

## OFFICE OF THE STATE AUDITOR REPORT NOTE:

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

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

**CITY OF BOONEVILLE, MISSISSIPPI**

**BASIC FINANCIAL STATEMENTS**  
**AND ACCOMPANYING INFORMATION**

**SEPTEMBER 30, 2022**

**Jones & Jones**  
**Certified Public Accountants**  
**of Booneville, P.A.**  
**Booneville, MS 38829-0250**

**CITY OF BOONEVILLE, MISSISSIPPI**  
**Basic Financial Statements**  
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**Basic Financial Statements**  
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***JONES & JONES***  
*CERTIFIED PUBLIC ACCOUNTANTS*  
*OF BOONEVILLE, P.A.*

*Kermit V. Jones Jr., C.P.A.   Christopher D. Jones, C.P.A.   Jeremy D. Jones, C.P.A.   David W. Jones, C.P.A.*

**Independent Auditors' Report**

To the Mayor and Board of Alderpersons  
City of Booneville, Mississippi

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Booneville, Mississippi, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Booneville, Mississippi, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

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

***Responsibilities of Management for the Financial Statements***

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

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

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Booneville, Mississippi's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Booneville, Mississippi's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 19, Schedule of City's Proportionate Share of the Net Pension Liability (Schedule 1) on page 88, Schedule of City's Contribution to Public Employee Retirement System of Mississippi (Schedule 2) on page 89, and budgetary comparison information (Schedule 3) on pages 90 through 95 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Booneville, Mississippi's basic financial statements. The accompanying combining and individual nonmajor fund financial statements (Schedules 4 and 5) and the schedule of surety bonds for municipal officials and employees (Schedule 6) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements (Schedules 4 and 5) and the schedule of surety bonds for municipal officials and employees (Schedule 6) are fairly stated in all material respects in relation to the basic financial statements as a whole.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2023, on our consideration of the City of Booneville, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Booneville, Mississippi's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Booneville, Mississippi's internal control over financial reporting and compliance.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Jones & Jones", written in a cursive style.

Jones & Jones  
Certified Public Accountants  
of Booneville, P.A.  
Booneville Mississippi

October 31, 2023

**CITY OF BOONEVILLE, MISSISSIPPI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the fiscal year ended September 30, 2022**

As management of the City of Booneville, Mississippi, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2022. We encourage readers to consider the information presented here in conjunction with the City's financial statements, which follow this section.

**Financial Highlights**

The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$20,903,845 (net position).

The government's total net position increased by \$6,506 during the current fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$7,187,353, a decrease of \$43,102 during the current fiscal year. Approximately 43.3 percent of this total amount, or \$3,115,362, is available for spending at the government's discretion (unassigned fund balance).

At the end of the current fiscal year, unassigned fund balance for the general fund was \$3,119,930 or 42.9 percent of total general fund expenditures.

The City had fixed asset net additions of \$3,039,332 during the current year. Of this amount \$1,134,762 occurred in the governmental activities and \$1,904,570 occurred in the business-type activities.

The City's total debt decreased by \$755,511 during the current fiscal year. This change resulted from new debt issued of \$55,960 and debt repayments net of amortization of \$811,471.

During the current fiscal year, the City's operating grants and contributions decreased \$25,699 (74.23 percent) mainly due to reduction in donations received; capital grants and contributions increased \$434,193 (128.25 percent) mainly due to ARPA grants expended for AMR meters; property taxes decreased \$135,527 (5.85 percent) mainly due to changes in assessed valuation; charges for services increased \$1,001,281 (12.02 percent) mainly due to increases in natural gas sold and increase in cost of gas purchased; and total expenses increased \$3,689,464 (30.16 percent) mainly due to increase in cost of natural gas, purchase of AMR meters, raises given, and inflation.

## Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

### Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, parks and recreation, tourism, and community development. The business-type activities of the City include water and sewer operations, natural gas operations, and solid waste collection operations.

The government-wide financial statements include not only the City itself (known as the primary government), but also four legally separate authorities—the Booneville Planning Board, the Booneville Park Commission Board, the Booneville Historical Commission Board, and the Booneville Election Commission Board. However, these boards have minimal or no financial activity and these activities are not considered material to the financial statements. Any assets, liabilities, revenues, or expenses of these activities are budgeted and accounted for in the general fund. The City has excluded Booneville Municipal Separate School District and Booneville Housing Authority from the financial reporting entity because the City's accountability does not extend beyond making appointments. Audited financial statements are available from each of these entities.

The government-wide financial statements can be found on pages 20 – 22 of this report.

## **Overview of the Financial Statements – continued**

### *Fund financial statements*

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

### *Governmental funds*

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term effect of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the 2019 public improvement capital project fund, which are considered to be major funds. Data from the other eleven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its general fund and certain special revenue funds. Budgetary comparison schedules for the general fund has been provided in the financial statements on pages 90 – 95 to demonstrate compliance with those budgets. The City had no major special revenue fund which required budget comparison schedules.

The basic governmental fund financial statements can be found on pages 23 – 27 of this report.

### *Proprietary funds*

The City maintains three different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its natural gas operations, water and sewer operations, and its waste collection operations.

## **Overview of the Financial Statements – continued**

### *Proprietary funds - continued*

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the natural gas operations, the water and sewer operations, and the waste collection operations. The gas system fund and the water and sewer fund are considered to be major funds of the City. The waste collection fund is considered to be a nonmajor fund of the City. The revenues and expenditures reported in the internal service fund are not included in the government-wide financial statements since the related expense pertaining to each activity has already been included therein.

The basic proprietary fund financial statements can be found on pages 28 – 34 of this report.

### *Fiduciary funds*

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 35 - 36 of this report.

### *Notes to the financial statements*

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 37 – 87 of this report.

### *Other information*

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. This is limited to the schedule of City's proportionate share of the net pension liability, schedule of City's contributions to public employee retirement system of Mississippi, and budgetary comparison schedules for certain governmental funds referred to earlier. Required supplementary information including notes to required supplementary information can be found on pages 88 – 100 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 101 – 103 of this report.



## **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Booneville, Mississippi, assets and deferred outflows of resources less liabilities and deferred inflows of resources netted to \$20,903,845 at the close of the most recent fiscal year.

By far the largest portion of the City's net position (approximately 96.1 percent or \$20,092,395) reflects its investment in capital assets (e.g., land, buildings, vehicles, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (approximately 15.8 percent or \$3,307,586) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is a deficit (of approximately 11.9 percent or \$2,496,136) which is a result of the City recognizing its portion of the Public Employee Retirement System of Mississippi unfunded net pension liability of \$11,827,359.

At the end of the current fiscal year, the City reported an unrestricted deficit net position in both governmental activities and government as a whole of \$3,972,391 and \$2,496,136 while all other categories of net position reported positive balances both for the government as a whole, as well as for its separate governmental and business-type activities.

The government's net position increased by \$6,506 during the current fiscal year. This decrease was mainly due to the decrease in net position from the governmental activities of \$47,395 and the business-type activities increase in net position of \$53,901 as detailed on the City of Booneville, Mississippi's changes in net position presented on the following pages. See other detailed changes on the following pages.

Government-wide Financial Analysis - continued

City of Booneville, Mississippi's Net Position

	Governmental Activities				Business-Type Activities				Total			
	2022	2021	Increase (Decrease)	% Change	2022	2021	Increase (Decrease)	% Change	2022	2021	Increase (Decrease)	% Change
Current and other assets	\$ 12,584,733	\$ 11,023,004	\$ 1,561,729	14.2%	\$ 6,141,543	\$ 7,645,079	\$ (1,503,536)	-19.7%	\$ 18,726,276	\$ 18,668,083	\$ 58,193	0.3%
Capital assets	10,122,505	9,757,634	364,871	3.7%	17,204,646	15,917,280	1,287,366	8.1%	27,327,151	25,674,914	1,652,237	6.4%
Total assets	22,707,238	20,780,638	1,926,600	9.3%	23,346,189	23,562,359	(216,170)	-0.9%	46,053,427	44,342,997	1,710,430	3.9%
Deferred outflows of resources	1,399,588	827,660	571,928	69.1%	296,559	231,444	65,115	28.1%	1,696,147	1,059,104	637,043	60.1%
Long-term liabilities outstanding	12,090,756	9,185,079	2,905,677	31.6%	8,267,817	8,348,211	(80,394)	-1.0%	20,358,573	17,533,290	2,825,283	16.1%
Other liabilities	2,978,230	1,400,303	1,577,927	112.7%	1,323,972	964,002	359,970	37.3%	4,302,202	2,364,305	1,937,897	82.0%
Total liabilities	15,068,986	10,585,382	4,483,604	42.4%	9,591,789	9,312,213	279,576	3.0%	24,660,775	19,897,595	4,763,180	23.9%
Deferred inflows of resources	2,062,904	4,000,585	(1,937,681)	-48.4%	122,050	606,582	(484,532)	-79.9%	2,184,954	4,607,167	(2,422,213)	-52.6%
Net position												
Net investment in capital assets	8,456,104	8,387,259	68,845	0.8%	11,636,291	10,702,593	933,698	8.7%	20,092,395	19,089,852	1,002,543	5.3%
Restricted	2,491,223	2,535,955	(44,732)	-1.8%	816,363	1,177,668	(361,305)	-30.7%	3,307,586	3,713,623	(406,037)	-10.9%
Unrestricted	(3,972,391)	(3,900,883)	(71,508)	1.8%	1,476,255	1,994,747	(518,492)	-26.0%	(2,496,136)	(1,906,136)	(590,000)	31.0%
Total Net Position	\$ 6,974,936	\$ 7,022,331	\$ (47,395)	-0.7%	\$ 13,928,909	\$ 13,875,008	\$ 53,901	0.4%	\$ 20,903,845	\$ 20,897,339	\$ 6,506	0.0%

City of Booneville, Mississippi's Changes in Net Position

	Governmental Activities				Business-Type Activities				Total			
	2022	2021	Increase (Decrease)	% Change	2022	2021	Increase (Decrease)	% Change	2022	2021	Increase (Decrease)	% Change
Revenue												
Program Revenues												
Charges for services	\$ 531,719	\$ 823,946	\$ (292,227)	-35.5%	\$ 8,796,443	\$ 7,502,935	\$ 1,293,508	17.2%	\$ 9,328,162	\$ 8,326,881	\$ 1,001,281	12.0%
Operating grants and contributions	8,923	34,622	(25,699)	-74.2%	-	-	-	0.0%	8,923	34,622	(25,699)	-74.2%
Capital grants and contributions	229,777	338,559	(108,782)	-32.1%	542,975	-	542,975	0.0%	772,752	338,559	434,193	128.2%
General Revenues												
Taxes												
Property taxes	2,182,133	2,317,660	(135,527)	-5.8%	-	-	-	0.0%	2,182,133	2,317,660	(135,527)	-5.8%
Sales tax	2,899,654	2,766,142	133,512	4.8%	-	-	-	0.0%	2,899,654	2,766,142	133,512	4.8%
Franchise tax	186,745	177,325	9,420	5.3%	-	-	-	0.0%	186,745	177,325	9,420	5.3%
In lieu taxes	149,264	138,605	10,659	7.7%	-	-	-	0.0%	149,264	138,605	10,659	7.7%
Other taxes and state shared revenues	270,530	254,786	15,744	6.2%	-	-	-	0.0%	270,530	254,786	15,744	6.2%
Investment income	43,806	115,567	(71,761)	-62.1%	33,214	103,548	(70,334)	-67.9%	77,020	219,115	(142,095)	-64.8%
Other	60,320	71,404	(11,083)	-15.5%	61	-	61	0.0%	60,381	71,404	(11,022)	-15.4%
Total revenue	\$ 6,562,871	\$ 7,038,616	\$ (475,744)	-6.8%	\$ 9,372,693	\$ 7,606,483	\$ 1,766,210	23.2%	\$ 15,935,564	\$ 14,645,099	\$ 1,290,466	8.8%

# City of Booneville, Mississippi's Changes in Net Position

Page 11

**Government-wide Financial Analysis - continued**  
*Governmental activities*

Governmental activities, including transfers from the business-type activities, decreased the City's net position by \$47,395 during the current year. By comparison, governmental activities including transfers reported an increase in net position from the previous fiscal year of approximately \$1,544,700. Key elements of the changes are as follows:

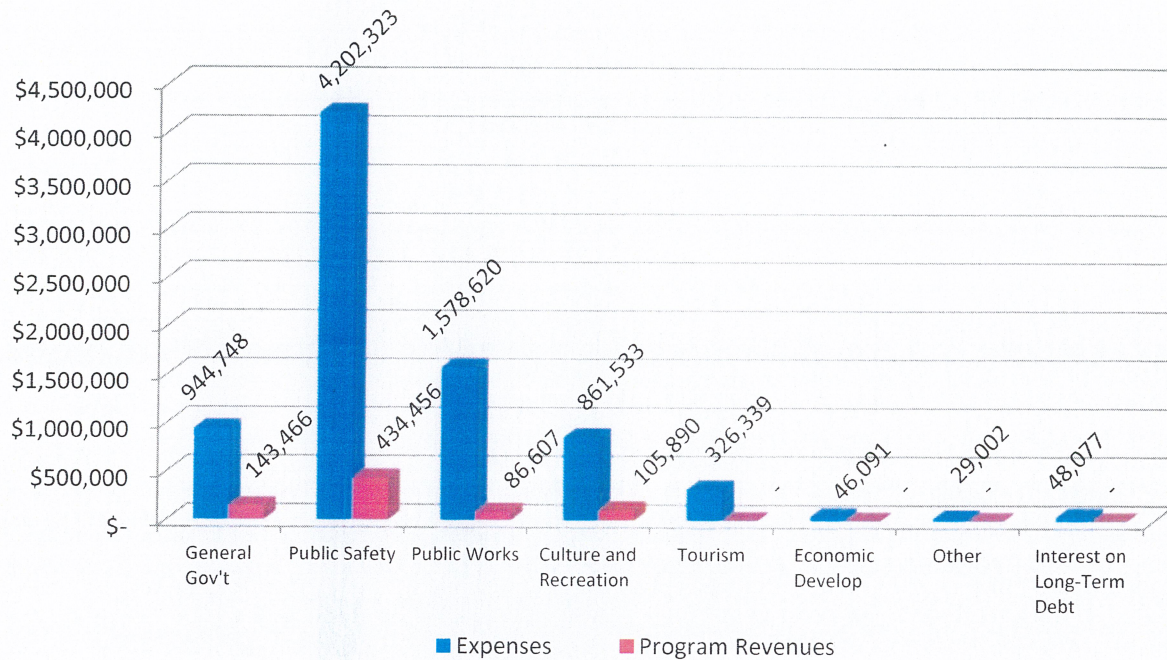
During the year charges for services decreased by \$292,227 (approximately 35 percent), operating grants and contributions decreased by \$25,699 (approximately 74 percent), capital grants and contributions decreased by \$108,782 (approximately 32 percent), property taxes decreased by \$135,527 (approximately 6 percent), sales tax increased by \$133,512 (approximately 5 percent), general government expenses increased by \$191,500 (approximately 25 percent), public safety expenses increased by \$509,036 (approximately 14 percent), public works expenses increased by \$117,317 (approximately 8 percent), culture and recreation expenses increased by \$151,215 (approximately 21 percent), tourism expense increased by \$190,525 (approximately 140 percent), and economic development expenses decreased by \$3,002 (approximately 6 percent).



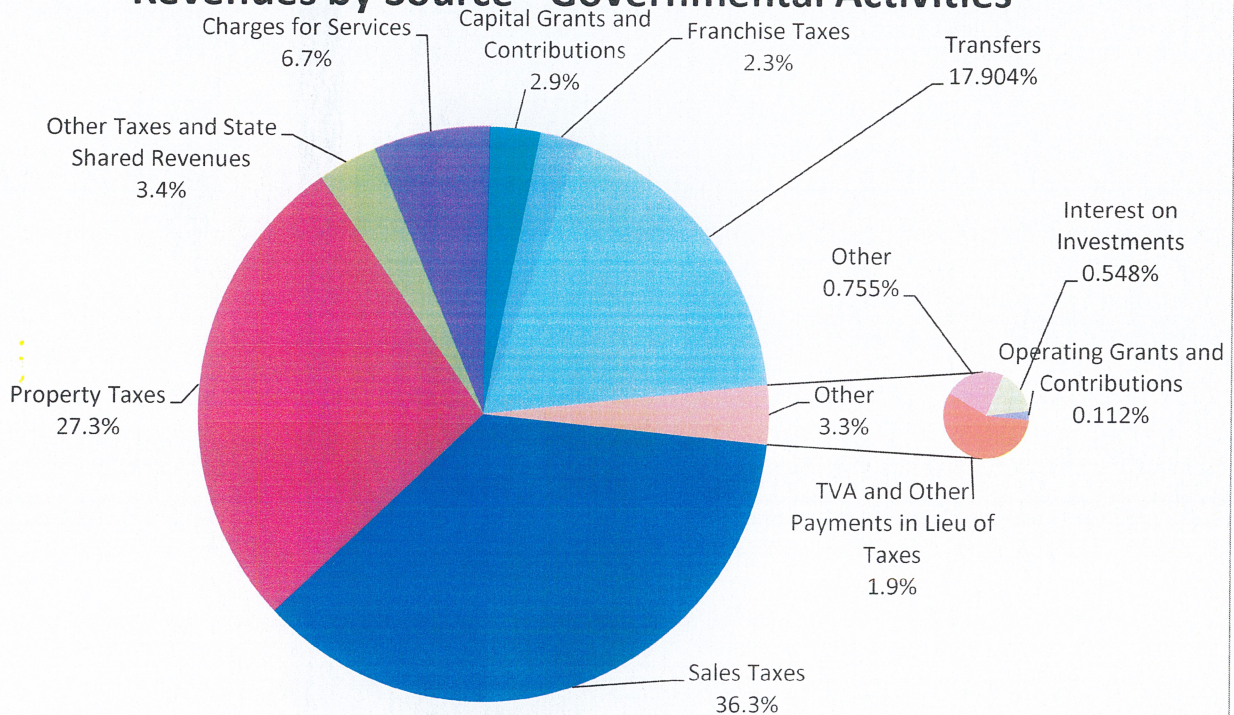
## Government-wide Financial Analysis - continued

### Governmental activities - continued

#### Expense and Program Revenues - Governmental Activities



#### Revenues by Source - Governmental Activities





## Government-wide Financial Analysis - continued

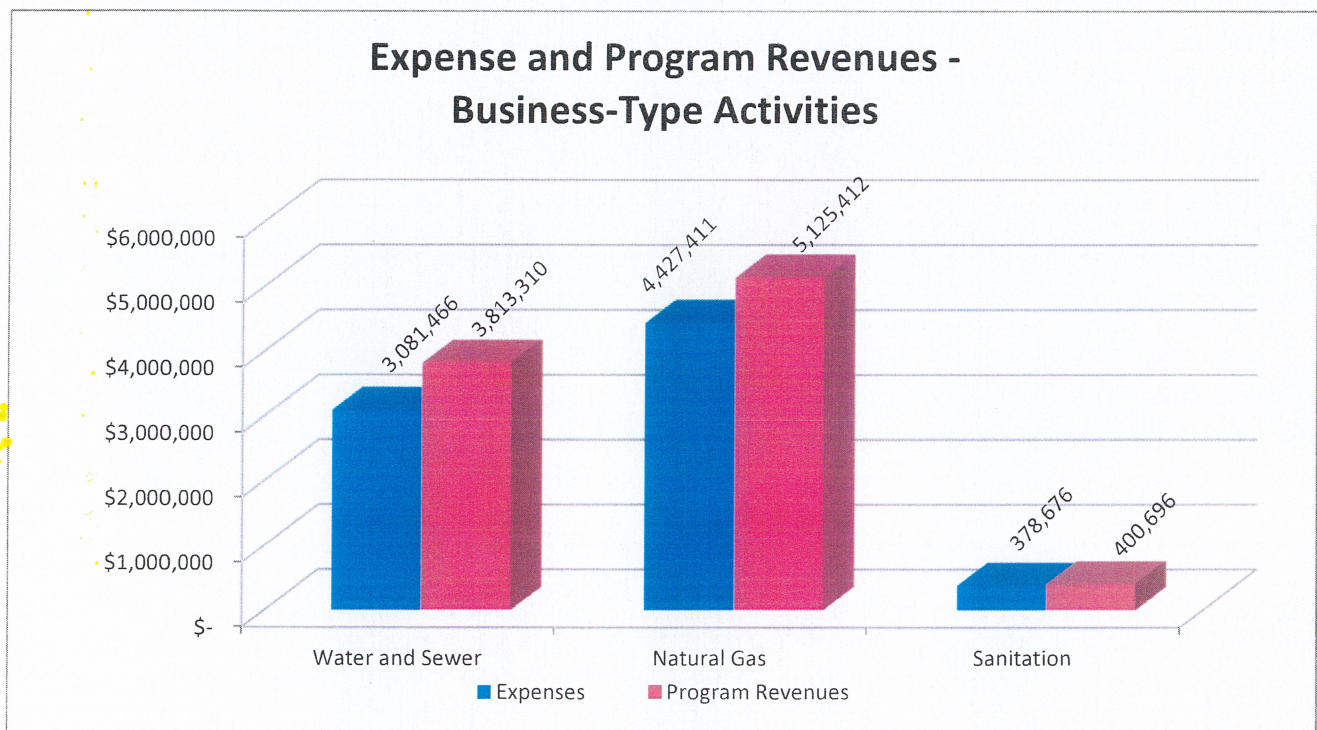
### Business-type activities

Business-type activities reported an increase in the City's net position by \$53,901 during the current year. By comparison, business-type activities reported an increase in net position the previous fiscal year of \$781,394. Key elements of this increase are as follows:

Charges for services for business-type activities increased \$1,293,508, or 17.2 percent, compared to the prior year. This was the result of increased cost of natural gas sold.

Expenses increased approximately 46.6 percent or \$2,508,646, primarily due to water and sewer fund expenditures increased \$1,017,161 (49.3 percent) and natural gas fund expenditures increased \$1,501,305 (51.3 percent). The water and sewer system fund increase was mainly due to replacing existing meters with the AMR meters and inflation. The natural gas fund increase was due to an increase in the cost of natural gas.

