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**CITY OF GREENVILLE, MISSISSIPPI**  
**BASIC FINANCIAL STATEMENTS**  
**TOGETHER WITH INDEPENDENT AUDITOR'S REPORT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**

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**CITY OF GREENVILLE, MISSISSIPPI  
FOR THE YEAR ENDED SEPTEMBER 30, 2009  
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**INDEPENDENT AUDITOR'S REPORT**

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**INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor  
Members of the City Council  
City of Greenville, Mississippi

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Greenville, Mississippi (the City), as of and for the year ended September 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Greenville, Mississippi's management. My responsibility is to express an opinion on the financial statements based on my audit.

Except as discussed in the following paragraph, I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

I was unable to satisfy myself that all utility customers were on the City's newly installed billing software system or whether all customers that were on the system were billed for utility services received. Additionally, the City's interfund receivables/payables and transfer in/out did not agree for the year under audit. I was, therefore, unable to form an opinion as to completeness regarding revenues and expenditures in the accompanying statement of activities.

In my opinion, except for the effects of incompleteness of revenues and expenses in the accompanying statement of activities, if any, the financial statements referred to above, present fairly in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Greenville, Mississippi as of September 30, 2009, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued my report dated June 30, 2010, on my consideration of the City's internal control over financial reporting and my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

The City has not presented the management's discussion and analysis as required by GASB 34, *Basic Financial Statements - Management's Discussion and Analysis - for State and Local Governments*, that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

The budgetary comparison information on page 39 is not a required part of the financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments, and Non-Profits Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**Charles Buchanan, CPA**  
St. Louis, Missouri  
June 30, 2010

## **FINANCIAL STATEMENTS**

**City of Greenville, Mississippi**  
**Government-wide Statement of Net Assets**  
**For the year ended September 30, 2009**

<b>Assets</b>	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Cash and cash equivalents	\$ 4,551,902	\$ -	\$ 4,551,902
Accounts receivable, net of allowances	3,660,248	248,980	3,909,228
Taxes receivable	748,916	-	748,916
Fines receivable, net of allowances	810,069	-	810,069
<b>Internal service fund receivable, balances</b>	<b>3,857,040</b>	<b>(702,096)</b>	<b>3,154,944</b>
Prepaid expenses	330,378	11,907	342,285
Inventories	55,798	-	55,798
Restricted cash	7,433	-	7,433
Total current assets	<u>14,021,784</u>	<u>(441,209)</u>	<u>13,580,575</u>
 <i>Capital assets</i>			
Land	85,208,765	2,512,541	87,721,306
Buildings and improvements	31,394,979	36,826,471	68,221,450
Improvements other than buildings	46,464	9,012,600	9,059,064
Machinery and equipment	7,641,154	10,120,539	17,761,693
Furniture and equipment	676,338	39,447	715,785
Vehicles	33,375	-	33,375
Infrastructure	243,398,925	334,223,017	577,621,942
Construction in progress	9,669,487	-	9,669,487
Total capital assets(note 3d)	<u>378,069,487</u>	<u>392,734,615</u>	<u>770,804,102</u>
Less accumulated depreciation	<u>(192,145,101)</u>	<u>(334,714,962)</u>	<u>(526,860,063)</u>
Capital assets, net	<u>185,924,386</u>	<u>58,019,653</u>	<u>243,944,039</u>
 <i>Other assets</i>			
Loan origination fees/bond issuance cost (net of amortization)	123,320	273,565	396,885
<b>Total assets</b>	<b><u>200,069,490</u></b>	<b><u>57,852,009</u></b>	<b><u>257,921,499</u></b>
 <b>Liabilities</b>			
<i>Current liabilities</i>			
Cash overdraft	5,709	-	5,709
Accounts/claims payable	3,617,244	188,499	3,805,743
Sales tax payable	-	33,656	33,656
Wages payable	232,625	74,925	307,550
Deferred revenue	126,565	-	126,565
Customers deposits	21,389	401,788	423,177
Accrued interest payable	122,125	-	122,125
Accrued compensated absences, current portion	147,837	213,482	361,319
Long-term liabilities, current portion (notes e & h)	1,116,764	1,091,117	2,207,881
Total current liabilities	<u>5,390,258</u>	<u>2,003,467</u>	<u>7,393,725</u>
 <i>Noncurrent liabilities (note 3H)</i>			
Accrued compensated absences, net of current portion	591,349	-	591,349
Long-term liabilities, net of current portion (notes e & h)	4,995,143	6,524,838	11,519,981
Total noncurrent liabilities	<u>5,586,492</u>	<u>6,524,838</u>	<u>12,111,330</u>
Total liabilities	<u>10,976,750</u>	<u>8,528,305</u>	<u>19,505,055</u>
 <b>Net Assets</b>			
Invested in capital assets, net of related debt	179,812,479	50,403,698	230,216,177
Restricted	386,176	-	386,176
Unrestricted	8,894,085	(1,079,995)	7,814,090
Total net assets	<u>189,092,740</u>	<u>49,323,703</u>	<u>238,416,443</u>
<b>Total liabilities and net assets</b>	<b><u>\$ 200,069,490</u></b>	<b><u>\$ 57,852,009</u></b>	<b><u>\$ 257,921,499</u></b>

See Independent Auditor's Report and Notes to the Financial Statements.



**City of Greenville, Mississippi**  
**Reconciliation of Total Fund Balances to Total Net Assets**  
**For the year ended September 30, 2009**

<b>Balance Sheet - Governmental Funds - Total fund balances</b>		<u><b>\$ 7,265,087</b></u>
 <b>Amounts reported for governmental activities of the statement of net assets are different because:</b>		
Internal Service Fund-eliminations are the result of using one fund as a common paymaster. There is no liability to an outside party.	2,753,165	
Loan origination fees/bond issuance cost are not a use of current resources but represent prior expended costs, net of amortization	123,320	
Capital assets used in fund level statements are expensed upon use of financial resources to construct or acquire them. Capital assets for entity-wide statements are recognized as assets that are extinguished via depreciation charged over the life of the asset.		
Capital assets, net of \$192,145,101 accumulated depreciation	185,924,386	
Long-term debt uses current financial resources to pay off the principle portion and related interest expense. For entity-wide statements, the unpaid principle portion is recognized as a future obligation to be repaid over time.		
Long-term debt	(6,111,907)	
Compensated absences	(739,186)	
Accrued interest	(122,125)	
 <b>Subtotal</b>		 <u><b>181,827,653</b></u>
 <b>Government-wide Statement of Net Assets--Total net assets</b>		 <u><b>\$ 189,092,740</b></u>

**City of Greenville, Mississippi**  
**Reconciliation of Changes in Net Assets**  
**For the year ended September 30, 2009**

<b>Excess of revenues and other sources over (under) expenditures and other uses - Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds</b>	<b>\$ (1,834,569)</b>
Internal Service fund eliminations	2,753,165
Fixed assets addition	5,937,579
Depreciation expense	(6,058,600)
<p>Bond proceeds are reported as financing sources in governmental funds financial statements thus contributed to the net change in fund balance. In the statement of net assets, however, issuing debt increases long term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds financial statements, but reduces the liability in the statement of net assets</p>	
Debt issued	(2,426,623)
Principle payments	3,231,842
Loan origination costs/bond issuance	123,320
Compensated absences	82,084
Interest expense	(828)
<b>Government-wide Statement of Activities--Changes in net assets - Governmental Activities</b>	<b><u><u>\$ 1,807,370</u></u></b>

**City of Greenville, Mississippi**  
**Reconciliation Matrix (modified accrual to full accrual balances)**  
**For the year ended September 30, 2009**

<b>Balance Sheet- Governmental &amp; Internal Service Funds</b>	<u><b>Assets</b></u>	<u><b>Liabilities</b></u>	<u><b>Equity</b></u>	<u><b>Annual (Revenue) Expense</b></u>
	<b>\$ 14,388,894</b>	<b>\$ (7,123,807)</b>	<b>\$ (9,099,656)</b>	<b>\$ 1,834,569</b>
Capital asset, beginning of year	372,131,908		(372,131,908)	
Capital asset, additions	5,937,579			(5,937,579)
Accumulated depreciation, beginning balances	(186,086,501)		186,086,501	
Prior year adjustment	-		-	-
Depreciation expense	(6,058,600)			6,058,600
Eliminate interfund receivable/payable (due to/from)	(367,110)	3,120,275		(2,753,165)
Eliminate interfund (transfer in/out)	-	-		-
Loan origination fees/bond issuance cost (written off in error)	123,320			(123,320)
Long term debt, beginning of year	-	(7,555,569)	7,555,569	-
Debt issued		(2,426,623)	-	2,426,623
Prior year adjustment-debt issued		638,443	(638,443)	-
Principal repayment		3,231,842	-	(3,231,842)
Accrued interest, beginning bal		(121,297)	121,297	-
Accrued interest	-	(828)	-	828
Addition to compensated absence	-			
Compensated absences, beginning bal	-	(739,186)	821,270	(82,084)
Compensated absences, beginning bal trnsf to Water & Swr Fund				-
Add Internal service fund to govmnt funds	-	-	-	-
<b>Subtotals</b>	<u>200,069,490</u>	<u>(10,976,750)</u>	<u>(187,285,370)</u>	<u>(1,807,370)</u>
Close income/expense to equity			(1,807,370)	1,807,370
<b>Government-wide Statement of Net Assets</b>	<u><b>\$ 200,069,490</b></u>	<u><b>\$ (10,976,750)</b></u>	<u><b>\$ (189,092,740)</b></u>	<u><b>\$ -</b></u>

**City of Greenville, Mississippi**  
**Balance Sheet-Governmental Funds**  
**For the year ended September 30, 2009**

<b>Assets</b>	<b>General Fund</b>	<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
Pooled cash and investments	\$ 2,512,943	\$ 2,038,959	\$ 4,551,902
Accounts receivables	274,713	3,385,535	3,660,248
Taxes receivable	596,945	151,971	748,916
Fines receivable, net	810,069		810,069
Prepaid expenses	197,446	132,932	330,378
Inventory	48,556	7,242	55,798
Due from other funds	2,514,954	1,700,081	4,215,035
Restricted assets-cash	7,433	-	7,433
Restricted assets-investments	-	-	-
<b>Total assets</b>	<b>6,972,174</b>	<b>7,416,720</b>	<b>14,388,894</b>
<b>Liabilities</b>			
Bank overdraft	-	67	67
Accounts payable and accrued expenses	487,422	3,135,464	3,622,886
Deferred revenue	-	126,565	126,565
Wages payable	135,813	96,812	232,625
Compensated absences	-		-
Encumbrance	-	-	-
Customer deposits	21,389	-	21,389
Due to others	-	-	-
Due to other funds	2,447,591	672,684	3,120,275
Total liabilities	3,092,215	4,031,592	7,123,807
<b>Fund balances</b>			
Reserved for encumbrances	-	103,829	103,829
Reserved for prepaids & inventory	246,002	140,174	386,176
Unreserved	3,633,957	3,141,125	6,775,082
Total fund balances	3,879,959	3,385,128	7,265,087
<b>Total liabilities and fund balances</b>	<b>\$ 6,972,174</b>	<b>\$ 7,416,720</b>	<b>\$ 14,388,894</b>

See Independent Auditor's Report and Notes to the Financial Statements.

**City of Greenville, Mississippi**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds**  
**For the year ended September 30, 2009**

<b>Revenues</b>	<b>General Fund</b>	<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
Property taxes	\$ 5,588,575	\$ 980,558	\$ 6,569,133
Personal taxes	2,180,883	429,454	2,610,337
Auto taxes	1,101,077	229,991	1,331,068
Franchise taxes	1,303,998	-	1,303,998
Sales taxes	6,815,668	-	6,815,668
Gaming taxes	1,688,849	-	1,688,849
Sales to customers	1,628,402	-	1,628,402
Gas, fuel and road taxes	19,758	14,845	34,603
Fines, fees, licenses, and permits	1,012,174	216,914	1,229,088
Intergovernmental	326,436	5,023,301	5,349,737
Investment income	78,179	100,501	178,680
Leases	28,413	726,928	755,341
Contributions	1,299	1,439	2,738
Miscellaneous	131,494	23,496	154,990
Total revenues	<u>21,905,205</u>	<u>7,747,427</u>	<u>29,652,632</u>
<b>Expenditures</b>			
General government	3,808,500	50,520	3,859,020
Public safety	12,492,267	296,320	12,788,587
Public works	2,067,676	-	2,067,676
Culture and recreational	-	863,524	863,524
Airport	-	999,319	999,319
Health and human services	294,000	-	294,000
Capital outlay	431,952	6,015,321	6,447,273
Depreciation expense	-	-	-
<b>Debt service:</b>			
Principal	2,391,732	891,953	3,283,685
Interest and paying agent fee	19,197	322,458	341,655
Total expenditures	<u>21,505,324</u>	<u>9,439,415</u>	<u>30,944,739</u>
Excess of revenues over (under) expenditures	<u>399,881</u>	<u>(1,691,988)</u>	<u>(1,292,107)</u>
<b>Other financing sources (uses)</b>			
Proceeds from loan	2,143,793	282,830	2,426,623
Transfer in	8,314	919,344	927,658
Transfer out	(3,496,388)	(184,435)	(3,680,823)
Insurance proceeds	9,202	219,995	229,197
Sale of capital assets	5,496	-	5,496
Transfer to outside agency	(139,619)	(310,994)	(450,613)
Total other financing sources (uses)	<u>(1,469,202)</u>	<u>926,740</u>	<u>(542,462)</u>
<b>Excess of revenues and other sources over (under) expenditures and other uses</b>	<u><b>(1,069,321)</b></u>	<u><b>(765,248)</b></u>	<u><b>(1,834,569)</b></u>
<b>Fund balances, beginning of year</b>	<b>4,949,280</b>	<b>4,150,376</b>	<b>9,099,656</b>
Prior year adjustments & equity transfers	-	-	-
<b>Fund balances, end of year</b>	<u><b>\$ 3,879,959</b></u>	<u><b>\$ 3,385,128</b></u>	<u><b>\$ 7,265,087</b></u>

**City of Greenville, Mississippi**  
**Statement of Net Assets - Proprietary Funds**  
**For the year ended September 30, 2009**

<b>Assets</b>	<b>Water/ Sewer Utility Funds</b>	<b>Non-Major Enterprise Fund</b>	<b>Total</b>	<b>Internal Service Fund</b>
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Accounts receivable, less allowances	248,980	-	248,980	16,220
Tax receivable	-	-	-	-
Prepaid expenses	11,907	-	11,907	-
Notes receivable and restricted assets	-	-	-	-
Investments	-	-	-	-
Intergovernmental receivable	-	-	-	-
Inventories	-	-	-	48,556
Interest receivable	-	-	-	-
Due from other funds	-	568,047	568,047	559,577
Total current assets	<u>260,887</u>	<u>568,047</u>	<u>828,934</u>	<u>624,353</u>
<b>Capital assets</b>				
Land	-	2,512,541	2,512,541	-
Buildings and improvements	11,066,471	25,760,000	36,826,471	1,914,000
Improvements other than buildings	9,012,600	-	9,012,600	-
Machinery and equipment	848,519	9,272,020	10,120,539	2,097,099
Leased equipment	-	-	-	93,773
Furniture, fixture, and equipment	39,447	-	39,447	-
Infrastructure	123,544,342	210,678,675	334,223,017	-
Construction in progress	-	-	-	-
Total capital assets	<u>144,511,379</u>	<u>248,223,236</u>	<u>392,734,615</u>	<u>4,104,872</u>
Accumulated depreciation	<u>(119,398,054)</u>	<u>(215,316,908)</u>	<u>(334,714,962)</u>	<u>(2,012,021)</u>
Capital assets, net	<u>25,113,325</u>	<u>32,906,328</u>	<u>58,019,653</u>	<u>2,092,851</u>
<b>Other assets</b>				
Loan origination fees/bond issuance cost (net of amortization)	273,565	-	273,565	-
<b>Total assets</b>	<u><b>25,647,777</b></u>	<u><b>33,474,375</b></u>	<u><b>59,122,152</b></u>	<u><b>2,717,204</b></u>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Cash overdraft	-	-	-	-
Accounts/claims payable	144,883	43,616	188,499	86,271
Sales tax payable	33,656	-	33,656	-
Wages payable	61,057	13,868	74,925	3,380
<b>Due to other funds</b>	290,621	979,522	1,270,143	-
Current portion of long-term debt	-	187,480	187,480	-
Accrued compensated absences	177,377	36,105	213,482	-
Lease obligations	-	-	-	-
General obligation bonds	-	-	-	-
Notes payable	-	-	-	-
Total current liabilities	<u>707,594</u>	<u>1,260,591</u>	<u>1,968,185</u>	<u>89,651</u>
<b>Current liabilities payable from restricted assets</b>				
Customer deposits	401,788	-	401,788	-
Accrued interest payable	-	-	-	-
Current portion of revenue bonds	903,637	-	903,637	-
Total current liabilities payable from restricted assets	<u>1,305,425</u>	<u>-</u>	<u>1,305,425</u>	<u>-</u>
<b>Long-term debt (less amounts classified as current liabilities)</b>				
Accrued compensated absences	-	-	-	-
Lease obligations	-	39,245	39,245	-
General obligation bonds	-	-	-	-
Notes payable	6,009,941	475,652	6,485,593	-
Total long-term debt	<u>6,009,941</u>	<u>514,897</u>	<u>6,524,838</u>	<u>-</u>
Total liabilities	<u>8,022,960</u>	<u>1,775,488</u>	<u>9,798,448</u>	<u>89,651</u>
<b>Net assets</b>				
Invested in capital assets, net of related debt	19,103,384	32,391,431	51,494,815	2,092,851
Restricted for debt service	-	-	-	-
Unrestricted	(1,478,567)	(692,544)	(2,171,111)	534,702
Total net assets	<u>17,624,817</u>	<u>31,698,887</u>	<u>49,323,704</u>	<u>2,627,553</u>
<b>Total liabilities and net assets</b>	<u><b>\$ 25,647,777</b></u>	<u><b>\$ 33,474,375</b></u>	<u><b>\$ 59,122,152</b></u>	<u><b>\$ 2,717,204</b></u>

