23,923,299</u>
	Margin for Further Indebtedness (Under 15% and 20% Limitation, respectively)		<u>\$ 9,424,367</u>	<u>\$ 20,540,256</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 evidence 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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**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, 2023, 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 28, 2024.

Report on 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.

Report on 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 financial statements. 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 certain matters that we reported to the management of Greenville, Mississippi, in the Limited Internal Control and Compliance Review Management Report dated June 28, 2024, 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 28, 2024

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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, 2023. 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, 2023.

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 28, 2024

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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, 2023, which collectively comprise the City of Greenville, Mississippi's basic financial statements and have issued our report thereon dated June 28, 2024. 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.

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June 28, 2024

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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, 2023, 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 28, 2024, 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 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:

2023-001.	<u>Public Officials Should Ensure Compliance with State Law over Rehiring PERS Retirees.</u>
Repeat Finding	Yes – 2021; 2022
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 (2) exceptions as to the PERS forms not being properly executed• Two (2) 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	Human Resources has corrected both employees' forms regarding the two (2) exceptions. Human Resources has identified both employees and corrected for the two (2) retirees.

2023-002. Employee File Documentation.

Repeat Finding	No
Criteria	The City is responsible for establishing and maintaining an effective system of internal controls pertaining to the documentation in employee files.
Condition	During the course of our test work, we noted the following: <ul style="list-style-type: none">• Three (3) instances where the State withholding elections per the forms do not match the withholding in the payroll system• Five (5) instances where the I-9 was incomplete
Cause	The employee files are not being reviewed regularly to identify files without proper documentation.
Effect	Failure to properly execute Form I-9 could result in civil penalties for the City.
Recommendation	The County should maintain a complete employee file system that would ensure that the County is in compliance with State and Federal employee document retention policies and laws.
Response	Human Resources staff will exercise caution in ensuring the completeness of each file. In order to achieve this, files will be reviewed on a semi-annual basis.

2023-003.	<u>Public Officials should ensure proper reporting of retiree wages to PERS.</u>
Repeat Finding	No
Criteria	<p><i>Section 25-11-101, Mississippi Code Annotated (1972),</i> establishes the Public Employees’ Retirement System of Mississippi and places it under the management of the Board of Trustees who have promulgated regulations to administer the program.</p> <p><i>PERS Regulations Part 210, Chapter 14, Section 101,</i> states, “Monthly employee and employer state retirement contributions pursuant to Article III beginning at Miss. Code Ann. §25-11-101 (1972, as amended) are due from the employer as of the fifth working day of each month. The wage and contributions report is due from the employer as of the fifth working day of each month.”</p>
Condition	During the course of our test work, we noted that the City had not been reporting all retiree wages to PERS. We further noted that the City ceased reporting retiree wages to PERS in February 2023.
Cause	The City has not established proper controls to ensure reporting of all retiree wages to PERS.
Effect	Failure to completely and accurately report retiree wages to PERS results in noncompliance with PERS regulations.
Recommendation	The City should implement controls to ensure that all retiree wages are completely and properly reported to PERS.
Response	Employees have been identified and corrected. Human Resources will ensure all other PERS covered employees are reported correctly.
2023-004.	<u>Public Officials Should Establish and Maintain Internal Control and Compliance with Public Purchasing Laws.</u>
Repeat Finding	Yes - 2022
Criteria	The City is responsible for complying with the requirements of the Public Purchasing Laws found at Title 31, Chapter 7.
Condition	<p>The City failed to comply with the Public Purchasing Laws found at Title 31, Chapter 7. A well-designed purchasing system would comply with the provisions of Public Purchasing Laws found at Title 31, Chapter 7 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.</p> <p>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 • Three (3) instances where there were no purchase requisitions, purchase orders, or receiving reports evidenced
Cause	The City has failed to establish and maintain an adequate internal control system to ensure compliance with the Public Purchasing Laws found at Title 31, Chapter 7.

Effect	The City is not in compliance with the Public Purchasing Laws found at Title 31, Chapter 7, and this could result in the misappropriation of public funds.
Recommendation	The City should establish and maintain an adequate internal control system that would ensure that the City is in compliance with the Public Purchasing Laws found at Title 31, Chapter 7.
Response	All departments are aware and reminded of the requirement that above \$5,000 two (2) quotes are required unless an item is on the term bid list and documentation of the same must be attached to the invoice. Accounts payable staff continuously make a concerted effort to “catch” any payable that exceeds the \$5,000 threshold.
2023-005.	<u>Public Officials Should Establish and Maintain Adequate Internal Controls over Expenditures.</u>
Repeat Finding	Yes - 2022
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	<p>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.</p> <p>Mayor’s Petty Cash Account</p> <ul style="list-style-type: none"> • One (1) instance where there were no supporting documents provided to support an expenditure • Three (3) instances where competitive bids or quotes were not obtained for an expenditure of greater than \$5,000 for the use of services for luncheon and reception catering
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	No Comment.

Parks & Recreation Commission

2023-006. Public Officials Failed to Ensure Adequate Internal Controls over Expenditures.

Repeat Finding Yes - 2022

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 During the course of our audit we noted the following instances from a sample of twenty (20) items:

- Two (2) instances where there was no supporting documentation provided
 - Thanksgiving Dinner for Board & Staff for \$600
 - Golf Tournament Lunch for \$196
- Fourteen (14) instances where there was no second signature on the check, as required
- Two (2) instances where there was no signature at all on the check for purchases made through Walmart

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 The Park Commission board is still in a restructuring stage following a failed and costly festival attempt. Until board consistency is established, oversight will be lacking.

2023-007. Public Officials Failed to Establish and Maintain Internal Control and Compliance with Public Purchasing Laws.

Repeat Finding Yes - 2022

Criteria The Commission is responsible for complying with the requirements of the Public Purchasing Laws found at Title 31, Chapter 7.

Condition The Commission failed to comply with Public Purchasing Laws found at Title 31, Chapter 7. A well-designed purchasing system would comply with the provisions of Public Purchasing Laws found at Title 31, Chapter 7 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:

- Two (2) instances where no competitive bid or second quote was obtained for an expenditure of greater than \$5,000
- One (1) instance where an emergency purchase appears to have been made but there was no authority provided to do so

Cause	The Commission has failed to establish and maintain an adequate internal control system to ensure compliance with the Public Purchasing Laws found at Title 31, Chapter 7.
Effect	The Commission is not in compliance with the Public Purchasing Laws found at Title 31, Chapter 7, 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 Public Purchasing Laws found at Title 31, Chapter 7.
Response	The Park Commission board is still in a restructuring stage following a failed and costly festival attempt. Until board consistency is established, oversight will be lacking.

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 28, 2024

CITY OF GREENVILLE, MISSISSIPPI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**CITY OF GREENVILLE, MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2023**

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 11.307, Economic Adjustment Assistance | |
| 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.