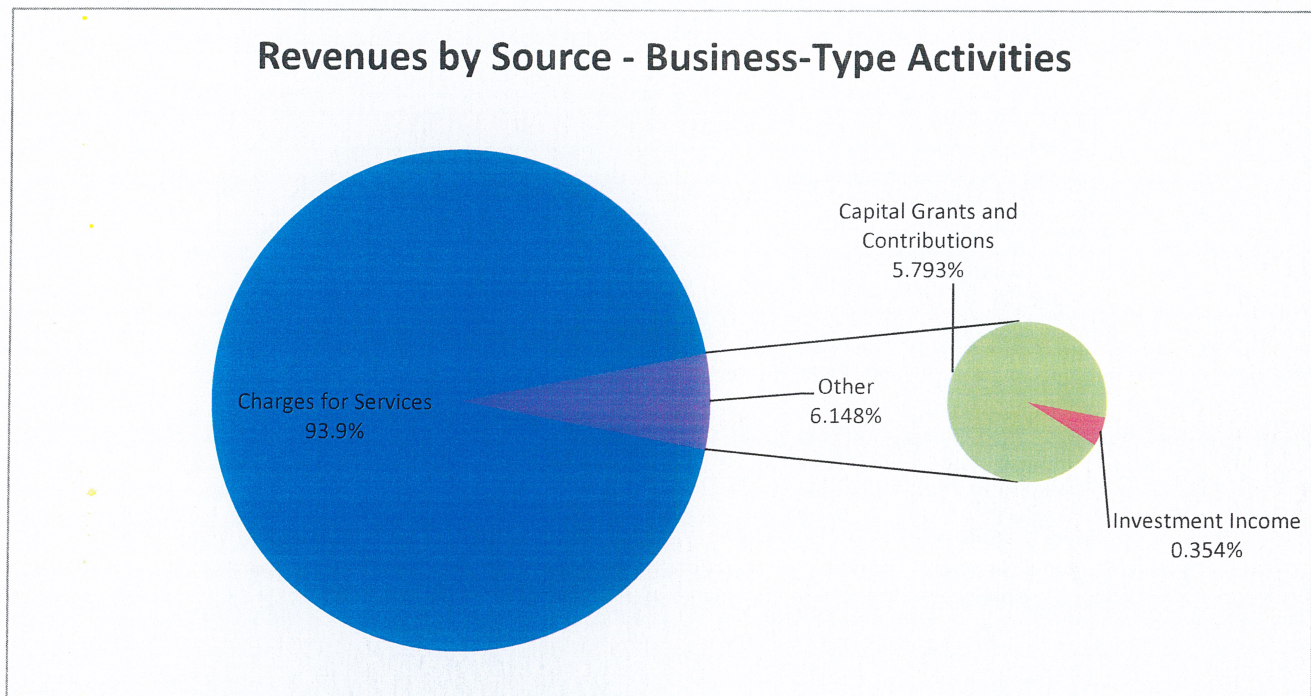
Transfers out to other funds totaled \$1,431,239 while prior year transfers out to other funds totaled \$1,428,318. Transfers out increased approximately 0.2 percent or \$2,921. Other changes are detailed in the financial analysis above.





## Government-wide Financial Analysis - continued

### Business-type activities - continued



## Financial Analysis of the Government's Funds

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

### Governmental funds

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$7,187,353, a decrease of \$43,102 compared to the prior year. Approximately 43.3 percent of this total amount, \$3,115,362 constitutes unassigned fund balance, which is available for spending at the government's discretion.

The remainder of fund balance \$4,071,991 is either nonspendable, restricted by laws, regulations or by donor, committed by the Board of Alderpersons or assigned by the Mayor, to indicate that it is not available for new spending or it can be spent only for specific items.

## **Financial Analysis of the Government's Funds - continued**

### **Governmental funds - continued**

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$3,119,930 while total fund balance was \$4,659,466. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 42.9 percent of total general fund expenditures.

The fund balance of the City's general fund decreased by \$16,889 during the current fiscal year. This is primarily attributable to transfers.

### **Proprietary funds**

The City's proprietary funds provide the same type information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the gas system, combined water and sewer system, and solid waste collection system funds at the end of the year amounted to \$324,893, \$1,167,240, and \$(15,878), respectively. The gas system fund had a decrease in net position for the year of \$602,955, the combined water and sewer system fund had an increase in net position for the year of \$678,919, and the waste collection fund had a decrease in net position for the year of \$22,064.

Other factors concerning the finances of these three funds have already been addressed in the discussion of the City's business-type activities.

## **General Fund Budgetary Highlights**

The City made the following amendments to its original budget: Expenditures - general government - personnel \$(30,000), general government - supplies \$(5,000), general government - other services and charges \$115,000, public safety - police - personnel \$(80,000), public safety - fire - personnel \$25,000, public safety - fire - capital outlay \$(25,000), public property - personnel \$(4,000), public property - supplies \$4,000, public property - other services and charges \$52,000, public property - capital outlay \$(52,000), street - supplies \$90,000, street - capital outlay \$(90,000), park - personnel \$(2,000), park - other services and charges \$2,000, park maintenance - supplies \$20,000, park maintenance - other services and charges \$5,000, park maintenance - capital outlay \$(25,000), tourism - other services and charges \$3,000, and tourism - capital outlay \$(3,000).

During the year, general fund revenues were less than the budgetary estimates, expenditures were less than the budgetary estimates, and transfers in were more than the budgetary estimates resulting in an actual increase in fund balance that was more than the final amended budget fund balance amount by \$655,979.



## Capital Asset and Debt Administration

### Capital assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2022, amounted to \$27,327,151 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, and park facilities. Capital assets also include roads, highways, bridges and other infrastructure acquired after October 1, 2003. The total increase in the City's investment in capital assets for the current fiscal year was approximately 6.4 percent (an approximate 3.7 percent increase for governmental activities and an approximate 8.1 percent increase for business-type activities).

Major capital asset additions are as follows:

Police equipment	\$	221,972
Supervision and finance		71,852
Park equipment		58,914
Street equipment		41,744
Street infrastructure		662,034
Public property building		23,815
Police building construction in progress		38,975
Right of use capital assets		15,457
Natural gas building		54,565
Natural gas system distribution system		98,905
Water and sewer system automotive, equipment and office equipment		77,955
Water and sewer system distribution system		1,673,145

### City of Booneville, Mississippi's Capital Assets - Net

	Governmental Activities	Business-Type Activities	Total
Land	\$ 1,043,044	\$ 245,362	\$ 1,288,406
Construction in progress	674,905	-	674,905
Infrastructure	4,008,039	-	4,008,039
Building and improvements	1,105,819	656,144	1,761,963
Right of use capital assets	24,231	530	24,761
Natural gas system	-	2,995,352	2,995,352
Water and sewer system	-	12,808,335	12,808,335
Automotive, equipment and furnishings	3,266,467	498,923	3,765,390
<b>Total</b>	<b>\$ 10,122,505</b>	<b>\$ 17,204,646</b>	<b>\$ 27,327,151</b>

Additional information on the City's capital assets can be found in Note F on pages 57 - 60 of this report and in the long-term debt section on the next page.

## Capital Asset and Debt Administration - continued

### Long-term debt

At the end of the current fiscal year, the City had total debt outstanding of \$8,239,193. Of this amount, \$5,448,975 comprises debt backed by the full faith and credit of the government. The remainder of the City's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds) or lease agreements subject to appropriations.

#### **City of Booneville, Mississippi's Outstanding Debt** General Obligation and Notes from Direct Borrowings and Direct Placements

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
General obligation bonds	\$ 2,009,541	\$ 3,439,434	\$ 5,448,975
Notes from direct borrowings	283,045	2,482,213	2,765,258
Lease liability	24,420	540	24,960
<b>Total</b>	<b>\$ 2,317,006</b>	<b>\$ 5,922,187</b>	<b>\$ 8,239,193</b>

The City's total debt decreased by \$755,511 (approximately 8.4 percent) during the current fiscal year. There was new debt obligations totaling \$55,960 issued during the year.

Not included above but reported as long-term debt in the financial statements is the accumulated leave time that would be paid as employees take leave or retire. Under GAAP reporting, this liability must be reported as a compensated absence at year end, due to the contract language to the effect that the employee has "earned" this compensation. Also not included above is the City's proportionate share of the net pension liability of the Public Employee Retirement System of Mississippi (PERS) that is required to be reported.

The City has not received a rating from Standard & Poor's.

State statute limits the amount of general obligation debt a governmental entity may issue to 15 percent of the assessed value of the taxable property within such City according to the last completed assessment for taxation. The margin for additional debt under the 15 percent debt limit is approximately \$4,305,629. Additional information on the City's long-term debt can be found in Note H on pages 65 – 72 of this report.

## **Economic Factors and Next Year's Budgets and Rates**

The following factors were considered in preparing the City's budget for the 2023 fiscal year:

The City expects its tax base to remain level.

The City tax millage rate was 38.15 for the current year compared to 38.15 for the subsequent year.

Inflationary trends in the region compare favorably to national indices.

During the current fiscal year, unassigned fund balance in the general fund was \$3,119,930.

## **Requests for Information**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Clerk, 203 N. Main St., Booneville, Mississippi 38829.

**CITY OF BOONEVILLE, MISSISSIPPI**  
**Statement of Net Position**  
**September 30, 2022**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 9,343,060	\$ 1,433,251	\$ 10,776,311
Restricted cash and cash equivalents	-	3,228,083	3,228,083
Receivables (Net, where applicable, of allowances for uncollectibles)			
Property taxes (net of allowances of \$231,161)	2,052,072	-	2,052,072
Police fines (net of allowances of \$2,458,265)	172,803	-	172,803
Accounts (net of allowances of \$137,248)	7,514	650,388	657,902
Franchise fees and other receivables (net of allowances of \$0)	111,045	-	111,045
Accrued interest (net of allowances of \$154,954)	-	-	-
Notes receivable (net of allowances of \$743,000)	-	-	-
Other (net of governmental allowances of \$10,150)	11,707	5,077	16,784
Prepaid items	62,063	56,438	118,501
Resale inventory	-	450,061	450,061
Supply inventory	-	191,720	191,720
Due from other governments	772,953	178,041	950,994
Due from other funds	51,516	(51,516)	-
Land and construction in progress	1,717,949	245,362	1,963,311
Right of use leased assets (net of accumulated amortization)	24,231	530	24,761
Other capital assets (net of accumulated depreciation)	8,380,325	16,958,754	25,339,079
<b>Total Assets</b>	<b>22,707,238</b>	<b>23,346,189</b>	<b>46,053,427</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows pertaining to pensions	1,399,588	277,447	1,677,035
Deferred outflows pertaining to loss on refunding	-	19,112	19,112
<b>Total Deferred Outflows of Resources</b>	<b>\$ 1,399,588</b>	<b>\$ 296,559</b>	<b>\$ 1,696,147</b>

The accompanying notes are an integral part of this financial statement.

**CITY OF BOONEVILLE, MISSISSIPPI**  
**Statement of Net Position**  
**September 30, 2022**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>LIABILITIES</b>			
Accounts payable - operations	\$ 289,255	\$ 411,540	\$ 700,795
Accounts payable - capital assets	-	225,222	225,222
Credit balance in accounts receivable	-	23,906	23,906
Accrued interest	29,600	48,359	77,959
Accrued liabilities	105,836	23,861	129,697
Matured interest payable	568	-	568
Matured bonds payable	4,000	-	4,000
Customer deposits	-	591,084	591,084
Unearned revenue	2,548,971	-	2,548,971
Long-term debt and leases			
Due within one year			
Bonds, notes, and financed purchase obligations	177,432	620,000	797,432
Lease liability	10,008	540	10,548
Compensated absence	8,087	4,567	12,654
Due in more than one year			
Net pension liability	9,544,204	2,283,155	11,827,359
Bonds, notes, and financed purchase obligations	2,115,154	5,301,647	7,416,801
Lease liability	14,412	-	14,412
Compensated absence	221,459	57,908	279,367
<b>Total Liabilities</b>	<b>15,068,986</b>	<b>9,591,789</b>	<b>24,660,775</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows pertaining to pensions	23,016	122,050	145,066
Deferred inflows pertaining to unavailable revenue	2,039,888	-	2,039,888
<b>Total Deferred Inflows of Resources</b>	<b>2,062,904</b>	<b>122,050</b>	<b>2,184,954</b>
<b>NET POSITION</b>			
Net investment in capital assets	8,456,104	11,636,291	20,092,395
Restricted for:			
Debt service - expendable	-	776,052	776,052
Bond cushion, depreciation and contingency - expendable	-	10,000	10,000
Fire code updates	3,085	-	3,085
Fire protection capital outlay	106,914	-	106,914
D.A.R.E. program	18,213	-	18,213
ARPA capital project	1,835	-	1,835
Road paving	654,605	-	654,605
Infrastructure modernization - capital project	368,389	-	368,389
Technology	35,165	-	35,165
Rubbish	269,205	-	269,205
Tourism	1,033,812	-	1,033,812
Unemployment	-	30,311	30,311
Unrestricted (deficit)	(3,972,391)	1,476,255	(2,496,136)
<b>TOTAL NET POSITION</b>	<b>\$ 6,974,936</b>	<b>\$ 13,928,909</b>	<b>\$ 20,903,845</b>

The accompanying notes are an integral part of this financial statement.

**CITY OF BOONEVILLE, MISSISSIPPI**  
**Statement of Activities**  
**For the fiscal year ended September 30, 2022**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Fines and Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General government	\$ 944,748	\$ 143,465	\$ -	\$ 1	\$ (801,282)	\$ -	\$ (801,282)
Public safety	4,202,323	201,955	8,923	223,578	(3,767,867)	-	(3,767,867)
Public works	1,578,620	80,409	-	6,198	(1,492,013)	-	(1,492,013)
Culture and recreation	861,533	105,890	-	-	(755,643)	-	(755,643)
Tourism	326,339	-	-	-	(326,339)	-	(326,339)
Information technology	29,002	-	-	-	(29,002)	-	(29,002)
Economic development	46,091	-	-	-	(46,091)	-	(46,091)
Interest	48,077	-	-	-	(48,077)	-	(48,077)
Total Governmental Activities	8,036,733	531,719	8,923	229,777	(7,266,314)	-	(7,266,314)
Business-Type Activities:							
Water and Sewer	3,081,466	3,270,335	-	542,975	-	731,844	731,844
Natural Gas	4,427,411	5,125,412	-	-	-	698,001	698,001
Sanitation	378,676	400,696	-	-	-	22,020	22,020
Total Business-Type Activities	7,887,553	8,796,443	-	542,975	-	1,451,865	1,451,865
TOTAL PRIMARY GOVERNMENT	\$ 15,924,286	\$ 9,328,162	\$ 8,923	\$ 772,752	(7,266,314)	1,451,865	(5,814,449)
General Revenues							
Taxes							
Property taxes and late fees					2,182,133	-	2,182,133
Sales tax					2,899,654	-	2,899,654
Homestead					155,857	-	155,857
Franchise tax					186,745	-	186,745
TVA and other payments in lieu of taxes					149,264	-	149,264
Road tax and advalorem privilege tax					100,960	-	100,960
Other state shared taxes					13,713	-	13,713
Investment income					43,806	33,214	77,020
Other					60,320	61	60,381
Gain (loss) on sale or retirement of capital assets					(4,772)	-	(4,772)
Transfers					1,431,239	(1,431,239)	-
Total					7,218,919	(1,397,964)	5,820,955
Change in Net Position					(47,395)	53,901	6,506
NET POSITION--BEGINNING					7,022,331	13,875,008	20,897,339
NET POSITION--ENDING					\$ 6,974,936	\$ 13,928,909	\$ 20,903,845

The accompanying notes are an integral part of this financial statement.

**CITY OF BOONEVILLE, STATE OF MISSISSIPPI**  
**Governmental Funds**  
**Balance Sheet**  
**September 30, 2022**

		<b>ARPA Special Revenue Fund</b>	<b>Nonmajor Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>	<b>General</b>			
Cash and cash equivalents	\$ 5,505,153	\$ 1,571,867	\$ 2,266,041	\$ 9,343,061
Taxes (net of allowances of \$231,161)	2,052,073	-	-	2,052,073
Police fines (net of allowances of \$2,458,265)	172,803	-	-	172,803
Accounts (net of allowances of \$1,073)	-	-	7,514	7,514
Cleanup fees (net of allowances of \$10,150)	-	-	-	-
Franchise fees and other receivables	111,045	-	-	111,045
Other	11,707	-	-	11,707
Due from other funds	76,826	-	181,258	258,084
Due from other governments	637,641	-	135,312	772,953
Prepaid items	62,063	-	-	62,063
<b>Total assets</b>	<b>\$ 8,629,311</b>	<b>\$ 1,571,867</b>	<b>\$ 2,590,125</b>	<b>\$ 12,791,303</b>
<b>LIABILITIES</b>				
Accounts payable - operations	\$ 283,402	\$ -	\$ 5,853	\$ 289,255
Accrued liabilities	105,836	-	-	105,836
Compensated absence	8,087	-	-	8,087
Due to other funds	174,933	24,061	7,574	206,568
Unearned revenue	1,003,000	1,545,971	-	2,548,971
Matured interest payable	-	-	568	568
Matured revenue bonds payable	-	-	4,000	4,000
<b>Total liabilities</b>	<b>1,575,258</b>	<b>1,570,032</b>	<b>17,995</b>	<b>3,163,285</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	2,394,587	-	46,078	2,440,665
<b>Total deferred inflows of resources</b>	<b>2,394,587</b>	<b>-</b>	<b>46,078</b>	<b>2,440,665</b>
<b>FUND BALANCES</b>				
Nonspendable	62,063	-	-	62,063
Restricted	-	1,835	2,443,311	2,445,146
Committed	330,416	-	87,309	417,725
Assigned	1,147,057	-	-	1,147,057
Unassigned	3,119,930	-	(4,568)	3,115,362
<b>Total fund balance</b>	<b>4,659,466</b>	<b>1,835</b>	<b>2,526,052</b>	<b>7,187,353</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 8,629,311</b>	<b>\$ 1,571,867</b>	<b>\$ 2,590,125</b>	<b>\$ 12,791,303</b>

The accompanying notes are an integral part of this financial statement.

**CITY OF BOONEVILLE, STATE OF MISSISSIPPI**  
**Reconciliation of Fund Balances of Governmental Funds to the**  
**Governmental Activities in the Statement of Net Position**  
**September 30, 2022**

FUND BALANCES OF GOVERNMENTAL FUNDS \$ 7,187,353

Amounts reported for governmental activities in the statement of net position  
are different because:

Capital assets used in governmental activities are not financial resources and; therefore,  
were not reported in the governmental funds. The capital assets were adjusted as follows:

Land improvements and construction in progress	1,717,949
Other capital assets	15,750,471
Right of use assets	31,319
Less accumulated depreciation	(7,370,146)
Less accumulated amortization	(7,088)

Some of the City's revenues will be collected after year end but will not be available soon  
enough to pay for the current period's expenditures and; therefore, are deferred in the  
governmental funds. The deferred revenues were adjusted as follows:

Revenues - police fines	157,803
Revenues - payments in lieu of tax	126,755
Revenues - property taxes	11,954
Revenues - intergovernmental	92,556
Revenues - privilege license	11,709

Interest payable on long-term debt did not require current financial resources; therefore,  
interest payable was not reported as a liability in the governmental funds. (29,602)

Long-term liabilities, including bonds payable, capital leases and compensated absences  
not due and payable in the current period and; therefore, are not reported in the  
governmental funds. The long-term liabilities were adjusted as follows:

Bonds, notes, and financed purchase obligations	(2,292,586)
Lease liability	(24,420)
Compensated absences	(221,459)

Net pension obligations are not due and payable in the current period and; therefore, are  
not reported in the governmental fund financial statements. (9,544,204)

Deferred outflows and inflows of resources related to pensions are applicable to future  
periods and; therefore, are not reported in the governmental fund financial statements.

Deferred outflows of resources related to pensions	1,399,588
Deferred inflows related to pensions	(23,016)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 6,974,936



**CITY OF BOONEVILLE, STATE OF MISSISSIPPI**  
**Governmental Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the fiscal year ended September 30, 2022**

	<u>General</u>	<u>ARPA Special Revenue Fund</u>	<u>Nonmajor Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>REVENUES</u></b>				
Advalorem taxes, penalties and interest	\$ 2,183,529	\$ -	\$ -	\$ 2,183,529
Franchise taxes	198,313	-	-	198,313
Municipal sales tax	2,380,649	-	519,006	2,899,655
Permits, fees and privilege tax	24,796	-	-	24,796
Municipal court fines and bond fees	131,834	-	7,826	139,660
Intergovernmental revenues	526,429	-	244,120	770,549
Interest income	19,830	1,835	11,503	33,168
Charge for services	143,913	-	68,301	212,214
Collection fees	218	-	-	218
Administrative fees	105,000	-	-	105,000
Donations	-	-	1,369	1,369
Other	13,522	-	-	13,522
	<u>5,728,033</u>	<u>1,835</u>	<u>852,125</u>	<u>6,581,993</u>
Total revenues	<u>5,728,033</u>	<u>1,835</u>	<u>852,125</u>	<u>6,581,993</u>
<b><u>EXPENDITURES</u></b>				
<b>Current</b>				
General government	865,078	-	(462)	864,616
Public safety	3,591,730	-	1,960	3,593,690
Public works	1,178,897	-	(1)	1,178,896
Culture and recreation	626,084	-	2,600	628,684
Tourism	91,762	-	194,230	285,992
Information technology	24,388	-	-	24,388
Economic development	46,091	-	-	46,091
Capital outlay	634,646	-	638,697	1,273,343
Principal retirement - lease	10,176	-	-	10,176
Principal retirement - bonds, notes, and financed purchase obligations	146,351	-	31,717	178,068
Interest and paying agent	65,162	-	11,432	76,594
	<u>7,280,365</u>	<u>-</u>	<u>880,173</u>	<u>8,160,538</u>
Total expenditures	<u>7,280,365</u>	<u>-</u>	<u>880,173</u>	<u>8,160,538</u>
Excess (deficit) of revenues over (under) expenditures	<u>\$ (1,552,332)</u>	<u>\$ 1,835</u>	<u>\$ (28,048)</u>	<u>\$ (1,578,545)</u>

The accompanying notes are an integral part of this financial statement.

**CITY OF BOONEVILLE, STATE OF MISSISSIPPI**  
**Governmental Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the fiscal year ended September 30, 2022**

	<u>General</u>	<u>ARPA Capital Project Fund</u>	<u>Nonmajor Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Proceeds from disposition of fixed assets	\$ 28,408	\$ -	\$ -	\$ 28,408
Proceeds from loans	40,503	-	-	40,503
Proceeds from operating leases	35,293	-	-	35,293
Operating transfers in	<u>1,431,239</u>	<u>-</u>	<u>-</u>	<u>1,431,239</u>
Total other financing sources (uses)	<u>1,535,443</u>	<u>-</u>	<u>-</u>	<u>1,535,443</u>
Excess (deficit) of revenues and other sources over (under) expenditures and other uses	(16,889)	1,835	(28,048)	(43,102)
Fund balance - beginning of year	<u>4,676,355</u>	<u>-</u>	<u>2,554,100</u>	<u>7,230,455</u>
Fund balance - end of year	<u>\$ 4,659,466</u>	<u>\$ 1,835</u>	<u>\$ 2,526,052</u>	<u>\$ 7,187,353</u>

The accompanying notes are an integral part of this financial statement.

**CITY OF BOONEVILLE, STATE OF MISSISSIPPI**  
**Reconciliation of Governmental Funds Statement of Revenues, Expenditures and Changes in**  
**Fund Balances to the Governmental Activities in the Statement of Activities**  
**For the fiscal year ended September 30, 2022**

NET CHANGES IN FUND BALANCES -- TOTAL GOVERNMENTAL FUNDS \$ (43,102)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures; however, in the statement of activities, assets with an individual cost of more than \$500 are capitalized and the cost is allocated over their estimated useful lives and are reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

Capital outlay	1,154,597
Basis of assets disposed of	(33,180)
Basis of assets donated to a voluntary fire department	(15,600)
Depreciation expense	(729,885)
Amortization expense	(11,062)

The repayment of long-term debt is reported as an expenditure when due in governmental funds, but as a reduction of principal outstanding in the statement of activities.	188,244
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The proceeds of long-term debt including premiums are reported as other financing sources when received in governmental funds,	(75,796)
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The long-term debt premiums are amortized in the statement of activities	12,127
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Revenues in the statement of activities that are not available in governmental funds are not reported as revenue in governmental funds. Deferred revenues increased (decreased) by these amounts during the current year:

Property taxes	(1,396)
Municipal aid	4,562
Modernization use tax	(18,862)
Municipal court fines	12,775
Advalorem privilege tax	1,278
Payment in lieu of taxes	(9,303)
Privilege license	556
Franchise tax	(11,568)
Fire code	(1,525)

Some items reported in the statement of activities relating to the implementation of GASB 68 are not reported in the governmental funds. These activities include:

Recording of pension expense for the current period	(421,561)
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Some expenses in the statement of activities do not require the use of current financial resources and; therefore, are not reported as expenditures in governmental funds.