**City of Greenville, Mississippi**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Funds**  
**For the year ended September 30, 2009**

	<b>Water/ Sewer Utility Funds</b>	<b>Non-Major Enterprise Funds</b>	<b>Total</b>	<b>Internal Service Fund</b>
<b>Operating revenues</b>				
Sales to customers	\$ 4,899,818	\$ 1,714,741	\$ 6,614,559	\$ 1,628,402
Other revenues	69,454	-	69,454	177,891
Total operating revenues	<u>4,969,272</u>	<u>1,714,741</u>	<u>6,684,013</u>	<u>1,806,293</u>
<b>Operating expenses</b>				
Personnel services	1,486,763	438,949	1,925,712	405,392
Supplies	431,000	112,935	543,935	908,745
Capital outlay		247,737	247,737	143,793
Other services and charges	2,040,419	904,597	2,945,016	215,923
Depreciation	2,391,366	4,002,663	6,394,029	63,940
Total operating expenses	<u>6,349,548</u>	<u>5,706,881</u>	<u>12,056,429</u>	<u>1,737,793</u>
<b>Operating income (loss)</b>	<u><b>(1,380,276)</b></u>	<u><b>(3,992,140)</b></u>	<u><b>(5,372,416)</b></u>	<u><b>68,500</b></u>
<b>Non-operating revenues (expenses)</b>				
Interest revenue	-	-	-	-
Interest expense and service charges	(298,627)	(24,718)	(323,345)	-
Gain (loss) on sale of fixed assets	-	-	-	-
CDBG - operating grants	26,978	41,063	68,041	-
Miscellaneous	-	(2,316)	(2,316)	-
Total non-operating revenues (expenses)	<u>(271,649)</u>	<u>14,029</u>	<u>(257,620)</u>	<u>-</u>
<b>Income (loss) before contributions and transfers</b>	<u><b>(1,651,925)</b></u>	<u><b>(3,978,111)</b></u>	<u><b>(5,630,036)</b></u>	<u><b>68,500</b></u>
<b>Other financing sources (uses)</b>				
Transfers in	1,047,344	-	1,047,344	-
Bad debt	(168,854)	1,272	(167,582)	-
Transfers out	(27,490)	(1,019,854)	(1,047,344)	-
Total transfers in (out)	<u>851,000</u>	<u>(1,018,582)</u>	<u>(167,582)</u>	<u>-</u>
<b>Changes in net assets</b>	<u><b>(844,910)</b></u>	<u><b>(4,996,693)</b></u>	<u><b>(5,841,603)</b></u>	<u><b>68,500</b></u>
<b>Net assets - beginning</b>	<b>18,886,766</b>	<b>36,731,685</b>	<b>55,618,451</b>	<b>2,559,053</b>
Prior period adjustments	(417,039)	(36,105)	(453,144)	-
<b>Net assets - ending</b>	<u><u><b>\$ 17,624,817</b></u></u>	<u><u><b>\$ 31,698,887</b></u></u>	<u><u><b>\$ 49,323,704</b></u></u>	<u><u><b>\$ 2,627,553</b></u></u>

See Independent Auditor's Report and Notes to the Financial Statements.

City of Greenville, Mississippi  
Statement of Cash Flows  
Proprietary Funds  
For the year ended September 30, 2009

	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 6,684,013
Payments to suppliers of goods and services	(5,235,408)
Payments to employees for services	-
<b>Net Cash Provided by Operating Activities</b>	<u>1,448,605</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers from other funds	1,047,344
Transfers to other funds	(1,047,344)
Operating grants	68,041
<b>Net Cash Provided by (Used for) Noncapital Financing Activities</b>	<u>68,041</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition and construction of capital assets	
Acquisition of note receivable	
Proceeds from sales of capital assets	
Proceeds from capital leases	
Proceeds from revenue bonds	
Principal paid on capital debt	(671,906)
Cash paid for interest on capital debt	(323,345)
Other capital and financing activities	(521,395)
<b>Net Cash Provided by (Used for) Capital and Related Financing Activities</b>	<u>(1,516,646)</u>
<b>CASH FLOWS PROVIDED BY (USED FOR) INVESTING ACTIVITIES</b>	
Purchase of investment securities	-
Proceeds from sale and maturities of investment securities	-
Investment income	-
<b>Net Cash Provided By (Used for) Investing Activities</b>	<u>-</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>-</u>
<b>Cash and Cash Equivalents at Beginning of Year</b>	
Unrestricted	-
Restricted	-
Total cash beginning of year	<u>\$ -</u>
<b>Cash and Cash Equivalents at End of Year</b>	
Unrestricted	-
Restricted	-
<b>Total Cash and Cash Equivalents at End of Year</b>	<u>\$ -</u>
<b><u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:</u></b>	
<b>Operating income (loss)</b>	(5,841,603)
<b>Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:</b>	
Depreciation expense	6,394,029
Bad debt	167,582
Amortization expense	88,975
(Increase) decrease in accounts receivable, net	31,201
(Increase) decrease in inventories	
(Increase) decrease in customer deposits	
(Increase) decrease in prepaid expenses	(11,907)
(Increase) decrease in notes receivables, net	
Increase (decrease) in due from other funds	394,562
Increase (decrease) in current liabilities	225,766
<b>Total Adjustments</b>	<u>7,290,208</u>
<b>NET CASH FLOWS PROVIDED TO (USED IN) OPERATING ACTIVITIES</b>	<u>\$ 1,448,605</u>
<b>Other Non Cash Items:</b>	
Noncash investing, capital, and financing activities:	\$ -
Fair value of donated assets	-
Lease purchase agreements	-

See independent auditor's report and notes to the financial statements.

**City of Greenville, Mississippi**  
**Statement of Fiduciary Net assets**  
**For the year ended September 30, 2009**

**Assets**

Cash	\$ 1,883
Restricted cash	-
Accounts receivables	760,495
Taxes receivables	152,066
Due from other governments	-
Due from other funds	1,426,755
<b>Total assets</b>	<u><u><b>2,341,199</b></u></u>

**Liabilities**

Bank overdraft	-
Claims payable	8,356
Reserved for unemployment claims	80,500
Due to outside agencies	1,060,685
Due to other funds	1,190,950
Deferred credits	708
<b>Total liabilities</b>	<u><u><b>\$ 2,341,199</b></u></u>

**NOTES TO THE FINANCIAL STATEMENTS**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2009**

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **A. Reporting Entity**

The City of Greenville, Mississippi (the City) is incorporated under the laws of the State of Mississippi. The City operates under the Mayor-Council form of government with a full-time Mayor elected from the City at-large and six part-time Council members (City Council) elected from wards. Major operations include public safety, public works, economic development, health and human services, culture and recreation and general administration services. In addition, the City owns and operates a water and sewer system.

The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Government Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 that do not conflict with or contradict GASB pronouncements. Although the City has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the City has chosen not to do so. The more significant accounting policies established in GAAP and used by the City are discussed below.

In evaluating the City as a reporting entity, management has addressed potential component units for which the City may or may not be financially accountable and as such, be includible in the financial statements. The component unit discussed below is included because of the significance of its operational or financial relationships.

The following are included within the reporting entity using the blended method of presentation:

**City of Greenville Park Commission.** The City's Park Commission is appointed by the City Council. The City Council assesses taxes and approves rates for user charges and bond issuance authorization. The City Council has the authority to review and approve contracts and budgets.

The following is excluded from the reporting entity:

**City of Greenville Separate School District.** This potential component unit provides a service to residents generally within the geographic boundaries of the City. This potential component unit is excluded from the reporting entity because the government does not have the ability to exercise influence over daily operations, approve budgets or provide funding. Mississippi statutes require Municipal school districts be a separate reporting entity.

#### **B. Basic Financial Statements-Government-wide and Fund Level Statements**

The basic financial statements include both government-wide (reporting as a whole) and fund financial statements (reporting major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. Public safety, public works, economic development, health and human services, culture and recreation and general administration services are classified as governmental activities. Water and sewer services are classified as business-type activities.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns (a) are presented on the consolidated basis by column, (b) and are reported on the full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Net assets are reported in three parts: invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. Restricted resources are utilized first to finance qualifying activities.

The government-wide Statement of Activities reports both on the gross and net cost of each function and business-type activities (police, fire, public works, etc.). The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to applicant who use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Operating grants include operating-specific and discretionary (either operating or capital) grants while capital grants reflects capital-specific expenditures.

The Statement of Activities reduces gross expenses (including depreciation expense) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (police, fire, public works, etc.) or a business-type activity. Taxes and other items not properly included among program revenues are reported as *general revenues*. Net costs (by function or business-type activities) are normally covered by general revenue (property, sales or gas tax, intergovernmental revenues, interest income, etc.).

The government-wide focus is more on the sustainability of the City as an entity and the changes in net assets resulting from current year's activities.

Separate financial statements are provided for governmental, proprietary, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary funds financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, are recorded only when payment is due.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Property and franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues. Other revenue items are considered to be measurable and available only when cash is received.

The City reports the following major governmental funds:

**General Fund** - The General Fund is the primary operating fund. It accounts for all financial transactions, except those required to be accounted for in another fund.

The City reports the following major proprietary fund:

**Water and Sewer Utility** - This fund accounts for activities associated with providing water and sewer service.

Additionally, the following fund types are reported:

**Governmental Funds:**

**General Fund-** is the general operating fund. The General Fund accounts for all financial resources except those required to be accounted for in other funds. The General Fund is always a major fund.

**Special Revenue Funds-** are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

**Debt Service-** Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

**Capital Projects Funds-** are used to account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by Enterprise Funds).

**Proprietary Funds:**

**Enterprise Funds-** are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation expense) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriated for capital maintenance, public policy, management control, accountability or other purposes.

**Internal Service Fund-** is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis.

**Fiduciary Funds:**

**Fiduciary Funds-** are used to report assets held in a trustee or agency capacity for others and therefore are not available to support City programs. The reporting focus is on net assets and changes in net assets are reported using accounting principles similar to proprietary funds.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB No. 34 sets forth *minimum* criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in fund financial statements.

The Internal Service Fund is presented in the proprietary funds financial statements. Because the principal users of internal services are the governmental activities, the financial statements of the internal service fund are consolidated into the governmental activities column when presented in the government-wide financial statements. To the extent possible, the costs of these services are reported in the appropriate functional activity (police, fire, public works, etc.).

Fiduciary funds are presented in the fiduciary fund statements by type (unemployment, private purpose and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

**D. Assets, Liabilities, Net Assets and Equity**

**1. Cash and Cash Equivalents**

Cash and cash equivalents include demand deposit accounts, petty cash, and certificates of deposit with a maturity date generally within 90 days of maturity. Collateral, as further discussed in Note 3A, is pledged by various financial institutions to secure deposits.

**2. Receivables**

All receivables are reported at their gross value and, when appropriate, are reduced by the estimated portion that is expected to be uncollectible.

**3. Investments**

Investments are recorded at fair value in accordance with GASB Statement No. 31 with all investment income, including interest from short-term interest bearing securities being recognized as earned. Statutes authorize the City to invest in U.S. Government agency obligations, State of Mississippi obligations, and obligations of a corporation of the U.S. Government.

Securities traded in a national or international exchange are valued at the last reported sales price at current exchange rates. Short-term investments are reported at fair value when published prices are available, or at cost plus accrued interest, which approximates fair value. For individual investments where no readily ascertainable fair value exists, the Public Employees' Retirement System, in consultation with its investment advisors and custodial bank, has determined the fair values.

**4. Inventories**

Inventories are priced at cost using the first-in, first-out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures when purchased rather than when consumed. Inventories consist of major stores of material and supplies held at central locations.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**5. Capital Assets**

Capital assets purchased or acquired are carried at historical cost. Contributed assets are recorded at fair market value at the date received. Classes of capital assets and their capitalization levels are: land - cost or fair market value, buildings \$50,000, land improvements - \$25,000, machinery and equipment - \$500, infrastructure - \$100,000, and construction in progress - based on the project's class. The cost of normal maintenance and repair that do not add to the value of capital assets or materially extend their respective lives are not capitalized. Interest expenditures are not capitalized on capital assets.

Capitalized assets, excluding land and construction in progress, are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	40
Land improvements	20
Heavy machinery and equipment	5-15
Computer equipment	3
Vehicles	3-10
Infrastructure	8-50

Interest is capitalized on proprietary fund asset constructed with the proceeds of tax exempt debt. The amount of interest capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

GASB No. 34 requires the City to report and depreciate new infrastructure assets effective June 15, 2002. Infrastructure assets include roads, bridges, sidewalks, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure is subject to an extended implementation period and is mandated to be reported for the fiscal year ending 2008.

**6. Compensated Absences**

The City accrues accumulated unpaid personal leave and associated employee-related cost when earned (or estimated to be earned) by employees up to 1 day per month after 6 months of service and 1 1/2 days after 15 years of service. However, upon termination of employment no employee is paid for more than 30 days. The excess may be applied as creditable service time through the Public Employees Retirement System. For the proprietary funds and the government-wide statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, at the fund level, all compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and government-wide presentation.

**7. Bond Discounts, Bond Premiums and Issuance Costs**

In the government funds, bond discounts, bond premiums and issuance costs are treated as period costs in the year of issue. Bond premiums and discounts are shown as "*Other Financing Sources/Uses*".