They are as follows:

(Increase) decrease in compensated absences	(51,135)
(Increase) decrease in accrued interest expense	2,441

CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (47,395)</u>
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The accompanying notes are an integral part of this financial statement.

**CITY OF BOONEVILLE, MISSISSIPPI**  
**Proprietary Fund**  
**Statement of Net Position**  
**September 30, 2022**

	<b>Business-Type Activities--Enterprise Fund</b>			
	<b>Gas System</b>	<b>Combined Water and Sewer System</b>	<b>Nonmajor Fund Waste Collection</b>	<b>Total Business-Type Funds</b>
<b>ASSETS</b>				
Current Assets				
Cash and cash equivalents - unrestricted	\$ 750,672	\$ 682,579	\$ -	\$ 1,433,251
Cash and cash equivalents - restricted	735,559	194,893	-	930,452
Receivables (net of allowance for uncollectibles)				
Accounts	172,934	428,787	48,667	650,388
Other	4,782	295	-	5,077
Resale inventory	450,061	-	-	450,061
Supply inventory	59,367	132,353	-	191,720
Due from other governments	-	178,041	-	178,041
Due from other funds	26,783	131,031	-	157,814
Prepaid items	33,086	23,352	-	56,438
Total current assets	<u>2,233,244</u>	<u>1,771,331</u>	<u>48,667</u>	<u>4,053,242</u>
Noncurrent Assets				
Restricted assets				
Cash and cash equivalents	13,924	2,283,707	-	2,297,631
Capital assets				
Land, improvements and construction in progress - nondepreciable	208,736	36,626	-	245,362
Right of use leased assets, net of accumulated amortization	265	265	-	530
Other capital assets, net of accumulated depreciation	<u>3,767,621</u>	<u>13,191,133</u>	<u>-</u>	<u>16,958,754</u>
Total noncurrent assets	<u>3,990,546</u>	<u>15,511,731</u>	<u>-</u>	<u>19,502,277</u>
Total assets	<u>6,223,790</u>	<u>17,283,062</u>	<u>48,667</u>	<u>23,555,519</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows pertaining to pensions	143,520	133,927	-	277,447
Deferred outflows pertaining to loss on refunding	<u>-</u>	<u>19,112</u>	<u>-</u>	<u>19,112</u>
Total deferred outflows of resources	<u>\$ 143,520</u>	<u>\$ 153,039</u>	<u>\$ -</u>	<u>\$ 296,559</u>

The accompanying notes are an integral part of this financial statement.

**CITY OF BOONEVILLE, MISSISSIPPI**  
**Proprietary Fund**  
**Statement of Net Position**  
**September 30, 2022**

	<b>Business-Type Activities--Enterprise Fund</b>			
	<b>Gas System</b>	<b>Combined Water and Sewer System</b>	<b>Nonmajor Fund Waste Collection</b>	<b>Total Business-Type Funds</b>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable - operations	\$ 247,874	\$ 99,121	\$ 64,545	\$ 411,540
Accounts payable - fixed assets	-	225,222	-	225,222
Credit balance in accounts receivable	11,953	11,953	-	23,906
Accrued interest	-	48,359	-	48,359
Accrued liabilities	12,820	11,041	-	23,861
Customer deposits	407,387	183,697	-	591,084
Compensated absences	48	4,519	-	4,567
Due to other funds	106,970	102,360	-	209,330
Current portion of bonds, notes, and financed purchase obligations	-	620,000	-	620,000
Current portion of lease liabilities	270	270	-	540
Total current liabilities	<u>787,322</u>	<u>1,306,542</u>	<u>64,545</u>	<u>2,158,409</u>
Noncurrent Liabilities				
Net pension liability	1,181,050	1,102,105	-	2,283,155
Compensated absences	20,634	37,274	-	57,908
Bonds, notes, and financed purchase obligations, less current maturities	-	5,301,647	-	5,301,647
Total noncurrent liabilities	<u>1,201,684</u>	<u>6,441,026</u>	<u>-</u>	<u>7,642,710</u>
Total liabilities	<u>1,989,006</u>	<u>7,747,568</u>	<u>64,545</u>	<u>9,801,119</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows pertaining to pensions	<u>63,135</u>	<u>58,915</u>	<u>-</u>	<u>122,050</u>
Total deferred inflows of resources	<u>63,135</u>	<u>58,915</u>	<u>-</u>	<u>122,050</u>
<b>NET POSITION</b>				
Net investment in capital assets	3,976,352	7,659,939	-	11,636,291
Restricted for debt service - expendable	-	776,052	-	776,052
Restricted for revenue bond cushion, depreciation and contingent - expendable	-	10,000	-	10,000
Restricted for unemployment - expendable	13,924	16,387	-	30,311
Unrestricted	<u>324,893</u>	<u>1,167,240</u>	<u>(15,878)</u>	<u>1,476,255</u>
Total net position (deficit)	<u>\$ 4,315,169</u>	<u>\$ 9,629,618</u>	<u>\$ (15,878)</u>	<u>\$ 13,928,909</u>

The accompanying notes are an integral part of this financial statement.

**CITY OF BOONEVILLE, MISSISSIPPI**  
**Proprietary Fund**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**For the fiscal year ended September 30, 2022**

	Business-Type Activities--Enterprise Fund			
	Gas System	Combined Water and Sewer System	Nonmajor Fund Waste Collection	Total Business-Type Funds
<b><u>OPERATING REVENUES</u></b>				
Charges for services	\$ 4,921,597	\$ 3,135,274	\$ 400,696	\$ 8,457,567
Service charges and other	220,006	118,931	-	338,937
Total operating revenues	5,141,603	3,254,205	400,696	8,796,504
<b><u>OPERATING EXPENSES</u></b>				
Personnel services	615,782	457,435	-	1,073,217
Professional services	88,094	144,899	-	232,993
Supplies	237,564	165,633	-	403,197
Repairs	131,485	1,108,014	-	1,239,499
Operational	257,474	489,393	-	746,867
Administrative	52,500	52,500	-	105,000
Purchase of natural gas	2,864,397	-	-	2,864,397
Waste disposal	-	10,093	378,676	388,769
Depreciation and amortization	176,543	441,897	-	618,440
Total operating expenses	4,423,839	2,869,864	378,676	7,672,379
Operating income (loss)	717,764	384,341	22,020	1,124,125
<b><u>NONOPERATING REVENUES (EXPENSES)</u></b>				
Interest revenue	8,674	24,538	1	33,213
Interest expense and fiscal charges	(3,572)	(211,602)	-	(215,174)
Total nonoperating revenues and expenses	5,102	(187,064)	1	(181,961)
Income (loss) before operating transfers and contributions	722,866	197,277	22,021	942,164
Capital grants and contributions	-	542,975	-	542,975
Operating transfers in	120,220	58,887	-	179,107
Operating transfers out	(1,446,041)	(120,220)	(44,085)	(1,610,346)
Changes in net position	(602,955)	678,919	(22,064)	53,900
Net position - beginning	4,918,124	8,950,699	6,186	13,875,009
Net position - ending	\$ 4,315,169	\$ 9,629,618	\$ (15,878)	\$ 13,928,909

The accompanying notes are an integral part of this financial statement.

## CITY OF BOONEVILLE, MISSISSIPPI

## Proprietary Fund

## Statement of Cash Flows

For the fiscal year ended September 30, 2022

	Business-Type Activities--Enterprise Fund				Total Business-Type Funds
	Combined		Nonmajor Fund		
	Gas System	Water and Sewer System	Waste Collection		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 4,978,585	\$ 3,198,247	\$ 399,338	\$	8,576,170
Other operating receipts	44,627	6,183	-		50,810
Payments to employees including fringe benefits	(578,721)	(502,064)	-		(1,080,785)
Payments to suppliers for goods and services	(3,717,187)	(1,942,663)	(355,254)		(6,015,104)
	<u>727,304</u>	<u>759,703</u>	<u>44,084</u>		<u>1,531,091</u>
Net cash provided by operating activities					
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>					
Operating transfers in	120,220	58,887	-		179,107
Interest paid on meter deposits	(3,570)	(1,190)	-		(4,760)
Operating transfers out	(1,446,041)	(120,220)	(44,085)		(1,610,346)
Net changes in due to/from other funds	<u>295,292</u>	<u>(530,764)</u>	<u>-</u>		<u>(235,472)</u>
	<u>\$ (1,034,099)</u>	<u>\$ (593,287)</u>	<u>\$ (44,085)</u>	<u>\$</u>	<u>(1,671,471)</u>
Net cash provided (used) by non-capital financing activities					

The accompanying notes are an integral part of this financial statement.

## CITY OF BOONEVILLE, MISSISSIPPI

## Proprietary Fund

## Statement of Cash Flows

For the fiscal year ended September 30, 2022

	Business-Type Activities--Enterprise Fund				Total Business-Type Funds
	Combined		Nonmajor Fund		
	Gas System	Water and Sewer System	Waste Collection		
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Proceeds from capital grant	\$ -	\$ 542,975	\$ -	\$ -	542,975
Principal payments - bonds	-	(605,000)	-	-	(605,000)
Principal payments - capital lease	(348)	(348)	-	-	(696)
Payment on payables used to acquire fixed assets	(730)	(56,106)	-	-	(56,836)
Acquisition and construction of capital assets	(153,470)	(1,525,878)	-	-	(1,679,348)
Interest and fiscal charges paid	-	(218,631)	-	-	(218,631)
	(154,548)	(1,862,988)	-	-	(2,017,536)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest income	8,674	24,538	1		33,213
Net cash provided (used) by investment activities	\$ 8,674	\$ 24,538	\$ 1	\$ -	33,213

The accompanying notes are an integral part of this financial statement.



## CITY OF BOONEVILLE, MISSISSIPPI

## Proprietary Fund

## Statement of Cash Flows

For the fiscal year ended September 30, 2022

	Business-Type Activities--Enterprise Fund				Total Business-Type Funds
	Combined		Nonmajor Fund		
	Gas System	Water and Sewer System	Waste Collection		
<b>NON CASH TRANSACTIONS AFFECTING FINANCIAL POSITION</b>					
Acquisition of fixed assets on account	\$ -	\$ (225,222)	\$ -	\$ -	(225,222)
Acquisition of right of use assets acquired through lease	(618)	(618)	-	-	(1,236)
Borrowing under lease	618	618	-	-	1,236
Borrowing from suppliers on account	-	225,222	-	-	225,222
Net effect of non cash transactions	-	-	-	-	-
Net increase (decrease) in cash and cash equivalents	(452,669)	(1,672,034)	-	-	(2,124,703)
Cash and cash equivalents, beginning of year	1,952,824	4,833,213	-	-	6,786,037
Cash and cash equivalents, end of year	\$ 1,500,155	\$ 3,161,179	\$ -	\$ -	4,661,334

The accompanying notes are an integral part of this financial statement.

**CITY OF BOONEVILLE, MISSISSIPPI**  
**Proprietary Fund**  
**Statement of Cash Flows**  
**For the fiscal year ended September 30, 2022**

	Business-Type Activities--Enterprise Fund					Total Business-Type Funds		
	Combined Water and Sewer System		Nonmajor Fund Waste Collection					
	Gas System							
	\$	717,764	\$	384,341	\$	22,020	\$	1,124,125
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES								
Operating income (loss)								
Adjustments to reconcile net income to net cash from operating activities:								
Depreciation		176,190		441,544		-		617,734
Amortization		353		353		-		706
Noncash pension expense (reduction of expense)		36,551		(55,801)		-		(19,250)
(Increase) decrease in accounts receivable		(76,639)		(99,870)		(1,358)		(177,867)
(Increase) decrease in other receivables		216		-		-		216
(Increase) decrease in resale inventory		(216,095)		-		-		(216,095)
(Increase) decrease in supply inventory		13,376		18,583		-		31,959
(Increase) decrease in prepaid items		(14,647)		(9,212)		-		(23,859)
Increase (decrease) in accounts payable - operations		127,212		21,194		23,422		171,828
Increase (decrease) in accrued liabilities - payroll and benefits		4,586		4,167		-		8,753
Increase (decrease) in credit balance in accounts receivable		(55,799)		(1,547)		-		(57,346)
Increase (decrease) in customer deposits		19,521		51,644		-		71,165
Increase (decrease) in compensated absences		(5,285)		4,307		-		(978)
Total adjustments		9,540		375,362		22,064		406,966
Net cash provided (used) by operating activities	\$	727,304	\$	759,703	\$	44,084	\$	1,531,091

The accompanying notes are an integral part of this financial statement.

**CITY OF BOONEVILLE, MISSISSIPPI**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**September 30, 2022**

	<u><b>Custodial Funds</b></u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 23,124
Receivable from general fund	<u>1,310</u>
Total Assets	<u>24,434</u>
<b>LIABILITIES</b>	
Due to investors	<u>6,570</u>
Total Liabilities	<u>6,570</u>
<b>NET POSITION</b>	
Restricted	<u>17,864</u>
Total Net Position	<u>\$ 17,864</u>

The accompanying notes are an integral part of this financial statement.

**CITY OF BOONEVILLE, MISSISSIPPI**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**September 30, 2022**

	<u><b>Custodial Funds</b></u>
<b>ADDITIONS</b>	
Collections:	
Property tax and interest collections for City and other governments	\$ 2,883
Property tax and interest collections for tax sale investors	230,858
Cash bonds collected for police fines	<u>23,858</u>
Total Collections	257,599
Interest earned	<u>664</u>
Total Additions	<u>258,263</u>
<b>DEDUCTIONS</b>	
Payment of property tax and interest collections to City and other governments	3,296
Payment of property tax and interest collections to tax sale investors	221,986
Payments of bonds collected to satisfy police fines	18,009
Bond payments returned to payer in excess of police fines	3,406
Administrative handling charges	<u>9,035</u>
Total Deductions	<u>255,732</u>
Net increase (decrease) in fiduciary net position	2,531
Net Position - beginning	<u>15,333</u>
Net Position - ending	<u><u>\$ 17,864</u></u>

The accompanying notes are an integral part of this financial statement.

**CITY OF BOONEVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Booneville, Mississippi, ("the City") was incorporated December 21, 1861 and reincorporated February 23, 1882 under the provisions of the State of Mississippi. The City operates under a Mayor - Board of Alderman form of government and provides the following services to the citizens of the City as authorized by its charter--public safety (police and fire), public works, health and social services, culture, recreation, public improvements, public health, planning and zoning, natural gas utilities, water and sewer utilities, waste collection, and general administrative services.

The accounting and reporting policies of the City relating to the accompanying financial statements conform to accounting principles generally accepted in the United States of America (GAAP) applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting board for establishing governmental accounting and financial reporting principles. For the government-wide financial statements and proprietary fund accounting, all applicable Financial Accounting Standards Board (FASB) pronouncements issued on or prior to November 30, 1989, are applied, unless those pronouncements conflict with or contradict GASB pronouncements. The more significant accounting and reporting policies and practices used by the City are described below.

**1. Reporting Entity**

The City is governed by an elected mayor and five-member board of alderpersons. As required by GAAP, these financial statements present the City (the primary government) and its component units, entities for which the government is considered to be financially accountable.

Component units are organizations for which the City is financially accountable and all other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Financial accountability exists if the City appoints a voting majority of an organization's governing board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City. The financial statements of the component units may be discretely presented in a separate column from the primary government or blended with the financial statements of the primary government.

Based upon the application of these criteria, the following is a brief review of each potential component unit addressed in defining the government's reporting entity.

**CITY OF BOONEVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

1. Reporting Entity - continued

Component Unit

The Booneville Planning Board, Booneville Certified Local Government, and the Booneville Election Commission meet the criteria listed for inclusion as a component unit. However, these boards have minimal or no financial activity and these activities are not considered material to the financial statements. Any assets, liabilities, revenues, or expenses of these activities are budgeted and accounted for in the general fund. The Booneville Planning Board is 100 percent appointed by the City Board and provides planning commission services to the City. The Booneville Certified Local Government Board is 100 percent appointed by the City Board and handles historical activities. The Booneville Election Commission is 100 percent appointed by the City Board and handles all municipal elections.

2. Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support. Likewise, the primary government is reported separately from certain legally separated component units for which the primary government is financially accountable. On the reporting model, as defined by GASB Statement No. 34, the focus is either the City as a whole or major individual funds (within the fund financial statements).

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (Public Safety, Public Works, etc.) or activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity, 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or activity, and 3) grants and contributions that are restricted to meeting the capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues. The net cost (by function or business-type activity) is normally covered by general revenue (property, sales, and franchise taxes, intergovernmental revenues, interest income, etc.). When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

**CITY OF BOONEVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**2. Government-Wide and Fund Financial Statements - continued**

Separate fund based financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The major governmental funds are the general fund and the grant fund. The major business type funds are the gas system fund and the combined water and sewer system fund. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category for the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements. The nonmajor funds are detailed in the combining section of the statements.

Internal Service Funds, which traditionally provide services primarily to other funds of the government, are presented in summary form as part of the proprietary fund financial statement. The costs of these services are reflected in the appropriate functional activity (Public Safety, Public Works, etc. of the governmental activities and Water and Sewer, Natural Gas, and Sanitation of the business-type activities). There were no internal service funds.

The City's fiduciary funds (each type of which have been refined and narrowed in scope) are presented in the fund financial statements. Since by definition these assets are being held as a fiduciary activity and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide financial statements.

The government-wide focus is more of the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on major individual funds of the governmental and business-type categories as well as the fiduciary funds (by category), and the component units. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Fiduciary fund reporting focuses on net position and changes in net position.

**CITY OF BOONEVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

3. Measurement Focus and Basis of Accounting - continued

Ad valorem taxes, franchise taxes, licenses, fines, interest revenues and charges for services are recognized under the susceptible to accrual concept. Fines prior to October 1, 2002 are not susceptible to accrual because the City cannot measure them until received in cash. Net fines receivable for the periods prior to October 1, 2002 are not expected to be material. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. All other revenue items are considered to be measurable and available only when cash is received by the City. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria is met.

Business-type activities and all proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund-type operating statements present increases (e.g. revenues) and decreases (e.g. expenses) in net total assets. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's gas fund, combined water and sewer fund, and waste collection fund are charges to customers for sales and services. Operating expenses for the enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.



**CITY OF BOONEVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

3. Measurement Focus and Basis of Accounting - continued

The following major funds are used by the City:

**Governmental Funds:**

The following is a description of the Governmental Funds of the City:

General Fund accounts for several of the City's primary services (General Government, Public Safety, Public Works, and Culture and Recreation, etc.) and is the primary operating unit of the City.

The 2019 Public Improvement capital project fund accounts for the receipt and disbursement of bond sale proceeds.

The City additionally reports other governmental funds which is a summary of all the nonmajor governmental funds.

**Proprietary Funds:**

The following is a description of the major Proprietary Funds of the City:

- a. Gas System Fund accounts for the operation of the City's natural gas utility. Activities of the fund include administration, operation and maintenance of the natural gas system, and billing and collection activities. The fund also accounts for the accumulation of resources for, and payment of, long term debt principal and interest on revenue bonds and obligations under capital leases when due during the year. All costs are financed through charges made to utility customers with rates reviewed regularly and adjusted, if necessary, to ensure the integrity of the fund.
- b. Combined Water and Sewer System Fund accounts for the operation of the City's water and sewer utility. Activities of the fund include administration, operation and maintenance of the water and sewer system, and billing and collection activities. The fund also accounts for the accumulation of resources for, and payment of, long term debt principal and interest on revenue bonds and obligations under capital leases when due during the year. All costs are financed through charges made to utility customers with rates reviewed regularly and adjusted, if necessary, to ensure the integrity of the fund.
- c. The City additionally reports nonmajor funds consisting of the Waste Collection Fund, which accounts for the operation of the City's waste collection. Customers are billed monthly at a rate to cover the cost of providing such service.

**CITY OF BOONEVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

3. Measurement Focus and Basis of Accounting - continued

**Other Fund Types:**

The City additionally reports for the following fund types:

Custodial Funds are used to account for assets held by the City in a fiduciary activity. These funds are used to account for (1) law enforcement bonds received prior to the courts confiscating the bond for a police fine or returning the bond to the individual; (2) collection of property taxes and related interest prior to separating and remitting to the appropriate government; and (3) collection of delinquent property taxes and related interest for property sold to investors.

**Non-Current Governmental Assets/Liabilities**

GASB Statement No. 34 eliminates the presentation of Account Groups, but provides for these records to be maintained and incorporates the information into the Governmental Activities column in the government-wide Statement of Net Position.

4. Statement of Cash Flows

For purposes of the statement of cash flows, the City considers all highly liquid investments (including restricted assets) with a maturity of 90 days or less when purchased to be cash equivalents. Certificates of deposit with a maturity of more than 90 days when purchased are not considered to be cash equivalents. All investments are in certificates of deposit that are valued at cost, which approximates fair value.

Cash and cash equivalents, as shown on Statement 7, include the following Proprietary Fund cash balances as shown on Statement 5:

	Gas System	Combined Water and Sewer System	Waste Collection	Total
Cash and cash equivalents	\$ 750,672	\$ 682,579	\$ -	\$ 1,433,251
Restricted cash and cash equivalents	<u>749,483</u>	<u>2,478,600</u>	<u>-</u>	<u>3,228,083</u>
	<u>\$ 1,500,155</u>	<u>\$ 3,161,179</u>	<u>\$ -</u>	<u>\$ 4,661,334</u>

**CITY OF BOONEVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**5. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

**6. Inventories and Prepaid Items**

Inventories of the enterprise funds are maintained on the consumption method and are valued at cost. Cost is determined using the first-in, first-out method. Inventory consists of enterprise fund expendable supplies held for consumption and natural gas held for resale. The governmental funds record inventories under the purchase method; therefore, items are recorded as expenses when purchased. The City governmental funds do not maintain material inventories; therefore, the accompanying fund and government-wide financial statements do not reflect governmental fund or governmental activities inventory.

Prepaid items record payments to vendors that benefit future reporting periods and are reported on the consumption basis for both fund and government-wide financial statements.

**7. Capital Assets**

Property, plant and equipment purchased or acquired is recorded at historical cost or estimated historical cost. Contributed fixed assets are recorded at estimated fair market value at the time received. As permitted by GASB Statement No. 34, the City has elected not to report public domain (infrastructure) fixed assets acquired prior to October 1, 2003. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized phase of capital assets constructed.

**CITY OF BOONEVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

7. Capital Assets - continued

Property, plant and equipment of the primary government, is depreciated using the straight line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
Computer equipment and peripherals	3
Vehicles and equipment	5 - 15
Furniture and fixtures	7
Heavy equipment	10
Infrastructure – streets and roads	20
Improvements other than buildings	20 - 40
Buildings	40 - 50
Utility plant	10 - 100

It is at least reasonably possible that management's estimate of useful lives could change in the near term.

8. Capitalization of Interest

Effective October 1, 2019, the City adopted "GASB 89 Accounting for Interest Cost Incurred before the End of a Construction Period." GASB 89 eliminates capitalization of interest expense during the construction period and requires all interest incurred to be expensed.

9. Compensated Absences

The City's employees earn vacation leave for each month of work performed. The accrual rate increases with years of service up to a maximum of 15 days per year for over 5 years of service. On specified anniversary dates, additional days are credited, up to certain amounts, according to length of service. Accrued vacation is paid to the employees upon termination of employment for employees who have completed at least 12 months of continuous service.

Certain City employees accumulate personal leave days when required to work on holidays or other nonworking periods. Personal leave is paid to the employees upon termination of employment.