In the proprietary funds and government-wide financial statements, bond discounts, bond premiums and issuance costs are deferred and amortized over the term of the bonds utilizing the outstanding method, which approximate the effective interest method. Bond discounts and premium are presented as a reduction and increase, respectively, of the face amount of the revenue bond payable, where issuance costs are recorded as other assets.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

8. **Interfund Activity**  
Interfund activity is reported as loans, services provided reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.
9. **Revenues**  
Substantially all governmental fund revenues are accrued. Property taxes are billed and collected within the same period in which taxes are levied. Subsidies and grants to proprietary funds, which finance either capital or current operations are reported as non-operating revenues based on GASB No. 33. In applying GASB No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenues when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.
10. **Expenditures**  
Expenditures are recognized when the related fund liability is incurred. The cost of governmental fund type inventories are recorded as expenditures when purchased rather than when consumed.
11. **Reserves and Designations**  
Portions of fund equity are segregated for future use and therefore, are not available for future appropriations or expenditure.
12. **Net Assets**  
Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.
13. **Pension Expenses**  
The City funds pension expenses as required by applicable statute. Two plans, funded from both City and employee contributions are described in Note 3J.
14. **Post-Employment Health Care and Life Insurance Benefits**  
The City does not incur costs associated with post-employment benefits for retired employees, but allows vested employees to continue in the group plan after retirement. However, the retired employee pays 100% of premiums.
15. **Use of Estimates**  
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosures. Actual results could differ from those estimates.
16. **New Accounting Standards**  
The City will adopt the following new accounting pronouncements in future years:  
*GASB Statement No. 39* - This Statement amends Statement No. 14 to provide additional guidance to determine whether certain organizations for which the primary government is not financially accountable should be reported as component units based on the nature and significance of their relationship with the primary government. *GASB-S45-Post Employment Benefits* is not applicable to the City—see note 14 above.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)**

**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

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

1. The Mayor and City Clerk prepare estimates of available revenue.
2. Department heads submit proposed expenditure budgets to the Mayor and City Clerk.
3. Expenditure budgets are reviewed by the Mayor and City Clerk and necessary revisions are communicated to department heads.
4. Budgeted revenues and expenditures are balanced, and a summary is prepared.
5. The Mayor and City Clerk submit the proposed budget to the City Council in August. The municipal budget must be adopted before September 15, and published in a local newspaper no later than September 30.
6. The budget must be revised at the first meeting in July and every month thereafter if it appears that budgeted revenues will not materialize. The governing authority may, by unanimous vote, revise the budget without any public hearing or notice, if an emergency situation exists as defined in Section 21-35-19, Mississippi Code Ann. (1972).
7. The City prepares annual budgets in conformity with Mississippi law which requires that municipality's budget on a modified cash basis. Claims that have been incurred prior to the end of the year and that are paid within 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 principle.
8. Expenditures may not legally exceed appropriations at the department level except for capital outlay, election expenses, and payment of emergency warrants.
9. Appropriations lapse 30 days after year end.
10. Budgeted amounts are as originally adopted or as amended by the City Council as of September 30<sup>th</sup>.
11. Encumbrance accounting, under which executed but unperformed purchase orders, contracts, and other commitments are recorded in order to reserve that portion of the applicable appropriation. Encumbrance accounting is employed as an extension of formal budgetary integration in the General, Special Revenue, and Capital Projects Funds; Encumbrances outstanding at year-end are reported as reservations of fund balances and are reappropriated in the next year's budget.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONCLUDED)**

**B. Excess of Expenditures over Appropriations**

Excess of expenditures over appropriations are presented on the Statement of Revenues, Expenditures and Changes in Fund Balance compared to Budget on page 39.

**C. Deficit Fund Balances**

The following funds had deficits at the individual fund level:

<u>Fund</u>	<u>Amount</u>
Municipal Impmt Fund	\$ (10,906)
STIP Street Impmt	(184,401)
Park improvement fund	(94,374)
Housing grant	(112)
<b>Total</b>	<b>\$ (289,793)</b>

**NOTE 3 - DETAILED NOTES ON ALL FUNDS:**

**A. Deposits and Investments**

**1. Policies and Practices**

Collateral for public entities' deposits in financial institutions are now held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-106-5, Mississippi Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holdings deposits of public funds must pledge securities as collateral against those deposits equal to at least 106% of the amount of the deposit in excess of the insured amount. 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 Depository Insurance Corporation (FDIC).

State statutes authorize the government to invest in interest bearing certificates of deposit issued by a qualified depository of the government or in direct obligation of the United States of America.

State statute allows the investment of funds received from the sale of bonds, notes, or certificates of indebtedness which are not immediately required for disbursements for the purpose issued, in direct obligations issued by or guaranteed in full by the United States of America, or in certificates of deposit with approved municipal depositories.

The City's deposits and investments are categorized below to give an indication of the level of risk assumed by the City at year-end.

Category 1 Insured or registered, with securities held by the City or its agent in the City's name.

Category 2 Uninsured, collateralized with securities held by the counterparty's trust department or agent in the City's name.

Category 3 Uninsured, collateralized with securities held by the counterparty or by its trust department or agent, but not in the City's name.

**2. Deposits - Primary Government**

At year end, the carrying amount of deposits was \$4,475,718 and the bank balances totaled \$4,550,718. Of the bank balances, \$250,000 was insured by federal deposit insurance (insured, risk Category 1) and \$4,300,718 was covered by pooled and/or pledged collateral, as allowed by the Mississippi Code, but not necessarily held in the City's name (collateralized, risk Category 3).

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS**

**B. Receivables**

Receivables at September 30, 2009, for the primary government's individual major, nonmajor, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Governmental Activities</u>		<u>Business- Type Activities</u>	<u>Total Gov'tmtal</u>	<u>Trust &amp; Agency Fund</u>
	<u>General</u>	<u>Special Revenue</u>			
Taxes receivable	\$ 596,945	\$ 151,971		\$ 748,916	\$ 152,066
Accounts receivable	274,713	3,385,535	248,980	3,909,228	760,495
Fines receivables	2,773,815			2,773,815	
Allowance for doubtful	(1,963,746)			(1,963,746)	
Due from other government				-	1,426,755
<b>Total</b>	<b>\$ 1,681,727</b>	<b>\$ 3,537,506</b>	<b>\$ 248,980</b>	<b>\$ 5,468,213</b>	<b>\$ 2,339,316</b>

Revenues from Water and Sewer usage are reported net of collectible amounts. Property taxes on real and personal property, exclusive of automobiles, attach as an enforceable lien on the levy date or January 1 for the preceding calendar year. Washington County bills and collects real, personal and auto ad valorem taxes for the City of Greenville, Mississippi.

Taxes are due on or before February 1st; however, installment payments can be made by paying one-half of the balance due on February 1st and one-fourth each May and August 1st.

Tax millage levies for 2009 were collected in the current fiscal year and statutory maximum millage rates were as follows:

**1. Property Tax**

The County prepares and approves the tax rolls in July and tax bills are prepared in December and become delinquent on February 1st. The levy on automobile taxes is collected by the County and remitted to the City monthly. Washington County also remits a pro-rata share of road maintenance taxes levied by the County.

The City assessed a tax levy on the 2009 tax rolls of 58.05 mills per \$1,000 of assessed valuation for property within its incorporated boundaries. Additionally, the City assessed 59.60 mills per \$1,000 of assessed value for property within the Greenville Public School boundaries.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Notes Receivable**

- CDBG - Loan Fund - Fine Vines, Inc.:

**Fine Vines, Inc.**

In the fiscal year ended September 30, 1994, the City loaned Fine Vines, Inc., a Mississippi corporation, \$79,066. The loan was repayable beginning October 1, 1993, in monthly installments of \$662 for the first twelve months and \$1,528 per month for the 60 months thereafter. Interest on the unpaid principal accrued at 6.0 percent per annum. The last payment received by the City was in April 1995. Since that time, Fine Vines, Inc. was given a moratorium until the company regained its financial stability, but defaulted and went out of business in September 1999. Although the City is hopeful of an eventual recovery, an allowance for doubtful account for the entire amount due of \$65,095 has been established.

- CDBG - Loan Fund - U.S. Axminster/Delta Pallet:

**U.S. Axminster**

In fiscal year 1987, the City procured a Community Development Block Grant loan for U.S. Administer, Inc. in the amount of \$995,000. Funds were repayable to the City over a period of 25 years. Terms of repayment were allocated between two separate notes as follows:

		Note 1		Note 2
Original Note Amount	\$	245,000	\$	750,000
Monthly Payment	\$	3,757	\$	5,542
Date of First Payment		3-1-87		3-1-89
Interest Rate		7.5%		7.5%
Terms		85 Months		25 Years

The City entered into an "intercreditor agreement" with the Governor's Office of Federal-State Programs (GOFSP) and U.S. Axminster, whereby, the City guaranteed repayment of the CDBG funds. The City acts as a collecting agency for U.S. Axminster payments and remits all program revenues to the GOFSP.

As a part of the "intercreditor agreement," the City adopted a binding resolution that states "if the principal of the loan authorized by the Grant is not repaid or the unpaid principal is not realized from converted collateral available to the City, the City will, through in-kind contribution by way of CDBG eligible work projects ... account for the unrecovered principal." Consequently, a corresponding note is set up in this fund representing the note due to the GOFSP.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**Delta Pallet, Inc.**

In 1991, the City acquired a Community Development Block Grant for \$216,000. The grant funds were loaned to Delta Pallet, Inc., a Mississippi Corporation. Funds were repayable to the City over a period of 108 months. Monthly installments of \$2,762 began March 1, 1992. Interest on the unpaid principal accrued at a rate of 9.5 percent per annum. On March 3, 1992, the City Council approved a twelve-month moratorium on principal and interest payments. Interest earnings for 1994 and 1993, had the moratorium not been granted, would have been \$10,885 and \$7,483, respectively. On March 1, 1993, Delta Pallet, Inc., resumed payments according to the payment schedule. No payments have been received on this note since November 1994. The City is currently in foreclosure with this loan. Because the City has a third lien on the property and a building owned by Delta Pallet, Inc., the collectibility of the note is doubtful and an allowance for doubtful accounts was established.

The City obtained title to various assets of Delta Pallet. During 1997, a truck, and later a house was sold. Approximately \$6,000 was recovered by the City. The proceeds were treated as a recovery of bad debt.

The City resolved to repay all loans made to Delta Pallet, Inc., to the Governor's Office of Federal State Programs, and the Department of Community Development. As a result, the City established a note payable corresponding to the note receivable from Delta Pallet, Inc., but did not pledge the City's full faith and credit for the note.

- **CDBG - Loan Fund - Fine Vines, Inc.**

In fiscal 1989, the City acquired a Community Development Block Grant for \$378,417. Grant funds were loaned to Fine Vines, Inc., a Mississippi corporation. Subsequent to September 1999, Fine Vines, Inc., went out of business and the collectibility of their balance is doubtful.

The City resolved to repay all loans made to Fine Vines, Inc., to the Governor's office of Federal State Programs, Department of Community Development. As a result, the City established a note payable corresponding to the note receivable from Fine Vines, Inc. The City did not pledge full faith and credit for the note.

The City received notice from the State of Mississippi Development Authority subsequent to September 30, 2001 that the Authority will not hold the City responsible for the unpaid loan balance. Further, that the City is in possession of the industrial building that was collateral for the loan and that prior to leasing, selling, or otherwise disposing of the building, prior approval is required from the Authority. An allowance for doubtful accounts was established for this loan.

- **CDBG Loan Fund - Housing Grant**

The City holds outstanding mortgages on loans to participants in a program to rehabilitate houses in the City of Greenville. South Delta Planning and Development District, Inc., administered the grants. As of September 30, 2008, there were six (6) loans outstanding, two (2) of which were in default. The outstanding balance of all mortgages was \$11,579 and the allowance for doubtful account was established at \$11,579.

Summary of notes receivable as of September 30, 2009:

Enterprise Funds	\$ -
Housing Grant	11,579
Subtotal	<u>11,579</u>
Allowance for uncollectible notes	<u>(11,579)</u>
Notes receivables, net	<u>\$ -</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**D. Capital Assets**

Changes in Capital Assets were as follows:

	Balance Oct 1, 2008	Prior Yr Adjmts	Additions	Disposals	Balance Sept 30, 2009
<b>Governmental Activities:</b>					
<b>Capital assets not being depreciated:</b>					
Land	\$ 85,208,765	\$ -	\$ -	\$ -	\$ 85,208,765
Construction in progress	6,744,883		2,924,604		9,669,487
Total capital assets not being depreciated	91,953,648	-	2,924,604	-	94,878,252
<b>Capital assets being depreciated:</b>					
Buildings & improvements	30,996,776		398,203		31,394,979
Automotive and equipment	8,180,386		216,945		8,397,331
Infrastructure	241,001,098		2,397,827		243,398,925
Total capital assets being depreciated	280,178,260	-	3,012,975	-	283,191,235
<b>Total Capital Assets, Government Wide</b>	<b>372,131,908</b>	<b>-</b>	<b>5,937,579</b>		<b>378,069,487</b>
Less accumulated depreciation	(186,086,501)	-	(6,058,600)	-	(192,145,101)
<b>Net governmental activities assets</b>	<b>\$ 186,045,407</b>	<b>\$ -</b>	<b>\$ (121,021)</b>	<b>\$ -</b>	<b>\$ 185,924,386</b>
<b>Proprietary Funds</b>					
<b>Capital assets not being depreciated:</b>					
Land	\$ 2,512,541		\$ -		\$ 2,512,541
Total capital assets not being depreciated	2,512,541	-	-	-	2,512,541
<b>Capital assets being depreciated:</b>					
Buildings & improvements	34,760,000				34,760,000
Machinery and equipment	10,172,586				10,172,586
Infrastructures	345,289,488				345,289,488
Total capital assets being depreciated	390,222,074	-	-	-	390,222,074
<b>Total Capital Assets, Business type</b>	<b>392,734,615</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>392,734,615</b>
Less accumulated depreciation	(328,320,933)	-	(6,394,029)	-	(334,714,962)
<b>Net Capital Assets, Business Type</b>	<b>64,413,682</b>	<b>-</b>	<b>(6,394,029)</b>	<b>-</b>	<b>58,019,653</b>
<b>Total Capital Assets, net</b>	<b>\$ 250,459,089</b>	<b>\$ -</b>	<b>\$ (6,515,050)</b>	<b>\$ -</b>	<b>\$ 243,944,039</b>

**E. Capital Leases**

The City entered into lease agreements as lessee for financing the acquisition of equipment. These agreements qualify as capital leases for accounting purposes (titles transfer at the end of the term) and have been recorded at the present value of the future minimum lease payments as of the date of their acquisition.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONTINUED)**

<b>Lease agreements are as follows:</b>	<b>Gov'tnal Fds</b>	<b>Bus Type</b>	<b>Total</b>
6.296%, originally \$120,601, issued 9/16/01, mat 7/1/2012 secured by breathing apparatus, payable in annual installments of \$16,616-People's National Bank	\$ 44,174		\$ 44,174
6.88 %, originally 197,537, issued 5/1/02, mat 5/1/12 secured by supercommercial pumper, payable in ann'l installmt of \$27,981-Federal Signal	50,668		50,668
5.19%, org \$285,654, issued 4/1/99, mat 4/1/2009 secured by Rescue One Pumper Fire Truck, payable in annual installments of \$31,735 including interest-Federal Signal	30,169		30,169
5.49%, org \$443,921, issued 4/1/99, mat 4/1/2009, secured by E-1 Fire Ladder Truck, payable in 60 annual installments of \$58,866 including interest-Federal Signal	108,700		108,700
4.49%, org \$68,038, issued 5/25/07, mat 7/10/2012, secured by IBM i5 server, (GPD) payable in 30 semi-annual installments of \$7,680 including interest, maturing July 2012-BankCorp South	42,637		42,637
3.340%, Org \$183,767, issued 8/24/08, mat 2/10/11, secured by STECO (sanitation truck & trailer), payable in 60 annual Installments of \$40,576 including interest-BancorpSouth		77,203	77,203
3.59%, org \$111,056, issued 3/10/05, mat 3/10/2010, secured by Pelican Street Sweeper, payable in 5 annual installments of \$24,521-First Continental Leasing	23,717		23,717
3.59%, org \$111,056, issued 3/10/05, mat 3/10/2010, secured by Pelican Street Sweeper, payable in 5 annual installments of \$24,521-First Continental Leasing	23,717		23,717
5.93%, org \$41,778, issued 6/22/06, mat 6/1/2011, secured by Avaya phone system, payable in 60 monthly installments of \$806, including interest maturing June, 2011.	16,046		-
3.34%, org \$494,815, issued 9/10/05, dtd 9/10/2010, secured by Eqment, Mowers, Computers, Acct'g software, payable in 5 installments of \$109,256-First Continental Leasing	105,672		105,672
<b>All Funds</b>	<b>\$ 445,500</b>	<b>\$ 77,203</b>	<b>\$ 506,657</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Capital Leases (continued)**

The following is a schedule of required future minimum lease payments:

<u>Year Ending September 30,</u>	<u>Governmental Funds</u>	<u>Business Type Funds</u>	<u>Total</u>
2010	\$ 297,143	\$ 37,958	\$ 335,101
2011	117,970	39,245	157,215
2012	30,487	-	30,487
2013	-	-	-
2014	-	-	-
Thereafter	-	-	-
Total future minimum lease payments	<u>445,600</u>	<u>77,203</u>	<u>522,803</u>
Less amount representing interest	<u>(30,121)</u>	<u>(3,949)</u>	<u>(34,070)</u>
Present value of future lease payments	<u>\$ 415,479</u>	<u>\$ 73,254</u>	<u>\$ 488,733</u>

**F. Operating Leases**

The City is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations and, therefore, the results of the lease agreements are not reflected in the City's account groups. Rental expense for September 30, 2009 was \$83,192.