In accordance with the provisions of GASB Statement No. 16, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

**CITY OF BOONEVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

10. Long-Term Obligations

The City has issued debt under Section 17-21-51 and 17-21-53 of the Mississippi Code. These code sections provide for the prompt payment of notes or certificates of indebtedness at maturity, both principal and interest, of which the full faith credit and resources of the City are pledged. If the City does not have available funds in an amount sufficient to provide for the payment of principal and interest according to the terms of such notes or certificates of indebtedness, then the City is required to annually levy a special tax upon all of its taxable property at a rate, the avails of which will be, sufficient to provide such payments. Funds derived from any such tax shall be paid into a sinking fund and used exclusively for the payment of principal and interest on the notes or certificates of indebtedness.

The City has not and does not expect to be required to levy such tax.

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type financial statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are chargeable to the current period.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

11. Leases

As lessee, the City recognizes a lease liability and an intangible right of use lease asset in the government-wide financial statements and recognizes lease liabilities.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

**CITY OF BOONEVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**11. Leases - continued**

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City uses its estimated incremental borrowing rate as the discount rate for leases. The City's estimated incremental borrowing rate is based on historical market data and credit spread based on market data points compared to the lease commencement date.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported as right of use assets and lease liabilities are reported as leased liability on the statement of net position.

**12. Payable from Restricted Assets**

Certain assets of the business-type activities have been restricted for debt service, construction, and customer deposits. These assets consist of cash and short-term investments and accrued interest restricted as follows:

	<u>Gas System</u>	<u>Combined Water and Sewer System</u>
Customer deposits	\$ 407,387	\$ 183,697
Accrued interest payable	-	48,359
Revenue bonds payable	-	620,000
	<u>\$ 407,387</u>	<u>\$ 852,056</u>

**CITY OF BOONEVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**13. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that meet this criterion, (1) pensions which include contributions made to the pension plan after the pension liability measurement date, its proportionate share of Mississippi Public Employee Retirement System (PERS) changes in actuarial assumptions, and the City's change in pension proportion from the prior year, and (2) a deferred loss on refunding of enterprise fund bonds.

In addition to liabilities, the statement of net position will sometimes report separate inflows of resources. This separate financial element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items for reporting in this category. They are pensions which consist of (1) the difference between projected and actual earnings on pension plan investments, the City's change in pension proportion from the prior year, and (2) the unavailable revenue reported in the government-wide statement of net position and the governmental funds balance sheet. The amounts are deferred and recognized as an inflow of resources in the period that the amount becomes available.

**14. Fund Equity/Net Position**

In the government-wide financial statements, restricted net position are legally restricted by outside parties for a specific purpose. In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources.

Nonspendable fund balance. This classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

Restricted fund balance. This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

**CITY OF BOONEVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**14. Fund Equity/Net Position - continued**

Committed fund balance. These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Board of Alderpersons, the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the Board of Alderpersons removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance. This classification reflects the amounts constrained by the City's "intent" to be used for a specific purpose, but are neither restricted nor committed. The Board of Alderpersons and Mayor have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance. This fund balance is the residual classification for the general fund. It is also used to report negative fund balances in other governmental funds.

The constraints on fund balances as listed in aggregate in the Statement of Revenues, Expenditures, and Changes in Fund Balance are detailed according to balance classification and fund.

	<u>General Fund</u>	<u>2019 Public Improvement Capital Project Fund</u>	<u>Nonmajor Other Governmental Funds</u>
Fund Balances:			
Nonspendable:			
Prepaid Items	\$ 62,063	\$ -	\$ -
Total - Nonspendable	<u>\$ 62,063</u>	<u>\$ -</u>	<u>\$ -</u>



**CITY OF BOONEVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**14. Fund Equity/Net Position - continued**

		ARPA Special Revenue Fund	Nonmajor Other Governmental Funds
Fund Balances:	General Fund		
Restricted:			
Fire protection	\$ -	\$ -	\$ 106,914
DARE	-	-	18,213
Tourism	-	-	1,033,812
Street paving	-	-	654,605
Capital outlay	-	1,835	-
Infrastructure	-	-	322,312
Fire code	-	-	3,085
Technology	-	-	35,165
Rubbish	-	-	269,205
Total Restricted	<u>\$ -</u>	<u>\$ 1,835</u>	<u>\$ 2,443,311</u>
Fund Balances:			
Committed:			
Matching grants	\$ -	\$ -	\$ 87,309
Paving	266,502	-	-
Special police assessment	63,914	-	-
Total Committed	<u>\$ 330,416</u>	<u>\$ -</u>	<u>\$ 87,309</u>
Fund Balance			
Assigned			
Budget shortfall	\$ 1,147,057	\$ -	\$ -
Total Assigned	<u>\$ 1,147,057</u>	<u>\$ -</u>	<u>\$ -</u>

When restricted, committed, assigned, and unrestricted resources are available for use, it is the City's policy to use externally restricted resources first, then committed, assigned, and unassigned in that order as needed.

In the government-wide and proprietary fund financial statements, equity is classified as net position and displayed in three components:

*Net investment in capital assets*—Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any notes or other borrowings attributable to those assets.

**CITY OF BOONEVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

14. Fund Equity/Net Position - continued

*Restricted net position*—Consists of net assets with constraints placed on the use either by external groups, such as grantors or laws and regulations of other governments, or law through constitutional provisions or enabling legislation.

*Unrestricted net position*—All other assets that do not meet the definition of “restricted” or “net investment in capital assets.”

15. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. As such, actual results could differ from those estimates.

16. Sales Tax

The City follows the procedure of including payments for sales taxes collected on utilities in expenditures.

17. Original Issue Discount/Premium on Bonds

Original issue discounts and premiums on bonds are netted against the bond payable account and amortized over the lives of respective bond issues using the interest method.

18. Pensions

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

**CITY OF BOONEVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

19. Impact of Recently Issued Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87 – Leases, effective for financial statements for periods beginning after December 15, 2019. In May 2020, the GASB issued Statement No. 95 – Postponement of the Effective Dates of Certain Authoritative Guidance which postponed the effective date of GASB Statements No. 87 by eighteen months. This delayed the effective date of GASB No. 87 for financial statements for periods beginning after June 15, 2021. The primary objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right of use an underlying asset. Management has implemented GASB Statement No. 87 in the current financial statements. Adoption of this Statement had no effect on beginning net position or beginning fund balances.

20. Changes in Presentation

Certain items in the financial statements may be presented differently from the prior year to conform to the current year financial statement presentation.

21. Subsequent Events

Subsequent events have been evaluated through October 31, 2023, which is the date the financial statements are available to be issued.

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

Deficit Fund Equity

The Debt Service Fund deficit balance of \$4,568 is a result of matured bonds and interest that have not been redeemed. This deficit will be funded by the General Fund when these matured bonds and interest are redeemed.

**CITY OF BOONEVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE B - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY - CONTINUED**

Budgets

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the City of Booneville, Mississippi. The original General Fund budget expenditures were amended as follows: general government - personnel \$(30,000), general government - supplies \$(5,000), general government - other services and charges \$115,000, public safety - police - personnel \$(80,000), public safety - fire - personnel \$25,000, public safety - fire - capital outlay \$(25,000), public property - personnel \$(4,000), public property - supplies \$4,000, public property - other services and charges \$52,000, public property - capital outlay \$(52,000), street - supplies \$90,000, street - capital outlay \$(90,000), park - personnel \$(2,000), park - other services and charges \$2,000, park maintenance - supplies \$20,000, park maintenance - other services and charges \$5,000, park maintenance - capital outlay \$(25,000), tourism - other services and charges \$3,000 and tourism - capital outlay \$(3,000) during the year ended September 30, 2022. The ARPA fund budget was not amended during the year ended September 30, 2022.

The notes to required supplementary information budgetary reporting on pages 99 - 100 also provides additional budgetary information.

**NOTE C - DEPOSITS AND INVESTMENTS**

At September 30, 2022, the cash and investments included the following:

<u>Account Balances</u>		<u>Ownership of Funds</u>	
Petty cash/cash on hand	\$ 119,214	Governmental Funds	\$ 9,343,060
Demand deposits	13,908,304	Enterprise Funds	4,661,334
Cash at paying agent	<u>-</u>	Fiduciary Fund	<u>23,124</u>
	<u>\$ 14,027,518</u>		<u>\$ 14,027,518</u>

**CITY OF BOONEVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE C - DEPOSITS AND INVESTMENTS - CONTINUED**

Deposits

The collateral for public entities' deposits in financial institutions is now held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5 Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against these deposits. 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. The pooled collateral is held in the pooled participant's name by The First American National Bank (Category 2 - Collateralized with securities held by the pledging financial institution's agent in the State Treasurer's name).

The State Treasurer does not confirm this information with the City or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the City under the pooling method, the potential exists for undercollateralization, and the risk may increase in periods of high cash flows. However, the State Treasurer for Mississippi enforces strict standards of financial stability for each depository that collateralizes under the Statewide Collateral Pool Program.

At September 30, 2022, the demand deposits held with various local financial institutions had carrying amounts totaling \$13,908,304 and bank balances totaling \$13,965,176 of which \$250,000 was covered by federal depository insurance and \$13,715,176 was covered by the Statewide Collateral Pool Program.

The City has designated Farmers and Merchants Bank as its official depository.

Investments

Mississippi laws address the investment of surplus money by municipalities and the investment of proceeds separately. The investment of surplus money is limited to bonds or other direct obligations of the United States of America or the State of Mississippi or any county or municipality of the State or any school district or obligation issued or guaranteed in full as to principal and interest by the United States of America which are subject to a repurchase agreement with a qualified depository or time certificate of deposits in qualified depositories. The City of Booneville's policy is to advertise for the qualified depository that will offer the highest interest rate on all of its deposits.

The City had no investments as of or during the year ended September 30, 2022.

**CITY OF BOONEVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE C - DEPOSITS AND INVESTMENTS - CONTINUED**

Interest Rate Risk

The City has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising for increasing interest rates. The City had no investments during the year and limited its demand deposits during the year to federal depository insured accounts with Farmers and Merchants Bank.

Credit Risk

State law limits investments to 1) financial institutions insured by FDIC that are members of the Statewide Collateral Pool Program, 2) bonds or other direct obligations of the United States of America or the State of Mississippi or any county or municipality of this State or any school district or obligation issued or guaranteed in full as to principal and interest by the United States of America. The City has no investment policy that would limit its investment choices.

The City's depository, Farmers and Merchants Bank, has a five star rating by Bankrate.

Custodial Credit Risks

Custodial credit risk is the risk that the City will not be able to recover the value of its investments that are in the possession of its safekeeping custodian. To minimize this risk, the City's investment policy requires that all negotiable instruments shall be held in safekeeping in the trust department of a bank. The City had no investments in negotiable instruments during the year ended September 30, 2022.

Concentration of Credit Risks

The City of Booneville had no investments at September 30, 2022, but had demand deposits with more than 5% of the total in Farmers & Merchants Bank. These demand deposits represented approximately 100% of total demand deposits.

**NOTE D - PROPERTY TAX**

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on January 1 of the following year and are due and payable at that time. All unpaid taxes levied January 1 become delinquent February 1. Property taxes for automotive and mobile homes are collected and remitted to the City by Prentiss County, Mississippi.

Appraised values are established by Prentiss County, Mississippi at 100 percent of estimated market values. The City is required to adopt county tax rolls. The 2021 taxes are collected in December, 2021 and January, 2022. The 2021 taxes are levied to fund the 2021-2022 budget year. The assessed value upon which the 2021 taxes were based was \$65,030,692.

**CITY OF BOONEVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE D - PROPERTY TAX - CONTINUED**

City property tax revenue is recorded in governmental funds as receivables and unavailable revenues at the time the tax attaches as an enforceable lien which includes the 2022 taxes intended to fund the 2022-2023 budget year of \$2,039,888. Current year revenues recognized are those collected within the current period, or soon enough thereafter to pay current liabilities, generally within sixty days after year end. An allowance is provided for delinquent personal property taxes not expected to be collected in the future.

The 2022 taxes of \$2,039,888 are also included in unavailable revenue and not in current revenues in governmental activities because they are levied to fund the 2022-2023 budget year.

The City assessed a tax rate of 38.15 mills for both the 2021 and 2022 taxes.

**CITY OF BOONEVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**NOTE E - RECEIVABLES**

Receivables at September 30, 2022 for the government's individual major funds and nonmajor funds, internal service, business-type funds and each fiduciary fund type in the aggregate, including the applicable allowances for uncollectable accounts, consist of the following:

	General	Gas System	Water and Sewer System	Nonmajor Funds	Fiduciary	Total
Receivables:						
Taxes	\$ 2,283,234	\$ -	\$ -	\$ -	-	\$ 2,283,234
Police fines	2,631,068	-	-	-	-	2,631,068
Accounts	-	248,549	482,437	64,164	-	795,150
Franchise fees	111,045	-	-	-	-	111,045
Accrued interest	-	-	-	154,954	-	154,954
Notes receivable	-	-	-	743,000	-	743,000
Other	21,857	4,782	295	-	-	26,934
	<u>5,047,204</u>	<u>253,331</u>	<u>482,732</u>	<u>962,118</u>	<u>-</u>	<u>6,745,385</u>
Gross receivables						
Less: Allowance for uncollectables	<u>(2,699,576)</u>	<u>(75,615)</u>	<u>(53,650)</u>	<u>(905,937)</u>	<u>-</u>	<u>(3,734,778)</u>
Net receivables	<u>\$ 2,347,628</u>	<u>\$ 177,716</u>	<u>\$ 429,082</u>	<u>\$ 56,181</u>	<u>\$ -</u>	<u>\$ 3,010,607</u>

It is at least reasonably possible that management's estimate of allowance for uncollectables could change in the near term.



**CITY OF BOONEVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE F - CAPITAL ASSETS**

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

	Balance September 30, 2021 (Restated)	Additions	Retirements	Transfers and Other Adjustments	Balance September 30, 2022
<b>GOVERNMENTAL ACTIVITIES</b>					
Capital assets not being depreciated/amortized					
Land	\$ 1,043,044	\$ -	\$ -	-	\$ 1,043,044
Construction in progress	635,930	38,975	-	-	674,905
Total capital assets not being depreciated/amortized	<u>1,678,974</u>	<u>38,975</u>	<u>-</u>	<u>-</u>	<u>1,717,949</u>
Capital assets being depreciated/amortized					
Building and improvements	2,827,207	23,814	-	-	2,851,021
Automotive and equipment	7,009,128	394,482	(205,401)	-	7,198,209
Infrastructure	5,039,207	662,034	-	-	5,701,241
Right of use assets					
Automotive and equipment	19,835	15,457	(3,973)	-	31,319
Total capital assets being depreciated/amortized	<u>14,895,377</u>	<u>1,095,787</u>	<u>(209,374)</u>	<u>-</u>	<u>15,781,790</u>
Less accumulated depreciation/amortization for					
Buildings and improvements	1,678,600	66,602	-	-	1,745,202
Automotive and equipment	3,675,974	412,390	(156,622)	-	3,931,742
Infrastructure	1,442,308	250,894	-	-	1,693,202
Right of use assets					
Automotive and equipment	-	11,061	(3,973)	-	7,088
Total accumulated depreciation/amortization	<u>6,796,882</u>	<u>740,947</u>	<u>(160,595)</u>	<u>-</u>	<u>7,377,234</u>
Total capital assets being depreciated/amortized, net	<u>8,098,495</u>	<u>354,840</u>	<u>(48,779)</u>	<u>-</u>	<u>8,404,556</u>
<b>GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET</b>	<b>\$ 9,777,469</b>	<b>\$ 393,815</b>	<b>\$ (48,779)</b>	<b>\$ -</b>	<b>\$ 10,122,505</b>

**CITY OF BOONEVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE F - CAPITAL ASSETS - CONTINUED**

	Balance September 30, 2021 (Restated)	Additions	Retirements	Transfers and Other Adjustments	Balance September 30, 2022
<b>BUSINESS-TYPE ACTIVITIES</b>					
<b>GAS SYSTEM</b>					
Capital assets not being depreciated/amortized					
Land	\$ 208,736	\$ -	\$ -	\$ -	\$ 208,736
Total capital assets not being depreciated/amortized	208,736	-	-	-	208,736
Capital assets being depreciated/amortized					
Building	606,843	54,565	-	-	661,408
Automotive and equipment	1,195,149	-	-	-	1,195,149
Furniture and office equipment	76,112	-	-	-	76,112
Natural gas system	5,633,275	98,905	-	-	5,732,180
Right of use assets					
Automotive and equipment	618	-	-	-	618
Total capital assets being depreciated/amortized	7,511,997	153,470	-	-	7,665,467
Less accumulated depreciation/amortization for					
Buildings	157,342	13,823	-	-	171,165
Automotive and equipment	858,345	58,185	-	-	916,530
Furniture and office equipment	72,098	607	-	-	72,705
Natural gas system	2,633,253	103,575	-	-	2,736,828
Right of use assets					
Automotive and equipment	-	353	-	-	353
Total accumulated depreciation/amortization	3,721,038	176,543	-	-	3,897,581
Total capital assets being depreciated/amortized, net	3,790,959	(23,073)	-	-	3,767,886
<b>GAS SYSTEM CAPITAL ASSETS, NET</b>	<b>\$ 3,999,695</b>	<b>\$ (23,073)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,976,622</b>

**CITY OF BOONEVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE F - CAPITAL ASSETS - CONTINUED**

	Balance September 30, 2021 (Restated)	Additions	Retirements	Transfers and Other Adjustments	Balance September 30, 2022
<b>BUSINESS-TYPE ACTIVITIES - CONTINUED</b>					
<b>COMBINED WATER AND SEWER</b>					
Capital assets not being depreciated/amortized					
Land	\$ 36,626	\$ -	\$ -	-	\$ 36,626
Total capital assets not being depreciated/amortized	36,626	-	-	-	36,626
Capital assets being depreciated/amortized					
Building	228,778	-	-	-	228,778
Automotive and equipment	719,978	77,955	-	-	797,933
Furniture and office equipment	83,173	-	-	-	83,173
Water and sewer system	26,159,105	1,673,145	(121,860)	-	27,710,390
Right of use assets					
Automotive and equipment	618	-	-	-	618
Total capital assets being depreciated/amortized	27,191,652	1,751,100	(121,860)	-	28,820,892
Less accumulated depreciation/amortization for					
Buildings	55,651	7,226	-	-	62,877
Automotive and equipment	550,517	34,472	-	-	584,989
Furniture and office equipment	78,344	876	-	-	79,220
Water and sewer system	14,624,945	398,970	(121,860)	-	14,902,055
Right of use assets					
Automotive and equipment	-	353	-	-	353
Total accumulated depreciation/amortization	15,309,457	441,897	(121,860)	-	15,629,494
Total capital assets being depreciated/amortized, net	11,882,195	1,309,203	-	-	13,191,398
Combined Water and Sewer Capital Asset, Net	11,918,821	1,309,203	-	-	13,228,024
<b>BUSINESS-TYPE CAPITAL ASSETS - NET</b>	<b>\$ 15,918,516</b>	<b>\$ 1,286,130</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17,204,646</b>

**CITY OF BOONEVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE F - CAPITAL ASSETS - CONTINUED**

The right of use assets consist of two turf equipment, two postage meters, and seven copiers remaining at September 30, 2022. The right of use assets amortization is presented in depreciation and amortization expense on the Statement of Revenues, Expenses and Changes in Fund Net Position related to the City's right of use assets, which are included in the above table as right of use assets. With the implementation of Governmental Accounting Standards Board Statement No. 87, Leases, a lease meeting the criteria of this Statement requires the lessee to recognize a lease liability and an intangible right of use assets.

Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

<u>Governmental Activities</u>	<u>Amortization</u>	<u>Depreciation</u>	<u>Total</u>
General government	\$ 2,532	\$ 16,483	\$ 19,015
Public safety	2,200	200,820	203,020
Public works	723	325,228	325,951
Tourism	-	2,494	2,494
Culture and recreation	5,607	184,860	190,467
<b>Total Expense - Governmental Activities</b>	<b>\$ 11,062</b>	<b>\$ 729,885</b>	<b>\$ 740,947</b>
<u>Business-Type Activities</u>	<u>Amortization</u>	<u>Depreciation</u>	<u>Total</u>
Natural gas	\$ 353	\$ 176,190	\$ 176,543
Water and sewer	353	441,544	441,897
<b>Total Expense - Business-Type Activities</b>	<b>\$ 706</b>	<b>\$ 617,734</b>	<b>\$ 618,440</b>

**NOTE G - OTHER POSTEMPLOYMENT BENEFITS, DEFINED BENEFIT PENSION PLAN, AND 125 CAFETERIA PLAN**

Other Postemployment Benefits

The City allows its retired employees under COBRA to continue on the City's health care insurance coverage for a period of 18 months (36 months if on medicare). This continuation of coverage is paid entirely by the retired employee. At September 30, 2022, the City had no retired employee participating in their health care insurance coverage.

Due to the history of very few retired employees taking advantage of this benefit, and the limited period of coverage, there would be no material cost increase to working employee's insurance. The future effect of this other postemployment benefit on the cost of health care insurance has not been estimated; therefore, the City has not accrued postemployment benefits in the accompanying financial statements. The City does not expect this liability to be material. It is at least reasonably possible that the City's estimate of no material other postemployment benefits liability could change in the near term.

**CITY OF BOONEVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE G - OTHER POSTEMPLOYMENT BENEFITS, DEFINED BENEFIT PENSION PLAN, AND  
125 CAFETERIA PLAN - CONTINUED**

Defined Benefit Pension Plan

**General Information about the Pension Plan**

*Plan description.* Employees of the City of Booneville, Mississippi are provided a pension through the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing multiple-employer defined benefit pension plan.

*Benefits provided.* Membership in PERS is a condition of employment granted upon hiring for qualifying employees including officials of the State of Mississippi (the State), state universities, community and junior colleges, and teachers and employees of the public school districts, and other public employees whose employers have elected to participate. For those persons employed by political subdivisions and instrumentalities of the State, membership is contingent upon approval of the entity's participation in PERS by the System's Board of Trustees. Members and employers are statutorily required to contribute certain percentages of salaries and wages as specified by the Board of Trustees. Current rates are 17.40 percent for employers and 9.00 percent for members. PERS employers contributed \$1,211.0 million and members contributed \$615.4 million for fiscal year 2022 statewide.

A member who terminates employment from all covered employers and who is not eligible to receive monthly retirement benefits may request a full refund of his or her accumulated member contributions plus interest. Upon withdrawal of contributions, a member forfeits service credit represented by those contributions. Participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.0 percent of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.5 percent for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. A member may elect a reduced retirement allowance payable for life with the provision that, after death, a beneficiary receives benefits for life or for a specified number of years. Benefits vest upon completion of eight years of membership services (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. In the event of death prior to retirement of any member whose spouse and/or children are not entitled to a retirement allowance, the deceased member's accumulated contributions and interest are paid to the designated beneficiary.

A Cost-of-Living Adjustment (COLA) payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.0 percent of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3.0 percent compounded for each fiscal year thereafter.

Plan provisions and the Board of Trustees' authority to determine contribution rates are established by Miss. Code Ann. 25-11-1 et seq, (1972, as amended) and may be amended only by the Mississippi Legislature. The PERS plan financial report is included in the Annual Comprehensive Financial Report of the Public Employees Retirement System available at [www.PERS.ms.gov](http://www.PERS.ms.gov).

**CITY OF BOONEVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE G - OTHER POSTEMPLOYMENT BENEFITS, DEFINED BENEFIT PENSION PLAN, AND  
125 CAFETERIA PLAN - CONTINUED**

Defined Benefit Pension Plan - continued

**General Information about the Pension Plan - continued**

*Contributions.* PERS members are required to contribute 9% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 17.40% of annual covered payroll. The rate prior to June 30, 2022 was 17.40% of annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. City of Booneville, Mississippi contributions (employer share only) to PERS for the years ended September 30, 2022, 2021, and 2020 were \$695,686, \$671,560, and \$638,426, respectively, equal 100% of the required contributions for each year adjusted for prior year corrections.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At September 30, 2022, the City reported a liability of \$11,827,359 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participation entities actuarially determined. At June 30, 2022, the City's proportion was 0.057460%, which was an increase of 0.001287%, from its proportion measured as of June 30, 2021.

For the year ended September 30, 2022, the City recognized pension expense of \$1,110,587. At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 167,467	\$ -
Net difference between projected and actual earnings on pension plan investments	621,230	-
Changes of assumptions	409,063	-
Changes in proportion and differences between City contributions and proportionate share of contributions	296,255	145,066
City contributions subsequent to the measurement date	<u>183,020</u>	<u>-</u>
	<u>\$ 1,677,035</u>	<u>\$ 145,066</u>

\$183,020 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2023.

**CITY OF BOONEVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE G - OTHER POSTEMPLOYMENT BENEFITS, DEFINED BENEFIT PENSION PLAN, AND  
125 CAFETERIA PLAN - CONTINUED**

Defined Benefit Pension Plan - continued

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred  
Inflows of Resources Related to Pensions - continued**

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

Year ended September 30	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
2023	\$ 488,245	\$ (81,952)	\$ 406,293
2024	387,694	(36,482)	351,212
2025	(23,710)	(26,632)	(50,342)
2026	641,786	-	641,786
	<u>\$ 1,494,015</u>	<u>\$ (145,066)</u>	<u>\$ 1,348,949</u>

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

Price Inflation	2.40 percent
Salary increases	2.65-17.90 percent, including inflation
Investment rate of return	7.55 percent, net of pension plan investment expense, including inflation

Mortality rates for service retirees were based on the PubS.H-2010(B) Retiree Table with the following adjustments: For males, 95% of male rates up to age 60, 110% for ages 61 to 75 and 101% for ages above 77. For females, 84% of the female rates up to age 72 and 100% for ages above 76. Mortality rates for disabled retirees were based on the PubG.H-2010 Disabled Table adjusted 134% for males and 121% for females. Mortality rates for Contingent Annuitants were based on the PubS.H-2010(B) Contingent Annuitant Table, adjusted 97% for males and 110% for females. Mortality rates will be projected generationally using the MP-2020 projection scale to account for future improvements in life expectancy.

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

**CITY OF BOONEVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE G - OTHER POSTEMPLOYMENT BENEFITS, DEFINED BENEFIT PENSION PLAN, AND  
125 CAFETERIA PLAN - CONTINUED**

Defined Benefit Pension Plan - continued

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred  
Inflows of Resources Related to Pensions - continued**

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

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

*Discount Rate.* The discount rate used to measure the total pension liability was 7.55 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00%) and that employer contributions will be made at the current contribution rate (17.40%). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.



**CITY OF BOONEVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE G - OTHER POSTEMPLOYMENT BENEFITS, DEFINED BENEFIT PENSION PLAN, AND  
125 CAFETERIA PLAN - CONTINUED**

Defined Benefit Pension Plan - continued

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred  
Inflows of Resources Related to Pensions - continued**

*Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate.* The following table presents the City's proportionate share of the net pension liability of the cost sharing plan, calculated using the discount rate of 7.55 percent, as well as what the City's proportionate share of the plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.55%) or one percentage point higher (8.55%) than the current rate:

	1% Decrease <u>(6.55%)</u>	Current Discount Rate <u>(7.55%)</u>	1% Increase <u>(8.55%)</u>
City's proportionate share of the net pension liability	\$ 15,436,078	\$ 11,827,359	\$ 8,852,387

It is at least reasonably possible that the City's estimate of its pension liability, deferred outflows of resources or deferred inflows of resources could change in the near term.

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in a separately issued 2021 PERS Comprehensive Annual Report on the PERS website, [www.pers.ms.gov](http://www.pers.ms.gov) for collective calculations and note disclosures. The City's portion of the plan's net position has been determined on the same basis used by the plan.

**Payables to the Pension Plan**

At September 30, 2022, the City reported a payable of \$0 for the outstanding amount of employer and employee contributions to the pension plan for the required amount due for the month ended September 30, 2022.

Section 125 Cafeteria Reduction Plan

Section 125 Cafeteria reduction plan expense for employees included in the accompanying financial statements totaled \$112,462.

**NOTE H - LONG-TERM AND SHORT-TERM DEBT**

General Long-Term Debt

General obligation debt consists of debt issued that is backed by the full faith and credit of the City.

Revenue bonds consist of debt issued by the Combined Water and Sewer System. The gross revenues of the Combined Water and Sewer System Fund and Waste Collection Fund, after deduction of reasonable expenses for operations and maintenance, are pledged to such funds in amounts equal to the total annual principal and interest requirements of the bonds and amounts required to maintain the Reserve Funds.

**CITY OF BOONEVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE H - LONG-TERM AND SHORT-TERM DEBT - CONTINUED**

General Long-Term Debt - continued

The City is subject to a general statutory debt limit under which no city in the state may incur general obligation bonded indebtedness in the amount which will exceed 15 percent of the assessed value of the taxable property within such city according to the last completed assessment for taxation.

In computing general obligation bonded indebtedness for purposes of such 15 percent limitation, there may be deducted all bonds or other evidence of indebtedness issued for school, water and sewage systems, gas, and light and power purposes and for construction of special improvements primarily chargeable to the property benefited, or for the purpose of paying a city's proportion of any betterment program, a portion of which is primarily chargeable to the property benefited. However, in no case may a city contract any indebtedness payable in whole or in part from proceeds of ad valorem taxes which, when added to all of its outstanding general obligation indebtedness, both bonded and floating, exceeds 20 percent of the assessed value of the taxable property within such city.

In arriving at the limitation set forth above, bonds issued for school purposes, bonds payable exclusively from the revenues of any municipality owned utility, general obligation industrial bonds issued under the provisions of Sections 57-1-1 to 57-1-51, Mississippi Code of 1975, Annotated, Revised 1989, and special assessment improvement bonds issued under the provisions of Sections 21-41-1 to 21-41-53, Mississippi Code of 1972, Annotated, Revised 1990, are not included. Also excluded from both limitations are contract obligations subject to annual appropriations.

The margin for additional debt under the above debt limits as of September 30, 2022 is approximately:

Current Total Assessed Valuation	\$ 65,030,692	
	<u>15% Limit</u>	<u>20% Limit</u>
Total Capacity	\$ 9,754,604	\$ 13,006,138
Outstanding Debt	<u>5,448,975</u>	<u>5,448,975</u>
Remaining Debt Capacity	<u>\$ 4,305,629</u>	<u>\$ 7,557,163</u>

**CITY OF BOONEVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE H - LONG-TERM AND SHORT-TERM DEBT- CONTINUED**

General long-term debt balances and transactions for the year ended September 30, 2022 are as follows:

**GOVERNMENTAL ACTIVITIES**

	Final Maturity Date	Interest Rate	Restated Beginning Balance 10/1/2021	Additions Changes	Repayments Changes	Ending Balance 9/30/2022	Amounts Due Within One Year
General Obligation Bonds							
General Obligation Public Improvement Bonds – Series 2004	12/1/2035	3.00% to 4.00%	\$ 2,050,000	\$ -	\$ 120,000	\$ 1,930,000	\$ 120,000
Total general obligation bonds			2,050,000	-	120,000	1,930,000	120,000
Plus unamortized premium			91,668	-	12,127	79,541	-
Net general obligation bonds			2,141,668	-	132,127	2,009,541	120,000
Notes from Direct Borrowings, Direct Placements and Financed Purchase Obligations							
BancorpSouth Bank	8/15/2023	2.20%	-	40,503	20,919	19,584	19,584
Farmers & Merchants Bank	10/4/2028	3.94%	290,298	-	31,718	258,580	32,967
Central Alabama Training Solutions	6/6/2023	3.00%	9,616	-	4,735	4,881	4,881
Total direct borrowings, direct placements and financed purchase obligations			299,914	40,503	57,372	283,045	57,432
Leases							
Six Copiers	12/13/2024	3.40%	13,747	-	-	-	-
One Copier	3/1/2022	3.40%	378	-	4,182	9,565	4,327
One Copier	12/1/2022	3.25%	878	-	378	-	-
Turf equipment	7/1/2022	3.40%	3,595	-	751	127	127
Turf equipment	7/1/2025	3.25%	-	-	3,595	-	-
Postage meter	7/1/2023	4.00%	1,237	15,457	1,270	14,187	5,013
				-	696	541	541
Total Leases			19,835	15,457	10,872	24,420	10,008
Net pension liability	---	---	6,549,858	2,994,346	-	9,544,204	-
Compensated absences	---	---	193,639	35,907	-	229,546	8,087
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>			<b>\$ 9,204,914</b>	<b>\$ 3,086,213</b>	<b>\$ 200,371</b>	<b>\$ 12,090,756</b>	<b>\$ 195,527</b>

**CITY OF BOONEVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE H - LONG-TERM AND SHORT-TERM DEBT - CONTINUED**

GOVERNMENTAL ACTIVITIES - continued

The principal and interest requirements of the above general obligation debt and other debt payable at September 30, 2022 are as follows:

Years Ending Sept. 30,	General Obligation Bonds			Notes from Direct Borrowings, Direct Placements, and Financed Purchase Obligations		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 120,000	\$ 58,750	\$ 178,750	\$ 57,432	\$ 10,548	\$ 67,980
2024	125,000	55,075	180,075	34,266	8,883	43,149
2025	130,000	50,600	180,600	35,616	7,533	43,149
2026	135,000	45,300	180,300	37,019	6,130	43,149
2027	140,000	40,500	180,500	38,478	4,671	43,149
2028 - 2032	770,000	135,450	905,450	80,234	4,889	85,123
2033 - 2037	510,000	23,250	533,250	-	-	-
Total	<u>\$ 1,930,000</u>	<u>\$ 408,925</u>	<u>\$ 2,338,925</u>	<u>\$ 283,045</u>	<u>\$ 42,654</u>	<u>\$ 325,699</u>

Years Ending Sept. 30,	Leases			Total		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 10,008	\$ 657	\$ 10,665	\$ 187,440	\$ 69,955	\$ 257,395
2024	9,655	320	9,975	168,921	64,278	233,199
2025	4,757	57	4,814	170,373	58,190	228,563
2026	-	-	-	172,019	51,430	223,449
2027	-	-	-	178,478	45,171	223,649
2028 - 2032	-	-	-	850,234	140,339	990,573
2033 - 2037	-	-	-	510,000	23,250	533,250
Total	<u>\$ 24,420</u>	<u>\$ 1,034</u>	<u>\$ 25,454</u>	<u>\$ 2,237,465</u>	<u>\$ 452,613</u>	<u>\$ 2,690,078</u>

Specific years for payment of compensated absences and net pension liabilities are not determinable and are not included in the table above.

The ordinances authorizing the issuance of general obligation bonds creates an interest and sinking fund (General Debt Service Fund). If funds are not available from other sources, the ordinances require the City to ascertain a rate and amount of ad valorem tax which will be sufficient to pay interest as it comes due and provide a reserve fund which is adequate to meet principal as it matures. The City does not levy taxes for debt service. The notes from direct borrowings and direct placements are collateralized by a 208/230 volt single phase electric driven open frame compressor, computer equipment, and a fire truck. The leases are collateralized by the seven copiers, two turf equipment, and two postage meters. All governmental activity debt is paid by the General Fund, except the fire truck is paid by the Fire Protection Fund.

**CITY OF BOONEVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**NOTE H - LONG-TERM AND SHORT-TERM DEBT - CONTINUED**

**BUSINESS-TYPE ACTIVITIES**

**Combined Water and Sewer System Fund:**

	Final Maturity Date	Interest Rate	Restated Beginning Balance 10/1/2021	Additions Changes	Repayments Changes	Ending Balance 9/30/2022	Amounts Due Within One Year
General Obligation Bonds							
General Obligation Utility Bonds,							
Series 2012	9/30/2032	2.4% - 3.40%	\$ 1,300,000	\$ -	\$ 95,000	\$ 1,205,000	\$ 100,000
General Obligation Utility Bonds,							
Series 2019	12/4/2044	3.00% - 4.00%	2,260,000	-	65,000	2,195,000	65,000
Total general obligation bonds			3,560,000	-	160,000	3,400,000	165,000
Plus unamortized premium			42,585	-	3,151	39,434	-
Net general obligation bonds			3,602,585	-	163,151	3,439,434	165,000

**Notes from Direct Borrowings, Direct Placements and Financed Purchase Obligations**

Combined Water, Sewer and Solid Waste Disposal System Revenue Refunding Bonds, Series 2013	8/1/2027	2.5%- 4.00%	2,920,000	-	445,000	2,475,000	455,000
Total direct borrowings, direct placements and financed purchase obligations			2,920,000	-	445,000	2,475,000	455,000
Plus unamortized premium			9,466	-	2,253	7,213	-
Net notes from direct borrowings, direct placements and financed purchase obligations			2,929,466	-	447,253	2,482,213	455,000

**Leases**

Postage meter	7/1/2023	4.00%	618	-	-	270	270
---------------	----------	-------	-----	---	---	-----	-----

**Total leases**

			618	-	348	270	270
--	--	--	-----	---	-----	-----	-----

**Net pension liability**

			886,940	-	(215,165)	1,102,105	-
--	--	--	---------	---	-----------	-----------	---

**Compensated absences**

	---	---	37,485	4,308	-	41,793	4,519
--	-----	-----	--------	-------	---	--------	-------

**Total combined water and sewer  
system fund**

			\$ 7,457,094	\$ 4,308	\$ 395,587	\$ 7,065,815	\$ 624,789
--	--	--	--------------	----------	------------	--------------	------------

**CITY OF BOONEVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**NOTE H - LONG-TERM AND SHORT-TERM DEBT - CONTINUED**

**BUSINESS-TYPE ACTIVITIES**

<u>Gas System Fund</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Restated Beginning Balance 10/1/2021</u>	<u>Additions Changes</u>	<u>Repayments Changes</u>	<u>Ending Balance 9/30/2022</u>	<u>Amounts Due Within One Year</u>
<b>Leases</b>							
Postage meter	7/1/2023	4.00%	\$ 618	-	\$ 348	\$ 270	\$ 270
Total leases			618	-	348	270	270
Net pension liability			865,817	315,233	-	1,181,050	-
Compensated absences	---	---	25,918	-	5,236	20,682	48
Total gas system fund			892,353	315,233	5,584	1,202,002	318
<b>TOTAL BUSINESS TYPE ACTIVITIES</b>			<u>\$ 8,349,447</u>	<u>\$ 319,541</u>	<u>\$ 401,171</u>	<u>\$ 8,267,817</u>	<u>\$ 625,107</u>

The principal and interest requirements of the above general obligation bonds and notes from direct borrowings and direct placements payable at September 30, 2022 are as follows:

<u>Years Ending Sept. 30</u>	<u>General Obligation Bonds</u>		<u>Notes from Direct Borrowings and Direct Placements</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 165,000	\$ 97,817	\$ 455,000	\$ 90,738
2024	175,000	93,392	475,000	75,950
2025	180,000	88,423	495,000	59,325
2026	185,000	82,883	515,000	42,000
2027	190,000	77,618	535,000	21,400
2028 - 2032	1,085,000	304,929	-	-
2033 - 2037	480,000	181,593	-	-
2038 - 2042	560,000	103,603	-	-
2043 - 2047	380,000	17,969	-	-
<b>Total</b>	<u>\$ 3,400,000</u>	<u>\$ 1,048,227</u>	<u>\$ 2,475,000</u>	<u>\$ 289,413</u>
				<u>\$ 2,764,413</u>

**CITY OF BOONEVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE H - LONG-TERM AND SHORT-TERM DEBT - CONTINUED**

**BUSINESS-TYPE ACTIVITIES - continued**

Years Ending Sept. 30	Leases		Total	Total	
	Principal	Interest		Principal	Interest
2023	\$ 540	\$ 11	\$ 551	\$ 620,540	\$ 188,566
2024	-	-	-	650,000	169,342
2025	-	-	-	675,000	147,748
2026	-	-	-	700,000	124,883
2027	-	-	-	725,000	99,018
2028 - 2032	-	-	-	1,085,000	304,929
2033 - 2037	-	-	-	480,000	181,593
2038 - 2042	-	-	-	560,000	103,603
2043 - 2047	-	-	-	380,000	17,969
Total	\$ 540	\$ 11	\$ 551	\$ 5,875,540	\$ 1,337,651
					\$ 7,213,191

Specific years for payment of compensated absences and net pension liability are not determinable and are not included in the table above. All Enterprise Fund debt is paid by the fund incurring the debt.

The unamortized deferred loss on refundings relates to Water and Sewer Revenue Refunding Bonds for business-type activities. The deferred loss on refundings totaling \$19,112 resulted from refunding the 2002 bond issue in 2013 and is reported as deferred outflow pertaining to loss on refunding in the accompanying financial statements.

The Business-Type general obligation bonds of \$3,400,000 are paid from the revenues of the Combined Water and Sewer Fund and the Waste Collection Fund. If funds are not available from other sources, the ordinances require the City to ascertain a rate and amount of ad valorem tax which will be sufficient to pay interest as it comes due and provide a reserve fund which is adequate to meet principal as it matures. The City does not levy taxes for debt service. The Business-Type notes from direct borrowings, direct placements, and financed purchase obligations of \$2,475,000 are collateralized by the revenues of the Combined Water and Sewer System Fund and the Waste Collection Fund. The Business-Type notes from direct borrowings and direct placements of \$2,475,000 contain a provision requiring the City to produce revenues of 120 percent of the aggregate of all debt service payments. Failure to do so could accelerate payment of the entire principal amount to become immediately due. The City produced sufficient revenues to meet this requirement during the current year. The leases are collateralized by the postage meter that will be returned at the end of the lease.

**CITY OF BOONEVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**NOTE I - LEASES**

Lease Liabilities

Effective October 1, 2021 the City adopted GASB Statement No. 87 Leases. By adopting this Standard the City governmental activities and business-type activities were required to recognize a lease liability and a deferred outflow – leases as of October 1, 2021 of \$19,835 and \$1,236 based on the present value of the remaining lease payments discounted at the City's borrowing rate stated below. The City acquired the following lease liabilities for various leases of equipment and land. The following details the lease liabilities:

**Governmental Activities**

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Payment Terms</u>	<u>Payment Amount</u>	<u>Interest Rate</u>	<u>Original Lease Liability</u>	<u>Balance 9/30/2022</u>
Six Copiers	12/13/2019	12/13/2024	60 monthly payments	\$ 382	3.40%	\$ 13,747	\$ 9,565
One Copier	4/1/2017	3/1/2022	60 monthly payments	64	3.40%	378	-
One Copier	12/1/2017	12/1/2022	60 monthly payments	64	3.25%	878	127
Turf equipment	7/1/2019	7/1/2022	36 monthly payments	404	3.40%	3,595	-
Turf equipment	7/1/2022	7/1/2025	36 monthly payments	450	3.25%	15,457	14,187
Postage meter	7/1/2018	7/1/2023	15 quarterly payments	184	4.00%	1,237	541
Total Governmental Activities Lease Liability						\$ 35,292	\$ 24,420



**CITY OF BOONEVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE I - LEASES - CONTINUED**

**Business-Type Activities**  
Description

	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Payment Terms</u>	<u>Payment Amount</u>	<u>Interest Rate</u>	<u>Original Lease Liability</u>	<u>Balance 9/30/2022</u>
<u>Water and Sewer Fund</u>							
Postage meter	7/1/2018	7/1/2023	15 quarterly payments	92	4.00%	\$ 618	\$ 270
Total Water and Sewer Fund Lease Liabilities						\$ 618	\$ 270

Gas Fund

Postage meter	7/1/2018	7/1/2023	15 quarterly payments	92	4.00%	\$ 618	\$ 270
Total Gas Fund Lease Liabilities						\$ 618	\$ 270

None of the leases are renewable and the City will not acquire the equipment at the end leased periods stated above.

Lease liability balances and transactions for the year ended September 30, 2022 are presented in Note H.

The City has entered into various right of use lease agreements for capital assets under which they will be returned to the lessor when all terms of the lease agreement are met. The discounted cost and the related amortization are removed from the City's financial statement at termination of lease. The City has no financed purchase agreements for capital assets under which they will become the property of the City when all terms of the lease agreement are met.

Right of use assets and related accumulated amortization under leases are as follows:

**Governmental Activities**

	Six Copiers	One Copier	One Copier	Turf Equipment	Turf Equipment	Postage Meter	Total
Right of use assets discounted cost	\$ 13,747	\$ 378	\$ 878	\$ 3,595	\$ 15,457	\$ 1,237	\$ 35,292
Less: accumulated amortization	(4,341)	(378)	(753)	(3,595)	(1,288)	(706)	(11,061)
Right of use assets, net	\$ 9,406	\$ -	\$ 125	\$ -	\$ 14,169	\$ 531	\$ 24,231

**CITY OF BOONEVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE I - LEASES - CONTINUED**

**Business-Type Activities**

Combined Water and Sewer System Fund:

Right of use assets discounted cost  
Less: accumulated amortization

Right of use assets, net

Gas System Fund

Right of use assets discounted cost  
Less: accumulated amortization

Right of use assets, net

Total business-type right of use assets, net

Postage		
<u>Meter</u>	<u>Total</u>	
\$ 618	\$ 618	
(353)	(353)	
<u>\$ 265</u>	<u>\$ 265</u>	
Postage		
<u>Meter</u>	<u>Total</u>	
\$ 618	\$ 618	
(353)	(353)	
<u>\$ 265</u>	<u>\$ 265</u>	
\$ 530	\$ 530	

CITY OF BOONEVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

**NOTE J - COMPONENTS OF RESTRICTED ASSETS**

Enterprise Fund

	Gas System Fund Cash	Combined Water and Sewer System Fund Cash	Total
Current Debt Service	\$ -	\$ 1,133,276	\$ 1,133,276
Contingency Reserve	49,229	5,000	54,229
Depreciation Reserve	-	5,000	5,000
Customer Deposits	488,510	194,893	683,403
Unemployment	13,924	16,387	30,311
Construction	197,820	1,124,044	1,321,864
Total	<u>\$ 749,483</u>	<u>\$ 2,478,600</u>	<u>\$ 3,228,083</u>

The ordinances authorizing the Combined Water, Sewer and Solid Waste Disposal System Revenue Bonds require that the City establish the above revenue bond reserves. At September 30, 2022, the revenue bond reserve accounts were sufficient to satisfy such bond ordinance requirements.

CITY OF BOONEVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

**NOTE K - INTERFUND TRANSACTIONS**

A summary of interfund receivables and payables at September 30, 2022 is as follows:

Fund	Interfund Receivables	Interfund Payables
General Fund	\$ 76,826	\$ 174,933
ARPA Fund	-	24,061
Nonmajor Funds	181,258	7,574
Gas System Fund	26,783	106,970
Combined Water and Sewer System Fund	131,031	102,360
	<u>\$ 415,898</u>	<u>\$ 415,898</u>

The general fund receivable of \$76,826 represents funds due from the combined water and sewer system fund of \$68,313 for water and sewer bonds payments and expenses paid by the general fund in error, funds due from the grant fund of \$2,600 for grant expenses paid by the general fund in error, \$939 that is due to the special assessment fund that is combined with the general fund, and \$4,974 due from the tourism fund for tourism expenses paid by the general fund. The general fund payable of \$174,933 consists of \$87,267 due to the collection of tourism funds in the general fund not transferred to the nonmajor tourism fund as of September 30, 2022, \$86,224 for modernization funds collected by the general fund that had not been transferred to the nonmajor modernization fund as of September 30, 2022, and \$1,442 due to the other funds for revenue collections not transferred at September 30, 2022. The gas system fund receivables of \$26,783 consists of the \$26,783 due from the combined water and sewer fund for expenses paid from the wrong account. The combined water and sewer system fund receivable of \$131,031 consists of \$106,970 for collections deposited to gas system fund not corrected as of September 30, 2022, and \$24,061 due from the ARPA funds for unreimbursed water and sewer funds expenditures that the Board of Alderpersons had designated to be spent from ARPA funds. The remaining nonmajor fund receivable of \$7,264 consists of nonmajor rubbish collections by the combined water and sewer fund that had not been transferred as of September 30, 2022.