The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining noncancellable lease terms in excess of one year as of September 30, 2009:

<u>September 30,</u>	<u>Amount</u>
2010	67,851
2011	52,306
2012	33,942
2013	16,708
Thereafter	-
Total	<u>\$ 170,807</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONTINUED)**

- **Lease Revenue**

The Mid-Delta Regional Airport leases several buildings to various tenants under operating lease agreements. The following is a schedule by years of minimum future rentals on noncancellable operating leases as of September 30, 2009:

<u>Year Ending September 30,</u>	<u>Amount</u>
2010	\$ 721,872
2011	712,914
2012	686,153
2013	686,153
2014	686,153
Thereafter	-
Total	<u>\$ 3,493,245</u>

**G. Loan Issuance Cost**

The City obtained financing through the Mississippi Department of Environmental Quality State Revolving Fund Program for the construction of various projects. The City was charged for administrative services of the loans. In accordance to general accepted accounting principles (GAAP), these costs are reflected as "other asset" and are amortized over the lives of the respective loans. The net value of the issuance costs was \$396,885 at September 30, 2009.

**H. Long-Term Debt**

- **General Obligation Bonds:**

The government issues general obligation bonds to provide funds for construction of major capital facilities. General obligation bonds have general government and proprietary activities.

General obligation bonds are direct obligations and pledge the full faith and credit of the City. Debt currently outstanding follows:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2009

NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONTINUED)

Governmental Activities:	Balance	Reclass/ Additions	Reclass/ Retirements	Outstanding Sep 30, 2009	Due Within One Year	Due in more than one year
	Outstanding Sep 30, 2008					
<b>General Obligation Bonds Payable</b>						
1995 Refunding Bonds	\$ 205,000		\$ 205,000	\$ -	\$ -	\$ -
Tax Anticipation Note	-	2,000,000	2,000,000	-	-	-
2003 Refunding Bonds	661,605	154,895	213,000	603,500	223,650	379,850
2000 Refunding Bonds	350,900		134,850	216,050	69,600	146,450
2008 Refunding Bonds	2,000,000		-	2,000,000	65,000	1,935,000
2007 Refunding Bonds	2,000,000		65,000	1,935,000	70,000	1,865,000
TIF Bond	500,000		160,000	340,000	165,000	175,000
Total general obligation bonds payable	<u>5,717,505</u>	<u>2,154,895</u>	<u>2,777,850</u>	<u>5,094,550</u>	<u>593,250</u>	<u>4,501,300</u>
<b>General Obligation (Notes Payable)</b>						
Union Planters/Regions	-	45,526	45,526	-	-	-
Trustmark National Bank	77,118		64,316	12,802	12,802	-
Trustmark National Bank	259,009		126,577	132,432	132,432	-
Trustmark National Bank		282,830		282,830	54,518	228,312
Trustmark National Bank		143,793		143,793	26,719	117,074
Tax Anticipation Note	771,747		771,747	-	-	-
Total general obligation notes payable	<u>1,107,874</u>	<u>472,149</u>	<u>1,008,166</u>	<u>571,857</u>	<u>226,471</u>	<u>345,386</u>
<b>General Obligation</b>						
Capital Lease-purchase agreements						
Avaya	24,496		8,450	16,046	8,965	7,081
People's National Bank	57,190		13,016	44,174	13,835	30,339
Federal Signal	73,580		22,912	50,668	24,490	26,178
Federal Signal	158,845		50,145	108,700	52,898	55,802
BanCorp South	56,039		13,402	42,637	13,580	29,057
Federal Signal	58,850		28,681	30,169	30,169	-
First Continental Leasing	46,656		22,939	23,717	23,717	-
First Continental Leasing	46,656		22,939	23,717	23,717	-
First Continental Leasing	207,878		102,206	105,672	105,672	-
Total Capital Lease	<u>730,190</u>	<u>-</u>	<u>284,690</u>	<u>445,500</u>	<u>297,043</u>	<u>148,457</u>
<b>Total Governmental Activities</b>	<u>7,555,569</u>	<u>2,627,044</u>	<u>4,070,706</u>	<u>6,111,907</u>	<u>1,116,764</u>	<u>4,995,143</u>
<b>Gov'mntal Act-Other Long Term Dbt</b>						
Compensated absences	821,270		82,084	739,186	147,837	591,349
Accrued interest	121,297	828	-	122,125	122,125	-
<b>Sub-total Other Long Term Debt</b>	<u>942,567</u>	<u>828</u>	<u>82,084</u>	<u>861,311</u>	<u>269,962</u>	<u>591,349</u>
<b>Total Gov'tmt Long Term Debt</b>	<u>8,498,136</u>	<u>2,627,872</u>	<u>4,152,790</u>	<u>6,973,218</u>	<u>1,386,726</u>	<u>5,586,492</u>
<b>Business-Type Activities:</b>						
<b>Water &amp; Sewer General Obligation Bonds</b>						
2003 Refunding Bonds	488,395		241,895	246,500	91,350	155,150
Water and Sewer Improvement	-					
2000 Refunding Bonds	629,100	66,700	166,850	528,950	170,400	358,550
Total water & sewer general obligation bonds	<u>1,117,495</u>	<u>66,700</u>	<u>408,745</u>	<u>775,450</u>	<u>261,750</u>	<u>513,700</u>
<b>Water and Sewer</b>						
<b>State Revolving Loan Fund</b>						
C280767-01-2	1,219,115		147,484	1,071,631	154,259	917,372
C280767-02-2	737,070		87,970	649,100	92,011	557,089
C280767-03-2	1,245,422		120,222	1,125,200	125,746	999,454
C280767-04-2	676,193		60,309	615,884	63,079	552,805
C280767-05-2	1,297,771		99,367	1,198,404	102,901	1,095,503
C280767-06-2	1,578,733		100,824	1,477,909	103,891	1,374,018
Total water & sewer	<u>6,754,304</u>	<u>-</u>	<u>616,176</u>	<u>6,138,128</u>	<u>641,887</u>	<u>5,496,241</u>
<b>Water &amp; Sewer Long term Debt</b>	<u>7,871,799</u>	<u>66,700</u>	<u>1,024,921</u>	<u>6,913,578</u>	<u>903,637</u>	<u>6,009,941</u>
<b>Business-Type -Other Long Term Dbt</b>						
Compensated absences	-	383,773	170,291	213,482	213,482	-
<b>Sanitation Fund</b>						
Note payable Trustmark Bank-Truck/Trailer	-	771,747	146,573	625,174	149,522	475,652
Capital lease	113,916	-	36,713	77,203	37,958	39,245
<b>Total sanitation</b>	<u>113,916</u>	<u>771,747</u>	<u>183,286</u>	<u>702,377</u>	<u>187,480</u>	<u>514,897</u>
<b>Total Business-Type Activities</b>	<u>7,985,715</u>	<u>1,222,220</u>	<u>1,378,498</u>	<u>7,829,437</u>	<u>1,304,599</u>	<u>6,524,838</u>
<b>Total Long-Term Debt</b>	<u>\$ 16,483,851</u>	<u>\$ 3,850,092</u>	<u>\$ 5,531,288</u>	<u>\$ 14,802,655</u>	<u>\$ 2,691,325</u>	<u>\$ 12,111,330</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)							
FOR THE YEAR ENDED SEPTEMBER 30, 2009							
NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONTINUED)							
<i>Detail of bonds and notes outstanding:</i>							
				Balance September 30, 2009			
	Interest Rates	Issue Date	Maturity Date	Original Amount	Governmental Activities	Business-Type Activities	Total
<b>General Obligation Bonds:</b>							
1995 Refunding Bonds	4.6 to 6.0	11/01/95	12/01/08	\$ 1,865,000	\$ -	\$ -	\$ -
1998 Street Bonds	4.125 to 5.70	03/27/98	04/01/08	2,000,000	-	-	-
2003 Refunding Bonds	1.3 to 3.85	01/30/03	09/01/13	2,855,000	603,500	246,500	850,000
2000 Refunding Bonds	3.6 to 4.6	05/01/99	04/01/12	2,345,000	216,050	528,950	745,000
2001 TIF Limited Bond	4.4 to 6.0	09/01/01	09/01/11	1,200,000	340,000	-	340,000
2008 Refunding Bonds	3.75-5.375%	08/22/08	08/01/28	2,000,000	2,000,000	-	2,000,000
2007 Refunding Bonds	5.0	04/01/07	04/01/27	2,000,000	1,935,000	-	1,935,000
				14,265,000	5,094,550	775,450	\$ 5,870,000
<b>Other Issued Debt:</b>							
<i>Note payable:</i>							
Bank	5.56	07/01/09	03/15/14	143,793	143,793	-	143,793
Bank	3.3	12/06/02	12/05/09	407,975	12,802	-	12,802
Bank	3.5	05/19/09	03/15/14	282,830	282,830	-	282,830
Bank	4.625	12/08/99	12/05/04	118,915	132,432	-	132,432
Bank	3.11	08/24/08	08/24/13	771,747	-	625,174	625,174
Union Planter's Bank	3.33	10/16/03	10/16/08	213,599	-	-	-
Bank	3.33			-	-	-	-
<i>State Revolving Loan:</i>							
C280767-01-2	4.5	06/24/94	11/01/15	2,591,483	-	1,071,631	1,071,631
C280767-02-2	4.5	09/01/94	12/01/15	1,555,643	-	649,100	649,100
C280767-03-2	4.5	03/18/96	05/01/17	2,253,685	-	1,125,200	1,125,200
C280767-04-2	4.5	09/30/96	12/01/17	1,166,736	-	615,884	615,884
C280767-05-2	3.5	12/01/99	08/01/19	2,033,849	-	1,198,404	1,198,404
C280767-06-2	3.0	02/01/02	09/10/21	2,172,147	-	1,477,909	1,477,909
<i>Capital Leases:</i>							
Avaya				41,778	16,046	-	16,046
People's National Bank	6.296	05/15/02	07/01/12	120,602	44,174	-	44,174
People's National Bank	0	03/25/04	03/25/07	61,031	-	-	-
Federal Signal	6.88933	04/21/01	04/22/11	197,537	50,668	-	50,668
Federal Signal	5.19	02/08/00	02/08/10	242,806	108,700	-	108,700
Federal Signal	5.49	06/20/01	02/08/10	433,921	30,169	-	30,169
BancCorp South	4.49	05/25/07	07/10/12	68,031	42,637	-	42,637
First Continental Leasing	3.59	03/10/05	03/10/10	111,056	23,717	-	23,717
First Continental Leasing	3.59	03/10/05	03/10/10	111,056	23,717	-	23,717
First Continental Leasing	3.34	06/10/05	06/10/08	780,231	-	-	-
First Continental Leasing	3.34	09/10/05	09/10/10	207,878	105,672	77,203	182,875
				16,088,329	1,017,357	6,840,505	7,857,862
Compensated absences				-	739,186	213,482	952,668
Accrued interest				-	122,125	-	122,125
<b>Total Long-term debt</b>				<b>\$ 30,353,329</b>	<b>\$ 6,973,218</b>	<b>\$ 7,829,437</b>	<b>\$ 14,802,655</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**  
**NOTE 3- DETAILED NOTES ON ALL FUNDS (CONTINUED)**

Annual debt service requirements to maturity for general obligation bonds are as follows:

***Governmental Activities***

	<b>General Obligation Bonds Amount</b>	<b>Notes &amp; Leases Amount</b>	<b>Total Outstanding Debt Amount</b>
2010	\$ 593,250	\$ 523,514	\$ 1,116,764
2011	513,200	202,097	715,297
2012	346,750	117,609	464,359
2013	286,350	90,223	376,573
2014	165,000	83,914	248,914
Thereafter	3,190,000	-	3,190,000
Total payments	<u>5,094,550</u>	<u>1,017,357</u>	<u>6,111,907</u>
Interest	<u>2,316,970</u>	<u>76,173</u>	<u>2,393,143</u>
Total	<u><u>\$ 7,411,520</u></u>	<u><u>\$ 1,093,530</u></u>	<u><u>\$ 8,505,050</u></u>

***Business-Type Activities***

	<b>General Obligation Bonds Major Enterprise Fund, Water/Sewer and Sanitation</b>	<b>Notes &amp; Leases Major Enterprise Fund, Water/Sewer, and Sanitation</b>	<b>Total Outstanding Debt Amount</b>
2010	\$ 261,750	\$ 829,367	\$ 1,091,117
2011	226,800	862,149	1,088,949
2012	233,250	855,688	1,088,938
2013	53,650	888,199	941,849
2014	-	756,188	756,188
Thereafter	-	2,648,914	2,648,914
Total payments	<u>775,450</u>	<u>6,840,505</u>	<u>7,615,955</u>
Interest	<u>69,388</u>	<u>1,114,909</u>	<u>1,184,297</u>
Total	<u><u>\$ 844,838</u></u>	<u><u>\$ 7,955,414</u></u>	<u><u>\$ 8,800,252</u></u>

***Maturities are as follows:***

Year Ending September 30,	Amount
2010	\$ 2,207,881
2011	1,804,246
2012	1,553,297
2013	1,318,422
2014	1,005,102
Thereafter	5,838,914
Total future minimum payment	<u>13,727,862</u>
Less amount representing interest	3,577,440
Present value of future payment	<u><u>\$ 17,305,302</u></u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONTINUED)**

The following notes payable are for funds borrowed under Code Section 17-21-51 of the Mississippi Code:

General Fund	\$ 145,234
Sanitation Fund	625,174
Total	<u>\$ 770,408</u>

The following is a summary of maturities over the remaining life of the debt:

<u>Year Ending September 30,</u>	<u>Amount</u>
2010	\$ 294,756
2011	154,208
2012	159,041
2013	162,403
2014	
Thereafter	-
Total future minimum payment	<u>770,408</u>
Less amount representing interest	<u>66,306</u>
Present value of future payment	<u>\$ 704,102</u>

- Debt Defacement:

On May 1, 1999, the City issued \$2,345,000 in General Obligation Bonds Series 1999 with interest rates ranging between 3.6% and 4.6%. The City issued the bonds to advance refund \$2,155,000, which represented a portion of the \$3,500,000 General Obligation Refunding Bonds Series 1992. The net proceeds were used to purchase U. S. government securities which were deposited in an irrevocable trust with an escrow agent to provide debt service payments until each issue was called. The 1992 bonds were subject to call on April 1, 2002. As a result, the advance refunding met the requirements of an in-substance debt defeasance. The portion of the Series 1992 Bond liability considered defeased, \$2,155,000, was removed from the Enterprise Fund and a liability for the respective portion of the 1999 Refunding Bonds, \$2,345,000 was recorded in the Enterprise Fund.

As a result, the City reduced its debt service requirements by \$713,457, which resulted in an economic gain (difference between the present value of the debt service payments on the old debt) of \$640,193.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONTINUED)**

• Limitation of Indebtedness:

No municipality shall hereafter issue bonds for the purposes authorized by law in an amount which, when added to the then outstanding bonded indebtedness of such municipality, shall exceed 15 percent of the assessed value of the taxable property within such municipality, according to the then last completed assessment for taxation. In computing such indebtedness, there may be deducted all bonds or other evidences of indebtedness, heretofore or hereafter issued, for school, water, sewer systems, gas, and light and power purposes and for the construction of special improvements primarily chargeable to the property 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 indebtedness, both bonded and floating, shall exceed 20 percent of the assessed value of all taxable property within such municipality. Nothing herein contained shall be construed to apply to bonds heretofore issued by any municipality for school purposes, or to bonds heretofore or hereafter issued by any municipality which are payable exclusively from the revenues of any municipally-owned utility, or to bonds issued by any municipality under the provisions of Sections 57-1 -1 to 57 -1-51, or to any special assessment improvement bonds issued by any municipality under the provisions of Sections 21-4-1 through 21-41-53.

The following is a schedule of limitations on the indebtedness of the City, at September 30, 2009.

Authorized Debt Limit	<u>15 Percent</u>	<u>20 Percent</u>
Assessed valuation for fiscal year ended September 30, 2009	\$ 180,044,460	\$ 180,044,460
Debt limit-15% - 20%	27,006,669	36,008,892
Present debt subject to 15 percent limitation	(13,727,862)	
Present debt subject to 20 percent limitation including debt subject to only 15 percent limitation		(13,727,862)
Margin for further debt	<u>\$ 13,278,807</u>	<u>\$ 22,281,030</u>

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**I. Interfund Transactions**

During the normal course of operations, the City has numerous transactions between funds including expenditures and transfers of resources. Transfers and payments within the reporting entity are substantially for the purposes of subsidizing operating functions, funding capital projects and assets acquisitions, or maintaining debt service on a routine basis. The governmental and business type funds reflect such transactions as operating transfers or interfund receivables. Interfund due from and due to balances as of September 30, 2009 are as follows:

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

Interfund operating transfers are as follows:

<b>Fund</b>	<b>Transfers In</b>	<b>Transfers Out</b>	<b>Due From</b>	<b>Due to</b>
<b>Governmental</b>				
General	\$ 8,314	\$ -	\$ 1,382,796	\$ 240,919
Gaming		995,000	572,580	15,366
Parks & recreation		450,000	406,064	
Airport		249,909	462,668	
Library			21,880	179
Police grant				95,533
Fire protection			323,698	
Drug			1,622	
Federal Equit Share			4,056	
UDAG			969	
Housing			2,621	2,732
City Debt Svc	184,435	184,435		34,982
2001 Bond			7,100	2,121
Muny Impmt			5,302	16,208
Public Impmt			307,549	227,571
STIP		35,000	9,207	193,220
2007 St Impmt			42,313	
Park Impmt				94,375
Airport Impmt			108,621	37,740
Fleet		1,628,402		
<b>Total Government</b>	<b>192,749</b>	<b>3,542,746</b>	<b>3,659,046</b>	<b>960,946</b>
<b>Proprietary</b>				
Water & sewer		-	394,552	836,523
Water & sewer capital impmt	-	260,000		241,314
Sanitation			565,431	976,789
Fleet			559,577	
<b>Total proprietary</b>	<b>-</b>	<b>260,000</b>	<b>1,519,560</b>	<b>2,054,626</b>
<b>Agency</b>				
Police/fire			14,364	88,915
SSD Tx			39,070	3,895
Payroll clearing			650,428	
State fine			51,885	1,105
Unemployment		8,314	88,814	8,314
Health Ins				760,495
<b>Total Agency</b>	<b>-</b>	<b>8,314</b>	<b>844,561</b>	<b>862,724</b>
<b>Total Transfers</b>	<b>\$ 192,749</b>	<b>\$ 3,811,060</b>	<b>\$ 6,023,167</b>	<b>\$ 3,878,296</b>
Out of balance		\$ 3,618,311		\$ (2,144,871)

The out of balance amounts represented above are incorrectly reflected as revenue or expense in the fund level financial statements and resulted in a qualification of the audit opinion for the year ended September 30, 2009. These amounts were adjusted and corrected in the Government-wide presentation.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2009  
NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**J. Employee Retirement Systems**

The government maintains a single-employer, defined benefit pension plan (Public Safety Employees Retirement System) which covers all of its public safety employees, employed prior to July 1, 1977. The government also participated in the statewide local government retirement system, a multiple-employer, cost-sharing public employee pension plan which covers substantially all of the government's general employees.

- **Public Safety Employees' Retirement System (PERS):**  
On July 1, 1987, the City transferred all funds and unmatured investments that were being maintained by the Fire and Police Pension Fund to the State of Mississippi Public Employees' Retirement System.
- **Plan Description - PERS:**  
Public Safety Employees Retirement System (PERS) is a single-employer defined benefit pension plan administered by the Mississippi Municipal Retirement System. PERS provides retirement, disability and death benefits to plan members and beneficiaries. The allowances of all retirees and beneficiaries are adjusted annually by a thirteenth check on the basis of the annual percentage change in each fiscal year of the Consumer Price Index to a maximum of 2-1/2 percent per year. Mississippi Municipal Retirement Systems issues a publicly available financial report that includes financial statements and required supplementary information for PERS. That report may be obtained by writing to Public Employee Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1006, or by calling (601)359-3589 or 1-800-444-PERS.
- **Funding Policy - PERS:**  
The government's funding policy is to provide for periodic employer contributions at actuarial determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The required contributions are determined using an entry age actuarial funding method. Unfunded actuarial accrued liabilities are amortized as a level percent of payroll over a period of 21 years.
- **Annual Pension Cost and Net Pension Obligation - PERS:**  
The government's annual pension cost and net pension obligation to the Mississippi Municipal Retirement Systems for the current year were as follows:

Annual Required Contribution	\$ 601,692
Contribution Made	<u>(545,374)</u>
Increase (Decrease) in Pension Obligation	<u>\$ 56,318</u>

Statement Nos. 25 & 27 of the GASB set forth certain items of information to be disclosed in the financial statements of the system and the employer. One such item is a distribution of the number of employees by type of membership as follows: At September 30, 2009, the unfunded actuarial accrued liability was determined as follows:

<b>Actuarial Present Values as of September 30, 2009</b>		<b>Participants</b>
Retirees and beneficiaries currently receiving benefits	\$ 10,998,735	90
Active members	-	0
Vested terminated members not yet receiving benefits	-	0
Total actuarial accrued liability	<u>10,998,735</u>	<u>90</u>
Actuarial value of assets	<u>4,463,409</u>	
Unfunded actuarial accrued liability	<u>\$ 6,535,326</u>	

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**J. Employee Retirement Systems (continued)**

The annual required contribution for the current year was determined as part of the September 30, 2009 actuarial valuation using the entry age actuarial costs method. Unfunded actuarial accrued liability is being amortized on a closed basis as a level dollar amount over a period of 37 years. In practice, the current financing arrangement provides for a contribution determined as a percentage of each City's assessed property valuations. This difference has historically resulted in the actual contribution being less than the annual required contribution. Significant actuarial assumptions used in determining the entry age actuarial accrued liability include (a) a rate return on the investment of present and future assets of 8.0 percent per year compounded annually, (b) projected salary increases of 4.0 percent per year compounded annually, attributable to inflation, and (c) additional projected salary increases of 2.0 percent per year compounded annually attributable to seniority/merit.

Three-Year Trend Information (In Thousands)

Fiscal <u>Year Ending</u>	Actuarial Value of <u>Assets(a)</u>	Actuarial Accrued <u>Liability</u>	Percent <u>Funded</u>	Actuarial Accrued <u>Liability</u>	Covered <u>Payroll(c)</u>	% of Covered <u>Payroll (b-a/c)</u>
9/30/07	\$4,800	\$11,233	42.7%	\$6,433	-	N/A
9/30/08	4,766	10,772	44.2%	6,006	-	N/A
9/30/09	4,763	10,999	40.6%	6,536	-	N/A

• **Plan Description - PERS:**

The City 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 member and beneficiaries. Benefit provisions are established by State law and may be amended only by the State of Mississippi legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to PER System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1006, or by calling (601) 359-3589 or 1-800-444-PERS.

• **Funding Policy - PERS:**

PERS members are required to contribute 7.25 percent of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 9.63 percent of annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The City's contributions to PERS for the years ended September 30, 2009, 2008, and 2007 were \$545,374, \$577,519, and \$583,550 respectively, with 2007 and 2008 equal to the required contributions for each year.

**K. Deferred Compensation Plan**

The City offers its employees, through the Mississippi Public Employees' Retirement System (PERS), a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits employee to defer a portion of salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until retirement, termination, death, or the occurrence of an unforeseeable emergency. Investments are managed by the plan's trustee under one of four investment options, or a combination thereof. The choice of the investment option(s) is made by the participant.

Until January 1, 1997, deferred compensation, property and rights purchased with those amounts, and income attributable to those amounts, property, or rights were (until paid or made available to the employee or other beneficiary) solely the property and rights of the City (without being restricted to the provisions of benefits under the Plan). Participants' rights under the Plan were equal to those of general creditors in an amount equal to the fair market value of the deferred account for each participant.

On January 1, 1997, the City amended the plan in accordance with the provisions of IRC Section 457(g). On that date, assets of the plan were placed in trust for the exclusive benefit of participants and their beneficiaries. The requirements of that IRC Section prescribe that the City no longer owns the amounts deferred by employees, including the related income on those amounts. Additionally, the City does not have fiduciary accountability for the plan.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONCLUDED)**

**L. Analysis of Net Assets:**

	Governmental Net Assets				Business-Type Activities			
	Invstd in Cap Assets, Net of				Invstd in Cap Assets, Net of			
	Debt	Rest'd	Unrest'd	Total	Debt	Unrest'd	Total	
<b>Be Bal 9/30/2008</b>	\$ 178,489,838	\$ 103,680	\$ 5,847,786	\$ 184,441,304	\$ 56,427,967	\$ (809,516)	\$ 55,618,451	
<b><u>Prior Yr Adjmts:</u></b>								
1 Fixed assets	1,567,180			1,567,180	75,217		75,217	
2 Debt issued	1,276,886			1,276,886	(2,923)		(2,923)	
3 Comp Abs Trnst					(528,361)		(528,361)	
Total Prior Yr							-	
Adjmts	2,844,066	-	-	2,844,066	(456,067)	-	(456,067)	
<b>Beg Bal, Restated</b>	<b>181,333,904</b>	<b>103,680</b>	<b>5,847,786</b>	<b>187,285,370</b>	<b>55,971,900</b>	<b>(809,516)</b>	<b>55,162,384</b>	
<b>Equity Transfers</b>								
Interfund elimintrn			2,753,165	2,753,165			-	
Capital assets add	5,937,579		(5,937,579)	-			-	
Loan origination	(123,320)			(123,320)			-	
Comp absences			82,084	82,084			-	
Accrd Int exp	(828)		828	-			-	
Depreciation	(6,058,600)		6,058,600	-	(6,394,029)	6,394,029	-	
Debt	(1,276,256)		(166,776)	(1,443,032)			-	
Prepaid exps		282,496	(282,496)	-			-	
Change in net assts			538,473	538,473	825,827	(6,664,508)	(5,838,681)	
Sub-total equity transfers & Change in Net Assets	(1,521,425)	282,496	3,046,299	1,807,370	(5,568,202)	(270,479)	(5,838,681)	
<b>Net Assets at 9/30/2009</b>	<b>\$ 179,812,479</b>	<b>\$ 386,176</b>	<b>\$ 8,894,085</b>	<b>\$ 189,092,740</b>	<b>\$ 50,403,698</b>	<b>\$ (1,079,995)</b>	<b>\$ 49,323,703</b>	

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (CONCLUDED)**

**NOTE 4 - OTHER INFORMATION**

**A. Risk Management**

1. Workers' Compensation is provided in the State of Mississippi Liability Program.
2. Unemployment Benefits  
The City participates in the State of Mississippi unemployment program and pays .005% of the 1st \$7,000 of salary for all covered employees. In addition, there is a Tax Reserve Fund which pays 2% on the 1st \$7,000 of salary per employee. Dollars are paid from this fund for wrongful termination and loss of job.
3. Group Benefits  
The City provides Medical Benefits through Blue Cross Blue Shield and pays 100% of the premiums for enrolled employees. Family members can be covered at employee's expense.
4. Tort Liability  
In compliance with the Tort Claims, Chapter 46 of Title 11 and as amended by the 1993 legislature, Section 11-46-17(3) requires municipalities from and after October 1993, to obtain such policies of insurance, establish self-insurance reserves, or provide a combination of insurance and reserves necessary to cover risks of claims and suits for which the City may be liable under the Tort Claims Act.  
  
In order to assure compliance with the Tort Claims Act, the Mississippi Tort Claims Board was established by House Bill 417. Municipalities are required to submit plans of insurance, self-insurance and or reserves to the Tort Claims Board for approval.  
  
Municipalities may comply with the requirements of the Tort Claims Act by one of the following methods: (1) purchase of liability insurance, (2) pooling of two or more municipalities or other political subdivisions or, to self-insure, (3) self-insure with the establishment of a self-insurance reserve fund. The City is in compliance by using method number one as indicated above.
5. Contingencies and Commitments  
The City participated in a number of Federal, State and County programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. The City believes that disallowed expenditures, if any, found in subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the City.  
  
The City has various commitments under construction contracts. The City's projects to rehabilitate sewer lines and to construct water and sewer facilities at the Greenpointe Industrial Park are financed by loans from the State Water and Pollution Control Revolving Fund. Total estimated cost to complete the projects approximates \$1,873,552 with various expected completion dates through September 30, 2009.  
  
The City is defendant in various law suits and potential claims against the City. The eventual outcomes are undeterminable at this time as to their ultimate disposition and resultant settlements, if any. Management believes that settlement, if any, will be covered by liability insurance.  
  
The City entered into a joint and several relationships with other public entities in the Mississippi Municipal Workers' Compensation Group and the Mississippi Municipal Liability Group. Each member shares responsibility for premium contributions based on payroll and their own loss experience as well as assessments needed for fund inadequacies. They also share the benefit of fund surplus in the form of dividends when applicable. No assessment was made or is probable for the year ended September 30, 2009.

**REQUIRED SUPPLEMENTAL INFORMATION**

**City of Greenville, Mississippi**  
**Budgetary Comparison Schedule (General Fund)**  
**For the year ended September 30, 2009**

<b>General Fund</b>				
<b>Revenues:</b>	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Actual Over</b>
	<b>Original</b>	<b>Final</b>		<b>(Negative)</b>
Realty taxes	\$ 8,162,633	\$ 5,641,996	\$ 5,588,575	\$ (53,421)
Personal property taxes	-	2,244,851	2,180,883	(63,968)
Auto taxes	-	1,305,389	1,101,077	(204,312)
Franchise taxes	1,298,946	1,286,500	1,303,998	17,498
Sales taxes	6,833,130	6,400,000	6,815,668	415,668
Gas, fuel and road taxes	-	19,000	19,758	758
Fines, fees, licenses, and permits	568,500	926,000	1,012,174	86,174
Intergovernmental	374,710	127,832	293,585	165,753
Investment income	-	50,000	78,179	28,179
Leases	-	18,200	28,413	10,213
Miscellaneous	268,785	223,000	131,546	(91,454)
<b>Total revenue</b>	<b>17,506,704</b>	<b>18,242,768</b>	<b>18,553,856</b>	<b>311,088</b>
<b>Expenditures:</b>				
General government	2,666,088	3,748,438	2,278,440	1,469,998
Public safety	11,956,395	10,615,275	12,492,267	(1,876,992)
Public works	2,615,457	1,853,360	2,067,676	(214,316)
Health and human services	457,700	294,000	294,000	-
Capital outlay	190,164	1,168,093	288,159	879,934
Debt service-principal and interest	-	2,029,640	2,019,197	10,443
<b>Total expenditures</b>	<b>17,885,804</b>	<b>19,708,806</b>	<b>19,439,739</b>	<b>269,067</b>
<b>Excess of revenues over (under) expenses</b>	<b>(379,100)</b>	<b>(1,466,038)</b>	<b>(885,883)</b>	<b>580,155</b>
<b>Other financing sources (uses):</b>				
Proceeds from loan	-	2,000,000	2,000,000	-
Transfer in	407,500	609,000	8,314	(600,686)
Transfer out	-	-	(2,501,388)	(2,501,388)
Insurance proceeds	9,202	-	9,202	9,202
Sale of capital assets	-	-	5,496	5,496
<b>Total other financing sources (uses)</b>	<b>416,702</b>	<b>2,609,000</b>	<b>(478,376)</b>	<b>(3,087,376)</b>
<b>Excess of revenues and other sources over (under) expenditures and other uses</b>	<b>37,602</b>	<b>1,142,962</b>	<b>(1,364,259)</b>	<b>(2,507,221)</b>
<b>Cash balances, beginning of year</b>	<b>358,934</b>	<b>1,131,864</b>	<b>1,803,431</b>	<b>671,567</b>
Prior year adjustments & cash transfers	-		2,073,771	
<b>Cash balances, end of year</b>	<b>\$ 396,536</b>	<b>\$ 2,274,826</b>	<b>\$ 2,512,943</b>	<b>\$ (1,835,654)</b>

**Reconciliation from modified accrual basis to GAAP**

<b>Excess of revenues and other sources over (under) expenditures and other uses per the Budgetary Comparison Schedule</b>	<b>1,142,962</b>
(Increases) decreases from revenues	(311,088)
(Increases) decreases from expenditures	(269,067)
(Increases) decreases in other financing sources(uses)	(3,087,376)
Prior year adjmts	839,629
Accrued as liabilities at September 30, 2009 (GAAP) but not in budget	532,778
Accrued as liabilities at September 30, 2008 (GAAP) but not in budget	(212,097)
<b>Net change in fund balance per the Statement of Revenues, Expenditures, and Changes in Fund Balance</b>	<b>\$ (1,364,259)</b>

**SINGLE AUDIT SECTION**

**Charles Buchanan, CPA  
Certified Public Accountant  
5846 Ridgewood Rd, Suite A-204  
Jackson, MS 39211  
(888)-869-2720(ofc)/(888)-862-6459(fax)**

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

Honorable Mayor, Hudson  
Members of the City Council  
City of Greenville, Mississippi

I have audited the accompanying financial statements of the City of Greenville, Mississippi ("the City") as of and for the year ended September 30, 2009, which collectively comprise the City's basic financial statements, and have issued my report thereon dated June 30, 2010. I conducted my 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.