CITY OF BOONEVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

**NOTE K - INTERFUND TRANSACTIONS - CONTINUED**

Transfers between funds during the year were as follows:

	Transfers in	Transfers out
Major Governmental Funds:		
General Fund	\$ 1,431,239	\$ -
Grants Fund	<u>-</u>	<u>-</u>
Total Major Governmental Funds	<u>\$ 1,431,239</u>	<u>\$ -</u>
Major Enterprise Funds		
Gas System Fund	\$ 120,220	\$ 1,446,041
Combined Water and Sewer System Fund	<u>58,887</u>	<u>120,220</u>
Total Major Enterprise Funds	<u>\$ 179,107</u>	<u>\$ 1,566,261</u>
Nonmajor Governmental Funds	\$ -	\$ -
Nonmajor Enterprise Funds	<u>-</u>	<u>44,085</u>
Total Nonmajor Funds	<u>\$ -</u>	<u>\$ 44,085</u>
Total all funds	<u>\$ 1,610,346</u>	<u>\$ 1,610,346</u>

The general fund received transfers of \$1,431,239 which included authorized surplus gas system fund transfers of \$1,400,000 and \$31,239 general fund portion of shop expenditures paid by the gas system fund.

The combined water and sewer system fund received transfers of \$58,887 from the gas system fund and waste collection fund. The \$44,085 transfer from the waste collection fund resulted from revenues exceeding expenditures and all collections being deposited into the combined water and sewer system fund. The \$14,802 was water and sewer fund's portion of the shop expenses paid by the natural gas fund.

The Combined water and sewer system fund transferred \$120,220 to the gas system fund to correct funds transferred from wrong fund during the prior year.

CITY OF BOONEVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

**NOTE L - INTERGOVERNMENTAL REVENUES**

Intergovernmental revenues include the following:

Major Governmental Funds

General Fund

Fire protection – Prentiss County	\$ 36,500
Municipal aid – revolving fund and gasoline tax – State of Mississippi	9,152
Homestead exemption – State of Mississippi	155,857
TVA and other payments in lieu of taxes	158,567
Road tax – Prentiss County	72,027
Solid waste – District	46,798
Police academy – State of Mississippi	7,200
Advalorem privilege tax – Prentiss County	27,655
Railroad car tax – Prentiss County	12,473
Municipal court fund	<u>200</u>

Total General Fund	<u>\$ 526,429</u>
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Nonmajor Governmental Funds

Special Revenue Funds

Fire Code Fund

Fire Code – State of Mississippi	\$ 3,049
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Fire Protection Fund

Fire Protection – State of Mississippi	57,437
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Modernization Use Tax Fund

Use Tax – State of Mississippi	<u>183,634</u>
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Total Nonmajor Governmental Funds	<u>244,120</u>
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Total Governmental Funds	770,549
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Proprietary Funds

Combined Water and Sewer System Fund	<u>542,975</u>
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Total	<u><u>\$ 1,313,524</u></u>
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CITY OF BOONEVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

**NOTE M - AD VALOREM TAXES LEVIED FOR THE BENEFIT OF OTHER GOVERNING AUTHORITIES**

State law requires the municipality to exercise its taxing authority for the benefit of other governing authorities, which are not a part of the reporting entity. As provided, the municipality must levy specified ad valorem taxes as directed by the other governing authority. Prentiss County, Mississippi collects these taxes and turns all proceeds over to the school district.

Ad valorem taxes collected and settled in accordance with this legal requirement are not recognized as revenues and expenditures of the City. They are accounted for as a custodial fund for taxes levied prior to September 30, 2021. Taxes collected after that date are in the custody of Prentiss County Mississippi and are not included in the custodial presentation in the financial statements. For the reported fiscal year the following ad valorem tax levies were established for the Booneville Separate School District in accordance with this legal requirement.

<u>Purpose of Levy</u>	<u>Mills</u>
General district expense	45.72
Bonded indebtedness	6.56
Other debt	2.82
Shortfall	2.72
VoTech	1.70
	<u>59.52</u>

**NOTE N - NON COMPLIANCE WITH STATE LAW REVENUE BOND REQUIREMENTS AND GRANT REQUIREMENTS**

The City did not comply with all the requirements of the State Department of Audit or grant and loan requirements as set forth in the Municipal Compliance Questionnaire and grant and loan contracts. The results of our tests disclosed the instances of noncompliance listed in the schedule of findings and responses on pages 109 - 117. The ultimate resolution of these findings cannot presently be determined. Accordingly, no provision for any liability, if any, that may result has been recognized in the accompanying financial statements.

**NOTE O - SEGMENT INFORMATION FOR ENTERPRISE FUNDS**

Certain segmented information for the individual Enterprise Funds is included on Statement 5, Statement 6, and Statement 7. The capital asset activity for each individual Enterprise Fund is included in Note F. The Schedule of Changes in Long - Term Debt for each individual Enterprise Fund is included in Note H.

The individual Enterprise Funds have the following types of goods or services:

Gas System - Provide natural gas to its citizens and surrounding areas.

Combined Water and Sewer System - Provide water and sewer services to its citizens.

Waste Collection System - Provide waste collection services to its citizens.

CITY OF BOONEVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

**NOTE O - SEGMENT INFORMATION FOR ENTERPRISE FUNDS - CONTINUED**

The individual Enterprise Funds have the following net working capital (deficit) (current assets less current liabilities) at September 30, 2022:

Gas System	\$ 1,445,922
Combined Water and Sewer System	464,789
Waste Collection System	<u>(15,878)</u>
 Total	 <u>\$ 1,894,833</u>

Enterprise Funds operate in the City of Booneville, Mississippi geographic area. Their revenues are subject to the economic conditions of Booneville, Mississippi. At September 30, 2022, the Gas System Fund had extended credit to customers totaling \$172,934 and to others totaling \$4,782. Gas System Fund receivables are secured by customer deposits totaling \$407,387. No other collateral has been obtained.

At September 30, 2022, the Combined Water and Sewer System Fund had extended credit to customers totaling \$428,787 and to others totaling \$295. Combined Water and Sewer System Fund receivables are secured by customer deposits totaling \$183,697. No other collateral has been obtained.

At September 30, 2022, the Nonmajor Enterprise Fund had extended credit to customers totaling \$48,667. The Nonmajor Enterprise Fund receivables are not secured.

**NOTE P - RELATED PARTY TRANSACTIONS**

The City had no material related party transactions during the current year.



CITY OF BOONEVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

**NOTE Q - COMMITMENTS, CONTINGENCIES AND UNCERTAINTIES**

Litigation

The City has one open lawsuit claim. The City is covered by insurance of \$500,000 per claim. An estimate of the potential liability cannot be determined; therefore, no potential liability has been accrued. It is at least reasonably possible that the City's estimate of claims liability could change in the near term.

Loan Agreements

The Water and Sewer Department loan agreement requires the City to produce cash flows that exceed 120% of the debt service payments. The cash flows for the water and sewer fund and the waste collection fund exceeded this requirement.

Grant Audit

The City receives federal and state grants for specific purposes that are subject to review and audit by federal and state agencies. Such audits could result in a request for reimbursement by the federal or state agencies for expenditures disallowed under the terms and conditions of the appropriate agency.

The amount of any disallowance of grant expenditures, if any, is unknown; therefore, the accompanying financial statements do not include any liability for such disallowances. In the opinion of City management, such disallowances, if any, will not be significant.

Maintenance Contracts

The City has entered into contracts to provide long-term water tank repainting and maintenance for a 200,000 gallon elevated water tank and three 500,000 gallon elevated water tanks.

The 200,000 gallon elevated water tank contract requires a monthly payment of \$653 beginning December 15, 2018. The fee will remain constant for 5 years of the agreement and adjusted to reflect the current cost of service each five years thereafter. This contract is not subject to cancellation for the first year, and can be cancelled only by the owner if notice of cancellation is made prior to October 30, of each subsequent year. The future minimum payments under this contract is \$7,836 for the year ending September 30, 2023.

The two 500,000 gallon elevated water tank contracts require a monthly payment of \$1,842 until October 15, 2024. The fee will be adjusted to reflect the current cost of service on October 15, 2024 and each five years thereafter. This contract is not subject to cancellation for the first year, and can be cancelled only by the owner if notice of cancellation is made prior to October 30, of each subsequent year. The future minimum payments under this contract is \$22,104 for the year ending September 30, 2023.

CITY OF BOONEVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

**NOTE Q - COMMITMENTS, CONTINGENCIES AND UNCERTAINTIES - CONTINUED**

Maintenance Contracts - continued

The 500,000 gallon elevated water tank contract requires a monthly payment of \$1,055 until December 15, 2025. The fee will be adjusted to reflect the current cost of service on December 15, 2025 and each five years thereafter. This contract is not subject to cancellation for the first year, and can be cancelled only by the owner if notice of cancellation is made prior to October 30, of each subsequent year. The future minimum payments under this contract is \$12,660 for the year ending September 30, 2023.

Joint Ventures

The City is a member of the Northeast Mississippi Solid Waste Management Authority and could be liable for future landfill post closure costs if the contractor does not comply with their contract. Northeast Mississippi Solid Waste Management Authority has informed the City that the contractor has provided a liability policy to ensure all future landfill post closure costs are provided. City management expects the contractor to provide all future post closure costs; therefore, no solid waste post closure liability is included on the accompanying financial statements. It is at least reasonably possible that management's estimate of future post closure costs could change in the near term.

Subsequent Events

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of multiple employers. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. Therefore, the City expects this matter to negatively impact its ability to generate certain revenues. However, the related financial impact and duration cannot be reasonably estimated at this time.

**CITY OF BOONEVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE R - DONATED SERVICES**

During the year ended September 30, 2022, the following utilities were not charged for:

	<u>Natural Gas</u>	<u>Water and Sewer</u>
City of Booneville	\$ 236,862	\$ 488,557
National Guard Armory	733	432
Booneville Municipal Separate School System	<u>28,164</u>	<u>-</u>
Total	<u>\$ 265,759</u>	<u>\$ 488,989</u>

**NOTE S - JOINT VENTURE**

Booneville/Baldwyn Airport operates a local airport in Prentiss County, Mississippi. Its board of directors is comprised of one director appointed by the City of Booneville, Mississippi, one director appointed by the City of Baldwin, Mississippi, and one director appointed by Prentiss County, Mississippi. The Booneville/Baldwyn Airport does not issue a separate financial statement. All financial transactions are handled as a part of Prentiss County, Mississippi's transactions. The City of Booneville paid Prentiss County, Mississippi \$2,833 during the year for its share of the Booneville/Baldwyn Airport expenditures. The City's equity interest in the Booneville/Baldwyn Airport approximates zero; therefore, the investment in this joint venture is not reflected in the government-wide financial statements.

Northeast Mississippi Solid Waste Management Authority owns a landfill and contracts out operations and receives royalties from the contractor based on tonnage dumped. This is a joint venture comprising the Mississippi cities of Booneville and Ripley and the Mississippi counties of Benton, Prentiss, and Tippah. Each member appoints one director. The Northeast Mississippi Solid Waste Management Authority's financial statements are available by request from the Authority at P. O. Box 320, Booneville, MS 38829. The City received rebates from the Authority totaling \$46,798 during the year ended September 30, 2022.

Due to the landfill development being financed by federal grants and royalties received being disbursed frequently, the City's equity interest would not be material; therefore, the investment in this joint venture is not reflected in the government-wide financial statements.

**NOTE T - ECONOMIC DEPENDENCE**

The City purchases natural gas and stores this natural gas at Municipal Gas Authority of Mississippi for use when prices are higher. If the City were unable to store this natural gas at Municipal Gas Authority of Mississippi, gas purchased during the winter months could cost considerably more, which would substantially decrease profits. The City is subject to variance in the cost of natural gas. If the City does not increase natural gas rates comparable to increases in the cost of natural gas, there would be a substantial reduction in Proprietary Fund revenues.

**CITY OF BOONEVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE U - RISK MANAGEMENT - CLAIMS AND JUDGMENTS**

Significant losses are covered by commercial insurance for all major programs except unemployment for the Enterprise Funds. The City has segregated cash and reserved \$13,924 for the Gas System Fund net position and \$16,387 for the Combined Water and Sewer System Fund net position for future unemployment charges. There were no material unemployment charges to these funds during the current year or the three previous years.

The City is a member of the Mississippi Municipal Service Company which provides general liability and worker's compensation. The City pays insurance premiums based on experience ratios. Settlement amounts have not exceeded insurance coverage for the current or three prior years. There were outstanding open claims at September 30, 2022. No liability has been recognized for the open claims due to these claims being covered by the plan. It is at least reasonably possible that management's estimate of no liability in excess of insurance coverage could change in the near term.

**NOTE V - NET POSITION**

The government-wide statement of net position reports \$3,305,751 of restricted net position, of which \$0 is restricted by enabling legislation.

**NOTE W - NET INVESTMENT IN CAPITAL ASSETS**

Net investments in capital assets in the net position section of the accompanying statement of net position for the government-wide financial statements consist of the following:

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>
Land and construction in progress	\$ 1,717,949	\$ 245,362
Right of use assets	24,231	530
Other capital assets (net of accumulated depreciation)	8,380,325	16,958,754
Deferred loss on refunding	-	19,112
Unspent bond proceeds	654,605	334,720
Less matured bonds payable	(4,000)	-
Less lease liabilities	(24,420)	(540)
Less bonds, notes, and financed purchase obligations	<u>(2,292,586)</u>	<u>(5,921,647)</u>
Net investment in capital asset	<u>\$ 8,456,104</u>	<u>\$ 11,636,291</u>

**CITY OF BOONEVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE X - EFFECT OF DEFERRED AMOUNTS ON NET POSITION**

The governmental activities' unrestricted (deficit) net position amount of (\$3,898,742) includes the effect of deferred inflows/outflows of resources related to pension. A portion of the deferred outflows of resources related to pensions in the amount of \$139,572 resulted from City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending September 30, 2023. The \$1,260,016 remaining balance of deferred outflow of resources related to pensions at September 30, 2022 will be recognized as an addition to pension expense over the next four years. The \$23,016 balance of the deferred inflows of resources related to pensions at September 30, 2022 will be recognized as a reduction in pension expense over the next four years.

The governmental activities' unrestricted (deficit) net position amount of (\$3,898,742) includes the effect of deferred inflows/outflows of resources related to revenue. The \$2,039,888 deferred inflow of resources related to revenues at September 30, 2022 will be recognized as an addition to revenue during the year ending September 30, 2023.

The business type activities' unrestricted net position amount of \$1,476,255 includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflows of resources related to pensions in the amount of \$43,447, resulted from City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending September 30, 2023. The \$234,000 remaining balance of deferred outflow of resources related to pensions at September 30, 2022 will be recognized in pension expense over the next four years. The \$122,050 balance of the deferred inflows of resources related to pensions at September 30, 2022 will be recognized in pension expense over the next four years.

The business type activities' unrestricted net position amount of \$1,476,255 includes the effect of deferred inflows/outflows of resources related to refunding. The \$19,112 deferred outflows of resources pertaining to loss on refunding will be charged to interest expense over the next five years using the interest method.

**NOTE Y - TAX ABATEMENTS**

The City of Booneville enters into property tax abatements with local businesses under Section 27-31-101, Miss. Code (Ann.) 1972. Under the act any person, firm or corporation who owns or operates a manufacturing or other enterprise of public utility as enumerated in Section 27-31-101, Miss. Code (Ann.) 1972 and who makes additions to or expansions of the facilities or properties or replaces equipment used in connection with or necessary to the operation of such enterprise may be granted an exemption from ad valorem taxation, except state ad valorem taxation, upon each addition to or expansion of the facility or property or replacement of equipment, within the discretion of the county board of supervisors and municipal authorities; however, such governing authorities shall not exempt ad valorem taxes for school district purposes on such additions or expansions of the facility or property, or replacement of equipment.

**CITY OF BOONEVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE Y - TAX ABATEMENTS - CONTINUED**

For the year ended September 30, 2022, the City abated property taxes totaling \$458,553 under this program to induce companies to add additional production facilities or by acquiring equipment to be used in its facilities and thereby inducing the company to remain in operation at the facility located in the City of Booneville. These tax abatements include the following agreements that each industry exceed 10% of the total amount abated:

A 100% property tax abatement to a local industry for purchasing equipment and/or adding to facilities placed in service at the facility during 2013 to 2022 with a total true value of \$13,373,144 and an assessed value of \$2,005,092. Each of these abatements are effective for 10 years from the beginning date. These abatements reduced this industry's current year taxes by \$76,528.

A 100% property tax abatement to a local industry for purchasing equipment and/or adding to facilities placed in service at the facility during 2013 to 2022 with a total true value of \$18,298,274 and an assessed value of \$2,744,741. Each of these abatements are effective for 10 years from the beginning date. These abatements reduced this industry's current year taxes by \$104,712.

A 100% property tax abatement to a local industry for purchasing equipment and/or adding to facilities placed in service at the facility during 2013 to 2022 with a total true value of \$13,147,165 and an assessed value of \$1,972,075. Each of these abatements are effective for 10 years from the beginning date. These abatements reduced this industry's current year taxes by \$52,202.

A 100% property tax abatement to a local industry for purchasing equipment and/or adding to facilities placed in service at the facility during 2013 to 2022 with a total true value of \$9,229,425 and an assessed value of \$1,368,345. Each of these abatements are effective for 10 years from the beginning date. These abatements reduced this industry's current year taxes by \$52,202.

A 100% property tax abatement to a local industry for purchasing equipment and/or adding to facilities placed in service at the facility during 2013 to 2022 with a total true value of \$9,229,425 and an assessed value of \$1,384,414. Each of these abatements are effective for 10 years from the beginning date. These abatements reduced this industry's current year taxes by \$52,815.

A 100% property tax abatement to a local industry for purchasing equipment and/or adding to facilities placed in service at the facility during 2013 to 2022 with a total true value of \$8,279,112 and an assessed value of \$1,241,867. Each of these abatements are effective for 10 years from the beginning date. These abatements reduced this industry's current year taxes by \$47,377.

**CITY OF BOONEVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**NOTE Y - TAX ABATEMENTS - CONTINUED**

The City enters into property tax abatements under Miss. Code Ann. 27-31-101, 27-31-105 and related sections of Miss. Code (Ann.) 1972 and Miss Code 17-21-5(1) Entitled Exemption from Municipal Ad Valorem Taxes for Certain Structures in Central Business Districts, or on Historic Landmarks; Application for Exemption.

For the year ended September 30, 2022, the City abated property taxes totaling \$2,802 under this program to induce companies to renovate or add to existing facilities. These tax abatements include the following agreements that each industry exceed 10% of the total amount abated:

A property tax abatement by a local business for construction of a building with a total cost of \$223,140 and an ad valorem tax abatement of \$1,334.

A property tax abatement by a local business for renovation of a building with a total cost of \$256,450 and an advalorem tax abatement of \$1,468.

Miss. Code Ann. 27-31-51, et seq of Miss. Code Ann. 1972 of the law allows eligible warehouses, public or private, a license to operate as a free port warehouse from all ad valorem taxes on personal property shipped out of state. House Bill 1075 authorized the license and approval for the free port warehouse exemptions to be executed by the local governing authority. Each licensee shall file with the tax assessor by March 31 of each year, reports of inventory as prescribed by the assessor.

For the year ended September 30, 2022, the City abated property taxes totaling \$193,878 under this program to exempt personal property that will be shipped out of state. These tax abatements include the following agreements that each industry exceed 10% of the total amount abated:

A personal property tax abatement by a local business for exemption of inventory with a total cost of \$27,919,523, an assessed valuation of \$4,187,928, and an ad valorem tax abatement of \$159,769.

A personal property tax abatement by a local business for exemption of inventory with a total cost of \$5,721,107, an assessed valuation of \$858,166, and an valorem tax abated of \$32,739.

**CITY OF BOONEVILLE, MISSISSIPPI**  
**Schedules of Required Supplementary Information**

**Schedule of the City's Proportionate Share of the Net Pension Liability**

**Public Employee Retirement System of Mississippi**  
**Last 10 Fiscal Years\***

For the fiscal year ended September 30, 2022

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
City's proportion of the net pension liability (asset)	0.057287%	0.056247%	0.057128%	0.055790%	0.056517%	0.057283%	0.055852%	0.056173%	0.057460%
City's proportionate share of the net pension liability (asset)	\$ 6,953,593	\$ 8,694,676	\$ 10,204,488	\$ 9,274,191	\$ 9,400,456	\$ 10,077,210	\$ 10,812,298	\$ 8,302,615	\$ 11,891,151
City's covered payroll	\$ 3,462,408	\$ 3,502,343	\$ 3,664,265	\$ 3,507,997	\$ 3,684,129	\$ 3,748,615	\$ 3,669,113	\$ 3,888,126	\$ 3,967,967
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	200.83%	248.25%	278.49%	264.37%	255.16%	268.82%	294.68%	213.54%	299.68%
Plan fiduciary net position as a percentage of the total pension liability	67.21%	61.70%	57.47%	61.49%	62.54%	61.59%	58.97%	70.44%	59.93%

\* The amounts presented for each fiscal year were determined as of the measurement date of June 30, prior to the fiscal year presented. This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

The accompanying notes to required supplementary information is an integral part of this schedule.



**CITY OF BOONEVILLE, MISSISSIPPI**  
**Schedules of Required Supplementary Information**

**Schedule of City's Contributions to  
Public Employee Retirement System of Mississippi**

**Last 10 Fiscal Years\***  
**For the fiscal year ended September 30, 2022**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Statutorily required contribution	\$ 545,329	\$ 551,603	\$ 577,122	\$ 552,509	\$ 580,250	\$ 605,052	\$ 638,426	\$ 676,534	\$ 690,426
Contributions in relation to the statutorily required contribution	(545,329)	(551,603)	(577,122)	(552,509)	(580,250)	(605,052)	(638,426)	(671,560)	(695,686)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,974	\$ (5,260)
City's covered payroll	\$ 3,462,408	\$ 3,502,343	\$ 3,664,265	\$ 3,507,997	\$ 3,684,129	\$ 3,748,615	\$ 3,669,113	\$ 3,888,126	\$ 3,967,967
Contributions as a percentage of covered payroll	15.75%	15.75%	15.75%	15.75%	15.75%	16.14%	17.40%	17.40%	17.40%

\* This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

The accompanying notes to required supplementary information is an integral part of this schedule.

**CITY OF BOONEVILLE, MISSISSIPPI**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**

**General Fund**

**For the fiscal year ended September 30, 2022**

	Budgeted Amounts		Actual Amounts		Variance with Final Budget Positive (Negative)
	Original	Final	Actual	Adjustments to Budgetary Basis	
<b>REVENUES</b>					
Ad valorem taxes, penalties and interest	\$ 2,223,800	\$ 2,223,800	\$ 2,183,529	\$ (3,442)	\$ (43,713)
Franchise taxes	162,000	162,000	198,313	(10,856)	25,457
Municipal sales tax	2,510,000	2,510,000	2,380,649	(47,695)	(177,046)
Permits, fees, and privilege tax	14,000	14,000	24,796	-	10,796
Municipal court fines and bond fees	260,000	260,000	131,834	5,092	(123,074)
Intergovernmental revenues	485,500	485,500	526,429	(21,573)	19,356
Interest income	36,000	36,000	19,830	-	19,830
Charge for services	109,750	109,750	143,913	(1,200)	(16,170)
Collection fees	250,000	250,000	218	-	32,963
Administrative fees	105,000	105,000	105,000	-	(249,782)
Donations	11,000	11,000	-	-	-
Other	5,000	5,000	13,522	-	(11,000)
					8,522
Total revenues	6,172,050	6,172,050	5,728,033	(79,674)	(523,691)
<b>EXPENDITURES</b>					
<b>General Government</b>					
Personnel services	631,500	601,500	624,756	233	(23,489)
Supplies	47,000	42,000	27,771	1,262	12,967
Other services and charges	163,600	278,600	212,551	45,148	20,901
Debt service	-	-	24,246	(24,246)	-
Capital outlay	5,000	5,000	80,816	(78,050)	2,234
Total	\$ 847,100	\$ 927,100	\$ 970,140	\$ (55,653)	\$ 12,613

The accompanying notes to required supplementary information is an integral part of this schedule.

## Schedule 3

**CITY OF BOONEVILLE, MISSISSIPPI**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**

For the fiscal year ended September 30, 2022

	Budgeted Amounts		Actual Amounts		Variance with Final Budget Positive (Negative)
	Original	Final	Actual	Adjustments to Budgetary Basis	
<b>EXPENDITURES - continued</b>					
<b>Public Safety - Fire</b>					
Personnel services	\$ 1,651,000	\$ 1,676,000	\$ 1,643,595	\$ (19,868)	\$ 52,273
Supplies	43,500	43,500	37,967	465	5,068
Other services and charges	72,250	72,250	56,748	(3,673)	19,175
Debt service	-	-	5,796	(5,796)	-
Capital outlay	134,200	109,200	18,558	2,741	87,901
<b>Total</b>	<b>1,900,950</b>	<b>1,900,950</b>	<b>1,762,664</b>	<b>(26,131)</b>	<b>164,417</b>
<b>Public Safety - Police</b>					
Personnel services	1,575,500	1,495,500	1,440,719	(8,289)	63,070
Supplies	122,750	122,750	98,879	475	23,396
Other services and charges	374,250	374,250	313,822	(8,086)	68,517
Debt service	-	-	1,533	(1,534)	-
Capital outlay	296,000	296,000	293,311	(3,169)	5,858
<b>Total</b>	<b>2,368,500</b>	<b>2,288,500</b>	<b>2,148,264</b>	<b>(20,605)</b>	<b>160,841</b>
<b>Public Property</b>					
Personnel services	152,250	148,250	133,547	(4,051)	18,754
Supplies	22,750	26,750	19,879	268	6,603
Other services and charges	107,600	159,600	158,091	(2,292)	3,801
Capital outlay	187,000	135,000	10,327	-	124,673
<b>Total</b>	<b>\$ 469,600</b>	<b>\$ 469,600</b>	<b>\$ 321,844</b>	<b>\$ (6,075)</b>	<b>\$ 153,831</b>

**CITY OF BOONEVILLE, MISSISSIPPI**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**

**For the fiscal year ended September 30, 2022**

Street	Budgeted Amounts		Actual Amounts		Variance with Final Budget Positive (Negative)
	Original	Final	Actual	Adjustments to Budgetary Basis	
<b>EXPENDITURES - continued</b>					
<b>Personnel services</b>	\$ 609,050	\$ 609,050	\$ 422,114	\$ 4,810	\$ 182,126
<b>Supplies</b>	141,500	231,500	156,322	2,525	72,653
<b>Other services and charges</b>	240,200	240,200	288,944	(26,894)	(21,850)
<b>Debt service</b>	359,000	359,000	184,364	(764)	175,400
<b>Capital outlay</b>	255,000	165,000	148,116	(2,291)	19,175
<b>Total</b>	<u>1,604,750</u>	<u>1,604,750</u>	<u>1,199,860</u>	<u>(22,614)</u>	<u>427,504</u>
<b>Park Operations</b>					
<b>Personnel services</b>	216,700	214,700	206,397	(851)	9,154
<b>Supplies</b>	40,250	40,250	35,241	(116)	5,125
<b>Other services and charges</b>	19,750	21,750	26,974	1,226	(6,450)
<b>Debt service</b>	-	-	764	(764)	-
<b>Capital outlay</b>	-	-	21,031	(21,344)	313
<b>Total</b>	<u>276,700</u>	<u>276,700</u>	<u>290,407</u>	<u>(21,849)</u>	<u>8,142</u>
<b>Park Maintenance</b>					
<b>Personnel services</b>	343,000	343,000	223,504	(1,875)	121,371
<b>Supplies</b>	78,000	98,000	70,466	670	26,864
<b>Other services and charges</b>	65,100	70,100	63,502	(3,640)	10,238
<b>Debt service</b>	-	-	4,986	(4,986)	-
<b>Capital outlay</b>	145,500	120,500	51,093	-	69,407
<b>Total</b>	<u>\$ 631,600</u>	<u>\$ 631,600</u>	<u>\$ 413,551</u>	<u>\$ (9,831)</u>	<u>\$ 227,880</u>

The accompanying notes to required supplementary information is an integral part of this schedule.

## Schedule 3

**CITY OF BOONEVILLE, MISSISSIPPI**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**

For the fiscal year ended September 30, 2022

	Budgeted Amounts		Actual Amounts		Variance with Final Budget Positive (Negative)
	Original	Final	Actual	Adjustments to Budgetary Basis	
<b>EXPENDITURES - continued</b>					
<b>Other Recreation - Boys &amp; Girls Club Grant</b>					
<b>Tourism</b>					
Personnel services	\$ 95,550	\$ 95,550	\$ 85,827	\$ (833)	\$ 10,556
Supplies	3,000	3,000	1,448	(597)	2,149
Other services and charges	3,000	6,000	4,487	(191)	1,704
Capital outlay	20,000	17,000	6,780	-	10,220
<b>Total</b>	<b>121,550</b>	<b>121,550</b>	<b>98,542</b>	<b>(1,621)</b>	<b>24,629</b>
<b>Information Technology</b>					
Personnel services	-	-	17,934	-	(17,934)
Supplies	-	-	5,687	-	(5,687)
Other services and charges	-	-	767	(407)	(360)
Capital outlay	-	-	4,614	-	(4,614)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>29,002</b>	<b>(407)</b>	<b>(28,595)</b>
<b>Public Education</b>					
<b>Economic Development</b>					
Other services and charges	-	-	46,091	(46,091)	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>46,091</b>	<b>(46,091)</b>	<b>-</b>
<b>Total expenditures</b>	<b>8,220,750</b>	<b>8,220,750</b>	<b>7,280,365</b>	<b>(210,877)</b>	<b>1,151,262</b>
<b>Excess (deficit) of revenues over (under) expenditures</b>	<b>\$ (2,048,700)</b>	<b>\$ (2,048,700)</b>	<b>\$ (1,552,332)</b>	<b>\$ 131,203</b>	<b>\$ 627,571</b>

**CITY OF BOONEVILLE, MISSISSIPPI**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**

**General Fund**

**For the fiscal year ended September 30, 2022**

	Budgeted Amounts		Actual Amounts		Actual on Budgetary Total	Variance with Final Budget Positive (Negative)
	Original	Final	Actual	Adjustments to Budgetary Basis		
<b><u>OTHER FINANCING SOURCES (USES)</u></b>						
Proceeds from leases	\$ -	\$ -	\$ 35,293	\$ (35,293)	\$ -	\$ -
Proceeds from other loans	-	-	40,503	(40,503)	-	-
Non-revenue receipts	-	-	28,408	-	28,408	28,408
Operating transfers in	1,400,000	1,400,000	1,431,239	(31,239)	1,400,000	-
Total other financing sources (uses)	1,400,000	1,400,000	1,535,443	(107,035)	1,428,408	28,408
Excess (deficit) of revenues and other financing sources over (under) expenditures and other uses	(648,700)	(648,700)	(16,889)	24,168	7,279	655,979
Fund balances - beginning of year	4,676,355	4,676,355	4,676,355	-	4,676,355	-
Fund balances - end of year	\$ 4,027,655	\$ 4,027,655	\$ 4,659,466	\$ 24,168	\$ 4,683,634	\$ 655,979

## Schedule 3

**CITY OF BOONEVILLE, MISSISSIPPI**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**ARPA Fund**

**For the fiscal year ended September 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Adjustments to Budgetary Basis</u> <u>Actual on Budgetary Total</u>	
<b><u>REVENUES</u></b>					
Interest income	\$ -	\$ -	\$ 1,835	\$ -	\$ 1,835
Total revenues	-	-	1,835	-	1,835
<b><u>EXPENDITURES</u></b>					
Public Safety - Police					
Capital outlay	397,905	397,905	-	-	397,905
Total	397,905	397,905	-	-	397,905
Total expenditures	397,905	397,905	-	-	397,905
Excess (deficit) of revenues over (under) expenditures	(397,905)	(397,905)	1,835	-	399,740
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Excess (deficit) of revenues and other financing sources over (under) expenditures and other uses	(397,905)	(397,905)	1,835	-	399,740
Fund balances - beginning of year	-	-	-	-	-
Fund balances - end of year	\$ (397,905)	\$ (397,905)	\$ 1,835	\$ -	\$ 399,740

The accompanying notes to required supplementary information is an integral part of this schedule.

**CITY OF BOONEVILLE, MISSISSIPPI**  
**Notes to Required Supplementary Information**  
**For the fiscal year ended September 30, 2022**

**NOTE 1 - PENSION SCHEDULES**

- A.** *Changes in benefit provisions.* Effective July 1, 2016, the interest rate on employee contributions shall be calculated based on the money market rate as published by the Wall Street Journal on December 31 of each preceding year with a minimum rate of one percent and a maximum rate of five percent.
- B.** *Changes in assumptions:* Annual changes to the net pension liability resulting from differences between expected and actual experience with regard to economic and demographic factors and from changes of assumptions about future economic or demographic factors or other inputs are deferred and amortized over the average of the expected remaining service life of active and inactive members. Differences between projected and actual earnings on pension plan investments are amortized over a closed period of 5 years.
- In 2021, the expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments: (1) for males, 95% of male rates up to age 60, 110% for ages 61 to 75, and 101% for ages above 77; (2) for females, 84% of female rates up to age 72, and 100% for ages above 76; and (3) projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
- In 2021, the expectation of disabled mortality was changed to PubG.H-2010 Disabled Table for disabled retirees with the following adjustments: (1) for males, 134% of male rates at all ages; (2) for females, 121% of female rates at all ages; and (3) projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
- In 2021, the expectation of contingent annuitant mortality was based on the PubS.H-2010(B) Contingent Annuitant Table with the following adjustments: (1) for males, 97% of male rates at all ages; (2) for females, 110% of female rates at all ages; and (3) projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
- In 2021, the price inflation assumption was reduced from 2.75% to 2.40%.
- In 2021, the wage inflation assumption was reduced from 3.00% to 2.65%
- In 2021, the investment rate of return assumption was changed from 7.75% to 7.55%.
- In 2021, the assumed load for administrative expenses was increased from 0.25% to 0.28% of payroll.
- In 2021, withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to reflect actual experience more closely.
- In 2021, the percentage of active member disabilities assumed to be in the line of duty was increased from 9% to 12%.
- In 2021, the percentage of active member deaths assumed to be in the line of duty was decreased from 6% to 4%.



**CITY OF BOONEVILLE, MISSISSIPPI**  
**Notes to Required Supplementary Information**  
**For the fiscal year ended September 30, 2022**

**NOTE 1 - PENSION SCHEDULES - CONTINUED**

**B. *Changes in assumptions:*** - *continued*

In 2019, the expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments: (1) for males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119; (2) for females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119; and (3) projection scale MP-2018 will be used to project future improvements in life expectancy generationally.

In 2019, the expectation of disabled mortality was changed to PubT.H-2010 Disabled Retiree Table for disabled retirees with the following adjustments: (1) for males, 137% of male rates at all ages; (2) for females, 115% of female rates at all ages; and (3) projection scale MP-2018 will be used to project future improvements in life expectancy generationally.

In 2019, the price inflation assumption was reduced from 3.00% to 2.75%.

In 2019, the wage inflation assumption was reduced from 3.25% to 3.00%.

In 2019, withdrawal rates, pre-retirement mortality rates, and service retirement rates were also adjusted to reflect actual experience more closely.

In 2019, the percentage of active member disabilities assumed to be in the line of duty was increased from 7% to 9%.

In 2017, (1) the expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Mortality Table projected with Scale BB to 2022. Small adjustments were also made to the Mortality Table for disabled lives; (2) the wage inflation assumption was reduced from 3.75% to 3.25%; (3) withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to reflect actual experience more closely; and (4) the percentage of active member disabilities assumed to be in the line of duty was increased from 6% to 7%.

In 2016, the assumed rate of interest credited to employee contributions was changed from 3.50% to 2.00%.

In 2015, (1) the expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB rather than the RP-2000 Mortality Table, which was used prior to 2015; (2) the expectation of disabled mortality was changed to the RP-2014 Disabled Retiree Table, rather than the RP-2000 Disabled Mortality Table, which was used prior to 2015; (3) withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to reflect actual experience more closely; (4) assumed rates of salary increase were adjusted to reflect actual and anticipated experience more closely; and (5) the price inflation and investment rate of return assumptions were changed from 3.50% to 3.00% and 8.00% to 7.75%, respectively.

**CITY OF BOONEVILLE, MISSISSIPPI**  
**Notes to Required Supplementary Information**  
**For the fiscal year ended September 30, 2022**

**NOTE 1 - PENSION SCHEDULES - CONTINUED**

**C.** *Changes in size or composition of the population covered by the benefit terms.* None were identified during the periods presented in the required supplementary information.

**D.** *Method and assumptions used in calculations of actuarially determined contributions.* The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported (June 30, 2020 valuation for the June 30, 2022 fiscal year end). The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

Actuarial cost method	Entry age
Amortization method	Level percentages of payroll, open
Remaining amortization period	27.7 years
Asset valuation method	5-year smoothed market
Price inflation	2.75 percent
Salary increase	3.00 percent to 18.25 percent, including inflation
Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation

**E.** *Contribution deficiency.* The April 2021 Public Employee Retirement System of Mississippi report was computed using the February 2021 payroll in error. This resulted in an underpayment of the required contributions by \$4,974. The City filed a corrected report during the year ended September 30, 2022 that corrected this error.

**CITY OF BOONEVILLE, MISSISSIPPI**  
**Notes to Required Supplementary Information**  
**For the fiscal year ended September 30, 2022**

**NOTE 2 - BUDGETARY INFORMATION**

- A.** *Budgetary information.* The City is legally subject to the budgetary control requirements of the State of Mississippi. The City follows the following procedures in establishing the budgetary comparison schedule:
- 1 Prior to September 1, the City Clerk submits to the Board of Alderpersons a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year. The State of Mississippi requires at a minimum expenditures be adopted in four categories (personnel services, supplies, other services and charges, and capital outlay).
  - 2 Public hearings are conducted to obtain taxpayer comments.
  - 3 Prior to September 15, the budget is legally enacted through passage of an ordinance.
  - 4 The budget must be balanced. The balanced budget may include a contribution to or appropriation from fund balance.
  - 5 The budget must be amended when necessary.
  - 6 Debt cannot be entered into unless permitted by law.
  - 7 Expenditures, except for capital outlay, cannot exceed budget appropriations.
  - 8 Expenditures cannot be made unless authorized in the budget.
  - 9 Appropriations lapse at the end of each fiscal year.
- B.** *Basis of presentation.* Budgets are adopted on a modified cash basis. Claims that have been incurred prior to the end of the year and that are paid within 30 days are recorded under the accrual basis. Prior year claims that are paid after 30 days revert to the cash basis. All revenue is accounted for under the cash basis. The required budgetary basis is therefore not considered a generally accepted accounting principle. Governmental accounting requires the budgetary comparison schedule be prepared according to budgetary laws, which is the modified cash basis (GAAP).

**CITY OF BOONEVILLE, MISSISSIPPI**  
**Notes to Required Supplementary Information**  
**For the fiscal year ended September 30, 2022**

**NOTE 2 - BUDGETARY INFORMATION - CONTINUED**

C. The following provides details for General Fund adjustments to budgetary basis from actual:

	General Fund	ARPA Fund
<b>Revenues</b>		
Deferred revenues	\$ 59,526	\$ -
Receivables	(135,292)	-
Payables that affected revenue	(3,908)	-
Total	(79,674)	-
<b>Expenditures</b>		
Accounts payable paid after 30 days	(52,959)	-
Prepaid expenses	(8,529)	-
Receivables that affected expenses	(57,582)	-
Vacation accrual paid after 30 days	15,228	-
Fixed assets acquired by leases not chargeable to budget until paid	(35,293)	-
Fixed assets acquired by notes not chargeable to budget until paid	(40,503)	-
Reclassification of -\$38,090 note payment from debt service to capital outlay	-	-
Reclassification of -\$46,091 economic development other services and charges budgeted in general government other services and charges	-	-
Shop expenses budgeted on Gas System Fund included in expense on general fund	(31,239)	-
Total	(210,877)	-
<b>Other Financing Sources (Uses)</b>		
Lease proceeds included in actual but not budget	(35,293)	-
Proceeds from other loans not included in budget	(40,503)	-
Internal Service Fund expenses budgeted on Gas System Fund included in transfers on actual	(31,239)	-
Total	(107,035)	-
<b>Net difference in budgetary basis and actual</b>	<b>\$ 24,168</b>	<b>\$ -</b>

**CITY OF BOONEVILLE, MISSISSIPPI**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheets**  
**September 30, 2022**

ASSETS	2019 Public														Total
	Fire Protection	Grants	Capital Project Fund	Tourism	Drug Abuse Resistance Education	Home Loan Program	Modernization Use Tax	Fire Code	Technology	Rubbish	Debt Service Fund	Nonmajor Governmental Funds			
Cash and cash equivalents	\$ 106,914	\$ 89,909	\$ 654,605	\$ 868,136	\$ 17,833	\$ -	\$ 236,088	\$ 3,085	\$ 35,044	\$ 254,427	\$ -	\$ 2,266,041			
Receivables (net of allowance for uncollectibles)	-	-	-	-	-	-	-	-	-	-	-	-			
Accounts	-	-	-	-	-	-	-	-	-	7,514	-	7,514			
Due from other funds	-	-	-	87,268	380	-	86,225	-	121	7,264	-	181,258			
Due from other governments	-	-	-	89,235	-	-	46,077	-	-	-	-	135,312			
Notes receivable - long-term	-	-	-	-	-	-	-	-	-	-	-	-			
net of allowance for uncollectibles	-	-	-	-	-	-	-	-	-	-	-	-			
see Note E	-	-	-	-	-	-	-	-	-	-	-	-			
Total assets and other debits	\$ 106,914	\$ 89,909	\$ 654,605	\$ 1,044,639	\$ 18,213	\$ -	\$ 368,390	\$ 3,085	\$ 35,165	\$ 269,205	\$ -	\$ 2,590,125			
LIABILITIES															
Accounts payable - operations	\$ -	\$ -	\$ -	\$ 5,853	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,853			
Due to other funds	-	2,600	-	4,974	-	-	-	-	-	-	-	7,574			
Matured interest payable	-	-	-	-	-	-	-	-	-	-	568	568			
Matured revenue bonds payable	-	-	-	-	-	-	-	-	-	-	4,000	4,000			
Total liabilities	-	2,600	-	10,827	-	-	-	-	-	-	4,568	17,995			
DEFERRED INFLOWS OF RESOURCES															
Unavailable revenue	-	-	-	-	-	-	46,078	-	-	-	-	46,078			
Total deferred inflows of resources	-	-	-	-	-	-	46,078	-	-	-	-	46,078			
FUND BALANCES															
Restricted	106,914	-	1,075,204	1,033,812	18,213	-	322,312	3,085	35,165	269,205	-	2,863,910			
Committed	-	87,309	(420,599)	-	-	-	-	-	-	-	-	(333,290)			
Unassigned	-	-	-	-	-	-	-	-	-	-	(4,568)	(4,568)			
Total fund balance	106,914	87,309	654,605	1,033,812	18,213	-	322,312	3,085	35,165	269,205	(4,568)	2,526,052			
Total liabilities and fund balances	\$ 106,914	\$ 89,909	\$ 654,605	\$ 1,044,639	\$ 18,213	\$ -	\$ 368,390	\$ 3,085	\$ 35,165	\$ 269,205	\$ -	\$ 2,590,125			

**CITY OF BOONEVILLE, MISSISSIPPI**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the fiscal year ended September 30, 2022**

	Fire Protection	Grants	2019 Public Improvement Capital Project Fund	Tourism	Drug Abuse Resistance Education	Home Loan Program	Modernization Use Tax	Fire Code	Technology	Rubbish	Debt Service Fund	Total Nonmajor Governmental Funds
<b>REVENUES</b>												
Municipal sales tax	\$ -	\$ -	\$ -	\$ 519,006	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 519,006
Municipal court fines and bond fees	-	-	-	-	5,895	-	-	-	1,931	-	-	7,826
Intergovernmental revenues	57,437	-	-	-	-	-	183,635	3,048	-	-	-	244,120
Interest income	148	730	4,574	3,684	68	-	1,129	11	167	992	-	11,503
Charge for services	-	-	-	-	-	-	-	-	-	68,301	-	68,301
Donations	1,369	-	-	-	-	-	-	-	-	-	-	1,369
Total revenues	58,954	730	4,574	522,690	5,963	-	184,764	3,059	2,098	69,293	-	852,125
<b>EXPENDITURES</b>												
<b>Current</b>												
General government	-	-	(462)	-	-	-	-	-	-	-	-	(462)
Public safety	-	-	-	-	500	-	-	1,460	-	-	-	1,960
Public works	-	-	(1)	-	-	-	-	-	-	-	-	(1)
Tourism	-	-	-	194,230	-	-	-	-	-	-	-	194,230
Culture and recreation	-	2,600	-	-	-	-	-	-	-	-	-	2,600
Capital outlay	-	-	425,636	75,000	-	-	138,061	-	-	-	-	638,697
<b>Debt Service</b>												
Principal retirement - general obligation	31,717	-	-	-	-	-	-	-	-	-	-	31,717
Interest and paying agent	11,432	-	-	-	-	-	-	-	-	-	-	11,432
Total expenditures	43,149	2,600	425,173	269,230	500	-	138,061	1,460	-	-	-	880,173
Excess (deficit) of revenues over (under) expenditures	\$ 15,805	\$ (1,870)	\$ (420,599)	\$ 253,460	\$ 5,463	\$ -	\$ 46,703	\$ 1,599	\$ 2,098	\$ 69,293	\$ -	\$ (28,048)

**CITY OF BOONEVILLE, MISSISSIPPI**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the fiscal year ended September 30, 2022**