Internal Control over Financial Reporting

In planning and performing my audit, I considered the City's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. I consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting. [2009-1 through 2009-2]

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, of the significant deficiencies described above, I consider items 2009-1 and 2009-2 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of law, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matter that is required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Members of Council, management, 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.

Charles Buchanan, CPA  
St. Louis, Missouri  
June 30, 2010

**Charles Buchanan, CPA  
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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Honorable Mayor, Hudson  
Members of the City Council  
City of Greenville, Mississippi

**Compliance**

I have audited the compliance of the City of Greenville, Mississippi ("the City") with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended September 30, 2009. The City's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. My responsibility is to express an opinion on the City's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal *program* occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the City's compliance with those requirements.

In my opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2009.

**Internal Control over Compliance**

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness on internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the City's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessary identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Members of Council, management, 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.

**Charles Buchanan, CPA**  
St. Louis, Missouri  
June 30, 2010

**CITY OF GREENVILLE, MISSISSIPPI**  
**Schedule of Expenditures of Federal Awards**  
**For the year ended September 30, 2009**

<u><b>U.S. Department of Justice</b></u>	<u><b>CDFA Number</b></u>	<u><b>Grantor's Number Or Pass-through Grantor's Number</b></u>	<u><b>Current year Expenditures</b></u>
Project Safe Neighborhood passed through MS Dept of Public Safety	16.710	06SL2121 (SP107 06PS2121808)	\$ 42,045
COPS-Crystal Methamphetamine Grant	16.592	MS0760100 (2006CKWX0459)	344,997
<b>Total</b>			<u>387,042</u>
<u><b>Department of Housing and Urban Development</b></u>			
CDBG Project-Producer's Rice/C & G Railroad (MDA)	14.228	1121-04-198-ED-01/DIP-185	28,507
<b>Total</b>			<u>28,507</u>
<u><b>U. S. Department of Homeland Security</b></u>			
FEMA passed through MS Emergency Mangement Agency	97.036	FEMA-DR-MS-1794	175,183
<b>Total</b>			<u>175,183</u>
<u><b>U. S. Department of Transportation</b></u>			
Federal Aviation Administration	20.106	3-28-0027-22-2005	740
Federal Aviation Administration	20.106	3-28-0027-23-2006	42,116
Federal Aviation Administration	20.106	3-28-0027-24-2007	73,269
<b>Total</b>			<u>-</u> <u>116,125</u>
<u><b>Pass through Mississippi Department of Transportation</b></u>			
ARRA - Tennessee Gas Road	20.205	STP-6922-00(001)LPA/105604	1,736
ARRA - Reed Road/Main Street Intersection	20.205	STP-7221-00(002)LPA/105602	12,875
STIP (Washington Avenue)	20.205	STP-104996(801000)	1,208,398
<b>Total</b>			<u>1,223,009</u>
<u><b>US Department of Agriculture</b></u>			
Water Pollution Control Revolving Loan Fund-passed through MS Department of Environmental Quality	66.458	Greenville SRF-C280767-07	871,988
<b>Total Expenditures of Federal Awards</b>			<u><u>\$ 2,801,854</u></u>

(1) This schedule is prepared on the same basis as the financial statements.  
See summary of significant accounting policies at Note 1.

See notes to the schedule of expenditures of federal awards

**CITY OF GREENVILLE, MISSISSIPPI**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the year ended September 30, 2009**

**BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the schedule) has been generally prepared on the accrual basis of accounting. The purpose of the schedule is to present a summary of those activities represented by the City of Greenville, Mississippi for the year ended September 30, 2009, which have been financed by the U.S. Government (federal awards). For the purpose of the schedule, federal awards include all federal assistance and procurement relationships entered into by the City. It is not intended to and do not present either the financial position or the changes in fund balances of the City.

Individual awards within each category of federal awards are identified by CFDA number and program name if the award is individually significant to the category of award. All other awards are presented in total by funding agency.

**REVENUE AND EXPENDITURE RECOGNITION**

Revenue is recognized when received or when earned by the City. Expenditures for direct costs are recognized as incurred using the accrual method of accounting and cost accounting principles contained in the U.S. Office of Management and Budget (OMB) Circular A-122, Cost Principles for Non-Profit Organizations. Under those principles, certain types of expenditures are not allowable or are limited as to reimbursement.

**City of Greenville, Mississippi**  
**Schedule of Findings and Questioned Costs**  
**For the year ended September 30, 2009**

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Qualified

Internal control over financial reporting:

- Material weaknesses identified?   x   yes        no
- Significant deficiencies identified that are not considered to be material weaknesses?        yes   x   none reported

Noncompliance material to the financial statements note?        yes   x   no

**Federal Awards**

Internal control over major programs:

- Material weaknesses identified        yes   x   no
- Significant deficiencies identified that are not considered to be material weaknesses?        yes   x   none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133?        yes   x   no

Identification of major programs:

**CFDA or  
Other Identifying**

<u>Number</u>	<u>Program Title</u>
20.106	Federal Aviation Administration
66.458	Water Pollution Control Revolving Loan Fund

Dollar Threshold Used to Distinguish Between Type A and Type B Program: \$300,000

Auditee qualified as a low-risk auditee        yes   x   no

**Section II - Financial Statement Findings**

This section includes audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

**2009-1. Finding:** **Transfers in/out and intercompany due to/from (Repeat 2005, 2006, 2007, 2008)**

Condition: The City did not correctly record intercompany transfers of equity and receivables/payables.

Criteria: Accounting principles generally accepted in the United States require the recordation of intercompany transfers and due to/from on the fund level.

Cause: The City is investigating how to prevent this issue from continuing.

Effect: The omission of these transactions caused fund level revenues and expenses to be over/understated. On the government-wide level, these transactions are eliminated, and, therefore, there is no effect on net assets.

Recommendation: We recommend the City uses its board minutes to determine whether transactions are repayable, requiring due to/from, or a transfer of equity, requiring a transfer in/out.

**2009-2. Finding:** **Inadequate Controls over Installment of new Utility Billing Software.**

Condition: The City installed a new billing software during the FY. Internal controls over the installation of the system were inadequate and appropriate resources were not directed towards ensuring a smooth transition. Consequently, no utility bills were sent to customers during December 2008. Although it appears that most customers were on the system by year end, up to 5% of households/businesses were yet to be added to the billing system and to receive a bill. To be certain, not all households/businesses were in the previous billing software.

Criteria: It is customary to run parallel systems during a conversion to ensure that the data output agrees.

Cause: The City utilized in-house Utility Department personnel to install the software, which left certain day-to-day operations undone. In-house staff lacked the necessary experience, knowledge, skill and/or time to



**City of Greenville, Mississippi**  
**Summary Schedule of Prior Year Audit Findings**  
**For the year ended September 30, 2009**

The prior year audit report issued for the year ended September 30, 2008, includes audit findings that *Governmental Auditing Standards* requires to be reported for an audit of financial statements.

2008-1 Finding: Failed to appropriately amortize loan issue costs.(Repeat 2005, 2006, 2007)  
Status: Implemented.

2008-2 Finding: Interfund receivables/payables and transfer in/out not properly recorded.(Repeat 2005, 2006, 2007)  
Status: Not implemented. Repeated in 2009.

2008-3 Finding: Books not closed.  
Status: Implemented.

2008-4 Finding: Fixed (capital) assets not recorded.  
Status: Implemented.

2008-5 Finding: Utility Department Billing System does not maintain customer deposit balances.  
Status: Implemented, but see new finding 2008-2 regarding newly-installed billing software.

2008-6 Finding: Utility billing system routinely bills numerous erroneous bills to customers.  
Status: Implemented, but see new finding 2008-2 regarding newly-installed billing software.

2008-7 Finding: City failed to invoice federal grant for \$750,000 for CDBG project.  
Status: Implemented.

2008-8 Finding: Fines receivables not reported & fines not timely documented.  
Status: Implemented.

**CITY OF GREENVILLE, MISSISSIPPI  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Section .315 of OMB Circular A-133 requires the auditee to prepare a Summary of Prior Audit Findings to report the status of all findings that are relative to federal awards and included in the prior report's Schedule of Findings and Questioned Costs. The summary schedule also must include finding reported in the prior audit's Summary Schedule of Prior Audit Findings, except those listed as corrected, no longer valid, or not warranting further action.

Section .500(e) of OMB Circular A-133 requires the auditor to follow up on these prior audit findings; perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; as a current year finding, when the auditor concludes that the schedule materially misrepresents the status of any prior findings.

The prior audit report issued for the year ended September 30, 2008, included no audit finding that OMB A-133 requires to be reported for an audit of financial statements.

**SUPPLEMENTAL INFORMATION**

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

Honorable Mayor  
Members of the City Council  
City of Greenville, Mississippi

We have audited the financial statements of the City of Greenville, Mississippi as of and for the year ended September 30, 2009, and have issued our report thereon dated June 30, 2009. 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*.

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 compliance with state laws and regulations 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 basic financial statements disclosed no material instances of noncompliance with state laws and regulations. Prior year findings have been corrected.

**Current year findings**

None noted.

**A summary of prior year finding status is as follows:**

Finding: None.

The instances of noncompliance of the prior year have been corrected by management unless it is specifically stated otherwise in the findings and recommendation noted above.

The Office of the State Auditor or a public accounting firm will review, on a subsequent year's audit engagement, the findings in this report to ensure that corrective action/ has been taken.

This report is intended solely for the use of the audit committee, City Council, management, and the Office of the State Auditor, and is not intended to be and should not be used by anyone other than these specified parties.

*Charles Buchanan, CPA*

Jackson, MS  
**June 30, 2009**

**City of Greenville, Mississippi**  
**Combining Balance Sheet-General Funds**  
**For the year ended September 30, 2009**

	<b>Fund Numbers</b>			<b>Total</b>
	<b>001'</b>	<b>002'</b>	<b>500'</b>	
	<b>Corporation/ General Fund</b>	<b>Gaming Fund</b>	<b>Internal Service Fund</b>	
<b>Assets</b>				
Pooled cash and investments	\$ 2,512,943	\$ -	\$ -	\$ 2,512,943
Accounts receivables	128,717	129,776	16,220	274,713
Taxes receivable	596,945	-		596,945
Fines receivable, net of allowance	810,069			810,069
Prepaid expenses	197,446	-		197,446
Inventory	-	-	48,556	48,556
<b>Due from other funds</b>	1,382,797	572,580	559,577	2,514,954
Restricted assets-cash	7,433	-		7,433
<b>Total assets</b>	<b>5,645,465</b>	<b>702,356</b>	<b>624,353</b>	<b>6,972,174</b>
<b>Liabilities</b>				
Bank overdraft	-	-	-	-
Accounts payable and accrued expenses	400,345	806	86,271	487,422
Wages payable	132,433	-	3,380	135,813
Compensated absences	-		-	-
Encumbrance	-	-	-	-
Deposit	21,389	-	-	21,389
Due to others	-	-	-	-
<b>Due to other funds</b>	2,432,225	15,366	-	2,447,591
Total liabilities	2,986,392	16,172	89,651	3,092,215
<b>Fund balances</b>				
Reserved for encumbrances	-	-		-
Reserved for prepaid expenses & inventory	197,446	-	48,556	246,002
Unreserved	2,461,627	686,184	486,146	3,633,957
Total fund balances	2,659,073	686,184	534,702	3,879,959
<b>Total liabilities and fund balances</b>	<b>\$ 5,645,465</b>	<b>\$ 702,356</b>	<b>\$ 624,353</b>	<b>\$ 6,972,174</b>

See Independent Auditor's Report and Notes to the Financial Statements.

**City of Greenville, Mississippi**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances - General Funds**  
**For the year ended September 30, 2009**

	<b>Fund Numbers</b>			<b>Total</b>
	<b>001'</b>	<b>002'</b>	<b>Internal Service Fund</b>	
	<b>Corporation/ General Fund</b>	<b>Gaming Fund</b>		
<b>Revenues</b>				
Realty taxes	\$ 5,588,575	\$ -	\$ -	\$ 5,588,575
Personal property taxes	2,180,883	-	-	2,180,883
Auto taxes	1,101,077	-	-	1,101,077
Franchise taxes	1,303,998	-	-	1,303,998
Sales taxes	6,815,668	-	-	6,815,668
Gaming taxes	-	1,688,849	-	1,688,849
Gas, fuel and road taxes	19,758	-	-	19,758
Sales to customers	-	-	1,628,402	1,628,402
Fines, fees, licenses, and permits	1,012,174	-	-	1,012,174
Intergovernmental	293,585	-	32,851	326,436
Investment income	78,179	-	-	78,179
Leases	28,413	-	-	28,413
Contributions	1,299	-	-	1,299
Miscellaneous	130,247	-	1,247	131,494
<b>Total revenues</b>	<b>18,553,856</b>	<b>1,688,849</b>	<b>1,662,500</b>	<b>21,905,205</b>
<b>Expenditures</b>				
General government	2,278,440	-	1,530,060	3,808,500
Parks and recreations	-	-	-	-
Public safety	12,492,267	-	-	12,492,267
Public works	2,067,676	-	-	2,067,676
Culture and recreational	-	-	-	-
Airport	-	-	-	-
Health and human services	294,000	-	-	294,000
Capital outlay	288,159	-	143,793	431,952
Depreciation expense	-	-	-	-
<b>Debt service:</b>				
Principal	2,000,000	391,732	-	2,391,732
Interest and paying agent fee	19,197	-	-	19,197
<b>Total expenditures</b>	<b>19,439,739</b>	<b>391,732</b>	<b>1,673,853</b>	<b>21,505,324</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(885,883)</b>	<b>1,297,117</b>	<b>(11,353)</b>	<b>399,881</b>
<b>Other financing sources (uses):</b>				
Proceeds from loan	2,000,000	-	143,793	2,143,793
Transfer in	8,314	-	-	8,314
Transfer out	(2,501,388)	(995,000)	-	(3,496,388)
Insurance proceeds	9,202	-	-	9,202
Sale of capital assets	5,496	-	-	5,496
Transfer to outside agency	-	(139,619)	-	(139,619)
<b>Total other financing sources (uses)</b>	<b>(478,376)</b>	<b>(1,134,619)</b>	<b>143,793</b>	<b>(1,469,202)</b>
Excess of revenues and other sources over (under) expenditures and other uses	<b>(1,364,259)</b>	<b>162,498</b>	<b>132,440</b>	<b>(1,069,321)</b>
<b>Fund balances, beginning of year</b>	<b>4,023,332</b>	<b>523,686</b>	<b>402,262</b>	<b>4,949,280</b>
Prior year adjustments & equity transfers	-	-	-	-
<b>Fund balances, end of year</b>	<b>\$ 2,659,073</b>	<b>\$ 686,184</b>	<b>\$ 534,702</b>	<b>\$ 3,879,959</b>

See Independent Auditor's Report and Notes to the Financial Statements.