	Fire Protection	Grants	2019 Public Improvement Capital Project Fund	Tourism	Drug Abuse Resistance Education	Home Loan Program	Modernization Use Tax	Fire Code	Technology	Rubbish	Debt Service Fund	Total Nonmajor Governmental Funds
\$ 15,805	\$	(1,870)	\$ (420,599)	\$ 253,460	\$ 5,463	\$ -	\$ 46,703	\$ 1,599	\$ 2,098	\$ 69,293	\$ -	\$ (28,048)
91,109		89,179	1,075,204	780,352	12,750	-	275,609	1,486	33,067	199,912	(4,568)	2,554,100
\$ 106,914	\$	87,309	\$ 654,605	\$ 1,033,812	\$ 18,213	\$ -	\$ 322,312	\$ 3,085	\$ 35,165	\$ 269,205	\$ (4,568)	\$ 2,526,052

**OTHER FINANCING SOURCES (USES)**

Excess (deficit) of revenues and  
other sources over (under)  
expenditures and other uses

Fund balance - beginning of year

Fund balance - end of year

**CITY OF BOONEVILLE, MISSISSIPPI**  
**Schedule of Surety Bonds for Municipal Officials and Employees**  
**September 30, 2022**

<b>Name</b>	<b>Position</b>	<b>Amount</b>	<b>Insurance Company</b>	<b>Expiration Date</b>
Chris Lindley	Mayor	\$ 100,000	St Paul	7/3/2023
Lavaile Shields	Aldersperson	100,000	St Paul	7/3/2023
Tara Lauderdale	Aldersperson	100,000	St Paul	7/3/2023
Jimmy Hicks	Aldersperson	100,000	St Paul	7/3/2023
Carolyn Miller	Aldersperson	100,000	St Paul	7/3/2023
Jeff Williams	Aldersperson	100,000	St Paul	7/3/2023
Sharon Williams	City Clerk	100,000	Brierfield Ins. Co.	2/2/2023
Courtney Moore	Accounts Payable Clerk	50,000	Brierfield Ins. Co.	3/10/2023
Amber Davs	Deputy City Clerk	50,000	Brierfield Ins. Co.	3/10/2023
Katherine Wardlow	Mayor's Secretary	50,000	Brierfield Ins. Co.	3/10/2023
Michael Ramey	Police Chief	100,000	Travelers Casualty	7/5/2023
Curtis Featherstone	Department Head	50,000	Brierfield Ins. Co.	3/10/2023
John Hill	Department Head	50,000	Brierfield Ins. Co.	3/10/2023
Candrice Williams	Deputy Court Clerk	50,000	Travelers Casualty	2/2/2023
Kelsy Gillentine	Deputy Court Clerk	50,000	Travelers Casualty	2/2/2023
Lisa Stennett	Administrative Assistant	50,000	Brierfield Ins. Co.	3/10/2023
Tim Holloway	Park Maintenance Director	50,000	Brierfield Ins. Co.	3/10/2023
Jerome Jones	Dispatch	50,000	Brierfield Ins. Co.	3/10/2023
Lacey Hill	Gas and Water Clerk	50,000	Brierfield Ins. Co.	3/10/2023
Kimberly Godwin	Gas and Water Clerk	50,000	Travelers Casualty	8/5/2023
Michael Cain	Customer Service	50,000	Brierfield Ins. Co.	3/10/2023
Charles Sanders	Building Inspector	50,000	Brierfield Ins. Co.	3/10/2023
Gary Coats	Assistant Building Inspector	50,000	Travelers Casualty	3/19/2023
Jacquelin Rowan	Gas and Water Clerk	50,000	Brierfield Ins. Co.	3/10/2023
Hannah Gibbs	Gas and Water Clerk	50,000	Brierfield Ins. Co.	3/10/2023
Lori Tucker	Tourism Department Head	50,000	Brierfield Ins. Co.	3/10/2023
Christy Horn	Gas and Water Clerk	50,000	Travelers Casualty	12/20/2022
Merideth Starkey	Clerk	50,000	Travelers Casualty	8/22/2023
Lindsey Hodges	Tax Clerk	50,000	Travelers Casualty	2/21/2023
Angela Armstrong	Court Clerk	50,000	Brierfield Ins. Co.	3/10/2023
Sarah Caveness	Gas and Water Clerk	50,000	Brierfield Ins. Co.	3/10/2023
Amy Ellis	Gas and Water Clerk	50,000	Travelers Casualty	1/9/2023
Hannah Featherston	Gas and Water Clerk	50,000	Travelers Casualty	11/2/2022



**JONES & JONES**  
CERTIFIED PUBLIC ACCOUNTANTS  
OF BOONEVILLE, P.A.

*Kermit V. Jones Jr., C.P.A. Christopher D. Jones, C.P.A. Jeremy D. Jones, C.P.A. David W. Jones, C.P.A.*

**INDEPENDENT AUDITOR'S 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**

To the Mayor and Board of Alderpersons  
City of Booneville, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Booneville, Mississippi, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Booneville, Mississippi's basic financial statements and have issued our report thereon dated October 31, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Booneville, Mississippi's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Booneville, Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Booneville, Mississippi's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2022-001, 2022-002, 2022-003, 2022-004, 2022-005, 2022-006, and 2022-007 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2022-008, 2022-009, 2022-010, and 2022-011 to be significant deficiencies.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Booneville, Mississippi's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2022-012, 2022-013, 2022-014 and 2022-015.

We noted certain other matters that we reported to management of City of Booneville, Mississippi, in a separate letter dated October 31, 2023.

### **City of Booneville, Mississippi's Response to Findings**

Government Auditing Standards requires the auditor to perform limited procedures on the City of Booneville, Mississippi's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. City of Booneville, Mississippi's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sincerely yours;



JONES & JONES  
Certified Public Accountants  
of Booneville, PA  
Booneville, Mississippi

October 31, 2023

**JONES & JONES**  
*CERTIFIED PUBLIC ACCOUNTANTS  
OF BOONEVILLE, P.A.*

*Kermit V. Jones Jr., C.P.A. Christopher D. Jones, C.P.A. Jeremy D. Jones, C.P.A. David W. Jones, C.P.A.*

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

Honorable Mayor and Board of Alderpersons  
City of Booneville, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Booneville, Mississippi, as of and for the year ended September 30, 2022, which collectively comprise the City of Booneville, Mississippi's basic financial statements and have issued our report thereon dated October 31, 2023.

**Report on Compliance**

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 financial statements disclosed material instances of noncompliance with state laws and regulations and which is described in the accompanying schedule of findings and responses as items 2022-012, 2022-013, 2022-014, and 2022-015.

The instances of noncompliance of the prior year have been corrected by management as discussed in the accompanying schedule of results of prior year findings or otherwise included in the above noted findings and responses.

**City of Booneville, Mississippi's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City of Booneville, Mississippi's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. City of Booneville, Mississippi's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

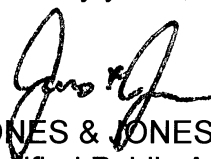
## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of compliance with state laws and regulations, and not to express an opinion on the entity's compliance.

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 for the information of the City's management, Board of Alderpersons, 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. However, this report is a matter of public record and its distribution is not limited.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Jones & Jones", is written over the printed name.

JONES & JONES  
Certified Public Accountants  
of Booneville, P.A.  
Booneville, Mississippi

October 31, 2023

**CITY OF BOONEVILLE, MISSISSIPPI**  
**Schedule of Findings and Responses**  
**For the fiscal year ended September 30, 2022**

**FINDINGS RELATED TO THE FINANCIAL STATEMENT**

**MATERIAL WEAKNESSES**

2022-001. Segregation of Duties

Condition: The City does not have an adequate segregation of duties among accounting functions.

Criteria: Internal controls should be in place to require a segregation of duties among accounting functions.

Effect: The City has two bookkeepers who maintain general ledgers, collect cash, write and/or sign checks. The City has one tax collector who collects taxes, records receipts and makes deposits. The City has two court clerks who handle court fine billings, receivables, and collections. This lack of segregation of duties could result in misappropriation of funds that would not be timely discovered.

Cause: The City does not have enough personnel to have an adequate segregation of duties.

Recommendation: The City should have a segregation of duties among accounting functions; however, we recognize the expense of acquiring the additional employees might be prohibitive. The Mayor and Board of Alderpersons should periodically review accounting functions to compensate for a lack of segregation of duties.

Response: We concur with the recommendation.

2022-002. Property Tax Collections Overpaid to School District

Condition: Excess property taxes were transferred to the Booneville Separate School District.

Criteria: Controls should be in place to transfer only the schools portion of tax monthly.

Effect: The City no longer collects taxes to be remitted to the school. These taxes are now being collected by Prentiss County. When all funds had been settled out of the tax collector account, the City transferred \$91,010 to the Booneville Separate School District when it should have been \$2,969. The City had estimated that there was a 90% vs 10% balance due and got the proportions reversed. The City also did not charge a 5% collection fee on the \$91,010 paid to the school. The City has requested a refund from the school for the overpayment of \$88,041.

**CITY OF BOONEVILLE, MISSISSIPPI**  
**Schedule of Findings and Responses**  
**For the fiscal year ended September 30, 2022**

**FINDINGS RELATED TO THE FINANCIAL STATEMENT - CONTINUED**

**MATERIAL WEAKNESSES – CONTINUED**

2022-002. Property Tax Collections Overpaid to School District - continued

Cause: The City had not transferred all general fund taxes collected to the general fund. Funds were transferred based on an estimate instead of actual records.

Recommendation: The City should request a refund from the Booneville Separate School District for the overpaid taxes.

Response: We have been instructed by the School District to have Prentiss County make this correction.

2022-003. Outsourcing Financial Statements and Related Notes, and Supplementary Information Preparation

Condition: Management outsources financial statements and related notes, and supplementary information preparation.

Criteria: Part of effective internal control over financial reporting is the ability to adequately produce financial statements in accordance with generally accepted accounting principles.

Effect: The City must incur the expense of outsourcing the preparation of the financial statements and related notes, and supplementary information.

Cause: As is normal for governments of this type and size, the City's staff and management do not have the required technical expertise to meet the above criteria.

Recommendation: Due to the size of the City and the cost of hiring additional staff, no change is recommended.

Response: We agree with the finding, but feel the City is best served by continuing to outsource the preparation of the financial statements and related notes, and supplementary information. This is less costly than hiring additional staff to perform these tasks.

**CITY OF BOONEVILLE, MISSISSIPPI**  
**Schedule of Findings and Responses**  
**For the fiscal year ended September 30, 2022**

**FINDINGS RELATED TO THE FINANCIAL STATEMENT - CONTINUED**

**MATERIAL WEAKNESSES – CONTINUED**

2022-004. Police Fine Collection Efforts

Condition: The delinquent police fine receivables are increasing.

Criteria: Effective internal controls include establishing procedures to have someone review delinquent police fines monthly and perform the necessary procedures to collect delinquent police fines.

Effect: The police fine receivables increased by \$240,010 during the year ended September 30, 2022.

Cause: The City did not have anyone reviewing the police fine receivables or instructing someone to enforce the collection of police fines.

Recommendation: The City should designate a person to be responsible for reviewing delinquent police fines and getting the correct court order to enforce collection.

Response: We have consulted with our attorney and we will install procedures to increase collection efforts.

2022-005. Material Reclassification of General Ledger Entries Were Required

Condition: The general ledgers required material adjustments before the financial statement could be prepared.

Criteria: Internal controls should be in place and functioning that provide for revenue and expenses to be coded to the proper category.

Effect: The general ledger required material adjustments to correct income and expense posting errors.

Cause: The City had a new bookkeeper who did not realize that transactions were being recorded incorrectly until she was informed after the September 30, 2022 audit.

Recommendation: We recommend the City implement controls to review postings to the general ledger for accurate recording of revenues and expenses.

Response: We feel that there will be significant improvement in the financial records for the year ending September 30, 2023.

**CITY OF BOONEVILLE, MISSISSIPPI**  
**Schedule of Findings and Responses**  
**For the fiscal year ended September 30, 2022**

**FINDINGS RELATED TO THE FINANCIAL STATEMENT - CONTINUED**

**MATERIAL WEAKNESSES – CONTINUED**

2022-006. Utility Department Collections

Condition: The City was depositing meter deposit collections into the accounts payable bank account instead of the utility department collection bank account.

Criteria: Controls should be in place to deposit funds collected to the correct bank account.

Effect: All meter deposit confiscations were deposited into the accounts payable account making the utility department bank account deposits appear short.

Cause: The City did not realize that the check generated to the City as part of the meter deposit refunds were City utility collections.

Recommendation: The City should install controls to compare the checks disbursed from the utility department collection bank accounts to the balance in the utility department collection bank account and investigate when differences occur. The meter deposit confiscations should be deposited into the utility department collection fund.

Response: We are now depositing the meter deposits confiscated into the correct bank account.

2022-007. Home Loan Notes Receivable

Condition: The City has not obtained documentation from its Home Loan recipients to determine that loan repayments have been made in compliance with the contract.

Criteria: The loan agreements require monthly payments of one half of cash flow generated by the rental projects financed by the loan agreement. Controls should be in place to require the Home Loan recipient to provide monthly financial statements to determine if loan payments are required.

Effect: The City has not received any loan payments on the outstanding Home Loans made.

Cause: The City requested documents to determine if the required payments are being made, but were not provided the monthly financial statements.

Recommendation: We recommend the City obtain monthly financial statements including cash flow analysis from the two Home Loan recipients monthly. If such financial statements are not provided by the loan recipients, the City should consult its attorney for methods to obtain these documents.



**CITY OF BOONEVILLE, MISSISSIPPI**  
**Schedule of Findings and Responses**  
**For the fiscal year ended September 30, 2022**

**FINDINGS RELATED TO THE FINANCIAL STATEMENT - CONTINUED**

**MATERIAL WEAKNESSES – CONTINUED**

2022-007. Home Loan Notes Receivable- continued

Response: We requested monthly financial statements from our two Home Loan recipients, but neither has provided us with monthly or annual financial statements.

**SIGNIFICANT DEFICIENCIES**

2022-008. Unaccounted for Natural Gas

Condition: Unaccounted for natural gas per City records was 10.64%.

Criteria: Internal controls should be in place and functioning to monitor and investigate the differences between natural gas sold and natural gas purchased for sale.

Effect: The City records reflected sales of 371,450 MCF compared to 415,689 MCF purchased. The lost MCF of 44,239 amounted to 10.64%.

Cause: The cause is unknown.

Recommendation: We recommend the City test meters to determine they are programmed correctly. We recommend the City use the reports generated by their billing software to determine zero use meters and significant variation from normal usage reports to discover broken meters and replace them immediately. If it is determined that there were reading errors in the amounts charged customers, the City should determine the correct amount due and bill customers for the error.

Response: We have reprogrammed several meters and we are replacing broken meters.

2022-009. Utility Department Billings Rates Were Not Updated When Rates Changed

Condition: In our computation of five gas and water and sewer bills for the May 31, 2022 billing, we noted two of the five had incorrect sewer billing rates and two of the five had incorrect gas billing rates. Management contacted their software provider and determined these users were labeled as seasonal billing for gas and the seasonal billing gas rate was not adjusted when the other rates were adjusted. The users that had a sewer error were users that did not receive City water and their rates were not adjusted when the sewer rate changed. The City sells natural gas to be used in vehicles. The City did not increase its selling price during the year while natural gas prices increased significantly.

Criteria: Internal controls should be in place and functioning to print out and recheck all utility rates when rates are changed.

**CITY OF BOONEVILLE, MISSISSIPPI**  
**Schedule of Findings and Responses**  
**For the fiscal year ended September 30, 2022**

**FINDINGS RELATED TO THE FINANCIAL STATEMENT - CONTINUED**

**SIGNIFICANT DEFICIENCIES**

2022-009. Utility Department Billings Rates Were Not Updated When Rates Changed – continued

Effect: There were certain utility rates not updated to the correct billing rates for gas and sewer.

Cause: Management was not aware of the various rate categories.

Recommendation: We recommend the City require billing rates be printed out monthly and compare all rates entered to the correct billing rates.

Response: We are printing this report and we are comparing the categories for billing rates to the approved billing rates.

2022-010. Tourism Fund

Condition: In our test of 102 of 102 tourism fund expenditures totaling \$259,531, we noted the following:

1. The City incurred tourism fund expenditures prior to getting Board of Alderperson's authorization for 24 invoices totaling \$11,980.
2. The City paid sales tax of \$242 on 2 invoices.
3. The City self-made 11 invoices totaling \$4,500. The City was able to obtain duplicate invoices on all but \$500.
4. The Park commission never approved an invoice for \$35,000 to NEMCC; however, this was approved by City Board.

Criteria: Internal controls should be in place and functioning to 1) obtain the approval of both boards prior to expending tourism funds; 2) not pay sales tax on City purchases; 3) obtain original invoices from suppliers; and 4) get both board's approval on tourism fund expenditures.

Effect: All expenditures were for allowable items; however, the City did not maintain proper documentation of all tourism fund expenditures.

Cause: The City had new personnel that had not been fully trained.

Recommendation: We recommend the City install controls to prevent the above from occurring.

Response: We have met with this department head and have explained the controls that are required to administer the tourism fund expenditures.

**CITY OF BOONEVILLE, MISSISSIPPI**  
**Schedule of Findings and Responses**  
**For the fiscal year ended September 30, 2022**

**FINDINGS RELATED TO THE FINANCIAL STATEMENT - CONTINUED**

**SIGNIFICANT DEFICIENCIES**

2022-011. Violation of Laws and Regulations

Condition: As discussed in finding numbers 2022-012, 2022-013, 2022-014, and 2022-015 there were violations of State of Mississippi laws and regulations.

Criteria: Controls should be in effect and functioning to detect and prevent violations of State of Mississippi laws and regulations.

Effect: The City did not comply with budget laws and regulations, and purchase laws. See additional information in finding numbers 2022-012, 2022-013, 2022-014, and 2022-015.

Cause: See cause in finding numbers 2022-012, 2022-013, 2022-014, and 2022-015.

Recommendation: See recommendation in finding numbers 2022-012, 2022-013, 2022-014, and 2022-015. Controls should be in place to prevent noncompliance.

Response: We will install procedures to prevent noncompliance.

**COMPLIANCE AND OTHER MATTERS AND COMPLIANCE WITH STATE LAWS AND REGULATIONS**

2022-012. Budget

Condition: Expenditures exceeded the budget in various categories.

Criteria: Section 21-35-185, Miss. Code Ann (1972) states expenditures shall not exceed budget estimates, measured at the lowest level adopted in the budget, except for capital outlay, election expenses, and payment of emergency warrants. Sections 21-35-5 and 21-35-9, Miss. Code Ann. (1972) provide for Special Revenue Funds.

Effect: The City's expenditures exceeded its budget estimates in the following categories:

General Fund – general government – personnel services	\$ 23,489
General Fund – street – other services and charges	21,850
General Fund – park operations – other services and charges	6,450
General Fund – information technology – personnel services	17,934
General Fund – information technologies – supplies	5,687
General Fund – information technologies – other services and charges	360
Fire Code Fund – supplies	962
Dare Fund – other services and charges	500
Gas System Fund – supplies	14,066
Gas System Fund – other services and charges	2,444,517
Water and Sewer System – supplies	290,164

**CITY OF BOONEVILLE, MISSISSIPPI**  
**Schedule of Findings and Responses**  
**For the fiscal year ended September 30, 2022**

**COMPLIANCE AND OTHER MATTERS AND COMPLIANCE WITH STATE LAWS AND REGULATIONS – CONTINUED**

2022-012. Budget - continued

Effect: - continued

Waste Collection Fund – other services and charges \$23,703

Cause: The general ledger is maintained on the cash receipts and disbursements basis for comparison to budgets. Expenditures for September that are paid within 30 days of year end are chargeable to the budget and have to be estimated. No amendments were made at year end.

Recommendation: We recommend the City continue reviewing the budget vs actual comparison and amend the budget as circumstances require.

Response: We concur, and will continue our due diligence in our budget amendment process.

2022-13. Spade Grant Money Not Timely Expended or Refunded

Condition: The City received a \$3,000 spade grant during the year ended September 30, 2022 that was never expended or refunded to the granting agency.

Criteria: The grant agreement has a period of availability that requires the funds to be spent within that time frame.

Effect: The period of availability has expired and the grant funds have not been spent. The \$3,000 spade grant funds have not been returned to the granting agency.

Cause: The program was never implemented and was forgotten about.

Recommendation: We recommend the spade grant funds received be returned to the granting agency.

Response: We will contact the granting agency and see if we can get an extension to spend funds or we will refund the \$3,000 spade grant funds to the granting agency.

2022-14. Personal Travel Expenses Were not Reimbursed to City

Condition: A City employee went to a seminar on Friday when the seminar did not start until Monday morning.

Criteria: The Mississippi constitution prohibits donations not approved by another law.

Effect: The City paid unallowable travel expense totaling \$806.

**CITY OF BOONEVILLE, MISSISSIPPI**  
**Schedule of Findings and Responses**  
**For the fiscal year ended September 30, 2022**

**COMPLIANCE AND OTHER MATTERS AND COMPLIANCE WITH STATE LAWS AND REGULATIONS – CONTINUED**

2022-14. Personal Travel Expenses Were not Reimbursed to City - continued

Cause: The City employee did not refund the City the personal travel paid by the City. City personnel did not bill the employee for personal travel.

Recommendation: We recommend the City obtain a refund of \$806 immediately. We recommend the City only get reservations and pay for only authorized travel days.

Response: We obtained a \$806 refund from the employee in June 2023.

2022-15. Donation of City Property Made to an Ineligible Recipient.

Condition: The City donated a surplus fire truck to a nonprofit organization that did not service City fires.

Criteria: The Mississippi constitution prohibits donations not approved by another law.

Effect: The City made a donation of a fire truck to an unauthorized entity.

Cause: The City thought they could make a donation to a volunteer fire department.

Recommendation: The City should have the fire truck returned to them. State law will allow the City to make a donation to Prentiss County, Mississippi and Prentiss County, Mississippi could place the truck at the volunteer fire department since it provides fire service to Prentiss County, Mississippi.

Response: We have contacted Prentiss County, Mississippi and will be making the donation to Prentiss County, Mississippi.

**CITY OF BOONEVILLE, MISSISSIPPI**  
**Results of Prior Year Findings**  
**For the fiscal year ended September 30, 2022**

Financial Statement Findings

<b>Finding Number</b>	<b>Finding Title</b>	<b>Status</b>
2021-001	Segregation of Duties (original finding 2011-001).	Repeated - see current year finding 2022-001.
2021-002	Property Tax Collection (original finding 2011-002).	Repeated - see current year finding 2022-002.
2021-003	Outsourcing Financial Statements and Related Notes, and Supplementary Information Preparation (original finding 2011-003).	Repeated - see current year finding 2022-003.
2021-004	Police Fine Collection Efforts (original finding 2012-005).	Repeated - see current year finding 2022-004.
2021-005	Material Reclassification of General Ledger Entries Were Required (Original finding 2020-005)	Repeated - see current year finding 2022-005.
2021-006	Utility Department Collections (original findings 2021-006)	Repeated - see current year finding 2022-006.
2021-007	Home Loan Notes Receivable (original finding 2011-006).	Repeated - see current year finding 2022-007.
2021-008	Unaccounted for Natural Gas	Repeated - see current year finding 2022-008.
2021-009	Violation of Laws and Regulations (original finding 2011-004).	Repeated - see current year finding 2022-011.
2021-010	Budget (original finding 2011-012).	Repeated - see current year finding 2022-012.
2021-011	Purchasing Laws not Followed	Corrected
2021-012	School Tax Collection Fee not Withheld. (original finding 2021-012)	Corrected
2021-013	Deficit Budget was Adopted (original finding 2021-013)	Corrected
2021-014	Ad Valorem Tax Exemption not Properly Completed. (original finding 2021-014)	Corrected

Federal Award Findings and Questioned Costs

<b>Finding Number</b>	<b>Finding Title</b>	<b>Status</b>
	There were no prior year federal award findings and questioned costs.	