City of Greenville, Mississippi  
 Combining Balance Sheet-Nonmajor Governmental Funds  
 For the year ended September 30, 2009

Fund Number	100	102	103	104	105	106	108 Fed Equitable Sharing Fund	Debt Service Funds		Capital Project Funds						TOTAL Total Non- Major Governmental Funds	
								200	201	300	330	331	332	333	351		380
	Park & Recreation Fund	Airport Fund	Library Fund	Police Grant Fund	Fire Protection Fund	Police Drug Fund		Debt Service Fund	City 2001 Bond Fund	Municipal Improvement Fund	Public Improvement Fund	STIP Street Improvement Fund	2007 Street Bond Fund	2008 Street Bond Fund	Park Improvement Fund	Airport Improvement Fund	
<b>Assets</b>																	
Pooled cash and investments	\$ 2,480	\$ 55,049	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 310,816	\$ 1,622,372	\$ -	\$ 48,242	\$ 2,038,959
Accounts receivables	-	11,443	-	93,506	-	-	-	-	-	-	277,891	-	35,774	-	-	2,966,921	3,385,535
Taxes receivable	5,625	-	4,730	-	-	-	-	15,051	-	-	126,565	-	-	-	-	-	151,971
Prepaid expenses	-	-	-	-	-	-	-	83,742	-	-	-	-	-	49,190	-	-	132,932
Inventory	7,242	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,242
Due from other governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Due from other funds</b>	406,064	462,668	21,880	-	323,698	1,622	4,057	-	7,100	5,302	307,549	9,207	42,313	-	-	108,621	1,700,081
Restricted assets-cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted assets-investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 421,411</b>	<b>\$ 529,160</b>	<b>\$ 26,610</b>	<b>\$ 93,506</b>	<b>\$ 323,698</b>	<b>\$ 1,622</b>	<b>\$ 4,057</b>	<b>\$ 98,793</b>	<b>\$ 7,100</b>	<b>\$ 5,302</b>	<b>\$ 712,005</b>	<b>\$ 9,207</b>	<b>\$ 388,903</b>	<b>\$ 1,671,562</b>	<b>\$ -</b>	<b>\$ 3,123,784</b>	<b>\$ 7,416,720</b>
<b>Liabilities</b>																	
Bank overdraft	67	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	67
Accounts payable and accrued expenses	96,860	26,517	3,837	-	13,233	-	-	4,392	-	-	34,163	388	31,470	-	-	2,924,604	3,135,464
Deferred revenue	-	-	-	-	-	-	-	-	-	-	126,565	-	-	-	-	-	126,565
Wages payable	53,993	42,819	-	-	-	-	-	-	-	-	-	-	-	-	-	-	96,812
Encumbrance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due to others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Due to other funds</b>	-	-	179	68,410	-	-	-	34,982	-	16,208	227,571	193,220	-	-	94,374	37,740	672,684
Total liabilities	150,920	69,336	4,016	68,410	13,233	-	-	39,374	-	16,208	388,299	193,608	31,470	-	94,374	2,962,344	4,031,592
<b>Fund balances</b>																	
Reserved for encumbrances	-	81,254	-	-	22,575	-	-	-	-	-	-	-	-	-	-	-	103,829
Reserved for prepaid expenses	-	-	-	-	-	-	-	83,742	-	-	-	-	-	-	-	-	83,742
Unreserved	270,491	378,570	22,594	25,096	287,890	1,622	4,057	(24,323)	7,100	(10,906)	323,706	(184,401)	357,433	1,671,562	(94,374)	161,440	3,197,557
Total fund balances	270,491	459,824	22,594	25,096	310,465	1,622	4,057	59,419	7,100	(10,906)	323,706	(184,401)	357,433	1,671,562	(94,374)	161,440	3,385,128
<b>Total liabilities and fund balances</b>	<b>\$ 421,411</b>	<b>\$ 529,160</b>	<b>\$ 26,610</b>	<b>\$ 93,506</b>	<b>\$ 323,698</b>	<b>\$ 1,622</b>	<b>\$ 4,057</b>	<b>\$ 98,793</b>	<b>\$ 7,100</b>	<b>\$ 5,302</b>	<b>\$ 712,005</b>	<b>\$ 9,207</b>	<b>\$ 388,903</b>	<b>\$ 1,671,562</b>	<b>\$ -</b>	<b>\$ 3,123,784</b>	<b>\$ 7,416,720</b>

City of Greenville, Mississippi  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds  
For the year ended September 30, 2009

Fund Number	Debt Service Funds							Capital Project Funds							TOTAL Total Non- Major Governmental Funds		
	100	102	103	104	105	106	108 Fed Sharing Fund	200	201	300	330	331	332	333		351	380
	Park & Recreation Fund	Airport Fund	Library Fund	Police Grant Fund	Fire Protection Fund	Police Drug Fund	Equitable Sharing Fund	Debt Service Fund	City 2001 Bond Fund	Municipal Improvement Fund	Public Improvement Fund	STIP Street Improvement Fund	2007 Street Bond Fund	2008 Street Bond Fund	Park Improvement Fund	Airport Improvement Fund	
<b>Revenues</b>																	
Property taxes	\$ 216,386	\$ -	\$ 183,629	\$ -	\$ -	\$ -	\$ -	\$ 569,203	\$ -	\$ -	\$ 11,340	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 980,558
Personal taxes	95,930	-	81,476	-	-	-	-	252,048	-	-	-	-	-	-	-	-	429,454
Auto taxes	51,463	-	43,387	-	-	-	-	135,141	-	-	-	-	-	-	-	-	229,991
Franchise taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gaming taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gas, fuel and road taxes	-	-	-	-	-	-	-	-	-	-	14,845	-	-	-	-	-	14,845
Fines, fees, licenses, and permits	184,928	7,766	-	-	-	-	1,622	-	-	-	-	-	-	-	-	22,598	216,914
Intergovernmental	-	113	-	372,937	-	-	-	-	-	-	1,053,305	-	-	-	-	3,596,946	5,023,301
Investment income	1	1,847	-	-	-	-	-	-	-	-	-	33,272	64,378	-	1,003	-	100,501
Leases	14,014	712,914	-	-	-	-	-	-	-	-	-	-	-	-	-	-	726,928
Contributions	1,439	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,439
Miscellaneous	1,160	22,336	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,496
<b>Total revenues</b>	<b>565,321</b>	<b>744,976</b>	<b>308,492</b>	<b>372,937</b>	<b>-</b>	<b>1,622</b>	<b>-</b>	<b>956,392</b>	<b>-</b>	<b>-</b>	<b>26,185</b>	<b>1,053,305</b>	<b>33,272</b>	<b>64,378</b>	<b>-</b>	<b>3,620,547</b>	<b>7,747,427</b>
<b>Expenditures</b>																	
General government	-	-	-	-	-	-	-	-	-	-	-	50,520	-	-	-	-	50,520
Public safety	-	-	-	247,085	33,027	-	-	-	-	16,208	-	-	-	-	-	-	296,320
Public works	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Culture and recreational	849,750	-	-	-	-	-	-	-	-	-	-	-	-	-	13,774	-	863,524
Airport	-	879,979	-	-	-	-	-	-	-	-	-	-	-	-	-	119,340	999,319
Health and human services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	100,323	42,810	-	100,756	282,830	-	-	-	-	-	124,065	1,241,013	859,398	99,218	-	3,164,908	6,015,321
<b>Debt service:</b>																	
Principal	-	-	-	-	135,199	-	-	596,754	160,000	-	-	-	-	-	-	-	891,953
Interest and paying agent fee	-	-	-	-	-	-	-	155,385	24,435	-	-	-	-	142,638	-	-	322,458
<b>Total expenditures</b>	<b>950,073</b>	<b>922,789</b>	<b>-</b>	<b>347,841</b>	<b>451,056</b>	<b>-</b>	<b>-</b>	<b>752,139</b>	<b>184,435</b>	<b>16,208</b>	<b>124,065</b>	<b>1,241,013</b>	<b>909,918</b>	<b>241,856</b>	<b>13,774</b>	<b>3,284,248</b>	<b>9,439,415</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(384,752)</b>	<b>(177,813)</b>	<b>308,492</b>	<b>25,096</b>	<b>(451,056)</b>	<b>1,622</b>	<b>-</b>	<b>204,253</b>	<b>(184,435)</b>	<b>(16,208)</b>	<b>(97,880)</b>	<b>(187,708)</b>	<b>(876,646)</b>	<b>(177,478)</b>	<b>(13,774)</b>	<b>336,299</b>	<b>(1,691,988)</b>
<b>Other financing sources (uses):</b>																	
Proceeds from loan	-	-	-	-	282,830	-	-	-	-	-	-	-	-	-	-	-	282,830
Transfer in	450,000	249,909	-	-	-	-	-	184,435	-	-	35,000	-	-	-	-	-	919,344
Transfer out	-	-	-	-	-	-	-	(184,435)	-	-	-	-	-	-	-	-	(184,435)
Insurance proceeds	-	-	-	-	219,995	-	-	-	-	-	-	-	-	-	-	-	219,995
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to outside agency	-	-	(310,994)	-	-	-	-	-	-	-	-	-	-	-	-	-	(310,994)
<b>Total other financing sources (uses)</b>	<b>450,000</b>	<b>249,909</b>	<b>(310,994)</b>	<b>-</b>	<b>502,825</b>	<b>-</b>	<b>-</b>	<b>(184,435)</b>	<b>184,435</b>	<b>-</b>	<b>35,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>926,740</b>
<b>Excess of revenues and other sources over (under) expenditures and other uses</b>	<b>65,248</b>	<b>72,096</b>	<b>(2,502)</b>	<b>25,096</b>	<b>51,769</b>	<b>1,622</b>	<b>-</b>	<b>19,818</b>	<b>-</b>	<b>(16,208)</b>	<b>(97,880)</b>	<b>(152,708)</b>	<b>(876,646)</b>	<b>(177,478)</b>	<b>(13,774)</b>	<b>336,299</b>	<b>(765,248)</b>
<b>Fund balances, beginning of year</b>	<b>205,243</b>	<b>387,728</b>	<b>25,096</b>	<b>-</b>	<b>258,696</b>	<b>-</b>	<b>4,057</b>	<b>39,601</b>	<b>7,100</b>	<b>5,302</b>	<b>421,586</b>	<b>(31,693)</b>	<b>1,234,079</b>	<b>1,849,040</b>	<b>(80,600)</b>	<b>(174,859)</b>	<b>4,150,376</b>
<b>Prior year adjustments &amp; equity transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ 270,491</b>	<b>\$ 459,824</b>	<b>\$ 22,594</b>	<b>\$ 25,096</b>	<b>\$ 310,465</b>	<b>\$ 1,622</b>	<b>\$ 4,057</b>	<b>\$ 59,419</b>	<b>\$ 7,100</b>	<b>\$ (10,906)</b>	<b>\$ 323,706</b>	<b>\$ (184,401)</b>	<b>\$ 357,433</b>	<b>\$ 1,671,562</b>	<b>\$ (94,374)</b>	<b>\$ 161,440</b>	<b>\$ 3,385,128</b>

**City of Greenville, Mississippi**  
**Combining Statement of Net Assets - Major Proprietary Funds**  
**For the year ended September 30, 2009**

	400	405	406	407		Internal Service Fund 500
	Water/Sewer Utility	Water/Sewer Capital Improvement	State Sewer Loan	Greenpointe Improvement	Total	Public Works Compound
<b>Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable, less allowances	248,980	-	-	-	248,980	16,220
Taxes receivable	-	-	-	-	-	-
Prepaid expenses	11,907	-	-	-	11,907	-
Inventories	-	-	-	-	-	48,556
Internal service balances	-	-	-	-	-	559,577
<b>Due from other fund</b>						
Total current assets	<u>260,887</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>260,887</u>	<u>624,353</u>
<b>Capital assets:</b>						
Land	-	-	-	-	-	-
Buildings and improvements	-	-	11,066,471	-	11,066,471	1,914,000
Improvements other than buildings	12,600	-	-	9,000,000	9,012,600	-
Furniture, fixture, and equipment	39,447	-	-	-	39,447	-
Machinery and equipment	848,519	-	-	-	848,519	2,097,099
Vehicles	-	-	-	-	-	-
Infrastructure	123,497,342	47,000	-	-	123,544,342	-
Leased equipment	-	-	-	-	-	93,773
Total capital assets	<u>124,397,908</u>	<u>47,000</u>	<u>11,066,471</u>	<u>9,000,000</u>	<u>144,511,379</u>	<u>4,104,872</u>
Less: accumulated depreciation	<u>(111,871,441)</u>	<u>(3,800)</u>	<u>(178,280)</u>	<u>(7,344,533)</u>	<u>(119,398,054)</u>	<u>(2,012,021)</u>
Capital assets, net	<u>12,526,467</u>	<u>43,200</u>	<u>10,888,191</u>	<u>1,655,467</u>	<u>25,113,325</u>	<u>2,092,851</u>
<b>Other assets:</b>						
Loan origination fees/bond issuance cost (net of amortization)	78,336	14,699	180,530	-	273,565	-
<b>Total assets</b>	<u><b>12,865,690</b></u>	<u><b>57,899</b></u>	<u><b>11,068,721</b></u>	<u><b>1,655,467</b></u>	<u><b>25,647,777</b></u>	<u><b>2,717,204</b></u>
<b>Liabilities</b>						
<b>Current liabilities</b>						
Cash overdraft	-	-	-	-	-	-
Accounts/claims payable	109,154	35,729	-	-	144,883	86,271
Sales tax payable	33,656	-	-	-	33,656	-
Wages payable	61,057	-	-	-	61,057	3,380
<b>Due to other fund:</b>	290,621	-	-	-	290,621	-
<b>Current portion of long-term debt</b>						
Accrued compensated absences	177,377	-	-	-	177,377	-
Total current liabilities	<u>671,865</u>	<u>35,729</u>	<u>-</u>	<u>-</u>	<u>707,594</u>	<u>89,651</u>
<b>Current liabilities payable from restricted assets</b>						
Customer deposits	401,788	-	-	-	401,788	-
Current portion of revenue bonds	261,750	-	641,887	-	903,637	-
Total current liabilities payable from restricted assets	<u>663,538</u>	<u>-</u>	<u>641,887</u>	<u>-</u>	<u>1,305,425</u>	<u>-</u>
Notes payable	513,700	-	5,496,241	-	6,009,941	-
Total long-term debt	<u>513,700</u>	<u>-</u>	<u>5,496,241</u>	<u>-</u>	<u>6,009,941</u>	<u>-</u>
Total liabilities	<u>1,849,103</u>	<u>35,729</u>	<u>6,138,128</u>	<u>-</u>	<u>8,022,960</u>	<u>89,651</u>
<b>Net assets</b>						
Invested in capital assets, net of related debt	-	-	-	-	-	-
Restricted for debt service	-	-	-	-	-	-
Unrestricted	11,016,587	22,170	4,930,593	1,655,467	17,624,817	2,627,553
<b>Total net assets</b>	<u>11,016,587</u>	<u>22,170</u>	<u>4,930,593</u>	<u>1,655,467</u>	<u>17,624,817</u>	<u>2,627,553</u>
<b>Total liabilities/net assets</b>	<u><b>\$ 12,865,690</b></u>	<u><b>\$ 57,899</b></u>	<u><b>\$ 11,068,721</b></u>	<u><b>\$ 1,655,467</b></u>	<u><b>\$ 25,647,777</b></u>	<u><b>\$ 2,717,204</b></u>

See independent Auditor's Report and Notes to the Financial Statements.

**City of Greenville, Mississippi**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets - Major Proprietary Funds**  
**For the year ended September 30, 2009**

	<b>400</b>	<b>405</b>	<b>406</b>	<b>407</b>		<b>Internal Service Fund 500</b>
	<b>Water/Sewer Utility</b>	<b>Water/Sewer Capital Improvement</b>	<b>State Sewer Loan</b>	<b>Greenpointe Improvement</b>	<b>Total</b>	<b>Public Works Compound</b>
<b>Operating revenues</b>						
Sales to customers	\$ 4,899,818	\$ -	\$ -	\$ -	\$ 4,899,818	\$ 1,628,402
Other revenues	69,454	-	-	-	69,454	177,891
<b>Total operating revenues</b>	<u>4,969,272</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,969,272</u>	<u>1,806,293</u>
<b>Operating expenses</b>						
Personnel services	1,486,763	-	-	-	1,486,763	405,392
Supplies	431,000	-	-	-	431,000	908,745
Other services and charges	1,642,092	398,327	-	-	2,040,419	215,923
Capital outlay	15,630	-	-	-	15,630	143,793
Depreciation expense	2,067,855	698	178,280	144,533	2,391,366	63,940
<b>Total operating expenses</b>	<u>5,643,340</u>	<u>399,025</u>	<u>178,280</u>	<u>144,533</u>	<u>6,365,178</u>	<u>1,737,793</u>
<b>Operating income (loss)</b>	<u>(674,068)</u>	<u>(399,025)</u>	<u>(178,280)</u>	<u>(144,533)</u>	<u>(1,395,906)</u>	<u>68,500</u>
<b>Non-operating revenues (expenses):</b>						
Interest revenue	-	-	-	-	-	-
Interest and service charges	(42,835)	-	(255,792)	-	(298,627)	-
Amortization expense	(4,934)	(3,675)	(19,746)	-	(28,355)	-
Gain (loss) on sale of fixed assets	-	-	-	-	-	-
Operating grants	26,978	-	-	-	26,978	-
Miscellaneous - operating grants	-	-	-	-	-	-
<b>Total non-operating revenues (expenses)</b>	<u>(20,791)</u>	<u>(3,675)</u>	<u>(275,538)</u>	<u>-</u>	<u>(300,004)</u>	<u>-</u>
<b>Income (loss) before contributions and transfers</b>	<u>(694,859)</u>	<u>(402,700)</u>	<u>(453,818)</u>	<u>(144,533)</u>	<u>(1,695,910)</u>	<u>68,500</u>
<b>Other financing sources (uses)</b>						
Transfers in	546,030	501,314	-	-	1,047,344	-
Bad debt	(168,854)	-	-	-	(168,854)	-
Transfers out	(27,490)	-	-	-	(27,490)	-
<b>Total transfers in (out)</b>	<u>349,686</u>	<u>501,314</u>	<u>-</u>	<u>-</u>	<u>851,000</u>	<u>-</u>
<b>Change in net assets</b>	<u>(345,173)</u>	<u>98,614</u>	<u>(453,818)</u>	<u>(144,533)</u>	<u>(844,910)</u>	<u>68,500</u>
<b>Total net assets - beginning</b>	<u>16,883,940</u>	<u>(76,444)</u>	<u>279,270</u>	<u>1,800,000</u>	<u>18,886,766</u>	<u>2,559,053</u>
Prior period adjustments	(5,522,180)	-	5,105,141	-	(417,039)	-
<b>Total net assets - ending</b>	<u>\$ 11,016,587</u>	<u>\$ 22,170</u>	<u>\$ 4,930,593</u>	<u>\$ 1,655,467</u>	<u>\$ 17,624,817</u>	<u>\$ 2,627,553</u>

See independent Auditor's Report and Notes to the Financial Statements.

**City of Greenville, Mississippi**  
**Combining Statement of Net Assets - Non-Major Proprietary Funds**  
**For the year ended September 30, 2009**

	111	116	450	
	UDAG MS	Housing	Sanitation	Total
	Marine	Grant	Fund	
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Accounts receivable, less allowances	-	-	-	-
Prepaid expenses	-	-	-	-
<b>Due from other funds</b>	-	2,621	565,426	568,047
Interest receivable	-	-	-	-
Total current assets	<u>-</u>	<u>2,621</u>	<u>565,426</u>	<u>568,047</u>
Deferred charges - bond costs				
<b>Capital assets</b>				
Land			2,512,541	2,512,541
Buildings and improvements	-	-	25,760,000	25,760,000
Machinery and equipment	-	-	9,272,020	9,272,020
Vehicles	-	-	-	-
Infrastructure			210,678,675	210,678,675
Total capital assets	<u>-</u>	<u>-</u>	<u>248,223,236</u>	<u>248,223,236</u>
Less: accumulated depreciation			(215,316,908)	(215,316,908)
Total capital assets, net	<u>-</u>	<u>-</u>	<u>32,906,328</u>	<u>32,906,328</u>
<b>Other assets</b>				
Loan origination fees/bond issuance cost (net of amortization)	-	-	-	-
<b>Total assets</b>	<u>-</u>	<u>2,621</u>	<u>33,471,754</u>	<u>33,474,375</u>
<b>Liabilities</b>				
<b>Current liabilities:</b>				
Accounts/claims payable	-	-	43,616	43,616
Wages payable	-	-	13,868	13,868
Due to other funds	-	2,733	976,789	979,522
Encumbrance	-	-	-	-
Current portion of long-term debt				
Accrued compensated absences	-	-	36,105	36,105
Lease obligations	-	-	187,480	187,480
Accrued interest payable	-	-	-	-
General obligation bonds	-	-	-	-
Notes payable	-	-	-	-
Total current liabilities	<u>-</u>	<u>2,733</u>	<u>1,257,858</u>	<u>1,260,591</u>
<b>Long-term debt (less amounts classified as current liabilities)</b>				
Accrued compensated absences	-	-	-	-
Notes payable	-	-	475,652	475,652
Leases payable			39,245	39,245
Total long-term debt	<u>-</u>	<u>-</u>	<u>514,897</u>	<u>514,897</u>
Total liabilities	<u>-</u>	<u>2,733</u>	<u>1,772,755</u>	<u>1,775,488</u>
<b>Net assets</b>				
Invested in capital assets, net of related debt	-	-	32,243,196	32,243,196
Restricted for debt service	-	-	-	-
Unrestricted	-	(112)	(544,197)	(544,309)
Total net assets	<u>-</u>	<u>(112)</u>	<u>31,698,999</u>	<u>31,698,887</u>
<b>Total liabilities and net assets</b>	<u>\$ -</u>	<u>\$ 2,621</u>	<u>\$ 33,471,754</u>	<u>\$ 33,474,375</u>

See independent Auditor's Report and Notes to the Financial Statements.

**City of Greenville, Mississippi**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets - Non-Major Proprietary Funds**  
**For the year ended September 30, 2009**

	<b>111 UDAG MS Marine</b>	<b>116 Housing Grant</b>	<b>450 Sanitation Fund</b>	<b>Total</b>
<b>Operating revenues</b>				
Sales to customers	\$ -	\$ -	\$ 1,714,741	\$ 1,714,741
Other revenues	-	-	-	-
<b>Total operating revenues</b>	<u>-</u>	<u>-</u>	<u>1,714,741</u>	<u>1,714,741</u>
<b>Operating expenses</b>				
Personnel services	-	-	438,949	438,949
Supplies	-	-	112,935	112,935
Other services and charges	-	1,689	902,908	904,597
Capital outlay	-	-	247,737	247,737
Depreciation expense	-	-	4,002,663	4,002,663
<b>Total operating expenses</b>	<u>-</u>	<u>1,689</u>	<u>5,705,192</u>	<u>5,706,881</u>
<b>Operating income (loss)</b>	<u>-</u>	<u>(1,689)</u>	<u>(3,990,451)</u>	<u>(3,992,140)</u>
<i>Non-operating revenues (expenses)</i>				
Interest revenue	-	-	-	-
Interest and service charges	-	-	(24,718)	(24,718)
Gain (loss) on sale of fixed assets	-	-	-	-
CDBG - operating grants	-	-	41,063	41,063
Miscellaneous	-	(2,316)	-	(2,316)
<b>Total non-operating revenues (expenses)</b>	<u>-</u>	<u>(2,316)</u>	<u>16,345</u>	<u>14,029</u>
<b>Income (loss) before contributions and transfers</b>	<u>-</u>	<u>(4,005)</u>	<u>(3,974,106)</u>	<u>(3,978,111)</u>
<b>Other financing sources &amp; other</b>				
Transfers in	-	-	-	-
Bad debt	-	1,272	-	1,272
Transfers out	-	-	(1,019,854)	(1,019,854)
<b>Total transfers in (out)</b>	<u>-</u>	<u>1,272</u>	<u>(1,019,854)</u>	<u>(1,018,582)</u>
<b>Change in net assets</b>	<u>-</u>	<u>(2,733)</u>	<u>(4,993,960)</u>	<u>(4,996,693)</u>
<b>Total net assets - beginning</b>	<u>-</u>	<u>2,621</u>	<u>36,729,064</u>	<u>36,731,685</u>
Prior period adjustments	-	-	(36,105)	(36,105)
<b>Total net assets - ending</b>	<u>\$ -</u>	<u>\$ (112)</u>	<u>\$ 31,698,999</u>	<u>\$ 31,698,887</u>

See independent auditor's report and notes to the financial statements.

**City of Greenville, Mississippi**  
**Combining Statement of Fiduciary Assets and Liabilities**  
**For the year ended September 30, 2009**

	<b>604</b>	<b>600</b>	<b>602</b>	<b>601</b>	<b>603</b>	<b>610</b>	
	<b>Unemployment Tax Reserve</b>	<b>Fire &amp; Police Pension Trust Fund</b>	<b>Payroll Withholding Agency</b>	<b>Separate School District Agency</b>	<b>State Fine Assessment Agency</b>	<b>Health Insurance</b>	<b>Statement of Fiduciary Net Assets</b>
<b>Assets</b>							
Cash	\$ -	\$ -	\$ 1,883	\$ -	\$ -	\$ -	\$ 1,883
Restricted cash	-	-	-	-	-	-	-
Accounts receivables	-	-	-	-	-	760,495	760,495
Tax receivables	-	10,502	-	141,564	-	-	152,066
Due from others	-	-	-	-	-	-	-
Due from other funds	177,628	53,437	1,023,830	78,141	93,719	-	1,426,755
<b>Total assets</b>	<b>177,628</b>	<b>63,939</b>	<b>1,025,713</b>	<b>219,705</b>	<b>93,719</b>	<b>760,495</b>	<b>2,341,199</b>
<b>Liabilities</b>							
Bank overdraft	-	-	-	-	-	-	-
Claims payable	-	8,204	35	-	117	-	8,356
Reserved for unemployment claims	80,500	-	-	-	-	-	80,500
Due to others	-	-	946,013	21,070	93,602	-	1,060,685
Due to other funds	97,128	55,735	78,957	198,635	-	760,495	1,190,950
Deferred compensation	-	-	708	-	-	-	708
<b>Total liabilities</b>	<b>177,628</b>	<b>63,939</b>	<b>1,025,713</b>	<b>219,705</b>	<b>93,719</b>	<b>760,495</b>	<b>2,341,199</b>

See Independent Auditor's Report and Notes to the Financial Statements.

City of Greenville, Mississippi  
Schedule of Surety Bonds  
September 30, 2009

<b>Name</b>	<b>Position</b>	<b>Surety Company</b>	<b>Exp. Date</b>	<b>Bond Amt.</b>
Heather M. Hudson	Mayor	USF&G/Travelers Casualty	01/01/10	\$ 100,000
Kenneth Gines	Council Member	USF&G/Travelers Casualty	01/01/10	\$ 100,000
Carl McGee	Council Member	USF&G/Travelers Casualty	01/01/10	\$ 100,000
Lee Owen	Council Member	USF&G/Travelers Casualty	01/01/10	\$ 100,000
Betty Watkins	Council Member	USF&G/Travelers Casualty	01/01/10	\$ 100,000
Ann Hollowell	Council Member	USF&G/Travelers Casualty	01/01/10	\$ 100,000
Errick Simmons	Council Member	USF&G/Travelers Casualty	01/01/10	\$ 100,000
Amelia D. Wicks	City Clerk	USF&G/Travelers Casualty	01/01/10	\$ 50,000
Steve Osso	External Financial Ofc.	USF&G/Travelers Casualty	01/01/10	\$ 50,000
Lisa Cain	Accounting Clerk	USF&G/Travelers Casualty	Indefinite	\$ 25,000
Maple Smith	Legal Secretary	USF&G/Travelers Casualty	Indefinite	\$ 25,000
Janice Caswell	Accounting Clerk	USF&G/Travelers Casualty	Indefinite	\$ 25,000
Celestine Humes	Accounting Clerk	USF&G/Travelers Casualty	Indefinite	\$ 25,000
Cassandra Richmond	Adm. Assistant	USF&G/Travelers Casualty	Indefinite	\$ 25,000
Lorenzo Anderson	Interim Engineer	USF&G/Travelers Casualty	Indefinite	\$ 25,000
Pam Richards	Utility Manager	USF&G/Travelers Casualty	Indefinite	\$ 25,000
Gwanda Suber	Municipal Court Clerk	USF&G/Travelers Casualty	Indefinite	\$ 25,000
Cynthia Stevens	Clerk III	USF&G/Travelers Casualty	Indefinite	\$ 25,000
Lenora Morey	Adm. Assistant	USF&G/Travelers Casualty	Indefinite	\$ 25,000
Priscilla Bush	Clerk II	USF&G/Travelers Casualty	Indefinite	\$ 25,000
Kenyotta Lee	Clerk III	USF&G/Travelers Casualty	Indefinite	\$ 25,000
Charles Patterson	Police Chief	USF&G/Travelers Casualty	Indefinite	\$ 25,000
Freddie Cannon	Asst. Police Chief	USF&G/Travelers Casualty	Indefinite	\$ 25,000
Danny Graise	Police Captain	USF&G/Travelers Casualty	Indefinite	\$ 25,000
Andrew Kaho	Police Captain	USF&G/Travelers Casualty	Indefinite	\$ 25,000
Dycia Ayers	Adm. Assistant	USF&G/Travelers Casualty	Indefinite	\$ 25,000
Nakia Williams	Clerk III	USF&G/Travelers Casualty	Indefinite	\$ 25,000
Mary Ann Taylor	Clerk III	USF&G/Travelers Casualty	Indefinite	\$ 25,000
Asley D. Smith	Clerk III	USF&G/Travelers Casualty	Indefinite	\$ 25,000
Edna Turner	Clerk III	USF&G/Travelers Casualty	Indefinite	\$ 25,000
Rosa F. Matthews	Clerk III	USF&G/Travelers Casualty	Indefinite	\$ 25,000
Bobbie Stribling	Clerk III	USF&G/Travelers Casualty	Indefinite	\$ 25,000
Rochita Smith	Clerk III	USF&G/Travelers Casualty	Indefinite	\$ 25,000
Cathy Drayton	Police Records Manager	USF&G/Travelers Casualty	Indefinite	\$ 25,000
Cynthia Willis	Adm. Assistant	USF&G/Travelers Casualty	Indefinite	\$ 25,000
Xavier Redmond	Police Operations	USF&G/Travelers Casualty	Indefinite	\$ 25,000
Lane Rodgers	Airport Director	USF&G/Travelers Casualty	Indefinite	\$ 25,000
Dionica Harris	Adm. Assistant	USF&G/Travelers Casualty	Indefinite	\$ 25,000
Yvette Yeager	Parks Director	USF&G/Travelers Casualty	Indefinite	\$ 25,000
William Bryant Cox	Golf Course Manager	USF&G/Travelers Casualty	Indefinite	\$ 25,000
Teresa Elliott	Adm. Assistant	USF&G/Travelers Casualty	Indefinite	\$ 25,000
Melva Carpenter	Adm. Assistant	USF&G/Travelers Casualty	Indefinite	\$ 25,000
Shamekia Campbell	Clerk	USF&G/Travelers Casualty	Indefinite	\$ 25,000
Milton Davenport	Fleet Vehicle Manager	USF&G/Travelers Casualty	Indefinite	\$ 25,000
Peggy Fioranelli	Adm. Assistant	USF&G/Travelers Casualty	Indefinite	\$ 25,000
Brad Jones	Public Works Director	USF&G/Travelers Casualty	Indefinite	\$ 25,000
Bridgett Winters	Adm. Assistant	USF&G/Travelers Casualty	Indefinite	\$ 25,000
Teresa Kingdom	Human Resources Dir.	USF&G/Travelers Casualty	Indefinite	\$ 25,000
Tawanna Haynes	Adm. Assistant	USF&G/Travelers Casualty	Indefinite	\$ 25,000
Lee Gordon	Fire Chief	USF&G/Travelers Casualty	Indefinite	\$ 25,000
Karen Manning	Adm. Assistant	USF&G/Travelers Casualty	Indefinite	\$ 25,000
Carlton Williams	Planning/Zoning Dir.	USF&G/Travelers Casualty	Indefinite	\$ 25,000
Shirley Redmon	Clerk II	USF&G/Travelers Casualty	Indefinite	\$ 25,000